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Organizing: Institutional Investors Urge Congress To Approve Employee Free Choice Act

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Organizing
**Institutional Investors Urge Congress
To Approve Employee Free Choice Act**

An international coalition of institutional investors sent a letter to Congress May 11 urging passage of the proposed Employee Free Choice Act (S. 560, H.R. 1409).

Twenty-five investors, representing about \$372 billion in assets across the global economy, signed the letter, which underscored economic considerations in their endorsement.

Signatories to the letter include several individuals tied with union pensions, including Daniel F. Pedrotty, director of the AFL-CIO's office of investment, and Stephen Abrecht, of SEIU Employees and Affiliates Pension Plans.

"As investors, we believe constructive labor relations are essential for improving productivity, efficiency and workplace safety," said Steven Heim, senior vice president and director of social research and advocacy for Boston Common Asset Management, LLC. "We believe the proposed legislation would help appropriately rebalance labor-management relations and better protect workers if they face unlawful conduct by employers when exercising their workplace rights."

The bill, among other things, would allow workers to choose to secure union representation by majority sign-up as an alternative to a secret-ballot election.

The letter said that "constructive and positive labor relations are essential for improving corporate performance, efficiency and workplace safety."

Effective employer-employee partnerships enhance productivity and loyalty, the letter said, enabling companies to attract and retain skilled staff in order to better drive corporate innovation.

The letter said a 2006 study by the International Labor Organization (ILO) found that economies, under the Organization for Economic Cooperation and Development, that are the highest economic performers are those with high union density and a high level of cooperation between labor and business interests.

“We believe the proposed legislation would help balance the relationship between worker and employer in the U.S., and better protect workers when they face unlawful conduct by employers while exercising their globally-recognized workplace rights,” the letter said. “The freedom to form or join a union of one’s choice and to bargain collectively for the terms of employment are fundamental human rights enshrined in the U.N. Universal Declaration of Human Rights and the core conventions of the ILO.”

The letter said that the bill would help decrease incidents of employer coercion from a range of anti-union tactics.

“‘Captive audience meetings,’ ‘predictions’ of workplace closings, and prohibitions of union organizers at work sites are commonplace in the U.S. in our experience,” the letter said.

EFCA, introduced in the House and Senate March 10 (45 DLR AA-1, 3/11/09), would amend the National Labor Relations Act to, among other things, establish a procedure whereby the National Labor Relations Board would certify a union as the bargaining representative of employees if a majority of employees of the unit signs valid union authorization cards. The legislation also would allow unions to continue to petition for NLRB-supervised secret ballot elections, if they choose, once 30 percent of the workers have signed union authorization cards.

Pro-Labor Groups Applaud

AFL-CIO President John Sweeney said the letter adds a “critically important voice” and represents a “significant endorsement” for the legislation.

“These investors know from experience that businesses that honor strong labor standards are much more likely to benefit from higher productivity, less turnover and a better-trained workforce,” Sweeney said. “They have recognized, along with many in the business community, that working people need to have the tools to increase their purchasing power and bargain for financial stability in order to get this economy growing again.”

Kimberly Freeman, acting executive director for American Rights at Work, said the endorsement “introduces a crucial business voice to the debate.”

“The letter of support from these investors, who manage over \$372 billion in assets, makes it clear that investing in workers’ rights and a strong, sustainable economy go hand in hand,” Freeman said. “These forward-thinking investors confirm the economic case for the Employee Free Choice Act.”

Chamber Questions Signatories

Glen Spencer, executive director of the U.S. Chamber of Commerce’s Workforce

Freedom Initiative, said he was not surprised by the endorsement because many of the signatories are “heavily involved” with union pension management.

“It's an implicit threat that we're not going to let you manage our accounts,” Spencer said. “It's no indication of a cracking in business support.”

EFCA opponents contend that the legislation would worsen the current recession by forcing employers to slash more jobs.

By Derrick Cain

To view the full letter, visit the Boston Common Asset Management Web site at <http://www.bostoncommonasset.com/news/EFCA-Congressional-Letter-051009.pdf>.