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## Public Sector Labour Relations in the United States: Austerity, Politics and Policy \*\*

### Abstract

Public sector unions around the world are under threat from political forces. Combined, the financial crisis and austerity measures have challenged public sector unions' legitimacy. In the U.S., the post-recession assault on public sector unions is rooted in political ideology, with not only a widening polarization along the liberal-conservative spectrum playing a key role, but cultural cognition and economic downturn, too. This research provides a comparative historical analysis of changes in public sector collective bargaining rights at state and local levels in 50 states. The article describes the variations in public sector industrial relations at the state and local levels in the short and medium term. It also proposes a theoretical model to explain similar and diverging patterns which can be observed across the states.

Keywords: public sector labour relations, United States, austerity, regional differences (JEL: H61, H62, H63, J51, J52, J53, L32)

## Arbeitsbeziehungen des öffentlichen Sektors in den Vereinigten Staaten: Austerität, Politics und Policy

### Zusammenfassung

Gewerkschaften des öffentlichen Dienstes sehen weltweit ihre Legitimation in Frage gestellt und sind bedroht durch politische Gegner, die Finanzkrise und Sparmaßnahmen. In den USA wurzelt der Angriff auf die Gewerkschaften des öffentlichen Dienstes in politischer Ideologie, insbesondere der zunehmenden Polarisierung im liberal-konservativen Spektrum, dem Feld der kulturellen Kognition und des wirtschaftlichen Abschwungs. Der Beitrag liefert eine historisch-komparative Analyse der Veränderungen Rechte des *collective bargaining* im öffentlichen Dienst auf staatlicher und lokaler Ebene aller 50 Staaten der USA. Dabei werden die kurz- und mittelfristigen Veränderungen der industriellen Beziehungen des öffentlichen Dienstes auf staatlicher und lokaler Ebene beschrieben und darüber

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hinaus ein Modell zur Erklärung von Ähnlichkeiten und Abweichungen zwischen den Bundesstaaten vorgeschlagen.

Schlagwörter: Arbeitsbeziehungen des öffentlichen Sektors, USA, Austerität, regionale Differenzen

## 1. Introduction

Public sector labour unions exist at the intersection of work, public policy, and public values. As a result, public sector unions in industrialized countries occupy a unique position of power. The sources of power include: politicians, voters, and the state's role in the economy as a distributor and overseer of public goods and services (Dixon & Martin, 2012). The public sector's reliance on tax revenues to fund public goods and services means that employers may prioritize factors such as social well-being in making employment decisions rather than purely financial factors.

In the private sector, maintaining union-free status translates into greater profits for businesses. Moreover, private sector managers are more likely to be terminated or have their career advancement stalled if a union organizing drive takes place on their watch (Freeman & Kleiner, 1990). In contrast, public sector managers are more likely to involve employees in collaborative decision making (Morse, 2008) and less likely to reap a direct financial benefit from opposing unions. Hence, public sector managers have fewer incentives to oppose unions than managers in the private sector do (Kearney & Mareschal, 2014).

Public sector workers differ from their private sector counterparts in several important ways. Public sector workers in the U.S. are much more likely to be represented by unions than are workers in the private sector. In 2015, union representation in the state and local public sector was 39 percent. In contrast, only 7.5 percent of workers in the private sector were covered by collective bargaining agreements in 2015 (Bureau of Labor Statistics, 2016).

Women and minorities make up a greater percentage of the public sector workforce than of the private sector workforce. In 2014, women comprised 60 percent of the state and local workforce as compared to 47 percent in the private sector. Likewise, 13 percent of state and local government employees were African American compared to about 11 percent in the private sector (Current Population Survey, 2014).

The public sector has more professional jobs and fewer low-skilled jobs than the private sector. On average, public sector workers are better educated compared to private sector employees. Over half of full-time state and local public sector employees hold at least a four-year college degree compared to about a third of full-time employees in the private sector (Lewin, Kochan & Keefe, 2012).

Some of these patterns hold true in other western industrialized democracies as well. For example, public sector unions in the U.K. have greater strength than private sector unions as measured by membership and density (Barratt, 2009). Also like in the U.S., the public sector workforce in the U.K. includes more women and its members have greater levels of education and professionalization (Matthews, 2010). In Canada, 70 percent of public sector workers are members of unions. Similarly, the public sector labour movement in Canada consists of more women, professional, and white collar workers than the private sector labour movement (Ross & Savage, 2013).