

Opinion: Public, private sectors aren't the same

By David G. Crane

The battle in Wisconsin is not over collective bargaining rights generally but rather the appropriateness of those rights in the public sector. Readers may be surprised to learn about the very different histories and consequences of collective bargaining in the private and public sectors.

In the private sector, collective bargaining is used to equalize the power of employees and employers. When empowered by collective bargaining, private-sector workers needn't fear dismissal just because they seek a higher wage or better conditions. Accordingly, President Franklin D. Roosevelt and Congress enacted the 1935 National Labor Relations Act, which conferred collective bargaining rights on private-sector workers.

However, no such rights were conferred on public-sector workers. In fact, both Roosevelt and later George Meany, the first president of the AFL-CIO, opposed collective bargaining for the public sector. Also, in California public employees already had protection against dismissal as a result of the Civil Service Act of 1913, which endows public employees with property-like rights over their jobs.

Still, in 1962 the federal government gave collective bargaining rights to federal employees, and in 1977 California followed suit. However, because state employees already had civil service protections, collective bargaining wasn't needed to equalize their power with employers' power. As a result, collective bargaining for public employees in California changed the balance of power and – most importantly – gave public employees power over their compensation and benefits.

In the private sector, compensation and benefits are determined through negotiations conducted by unions representing employees and management representing shareholders. Neither side has influence over the other, and there is a healthy tension as each side works to increase its share of the pie. If unions don't deliver enough compensation and benefits, workers can make changes to union leadership. If management delivers too much compensation and benefits, shareholders can make management changes.

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