

WSJ: Public Employee Unions: Public Enemy No. 1?

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It's a good bet that this year is going to be a tough one for public employee unions and their members, from tiny towns to the federal bureaucracy.

Though they might not become public enemy No. 1, public workers are going to feel voters' anger in their paychecks — and many will lose their jobs. They're also likely to come under attack politically to an unprecedented degree.

“Across the country we are seeing conservative governors and legislators make it a priority to stamp out workers' rights and eliminate unions,” said Alison Omens, national media director for the AFL-CIO.

The general tenor of the anti-union rhetoric is that labor contracts are a drag on federal, state and local treasuries — and taxpayers are getting the short end of the stick.

Critics focus on massive unfunded pension liabilities in many states, which reportedly could total in the trillions of dollars.

“We have a new privileged class in America,” Indiana Gov. Mitch Daniels told Politico. “We used to think of government workers as underpaid public servants. Now they are better paid than the people who pay their salaries.”

Both Parties Plan Cuts

“It's a part of a very large question the nation's got to face. Who serves whom here? Is the public sector—as some of us have always thought—there to serve the rest of society? Or is it the other way around?”

The criticism and cutting won't come just from Republicans, who often butt heads with organized labor over a variety of matters, although the most heated confrontations will certainly be between GOP governors and their employees.

Many Democrats, too, who historically have counted organized labor as part of their political base, will be leading the charge against the unions, too, in some states.

And President Barack Obama, seeking to get ahead of the issue by proposing a two-year pay freeze on civilian federal workers, is now calling for a five-year freeze on nondefense

discretionary spending. The Republicans also want a 15% reduction in the federal work force through attrition.

And there are reports that some in D.C. are discussing possible ways to let states declare bankruptcy to give them a way out from under their pension obligations.

The issue came to the fore this past summer when USA TODAY reported its study had found that “at a time when the pay and benefits of non-government workers have stagnated, federal employees’ average compensation has grown to more than double what private sector workers earn.”

Larger Pay Increases

The newspaper reported that for nine consecutive years federal workers received larger average pay and benefit increases than their private-sector counterparts. Although public employee unions challenged the USA TODAY numbers, the perception that federal workers are overpaid has become conventional wisdom.

The report did not cover state government workers, but the more than \$100 billion in projected budget deficits in state capitols has made state workers’ jobs prime budget-cutting candidates. Virtually all of the newly elected governors talked of the need to trim payrolls and/or freeze salaries.

And the safest bet is that the various 2012 Republican presidential contenders will make public workers’ pay and benefits a major issue on the campaign trail.

Tim Pawlenty, former Minnesota governor and a 2012 GOP hopeful, has already raised the issue. In a Wall Street Journal commentary, he argued: “The moral case for unions — protecting working families from exploitation — does not apply to public employment. Government employees today are among the most protected, well-paid employees in the country.”

In some Midwestern states – including Ohio, Iowa and Wisconsin – outgoing Democratic governors sought to help public employees get better pay and benefits than they are likely to receive from their Republican successors.

The Wisconsin Legislature declined to approve outgoing Gov. Jim Doyle’s effort to give state workers a new contract before he left office.

Reopening Contract Talks

Iowa Republican Gov.-elect Terry Branstad wants to reopen contract negotiations with state employee unions, who worked out a deal that departing Democratic Gov. Chet Culver approved.

Ohio’s new governor, John Kasich, has been even more ambitious. He wants to strip

14,000 state workers' ability to unionize and ban teachers from striking. "If they want to strike they should be fired," said Mr. Kasich. "They've got good jobs, they've got high pay, and they get good benefits, a great retirement."

Like every other government policy idea, how voters will respond to cutting public workers' pay and benefits will tell the tale. Scattered early polls show they seem to favor the idea.

One key question is whether voters will look at pay cuts or freezes for teachers – the same way they do for other public employees.

Historically, teachers and their unions have avoided much of the anti-bureaucratic barbs often aimed at other government workers.

But regardless of how teachers fare, Marty Beil, executive director of the Wisconsin State Employees Union, can see the future. He told the Journal's Amy Merrick "there's a target on the backs of public employees."