



WHY WISCONSIN IS “GROUND ZERO” FOR DEMOCRACY IN AMERICA.

By the TWU Department of Strategic Planning

SOLIDARITY



What exactly is going on in Wisconsin?



Wisconsin's newly elected Republican Governor Scott Walker, without warning, introduced a bill that would strip collective bargaining rights from public employees. Democratic Senators left the state rather than allow it to become law. Right now, Wisconsin law requires public employers and unions to "meet and confer at reasonable times, in good faith, with the intention of reaching an agreement" on wages, hours, fringe benefits and conditions of employment. In other words, the workers -- through their union -- have a voice in those areas of their working lives.

Walker's bill would prohibit any negotiation at all about benefits and working conditions for the vast majority of Wisconsin public employees. It would limit collective bargaining to base pay and subject even that to statutory caps. The bill would repeal *all* bargaining rights for home health care workers, and University of Wisconsin System academic and health care workers. But it would leave bargaining rights intact for police and firefighters, whose unions endorsed Walker for Governor. The bill would also require workers to vote every year whether they want to keep their union or not. It would prohibit workers from allowing their employer to automatically deduct union dues from their pay. It would double workers' contributions to their health insurance, and require them to contribute 6% of their salary as pension contributions. It also allows the governor to do no-bid privatization of state energy resources and to rewrite Medicaid policy with little to no public input. During the campaign for Governor, Walker never mentioned his plan to take away collective bargaining rights from public employees.

It's not about deficits, it's about democracy.



Wisconsin Governor Walker's misguided attack on collective bargaining, the process that gives workers a voice on the job, is not really about cutting deficits. If Walker was that concerned about Wisconsin's budget deficit, he would not have called a special session of the legislature to sign two business tax breaks and a conservative health-care policy experiment that add \$120 million to the state's budget deficit.¹ He wouldn't have returned \$810 million the federal government awarded Wisconsin to build high speed rail (and the thousands of tax revenue-producing jobs that came with it).² In fact, states that do not have collective bargaining often have deeper deficits than those that do. In 2010, revenue shortfalls in states without collective bargaining averaged about 24.8 percent of their budgets, but for states that allow bargaining for some or all public employees the shortfall was 23 percent.³ If this was really about deficits, when *public sector workers in Wisconsin agreed to every economic demand he made*,⁴ Walker

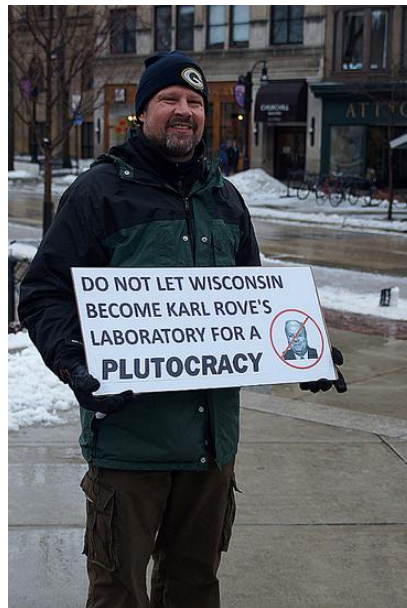
¹ Ezra Klein, "Unions aren't to blame for Wisconsin's budget," Washington Post, February 18, 2011. Available online at <http://voices.washingtonpost.com/ezra-klein/2011/02/unions-arent-to-blame-for-wisc.html#more>.

² "Walker rail decision robs state of future, Coggs says." Milwaukee Courier, Dec. 12, 2010. Available online at <http://milwaukeecourieronline.com/index.php/2010/12/18/walker-rail-decision-robs-state-of-future-coggs-says>.

