POST: No holiday for labor unions
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Labor Day this year comes draped in mourning. More than half of all workers have experienced a spell of unemployment, taken a cut in pay or hours, been forced to go part-time or seen other such problems during and after the Great Recession. Collapsing stock and house prices have destroyed a fifth of the wealth of the average household. Nearly six in ten Americans have canceled or cut back on holidays. Amidst all this, workers increasingly don't even have labor unions as a potential answer to their insecurities -- despite the fact that, of all the institutions in America, they more often than not got it right on the big issues facing the country, generally in the face of a bipartisan political and elite consensus.

Unions are in trouble. They represent less than 13 percent of the workforce and less than 8 percent of private workers. Union workers still receive higher wages and are more likely to have employer-provided health insurance, pensions and paid sick leave than non-union workers. But when unions represented over 33 percent of all private workers in the 1940s, they drove wage increases for everyone -- non-union firms had to compete for good workers. Now, unions struggle just to defend their members' wages and benefits. Over the past decade before the Great Recession, productivity soared, profits rose and CEO pay skyrocketed, but most workers lost ground.

Unions face constant attacks from corporations and conservatives. The most recent campaign -- designed as always to divide workers from one another -- assails the pay and particularly the pensions of public employees. Why should they have pensions, when many workers have lost theirs and get, at best, a retirement savings plan at work? In fact, in a civilized society, we would ask the reverse question. How do we create pensions -- beyond Social Security -- for workers across the economy, leveling up, rather than down?

Indeed, if we had listened to unions more often in the past, America wouldn't be in the predicament it's in now. For years, labor warned about the dangers of growing trade deficits, the folly of letting Japan and China and others play by a different set of rules. But a bipartisan consensus forged by Wall Street and embraced by both Presidents Bush and President Clinton championed corporate-defined free-trade accords.

The results are calamitous. U.S. trade losses totaled $5.8 trillion over the past decade alone. The U.S. manufacturing sector lost nearly one in three jobs. Federal Reserve Chairman Ben Bernanke notes that the global trade imbalances helped create the bubble and bust that drove the global economy off the cliff. Now growing imbalances impede recovery from the Great Recession. Last quarter's disappointing 1.6 percent growth would have been a robust 5 percent except for the increase in the trade deficit. Now even Intel's Andy Grove and GE's Jeff Immelt agree that we've been feckless in shipping manufacturing jobs and production capacities abroad.

On corporate governance, a bipartisan consensus preached the cult of the CEO, championing "linking pay to performance" with stock options. Labor unions were scorned as impediments to "flexible labor markets." Union leaders argued strongly that corporations should be responsible to more than the next quarter's financial statement. They pushed unsuccessfully for stakeholders, including labor and the community, to have a greater say on corporate practices. The result: CEOs launched a crime wave. Enron, WorldCom, Global Crossing, Adelphi. Hundreds of corporations "restated" earnings reports once the CEOs were made personally responsible. Dozens of executives were caught backdating stock options. Big banks made bigger and bigger bets, with taxpayers covering the losses. Executives were given multimillion-dollar personal incentives to cook the books; it isn't surprising so many found creative ways to do so.

On government regulation, labor fought a pitched battle against privatization and deregulation that Reagan conservatives and New Democrats made fashionable. Now in one area after another, privatization has been revealed as a source of waste, fraud and abuse -- from Halliburton to Blackwater. Deregulation contributed directly to the corporate and financial debauch that brought the economy down, with the human costs apparent from the Gulf of Mexico to Appalachia to the eggs we eat.

Last Saturday in Washington, Glenn Beck tried to lay claim to the civil rights movement. That same day in Detroit, we saw the real thing: The UAW, SEIU and AFSCME joining with the Rainbow PUSH Coalition, the NAACP, the Urban League, ministers and civil rights activists to march for jobs and justice. Union support was vital to the Rev. Martin Luther King's march on Washington 47 years ago. And union support is vital to civil rights movements -- from immigration reform to equal pay for women to the fight for jobs -- today.

For all of their flaws, unions give voice to workers, and not just their members. Their "small d" democratic strength is a vital counter to the special-interest big money that has so distorted our politics. And their revival is central to building a new foundation for this economy, one that will ensure that it works once more for working people.

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