MODERNIZING AMERICAN LABOR

Meeting the Challenges Facing Modern Unions Today.

By: Emal Wafajow
Challenges

- Non Union labor
- Public Opinion
- Government Intercession
Specifics of Challenges

- **Non Union Labor**
  - Decreases collective bargaining power
  - Competes with Union Labor
  - Drives down price of wages

- **Public Opinion**
  - Decreases chance of Non Union workers joining Union
  - Decreases likelihood that companies will hire Union labor
  - Dramatically increases probability of Government intercession

- **Government Intercession**
  - “Right to work” legislation
  - Union busting
  - Pro-Company legislation
The Proposal

- **A system of productivity standards**
  - All Union members must meet a minimum standard of productivity and proficiency

- **Intra-Union training programs**
  - These programs would be aimed at helping Union members develop their skills in their respective job areas

- **Future outreach to Non Union workers**
  - Educating Non Union labor about Union benefits and encouraging their membership into the BAC

**Overall aim: Increasing value of Union workers to hiring companies**
Justification for Proposal

How do current labor Unions generally function?

- Labor market can be approximated as two competing firms: Union labor vs. Non Union labor
- Union labor is a price maker; Non Union labor is a price taker
- Cornering the market:
  - Unions functionally offer production at higher price
  - Lack of proficiency & productivity in some cases
  - *This is the root of all of the Union’s problems*
This proposal will allow the Union to effectively compete with Non Union labor without having to corner the market.
NU Labor
MC=S
ATC
P

U-Labor
MC=S
ATC
P

Price of Labor (Not Wages!)

Increasing U-Supply
Quantity of Labor
Proposal Mechanism

- **Assembly of the committee**
  - Two-tiered process:
    - Full vote from all Union members to select a panel of BAC experts & Non-BAC workers (actuaries, economists, statisticians etc.)
    - These individuals will decide the standards

- **Training programs**
  - Intended to make current workers more proficient at their jobs, increasing the efficacy of this plan as a whole
  - Mandates coursework based on performance compared to a threshold of a general assessment
  - Essentially enhances safety records, productivity, and quality of work
Implications of this Proposal

- Union workers will necessarily be highly productive because of these new standards.

  □ Non Union Labor
  - Companies will preferentially hire Union workers because of this guarantee.

  □ Public Opinion
  - Union will be decreasing cost of construction, rather than increasing cost of production.

  □ Government Intercession
  - Since the Union is not driving up product costs, and is not causing a deadweight loss, and will have favorable public opinion, the government will have no reason to intercede.
References

- Connie Lambert – BAC Union Director of Education Washington D.C. Headquarters
- Kevin O' Sullivan – Director of Education at International Union of North America
- Richard Greer – Strategic Communications Director of IU America
- BAC Local # 1 Washington Keith Weir Assistant Executive for Building/Construction Trades of BAC
- Professor Jeffrey Grabelsky, Cornell University, Industrial Labor Relations School
- Wayne State University Labor Studies Center
- James Graber – President of Associated Teachers of Huntington
With this change, the motto becomes...

“Hire Union; Build Better; Work Union; Live Better.”
Thank You