³ Testimony of Amy Hanauer, Executive Director of Policy Matters Ohio, before Ohio Senate Insurance, Commerce and Labor Committee. Feb. 17, 2011. Available online at http://www.policymattersohio.org/pdf/TestimonySB52011_0217.pdf

⁴ Don Walker, "Public employees agree to Walker financial demands, Erpenbach says." Milwaukee-Wisconsin journal Sentinel, Feb. 19, 2011. Available online at <http://www.jsonline.com/newswatch/116530348.html>.

would have compromised on collective bargaining. This wasn't necessarily a wise decision by Wisconsin unions, as public sector workers are already compensated worse than their similarly situated private sector counterparts, and it encourages those who would further erode the hard-earned benefits of already-strapped public workers, threatening further damage to the economy (see below). But it does establish decisively that, for Walker and his allies, this is about power, not deficits.



In reality, Walker is using a cyclical economic crisis caused by reckless speculation by billionaires as a smokescreen for the real agenda: to permanently strip American workers of their human right to freedom of association and collective bargaining. Why? As Walker admitted in his phone call with a blogger he thought was billionaire Tea Party supporter David Koch,⁵ he and other far-right conservatives see Wisconsin as the first step in a long-term, nationwide power grab, a shift that will take us further away from democracy and further towards oligarchy. Unions are still the strongest voice for working people, for progressive government that represents the interests of ordinary Americans. With unions out of the way, corporate interests will have nearly unobstructed use of government as their personal plaything.

This is not only a morally reprehensible strategy; it is a recipe for economic catastrophe.

⁵ Jason Linkins, "Scott Walker gets punked by journalist pretending to be David Koch," Huffington Post, February 23, 2011. Available online at http://www.huffingtonpost.com/2011/02/23/scott-walker-buffalo-beast-phone-prank_n_827058.html.

***Then how should governments deal with the financial crisis?
Isn't a state budget like a family budget?***

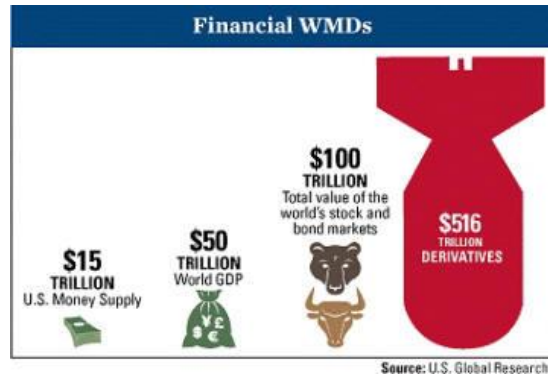
Ever since the Great Depression, economists have known that the key to recovery from a deep economic slump like the one we are in now is for governments to stimulate demand. The best way to stimulate demand is to give people productive work that puts money in their pockets. Taking money out of workers' pockets by laying them off or cutting their benefits and wages, whether they work in the public or private sector, slows down or stops economic recovery. As University of Illinois professor of labor and employment relations professor Robert Bruno recently said, cutting worker compensation and rights "can do serious damage to a modern working economy. A whole lot more is at risk than balancing the budget in a few states."⁶



One of the best ways to help rebuild our economy is to reengineer our crumbling national transportation infrastructure. Now is the time for the federal and state governments to create a "Green New Deal" that provides more transportation choices, including public transit and high speed rail, creates millions of good jobs at a time of persistently high unemployment, and helps end the climate crisis by reducing deadly greenhouse gas emissions.

Instead, it has become fashionable for politicians to blame public sector workers for the economic crisis brought about by the excesses of Wall Street.

⁶ Elizabeth G. Olson, "Are public unions our convenient economic scapegoats?" Fortune, February 28, 2011. Available online at <http://management.fortune.cnn.com/2011/02/28/are-public-unions-our-convenient-economic-scapegoats>.



Politicians all over the country, even some Democrats, are trying to repeal or scale back collective bargaining rights, pensions and health care for public employees in order to balance budgets without raising taxes on the corporations and wealthy speculators who got us into this mess in the first place. Ironically, the more the politicians succeed in this attack on the public sector, the weaker the economy will become. Reducing the ability of public workers to spend will further reduce demand, as will eliminating the vital services they provide, further slowing the economy.



