

Responsible Federal Contracting

The Federal Government spends over half a trillion dollars a year on contracts for goods and services, generating employment for tens of millions of workers. However, there are inadequate controls on the records of firms who get these contracts and on the quality of the jobs these contracts create. Ignoring these factors has negative implications, not only for the workers on these contracts, but for the quality and efficiency of services rendered. For these reasons, the Task Force has participated in a review process to identify ways to reform the procurement process to increase the quality of both the services procured and the jobs created under Federal contracts.

The Task Force recognizes that contracts should not be awarded to irresponsible sources with unsatisfactory records of business ethics, including noncompliance with labor and employment, tax, fraud, and consumer protection laws. We also recognize that substandard wages and benefits can have negative impacts on employees' productivity and stability, which in turn can reduce the quality of performance on Federal contracts.

We expect to produce shortly some new recommendations to bring these ideas into practice.

National Equal Pay Enforcement Task Force

With more women in the labor force than ever before, the earnings of women are essential to the economic well-being of American families. But too often, women are paid less than men for doing the same job. The first bill President Obama signed into law was the Lilly Ledbetter Fair Pay Act, which restores basic protections against pay discrimination for women and other workers.

The Administration will follow through on this commitment to equal pay for men and women by creating an Equal Pay Enforcement Task Force. Responsibility for equal pay enforcement is fragmented across three different agencies with distinct responsibilities and inadequate means for coordinating efforts or limiting potential gaps in enforcement. The Task Force will improve coordination between the Departments of Justice and Labor and the Equal Employment Opportunity Commission with the goal of ensuring that all applicable equal pay laws are vigorously enforced throughout the country. The Task Force will conduct an inter-agency review of existing regulations, reporting requirements, and administrative practices that relate to equal pay, and will recommend modifications to improve compliance. It will also conduct a public education campaign to educate employers and employees about their rights.

Employee Free Choice Act

As noted in the introduction to this report, both the President and Vice President have consistently voiced support for collective bargaining and unions, viewing them as central to building America's middle class. Many of the Task Force's events and activities, from helping to pass executive orders that promote labor fairness, to joining with Labor Secretary Solis to elevate the role of union apprenticeship programs in green job training, have stressed the positive role unions can play in supporting middle-class jobs and incomes.

It is, however, the case that union membership has fallen in recent decades from about 25% in the early 1970s to about half of that today.²⁴ Part of the explanation for this trend is that the industrial mix of jobs in our economy has changed over the past few decades, as jobs have shifted from traditionally unionized sectors, like manufacturing, to less unionized service sectors. But this compositional shift explains only a small share of decline in unionism. The main reason is that fewer workers within any given industry have joined unions.

One might think that this represents a benign shift in American workers' sentiments about unions—perhaps in a more global economy with fewer jobs in heavy industry, people no longer view unions as relevant institutions. But the evidence belies that view. Noted Harvard labor economist Richard Freeman reports that “[t]he proportion of workers who want unions has risen substantially over the last 10 years, and a majority of nonunion workers in 2005 would vote for union representation if they could.”²⁵

One reason there is less collective bargaining in our workforce than workers desire is that the organizing playing field is far from level. Of course, not all employers oppose union organizing campaigns. Those who do, however, are able to block the wishes of their employees with relative impunity as the current system makes it much easier for them to prevent their employees from forming or joining a union than for workers to exercise their legal right to do so.

The Administration has supported the Employee Free Choice Act (EFCA) as a way to rebalance the union organizing playing field. In our policy work and events, as well as in various statements by the Vice President, the Task Force has consistently stressed the importance of EFCA as well. This support stems from our diagnosis that one underappreciated reason for the negative trends portrayed in our economic analysis of middle-class families is the loss of worker bargaining power. While raising the unionized share of the workforce would not close the gap between income and productivity, it would help to provide low- and middle-income workers with some of the clout they need to claim a fairer share of the fruits of their labors.

The Employee Free Choice Act would institute three basic changes designed to make the organizing process more equitable. It would allow workers to choose to organize either through a balloting process or through a “majority sign-up” process in which a majority of workers signs cards stating their desire to form a union, whereas the current system lets employers refuse to voluntarily recognize such a majority sign-up. EFCA would also prevent employers from stalling on the first contract, and it would increase penalties against employers who illegally block organizing drives.

Over the course of this year, the Task Force will continue to promote the benefits of union membership and to amplify the President’s message of the importance of EFCA as a way to guarantee workers who want to organize a fair chance to do so.

²⁴ Bureau of Labor Statistics. In 2009, total union membership was about 12% of the wage and salary workforce; private-sector membership was about 7% and public-sector membership was about 37%.

²⁵ Richard B. Freeman, “Do Workers Still Want Unions? More Than Ever,” Economic Policy Institute, February 2007, <http://www.sharedprosperity.org/bp182/bp182.pdf>