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# Unions Impose Stability on a Turbulent Construction Industry

Jeffrey Grabelsky

*Cornell University*, [jmg30@cornell.edu](mailto:jmg30@cornell.edu)

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# The New York Times

## Unions Impose Stability on a Turbulent Construction Industry

Published: October 31, 1994

To the Editor:

Your Oct. 24 news article about the difficulties encountered by a nonunion builder on Long Island does not address the larger crisis now gripping the entire construction industry.

To understand why building trades unions are today so determined to isolate nonunion contractors operating within traditionally union market areas such as Long Island, it is necessary to look at what has happened within the construction industry throughout the country in the last three decades.

Since the 1960's, unionized construction has declined from about 80 percent to about 20 percent of the total market. During the same period real wages have dropped more than 25 percent. We have observed the virtual de-unionization of many construction markets, with calamitous results for builders, owners, users, customers, unions and workers.

In a fiercely competitive industry like construction, unions impose much-needed order and stability, inducing contractors to compete on the level playing field of uniform wages and benefits, safe job-site conditions and industrywide investments in training. Under such circumstances managerial efficiency, ingenuity and progressive labor-management relations are justly rewarded.

The erosion of union strength has unleashed a chaotic and destructive competition throughout the industry.

Across the country we see legitimate employers unable to compete with unscrupulous contractors who misclassify their employees as subcontractors to avoid paying taxes, provide no health insurance, offer no meaningful training opportunities, pay substandard wages, ignore even minimal safety regulations, violate workers' legal rights to organize, and defy building codes and specifications.

Even nonunion contractors admit these shameful practices are becoming increasingly pervasive.

On many publicly financed projects nonunion contractors are legally required to pay prevailing union wages. Your article suggests that such contractors are more competitive than their unionized counterparts because they are not burdened by archaic union work rules.

Nonunion contractors paying prevailing wages on publicly financed jobs are "more competitive" for different reasons and at cost to the larger community: they provide little or no benefits and neglect the industry's future by not investing in training.

JEFFREY GRABELSKY and FRED KOTLER New York, Oct. 26, 1994

The writers are, respectively, director and associate director, Construction Industry Program, Cornell University New York State School of Industrial and Labor Relations.