That is the point that politicians miss when they call for "shared sacrifice." The same people who caused the economic meltdown are now making record profits, while millions of people who had nothing to do with making the mess remain unemployed. Government doesn't have to ask the people who drive our buses and trains, plow our roads, teach our kids, take care of our sick and elderly, and protect us from fire and crime to pay for a crisis they didn't cause. The federal and state governments can pay for the investments we need to rebuild a green 21st century economy **and** reduce deficits long-term by cutting corporate welfare, and by taxing millionaires, speculative financial transactions and hefty bonuses.⁷

⁷ See, e.g., Sarah Anderson, et al., *Taxing the Wall Street Casino*. Institute for Policy Studies (2010). Available online at http://www.ips-dc.org/reports/taxing_the_wall_street_casino.



Wisconsin is not just about unions—it's about whether there will be an American Dream.



A union job is one that gives you a chance to get out of poverty rather than a job that all too often keeps you in it. American workers who are members of unions earn significantly more per hour than their nonunion counterparts.⁸ Unions are the reason we have any health care system (such as it is),⁹ any retirement benefits or social security, any sick time, vacations, workers compensation, workplace safety and ergonomics, even universal suffrage, child labor laws and unemployment insurance.¹⁰ NONE of these came about because of goodwill on the part of the rich and conservatives. Organized workers fought for those rights, which benefitted **ALL** working families. Unions made a middle class life possible for millions of people. As established above, the claims of the conservatives to be against waste and for spending within our means is demonstrably false.

Getting rid of collective bargaining and permanently weakening unions would leave all working people, not just union workers, completely defenseless and at the mercy of the rich. At its

⁸ According to the Bureau of Labor Statistics [National Compensation Survey](#), in September 2010 average hourly earnings among private sector union workers were \$23.19, compared with \$19.28 for nonunion workers. Bureau of Labor Statistics, "Employer costs per hour worked for employee compensation and costs as a percent of total compensation: Private industry workers, by major occupational group and bargaining unit status, September 2010. Table 5." Available online at <http://www.bls.gov/news.release/ecec.t05.htm>

⁹ Steven Attewell, "The Problem with Ending Employer-Based Health Care," The Realignment Project, September 2009. Available online at <http://realignmentproject.wordpress.com/2009/09/07/the-problem-with-ending-employer-based-health-care/>.

¹⁰ See, e.g., Priscilla Murolo and A.B. Chitty, "From the Folks Who Brought You the Weekend: A Short, Illustrated History of Labor in the United State." The New Press (2001); Richard O. Boyer and Herbert M. Morais, "Labor's Untold Story." UE, 1971.

heart, the battle in Wisconsin is not just about solidarity with union workers. It is a struggle for the soul of America. It is about defending our future. It is about all of our human rights, in the same way that the civil rights and voting rights movements in the 1950s and 1960s were not just about the rights of African-Americans, they were about whether we as a country were going to be a place of democracy and freedom for all. Once again, we are at a defining moment in our history where we are being shown that America as a nation cannot be free if any of her people are not free.

Aren't unions too powerful?

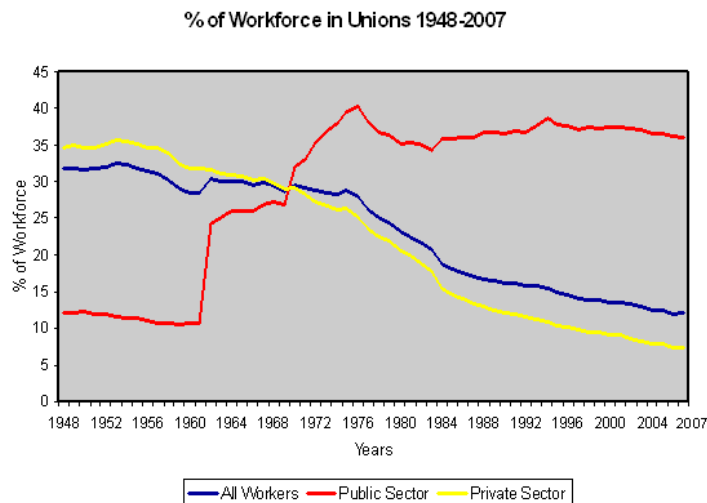


No. Unions are simply ordinary people standing together for justice against powerful, entrenched financial and political interests. Every day that the Wisconsin crisis continues, that basic fact becomes clearer to more and more people.

