

# ***POLICY BRIEF***

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## **County Council Considers Compulsory Unionization**

Just when you thought that some recognition of the need for sound economic policy might have begun to take hold in the Allegheny County Council, several members have proposed what has to be as counterproductive an ordinance as we have seen since the Living Wage debate. With the County laying off workers and desperately needing to gain a stronger economic footing, it cannot afford to project an anti-business image. Yet a recent ordinance (No. 1599-04) proposed in County Council will have that affect.

The proposed ordinance will require certain businesses such as hotels, motels, restaurants, bars and clubs in projects that receive economic development assistance from the County to enter into collective bargaining agreements with its employees. Supporters of the bill want these unionized workers to sign a no strike clause to protect the County's financial or proprietary interests.

According to the rationale of the ordinance, County Council wants to prevent work stoppages or strikes from affecting the operations of businesses that have received County assistance so that these projects will not be hindered in the repayment of their obligations. Obviously, this is an extremely ironic position in that non-unionized workforces very rarely cause work stoppages. Apparently, some pro-union council members fear that local unions will picket any new hotel, such as the proposed convention center hotel, operated with non-union labor.

The truth is this ordinance is not about recouping the County's financial contribution. Rather, it is a flagrant attempt to legislate union jobs and to seek favor from the unions. In short, it's about promoting organized labor interests ahead of Allegheny County's interests.

Bear in mind too, that any construction project in Pennsylvania that receives government funds is already subject to Pennsylvania's prevailing wage requirement, meaning that anyone working on a County funded project must, in effect, be paid union wages. This requirement raises the construction cost of these projects 10-20 percent compared to having the work done with non-union workers. If ordinance No. 1599-04 is passed, any hospitality business operating in a project that received County financial would be required to employ union labor, whether they wished to or not or whether the workers

voted for the union or not. And, quite likely, the businesses will incur higher operating costs.

In the past, the Allegheny Institute has argued many times that the County should not be giving financial assistance to capital projects that involve retail or hospitality establishments. We will certainly argue against mandating that only union labor can be used by businesses in the subsidized projects after they are completed. This is certainly the wrong time for the County to pander to union interests. Moreover, it is not appropriate for the County to require that any employee be a union member in order to work for any business.

The proposed ordinance encapsulates what is wrong with the mentality of many elected officials—the belief that the free market does not work here. In a state that has a prevailing wage law and refuses to enact Right to Work legislation, it is no wonder that the rate of economic and job growth are among the slowest in the nation. Now, some Allegheny County Council members want to impose mandatory unionization on hospitality businesses in County assisted projects. We can only hope that wiser heads will prevail and this ill-conceived proposal will never receive enough votes to become law.

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