

Responses

Labor Unions and Government Work

[Response to] *The truth: Government doesn't work*

[Frank Kauffman](#)

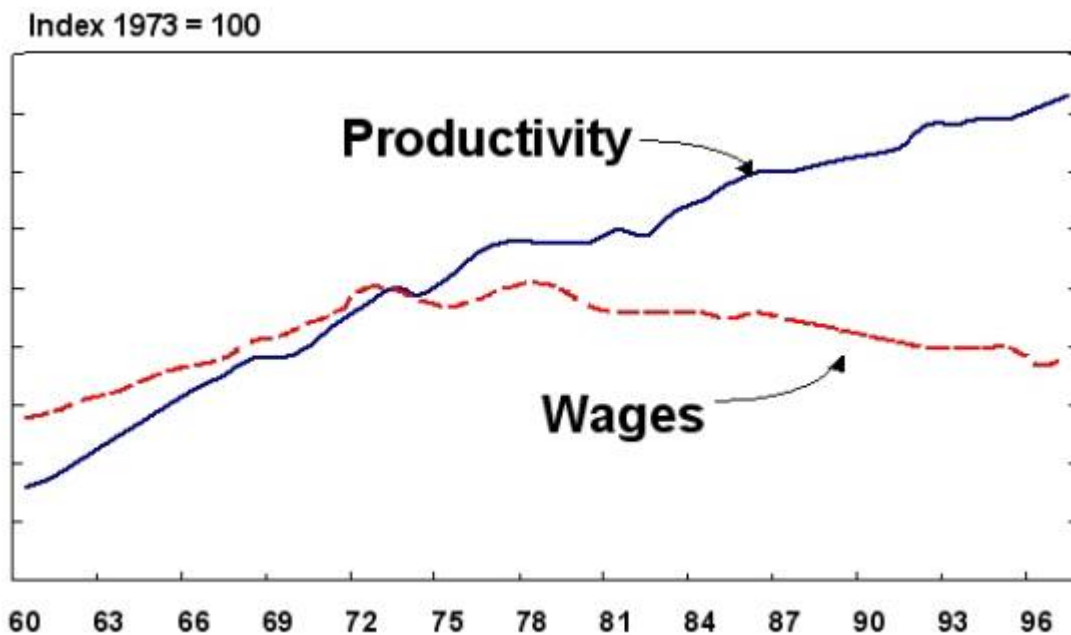
Feb . 09 . 2004

I found Mr. Jim Malek's opinion (published in the Kansas City Aurora last week) an outrageous insult to all the accomplishments that labor unions have brought to the working people including the right to safe working conditions, minimum and living wages, healthcare benefits, and the 2-day long weekend, just to mention a few.

Apparently Mr. Malek has not heard of the Universal Declaration of Human Rights which explicitly states that everyone has the right (1) "to form and to join trade unions for the protection of his interests" and (2) "to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay." A violation of any of these rights is simply a violation of basic human rights under international law.

Virtually all training for construction workers in the U.S. is done by labor unions. This ensures high construction standards, improves quality, reduces the number of injuries on construction sites, and ensures more efficient resource allocation.

Mr. Malek blames teachers unions for the bad performance and inefficiency in our education system. As shown in the graph below, U.S. real wages have been slowly declining in the last three decades while productivity has been increasing at a considerable pace. The increase in educational fees is not going to teachers' salaries (for the most part). I agree with Mr. Malek that we cannot solve the problem by throwing more money into schools, but I don't buy the argument that private schools are the panacea and that the government should leave education in the hands of the free market.



Source: Economic Report of the President, 1998

There is a more serious problem in the educational system that goes beyond the school system. The current school district system is inherently linked to property value, that's why you end up with "successful private schools " in rich neighborhood and "bad schools" in poor neighborhoods. I'd like to see an experiment where we take the best educators from our private schools and set up a private school in a poor neighborhood and see how successful that would be. The free market can't be the solution.

Mr. Malek seems to hold the view that all government programs are inefficient, lack transparency, and ought to be replaced by private programs. This view is very close to that of Milton Friedman, Nobel Laureate in Economics. He too thinks that the practice of Medicine ought to be left to the private sector and that the government should not be the one to provide licenses to brain surgeons for instance. So when Mr. Friedman needs a brain surgery, he would go to an unlicensed brain surgeon working in his basement or in his garage. That would be real freedom of choice and private enterprise. Of course, this is an exaggeration, but the point is that the government must perform basic services including education, healthcare, and other social services.

Mr. Malek's claim that the size of the U.S. government is constantly increasing is simply not supported by the facts. The size of the Federal government as a percent of GDP has been roughly around 20 percent over the last four decades.

Mr. Malek also seems to be ill informed about the source of innovation and success of the private sector that he is so fond of. Mr. Malek, the free market that you and Mr. Friedman refer to has never existed in the U.S. or any other country. All the success achieved by major U.S. industries has been reached by massive government (direct and indirect) subsidies and protection from foreign competitors.

All major scientific innovations, including the Internet, have their origins in government programs; and the vast majority of U.S. corporations owe their existence to government procurements.

And the new truck that costs \$38,000 is not because of the guy that makes \$25/hour but most likely because of the millions of dollars that go to CEOs, CFOs, and marketing executives. Labor unions don't blame the rich, they simply ask for decent living wages and decent treatment by their employers.

Finally, I must say that the solution is not necessarily to be found in increasing or decreasing the size of the government, but rather in ensuring that government services remain transparent, socially efficient and targeted towards middle and low-income people.