There's a joke floating around the internet that tells the story just as well as all the charts and statistics you're about to see:

A CEO, a Tea Partier and a union member go out for a dozen cookies. When the three of them sit down, the CEO immediately snarfs 11 of the cookies. Then he leans over to the Tea Partier and whispers conspiratorially, "Watch out. That guy's after your cookie."

Unionized workers in the private sector have been under sustained attack since at least the 1980s, when private sector union density (the percentage of workers in unions) began to decline dramatically.



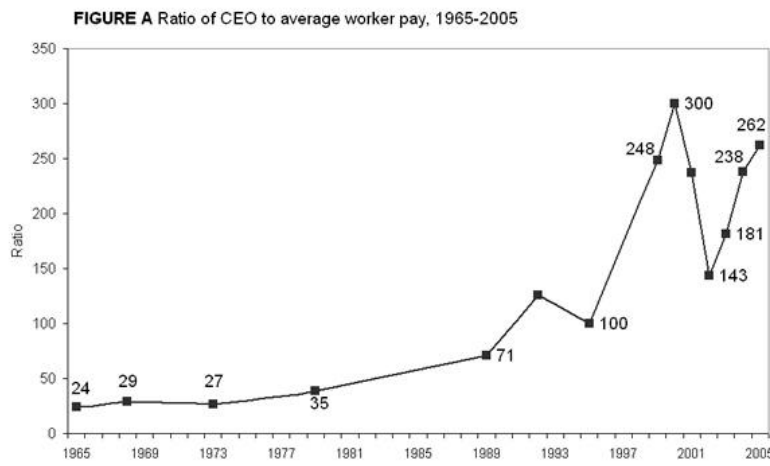
(Source: Harvard University Labor and Worklife Program)

During that same period, workers' wages have stagnated, while their productivity has steadily increased.



(Source: Ramsin Canon, "Wage Theft Outrage: Broken Labor Law and the American Worker")

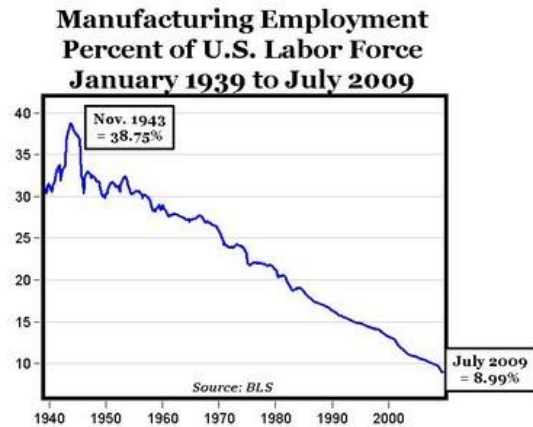
While workers' wages have stagnated, CEO pay has risen from 35 times higher to 262 times higher than the average worker's pay.



Source: Mishel, Bernstein, and Allegretto, *The State of Working America 2006/07*, forthcoming, Figure 3Z.

Union density in the United States is now at its lowest levels in a century, with overall density at 11.9% and private sector density at 6.9%.¹¹ The reasons for this decline are complex, and include the anti-union offensive that began when President Reagan broke the PATCO strike in 1981, "free market" economic policies that led to the outsourcing and offshoring of highly unionized manufacturing jobs,

¹¹ Bureau of Labor Statistics, "Union Members Summary," January 21, 2011. Available on line at <http://www.bls.gov/news.release/union2.nr0.htm>.



undemocratic and anti-worker union organizing laws and policies, and the decline of an organizing and solidarity culture in many unions.

