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Limit Pay, Not Unions

By MICHAEL R. BLOOMBERG

IN Ohio, Wisconsin and other states facing budget deficits, some elected officials assert that closing those gaps requires achieving labor savings and weakening labor unions. They are half-right.

Across the country, taxpayers are providing pensions, benefits and job security protections for public workers that almost no one in the private sector enjoys. Taxpayers simply cannot afford to continue paying these costs, which are growing at rates far outpacing inflation. Yes, public sector workers need a secure retirement. And yes, taxpayers need top-quality police officers, teachers and firefighters. It's the job of government to balance those competing needs. But for a variety of reasons, the scale has been increasingly tipping away from taxpayers.

Correcting this imbalance is not easy, but in a growing number of states, budget deficits are being used to justify efforts to scale back not only labor costs, but labor rights. The impulse is understandable; public sector unions all too often stand in the way of reform. But unions also play a vital role in protecting against abuses in the workplace, and in my experience they are integral to training, deploying and managing a professional work force.

Organizing around a common interest is a fundamental part of democracy. We should no more try to take away the right of individuals to collectively bargain than we should try to take away the right to a secret ballot. Instead, we should work to modernize government's relationship with unions — and union leaders should be farsighted enough to cooperate, because the only way to protect the long-term integrity of employee benefits is to ensure the public's long-term ability to fund them. In Wisconsin, efforts to rein in spending on labor contracts have included proposals to strip unions of their right to collectively bargain for pensions and health care benefits.

Yet the problem is not unions expressing those rights; it is governments failing to adapt to the times and act in a fiscally responsible manner. If contract terms or labor laws from years past no longer make sense, we the people should renegotiate — or legislate — changes. Benefits agreed to 35 years ago that now are unaffordable should be reduced. Similarly, work rules that made sense 70 years ago but are now antiquated should be changed.

In New York City, we share the same goal as cities and states across the nation — less spending and better services. We, too, are seeking to legislate changes to reduce pension and benefit costs and modernize our labor laws. But in some cases, we believe expanding collective bargaining would be more beneficial than trying to eliminate it.

For example, in New York, state government — not the city — has the authority to set pension benefits for city workers, but city taxpayers get stuck with the bill. The mayor cannot directly discuss pension benefits as part of contract negotiations with unions, even though pension benefits could be as much as 80 percent of an employee's overall compensation. In addition, members of the State Legislature pass pension “sweeteners” for municipal unions that help attract support for their re-election campaigns.

These are problems that mayors around the country also face. In New York City, taxpayers will be forced to pay \$8.3 billion in pension costs this year, up from \$1.5 billion 10 years ago. Our proposal to the state is simple: legislate lower costs this year and, going forward, give us the authority to negotiate fair pension savings ourselves.

Pensions are not the only area where we would like to expand our collective bargaining authority in order to modernize government. New York is one of only a dozen or so states with a law requiring layoffs of teachers based strictly on seniority — a policy that's known as "last in, first out." In New York City, we are preparing to lay off workers across city agencies, including 4,500 teachers. And the only thing worse than laying off teachers would be laying off the wrong teachers — some of our very best.

That's why we are asking the state to give us the legal authority to collectively bargain a layoff policy with the teachers' union — and in the meantime, to conduct layoffs based on common-sense factors like eliminating teachers who have been rated unsatisfactory, found guilty of criminal charges or failed to meet professional certification requirements.

To the extent that collective bargaining agreements or state laws are no longer serving the public, we should change them. That is what democracy is all about — and that is our responsibility. The job of labor leaders is to get the best deal for their members. The job of elected officials is to get the best deal for all citizens.

Rather than declare war on unions, we should demand a new deal with them — one that reflects today's economic realities and workplace conditions, not those of a century ago. If we fail to do that, the fault is not in our unions, or in our stars, but in ourselves.

Michael R. Bloomberg is the mayor of New York.



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