

NEWSMAKER FRIDAY: IS LABOR ON VERGE OF BREAKTHROUGH?

As this year's Labor Day weekend beckons, unions find themselves struggling with many of the same issues as in recent years, such as dwindling memberships, and defending themselves against many of the same arguments, for example that unions drive up labor costs, said AFL-CIO President Mark Gaffney.

However, as the labor group gears up to be the "loudest voice toward a progressive movement" for a Democrat in the White House in 2008, Mr. Gaffney said next year labor may finally be on the cusp of a new era, leaving behind lagging industrial times and embracing new memberships and a tax system built largely on the service economy.

He said he will probably continue to have to fight off the "simplistic analysis" of some "right wing conservatives" that unions, because they mandate healthcare coverage and higher wages, drive up the cost of labor, but "it's just not true."

"It's so simplistic, it's dishonest," he said, adding that, for example, for automobiles, the cost of labor is only 10 percent of the cost of building a car so wages aren't that much of a driver in the costs. Also, he said when people take into account the big picture - that union workers are more productive and have a higher standard of living - the costs associated with their work are actually lower than nonunionized work.

Mr. Gaffney said because of tough economic times the AFL-CIO has lost well over 100,000 members in recent years but has gained slightly over 100,000 memberships in the service sector, in the healthcare industry especially.

He said as times change, pictures of nurses and childcare workers will most certainly dominate the walls where autoworkers' pictures once dominated. Lobbying for safety at manufacturing plants accomplished, the union is now turning to convincing lawmakers to pass staffing bills for nurses.

"It took us awhile but we're moving with the economy," he said. "I wouldn't call what we've had growing pains because we're not growing yet. They are adjustment pains."

One way to see further growth in healthcare industry membership, potentially in the thousands, Mr. Gaffney said, would be to eliminate federal policies enacted in the last six months that made it illegal for temporary supervisors or charge nurses to join unions.

As for state policy, he said that "everyone agrees" that the economy is shifting to a service economy, so it makes sense to shift taxes to sales tax, "otherwise, the state is losing out on revenue."

He said his group is frustrated with the pace of budget negotiations in the Legislature because it has seemed fairly obvious that the state would have to raise taxes for some

time.

"It seems elected officials are putting off the inevitable," he said.

That's not to say he's surprised that budget leaders are taking the summer to mull over their options, "just disappointed."

"I don't want to criticize the budget process," he said. "I just want a quick resolution that fixes the problem."

One priority on the union's agenda that it has been placed on hold because of the budget is increasing unemployment benefits and making it possible to get extensions.

"It's a shame that in a state with some of the highest unemployment levels, we have benefit levels in the middle of the pack," Mr. Gaffney said.

He said that in order for the state to raise unemployment benefits, lawmakers will have to rebuild some of the cuts made during former Governor John Engler's tenure.

"We cut too deep and we put the trust fund in peril," he said.

Although some groups have recently brought the "Right to Work" back to the forefront, with the Mackinac Center last week holding a conference in which it presented a sample amendment that would make Michigan a Right to Work state, Mr. Gaffney doesn't think unionization will see that challenge with the next election.

"I've talked with a number of business leaders and many see (Right to Work) as an extremely divisive issue," he said, adding that even some of the amendment's main backers have told him they don't think the 2008 election will be ripe for the amendment.

If by some chance the proposal, which would give workers a choice whether to be represented by a union in a unionized company without paying any fees, made it to the ballot, Mr. Gaffney said he predicts the issue would lead to unprecedented mobilization of union voters "the likes of what we've never seen before," which could sway the outcome in the Democrats' favor in the races of Chief Supreme Justice Clifford Taylor, in the House and in the presidential race.

With all that Democrats have to juggle, probably the biggest issue that will determine their success at the polls will be their stance on healthcare, Mr. Gaffney said.

"The number of uninsured people has grown. The system works very well for the rich, pretty well for the uninsured and not all for the poor. It's a foolhardy system," he said.

"The more Democrats talk about healthcare and the need for a better system and infrastructure, the more it will help the party," he said.