Now, according to the UC Berkeley Labor Center, “workers’ rights to organize are routinely violated by employers throughout the country through both legal and illegal means.”¹²

Thus, it is certainly not the case that unions are too strong. However, wealthy corporations and their political allies have not been as effective in stamping out public sector unions as they have in the private sector. Public sector union density is still 36%.¹³ That is why the enemies of democracy have now started attacking unionized public servants.

There is a basic philosophical difference between union members and their allies defending the American Dream and billionaires like David Koch and their political foot soldiers like Governor Walker. We believe that members of a civilized society look out for each other. That’s what we mean by solidarity. They believe in every man for himself.

¹² UC Berkeley Labor Center, Workers’ Rights Overview, <http://laborcenter.berkeley.edu/workersrights/overview.shtml>.

¹³ BLS, Union Members Summary 2011.

Aren't public sector workers overpaid?

**Average earnings and total compensation
by education level in the United States:
Private sector compared to state and local government employees**

Education	Total compensation			Public premium/penalty
	Private	Public	Compared	
All workers	\$71,109	\$69,108	-\$2,001	-3%
Less than high school	38,918	36,407	- 2,511	-6
High school	50,596	53,880	3,284	6
Some college	56,279	61,210	4,930	9
Associates	62,162	65,165	3,003	5
Bachelor's	91,256	68,290	- 22,966	-25
Professional degree	192,977	121,192	- 71,785	-37
Master's	118,918	82,297	- 36,621	-31
Doctorate	151,875	120,642	- 31,233	-21

SOURCE: Current Population Survey-IPUMS.

Again, the answer is no. According to the Economic Policy Institute, public workers typically see a compensation *penalty* relative to their counterparts in the private sector. For example, workers in Wisconsin, at all levels of education, earn less than comparable private-sector workers. The gap is particularly large among college-educated public-sector workers, who comprise close to 60% of the state and local workforce. Nationwide, comparisons controlling for education, experience, hours of work, organizational size, gender, race, ethnicity and disability, reveal that, on average, full-time state and local employees are undercompensated by 3.7%, in comparison to otherwise similar private-sector workers.¹⁴ Walker and his allies on the right are using misleading and fabricated figures to try divide public and private sector workers.



¹⁴ Jeffrey H. Keefe, "Debunking the Myth of the Overcompensated Public Employee." Economic Policy Institute (2010). Available on line at http://www.epi.org/publications/entry/debunking_the_myth_of_the_overcompensated_public_employee.

Doesn't collective bargaining harm the quality of critical public services like education?



Yet again, the answer is no. Quite the opposite. Right now, only five states have outlawed collective bargaining for educators.¹⁵ Those states and their ranking on 2010 SAT scores are as follows:

- Virginia – 34th
- North Carolina – 38th
- Texas – 45th
- Georgia – 48th
- South Carolina – 49th¹⁶

Students in states that require collective bargaining tend to perform far better on SATS. For example:

- Iowa – 1st
- Minnesota – 2nd
- Wisconsin – 3rd
- Michigan – 5th
- South Dakota – 6th¹⁷

¹⁵ Josh Marshall, "Look at the Map." TPM Editors Blog, Feb. 18, 2011.

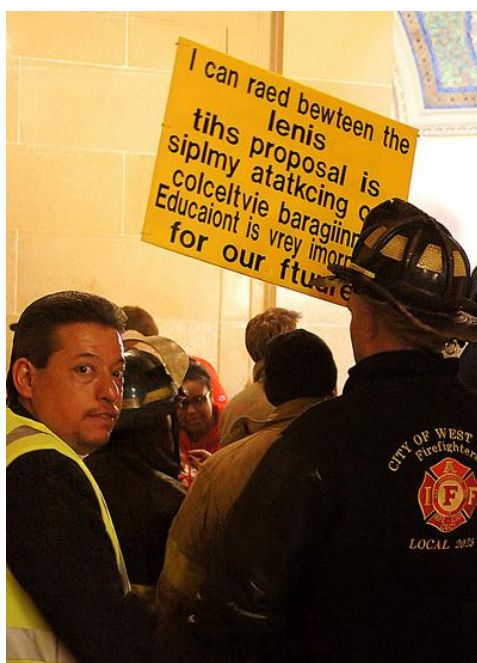
¹⁶ Nathan Benefield, "2010 SAT Scores by State." Commonwealth Foundation, September 16, 2010. Available online at: <http://www.commonwealthfoundation.org/policyblog/detail/2010-sat-scores-by-state>.

