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City illustrates new report on unions' impact

By Jessica A. York/

Posted: 10/05/2009 01:01:00 AM PDT A Washington, D.C.-based think tank that says unions and government are a bad mix has Vallejo's bankruptcy at the heart of its new study.

The Cato Institute report, "Vallejo Con Dios: Why Public Sector Unionism is a Bad Deal for Taxpayers and Representative Government" (www.cato.org) asserts government agencies are in a "financial straight-jacket" in today's economic climate, due to generous employee contracts.

"Unlike private-sector unions, public-sector unions are not fettered by the need to keep their employer from going out of business," the report states.

The report, by Don Bellante, David Denholm and Ivan Osorio, goes on to say that federal Bureau of Labor Statistics show an increasing trend toward organized union membership in government, along with rising labor costs. It cites Vallejo's May 2008 Chapter 9 bankruptcy filing as an extreme example of out-of-control labor costs.

According to the California Labor Federation's Web site, www.ca-laborfed.org, "a wider range of people than ever before, including many women and immigrants, is joining unions."

"Union members have higher wages, greater job stability, retirement security, and access to quality healthcare for their families," the site continues. "It is no wonder that 57 million Americans who are not union members say they want to be part of one." In 2008, Labor Bureau statistics show 36.8 percent of government workers were unionized, compared to 7.6 percent of the private sector, according to the report.

In a national March phone survey by the independent polling firm Rasmussen Reports, 56 percent of 1,000 people polled who do not belong to a union said they did not want to be part of one.

University of California Berkeley Center for Labor Research Chairman Ken Jacobs disagreed, saying "The research is pretty strong: Generally, if they're not in unions, they want to be in unions."

Jacobs said he based his view on a variety of surveys from various sources over the years.

Jacobs agreed that unionism has declined since the 1950s, but he said it was less a matter of personal choice and more a result of a hostile union climate by management workers.

Some impediments to union formation in the private sector, Jacobs said, include: a decline in the manufacturing industry, which is a traditionally union-heavy vocation, legal decisions making unionization efforts more difficult, the rise of a consulting industry that works with management to "thwart union formation," and weak penalties on firing workers attempting to unionize.

"What you have right now is a very uneven playing field," he said.

In the Vallejo study, the authors argue that public unions are more costly in government than private business because business management is accountable to stockholders, compared to the often less politically active average citizens.

"...Politically, public-sector unions constitute a

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permanent activist constituency that works to expand the size and scope of government," the report authors wrote. "And bosses beholden to their employees are not likely to be accountable to the taxpayers."

Jacobs disagreed. "The idea that unions control or have much greater power is not borne out," he said. "The contributions that unions make to politics is a fraction of what's made by business. It's not to say that it's not influential, ... but it pales in comparison."

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