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Union Proficiency Study Boomerangs on Pay Issue; A Labor Trophy, Slightly Tainted, 1979

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Abstract

Union-financed study comparing union- and non-union worker productivity. Los Angeles Times.

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Union Proficiency Study Boomerangs on Pay Issue

WASHINGTON (UPI)—A union-financed study intended to show that union labor is more productive than non-union workers in the construction industry may have boomeranged.

The Center to Protect Workers' Rights, an organization funded by AFL-CIO construction unions, commissioned a North Carolina State University economics professor to study the relationship on productivity between union and non-union workers.

The study showed union workers are 29% more productive than their non-union counterparts.

The center and its public relations agency spread the word in a press kit, and invited labor reporters to a luncheon-reception to discuss the study.

However, during questioning of the study's author, Steven Allen, another fact in the study gained interest—union construction workers get 43% higher wages than non-union workers.

That fact appeared to bolster business claims that union contracts in the construction industry are inflationary.

Robert Georgine, head of the AFL-CIO's Building and Construction Trades Department and the Center's president, was visibly anguished.

"I'm not quite sure I know what's being said here," he said, adding that a study showing 29% more productivity but 43% higher wages for union workers was "not much of a plus factor."

"You don't have to be Ph.D. to figure that out," Georgine said.

Less than a half hour earlier, at the outset of the news conference, Georgine had praised Allen, saying his analysis "should go far to refute the anti-union outpourings of those seeking to destroy unionism in the construction industry."

The study found "output per employee is at least 29% greater in unionized establishments in construction."

But, unlike the press release, it did not stop there.

"An additional finding of interest in this study is that controlling for age, schooling, occupation, urban residence, region and sector of construction, wages of male union construction workers are 43% higher than otherwise comparable non-union workers," it said.

A LABOR TROPHY, SLIGHTLY TAINTED

"We sought the best, and I think we got it," beamed Robert Georgine, head of the AFL-CIO's Building and Construction Trades Department. Georgine had summoned the press to record a vindication of Big Labor: "serious scientific research" that would explode the "myth" that unionized workers are less productive than nonunion help. Bankrolled by the construction trades, economist Steven Allen of North Carolina State University had reached the conclusion that unionized construction workers were actually 29 per cent more productive than unorganized workers. But as the press conference progressed, the theme got blurrier—and Georgine's face grew redder.

Allen, it turned out, had not sampled construction projects manned by unionized workers and compared them with projects using nonunion labor. Instead, he had simply taken Bureau of Census figures on value added by labor in projects in various regions of the country and compared that with the ratio of union to nonunion workers in those areas. And Allen conceded that even if unionized construction workers were as productive as he suggested, their advantage would be more than wiped out by a wage rate averaging 43 per cent more than that of unorganized workers.

At that point, Georgine erupted. "I'm not so sure I understand what's being said here," he announced, "but if the conclusion you're drawing is accurate, then it doesn't seem like this is much good. You don't have to be a Ph.D. to figure that out."

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