¹⁷ Ibid.

This does not mean that collective bargaining or unionization is the cause of better education outcomes. The reasons students in some states do better than others are complex and can't be reduced to a single formula.¹⁸ But the research does show a positive correlation between unionization and educational outcomes. For example, a study published in the Harvard Educational Review said,

Comparison of standardized test scores and degree of teacher unionization in states found a statistically significant and positive relationship between the presence of teacher unions and stronger state performance on tests. Taking into account the percentage of students taking the tests, states with greater percentages of teachers in unions reported higher test performance.¹⁹

Students in states that have strong collective bargaining tend to do better in all key areas of educational performance. For example, in their comprehensive 2010 report card on state education performance, the Pew Research Center and Education Week gave the top education performance and policy grades to Maryland, Massachusetts, New York and New Jersey, all states with strong collective bargaining protections for educators.²⁰



¹⁸ For example, far fewer students tend to take the SAT in high scoring than low-scoring states.

¹⁹ Lala Carr Steelman, et al., "Do Teacher Unions Hinder Educational Performance? Lessons Learned from State SAT and ACT Scores." 70 Harvard Educational Review at pp. 437-466 (2000).

²⁰ Education Week, "Quality Counts 2010—Fresh Course, Swift Current: Momentum and Challenges in the New Surge Toward Common Standards." Vol 29, Issue 17 (January 2010). Grades available on line at <http://www.edweek.org/ew/qc/2010/17src.h29.html>.

What should we do?

Wisconsin is indeed ground zero, not only in the battle to protect the basic right of workers to have a union, but in the struggle over whether the American Dream will continue to exist at all for millions of Americans. Will a middle class life be a realistic possibility or an impossible dream for our children and grandchildren? Americans must take a united stand against the anti-worker politicians in ALL states and in the federal government who would strip hard-earned collective bargaining and human rights from public workers and, eventually, all workers.



In some ways, we should be thanking Governor Walker and the tea party movement. We should thank them for waking up the sleeping forces of democracy and justice in this country. We should thank them that every day Walker refuses to compromise, we grow stronger. Some of us mistakenly thought our work was done when we elected President Obama. We were wrong. We know that now. We must not and will not repeat that mistake.

We might not have the money that Wisconsin Gov. Scott Walker's billionaire supporters have, but we do have people power and know how to mobilize for equality and justice. The voice of working people is starting to turn the tide. Hundreds of thousands of Americans have rallied in all 50 states and DC since the Wisconsin uprising began. In Indiana, workers have pressured the state legislature to withdraw some of the most draconian anti-worker legislation and the Democratic State Senators in Wisconsin continue to stay away from the statehouse in order to block the bill.

Hundreds of TWU members have already sent their messages of support and signed our petition. If you haven't yet, [send your message of solidarity](#). And attend the rallies and actions that TWU, the AFL-CIO and our allies will be calling in the coming days, weeks and months.

History will record that the battle of Wisconsin was where the war for the future shifted in favor of America's working people. We have drawn the proverbial line in the sand. We will resist as long as it takes. As Rev. Dr. Martin Luther King, Jr. once said, "the moral arc of the universe is long, but it bends towards justice."



**“This isn’t just about the labor,
it’s about preserving the middle class”**

James C. Little

International President

Transport Workers Union of America, AFL-CIO



Credits

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Check out his blog:
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