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## A new model for failing unions

*Modern workers favor a consumer-oriented approach to membership*

By F. Vincent Vernuccio

Unions continue their struggle to attract new members, according to a recent review by the Department of Labor. In its annual Union Membership Survey, the Bureau of Labor Statistics reports that union membership in 2014 was down to only 11.1 percent of workers after adding fewer than 50,000 new members. This is in stark contrast to the high-water mark in the 1950s when about one-third of all workers had union cards.

Why have unions been in decline and why are they not growing along with the rest of the economy? It may be because they are no longer offering services in a model that workers want. It could also be that the services they do offer are forced upon both employers and employees.

To be successful in a 21st century economy, unions must adopt a new consumer-oriented business model that does not depend on required representation and dues.

In an attempt to grow its ranks, organized labor is still depending on strategies developed for an earlier era, and on laws from the 1930s which give unions a monopoly on representation within a particular workplace.

With this monopoly privilege comes compulsion: of employees to be union members; of employers to engage in mandatory collective bargaining; and of unions themselves to represent all workers, even those who don't want it. Once labor's lifeblood, exclusive representation and the obligations that come along with it have become a crutch preventing unions from adapting to a different environment.

When a union organizes a worksite under current law, it is almost always asking to be the exclusive bargaining representative for all workers, including those who don't want a union. To gain this privilege, support must be garnered from a majority of employees.

It does not need to be this way. An alternative model that lets unions represent just those workers who want it may be possible without changing the law.

Called "members-only agreements," this scenario is increasingly being embraced on both sides of the political spectrum. Taking off the government-granted training wheels by forgoing monopoly privileges and moving to a more competitive and voluntary model could generate a surprising growth in private-sector union membership.

Members-only agreements, however, are still more of an academic exercise than a reality. New legislation to allow representation without exclusive bargaining and compulsion may be helpful to give the idea a more solid legal footing.

The current one-size-fits-all, take-it-or-leave-it model limits a union's ability to provide tailored services to individuals within a workplace. Unions could shift to an a la carte model where individuals select the services that are right for them.

It's even conceivable that a worker could belong to more than one union.

This model replaces force with a consumer-oriented approach, with unions providing services to individuals who value and are willing to pay for them. Also, by shifting the focus to the individual, employers are more likely to perceive union members as highly skilled, reliable and valuable, making compulsory collective bargaining unnecessary.

The effect may be magnified when unions act as voluntary certification agencies such as the National Institute for Automotive Service Excellence, which tells auto repair shop owners and customers that their mechanic is highly trained and passed rigorous testing. Hiring a "union-certified" employee could become synonymous with competence.

Non-compulsory unions can also serve workers by offering training and group benefits such as insurance. One example is the Freelancers Union for independent professionals, which earns revenue from its voluntary members by providing 401(k) retirement plans, insurance and other services.

As modern unions evolve away from compulsion, they can still represent individual workers in bargaining for contracts that reward increased productivity. Sports and entertainment unions show the way, with individual contracts that guarantee pay and benefit floors but allow the employee to negotiate for greater compensation.

Unions could also provide on-call legal and disciplinary assistance for workers concerned about getting in trouble on the job. A model is AAA membership, which provides roadside assistance only when needed.

In short, for unions to thrive in the 21st century, they must be responsive to the needs of modern workers as individuals rather than intimidate employers to organize employees en masse.

They must become more like voluntary professional associations, rather than carrying on as the industrial-era unions of old. If they do not, they will continue their inexorable decline.

*F. Vincent Vernuccio is director of labor policy for the Mackinac Center for Public Policy, and author of "Unionization for the 21st Century: Solutions for an Ailing Labor Movement" (Mackinac Center, 2014).*

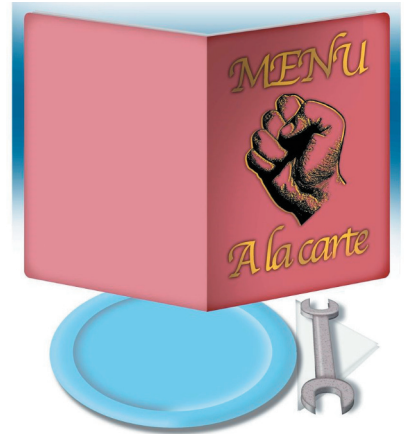


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