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Niel Ritchie: There's a long road ahead of us

By Niel Ritchie | Posted: Monday, September 7, 2009 12:15 am

Signs are that the economic freefall of the past several years is beginning to reverse, as the federal stimulus package puts millions of unemployed workers back to work. Still, for far too many, Labor Day 2009 remains less a celebration of the hard work that built our nation than grim reminder of how far we still have to go.

Families living and working in rural communities know this firsthand, given they're typically the last to profit from economic booms yet are among the first to go bust. That's backed by the state's latest Job Vacancy Survey, which reports 21,000 unemployed workers in and around Winona are vying for only 2,200 openings. As bad as it is, even that doesn't tell the whole story. In its analysis of the Survey, the JOBS NOW Coalition concluded of the openings more than half are part time, 65 percent require no education or training beyond high school and one in four pays less than \$8.25 an hour, well below what is needed just to make ends meet. But with such catastrophe comes great opportunity to rebuild an economy that works. "Our decades-long experiment in free trade has now been judged a failure," says Richard Levins, professor emeritus of applied economics at the University of Minnesota. "We need to go back to building a middle class in ways that work."

Global corporations and their friends in Washington are quick to blame labor unions for America's decline. Through billions spent in a three-decade propaganda campaign, many rank-and-file workers bought into the fiction, even as their own buying power failed to keep pace with costs. But unions aren't the enemy of the middle class, as global corporations would have us believe; the opposite, in fact, is true: All workers benefit when labor unions are strong. Proving that point are places like Newton, a town of 16,000 in central Iowa. In 2006, after a century of manufacturing Maytag appliances, the company was bought out and its union jobs transferred to low-paying plants in Mexico and Ohio. According to Iowa Workforce Development, a state agency, Maytag's pay and benefits packages raised nonunion wages countywide by \$3 an hour.

The loss of Maytag not only impacted town residents but decimated the middle-class standing of thousands of working families miles beyond. "The historical record is clear: Labor unions built the American middle class; labor unions bargain for the wages needed to restore the middle class to prosperity," Levins says. "We can't build a middle class on cheap wages and personal borrowing. Things just don't work that way. We have to remember that middle-class economies don't just happen; we can't take them for granted. They have to be built and

maintained. Labor unions do that job."

In 1929, the top 1 percent of Americans claimed nearly a quarter of all wealth. In 1979, when labor unions were strong, the percentage of wealth concentrated among the super-rich dropped by more than half, to its lowest point in modern history. With the attack on unions - and the diminished power of workers overall - the trend once again reversed: In recent years 300,000 Americans at the top of the economic chain had incomes nearly matching 150 million wage-earners below.

"Just as Wal-Mart depresses wages and living standards for all workers, labor unions do the opposite," says Kevin Ristau, education director with JOBS NOW.

We set aside this day to recognize the value of workers and their contributions to our nation. With much-needed change in federal policy strengthening the position of workers, Americans will rise above their current place as cheap commodity in a global market. And once done, we all will have much more to celebrate the first Monday in September.

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