It Takes a Recession

Midland, Mich.

The home of the UAW ponders an end to compulsory unions.

gan they have fallen. Over the same period, real per capita GDP grew by nearly 9% nationally and declined in only one state—Michigan. High-profile companies like the Big Three auto makers, Pfizer and Comerica are slashing workforces or moving operations out of state. Tax revenue is down and the state budget is hemorrhaging red ink.

The state government’s “economic development” efforts have obviously flopped, and for largely the same reason that a bad restaurant can’t turn itself around by offering discounts or subsidies to a handful of customers. It must change the menu for everybody.

The state has tried to stop the bleeding with expensive TV ads featuring Michigan-born actor Jeff Daniels spotlighting the state’s commerce and welfare. But what’s really dumb and getting dumber is the persistent reluctance of the administration of Democratic Gov. Jennifer Granholm to tackle the union issue, even as signs swell that the public is ready for a sea change. Her strategy is to sweep aside any suggestion for labor reform and lobby instead for an unpopular, job-killing tax increase and a billion-dollar hike in state spending.

Unions love to claim that Michigan would become “an Alabama” if compulsory unionism were ended. We should be so lucky.

While it’s true that per capita income is higher in Michigan than it is in Alabama, at least in that state the per capita income is actually growing. If current trends continue, Alabama will eclipse Michigan in per capita income in just three years. With base pay and bonuses, and especially when the cost of living is factored in, nonunion workers in many auto plants in the South are better off than their union counterparts in Michigan.

Union clout is a shadow of its former self, even in Michigan. While the portion of our private-sector workforce that is unionized is double the nation’s rate of 7%, it’s less than half what it was at the peak of labor’s influence. UAW membership has nosedived, paralleling the national decline from 1.5 million in the late 1970s to barely a third of that today. Even the school employee unions here are reeling from widespread privatization of school support services and growing public alarm about sky-high costs of union health insurance and retirement benefits.

Making Michigan a right-to-work state would quash with one powerful blow the nagging perception that our labor climate is too hostile and costly for business. It would provide more freedom for individual workers and a temporizing influence on union leadership.

A right-to-work bill is unlikely to emerge from the legislature and would probably be vetoed by Gov. Granholm, but if someone managed to get it on the ballot in 2008, a majority of voters might just enact a right-to-work law themselves. Ending compulsory unionism in its historic bastion may not yet be politically inevitable. But then it is also no longer politically impossible.

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