

“What is the impact of the economy on unionized workplaces?”

by Dennis Lee

The existence of Unions can be traced back to the 18th century, they were created out of a need to protect the common worker, and after hundreds of years their purpose has remained the same; to ensure workers' rights are respected by their employers. As the economy slows, businesses will undoubtedly attempt to streamline expenses by decreasing wages, stripping away benefits from the common worker and finally by cutting jobs. Now is the time Unions will be tested to defend the worker's rights, until the economy recovers and businesses no longer need to downsize to remain afloat.

As the economy slows, the first option for businesses is to decrease wages. This action will, in the long run, have an adverse effect on the economy. Businesses are losing money because their product is not being sold, and their product is not being sold because the consumer has less money to spend, so in the end, reducing wages will propagate the decline in the economy. It will be up to the unions to protect workers' wages, and ensure their members will continue to have enough money to sustain their standard of living.

A more extreme option for businesses to streamline costs is to eliminate workers' benefits; medical, dental, and most importantly pensions. Once again it will be up to the unions to step in and protect these benefits, because in the long run, elimination of the benefits will be detrimental to the economy. The health and well being of workers' ensures efficiency in the workplace, and if these benefits are removed, there will be an increase in worker absenteeism. Elimination of pensions will be the worse situation for the economy, with an aging population, the majority of consumers will shift to being pensioners, and if that money is not there, there will be less spending and as a result the economy will suffer.

The last option for businesses is to eliminate jobs. This is the greatest test of Unions. Even in a unionized workplace, it is difficult for unions to ensure the protection of all its unionized members. If a business decides to eliminate its workers and close its doors, the Union will be hard pressed to stop them from doing so. In this situation, the Union must ensure business understand that eliminating jobs may have a positive effect for the business in the short run, but in the long run will be extremely harmful to the business.

With no end in sight for the current economic crisis, it will be up to the strength of the Unions to ensure its members will not have to take the brunt of the declining economy. Responsibility for the current recession belongs to every member of the global workforce, hopefully, with the help of the Unions, workers' will be able to weather this storm and make it through to better times.