

## RESOLUTION 12

# A Strong Public Sector

Submitted by the Executive Council  
Referred to the Legislation and Policy Committee

**A STRONG PUBLIC SECTOR** provides the foundation for a strong, stable and just democracy. The public sector provides the means for people to act for the common good to achieve justice and equality. The stability of the economy, economic security of the elderly and disabled, education of our youth, health and safety of our citizens, protection of our environment and strength of our infrastructure all depend on a robust public sector on the federal, state and local level.

For decades, conservative pundits and politicians have disparaged the public sector and public employees. Government employees have been caricatured as “bureaucrats” and assailed as wasteful, indolent and self-serving. The public has been encouraged to think of government service as having little value to themselves personally or the community as a whole. Morale in the government workforce has declined and, for too many, careers in government service no longer are seen as a way to put high ideals into practice.

The anti-government perspective has been expressed in the organized movement to demonize and cut taxes, starting with California’s Proposition 13—designed to, as anti-public service ideologue Grover Norquist put it, “starve the beast,” so that the resources to deliver what our nation needs and demands no longer exist. This is true despite the fact that tax revenue in the United States, as a percent of GDP, is far lower than in other industrialized democracies. As a consequence, the quantity and the quality of services suffer, public support declines further and the vicious downward spiral continues.

We’ve seen the result of neglect and disinvestment in public services, whether it’s Hurricane Katrina or the collapse of the I-35W bridge in Minneapolis. Neglecting our public assets and shredding our safety net leads to tragedy.

This anti-government sentiment has also been expressed in the promotion of privatization in the name of savings, but in reality it simply allows corporations to profit from the delivery of public services, often at a much higher cost to taxpayers.

Privatization and outsourcing of government work has not led to more effective or efficient government. On the contrary, it has led to a shadow government that costs more, provides fewer services and is less accountable to taxpayers. The contractor workforce is sometimes low wage, with few or no benefits; in other cases, taxpayers fund enormous corporate executive salaries and bonuses, which go far beyond the modest compensation that taxpayers consider proper for public employees performing the most highly specialized and technical and professional work. In the federal sector, this shadow government outnumbers the federal workforce by an estimated six to one. In state and local governments, the shadows are so deep this workforce cannot be counted or its cost tallied. While government can and should always strive to better serve the public interest, the fact remains that only it exists to serve the public good, and in our democracy only it is accountable to all citizens.

The decades of hostility and neglect have led to governments at every level having to confront

the most serious fiscal crisis since the Great Depression. At the federal level, the collapse of the financial sector is a grim reminder of the consequence of failing to oversee corporate behavior and safeguard the public interest. At the state and local level, tax revenues are collapsing at the same time as the need for essential public services is exploding. State governments, which almost universally are required to put forth balanced budgets, had to close deficits of more than \$113 billion in fiscal year 2009. Thirty-six states report closing another \$143 billion in adopting their fiscal year 2010 budgets. And already new shortfalls are looming, estimated at \$180 billion for fiscal year 2011. Fiscal relief in the American Recovery and Reinvestment Act helped, but several bleak years lie ahead since state and local revenues are dependent on and typically lag broader economic recovery.

The bulk of these budget gaps were closed by severely cutting education, health care, social services, housing, public safety, infrastructure and other services and by subjecting the employees who deliver the most-needed services to wage and benefit cutbacks, furloughs and layoffs. These cutbacks are more than ill-advised and short-sighted; they actually exacerbate unemployment and retard the economic rebound.

These cuts are not sustainable. They either ignore, or push into the future, the real demand for public services, and the real need to decide how to pay for them, and they foreshadow yet another round of budget crises. Lagging public investment in physical infrastructure has already put us in danger. Inadequate investment in education already impedes our productivity, growth and competitiveness. Cuts in public safety and public health severely threaten our ability to respond to acts of terrorism, pandemics or natural disasters, not to mention fulfill our basic responsibilities to keep people safe from crime, fires and other less extraordinary but no less tragic events.

The economic and budget crisis is the result of the failure of the financial sector, not excessive spending on public services. Yet, while public services are not the cause of this crisis, public

service workers are on the frontline dealing with it—helping people in financial difficulties, creating new opportunities through education and training, guiding people back into work, dealing with homelessness, family breakdown and mental health problems and keeping our communities and streets safe. The solution to this crisis is a restoration of a robust public sector, supported by more equitable, stable and sustainable revenues.

The American people are ready. After watching in horror as our government utterly failed the victims of Hurricane Katrina, and in disgust as unfettered Wall Street financial firms took our economy to the precipice of a second Great Depression and destroyed millions of jobs and hundreds of communities, the American people now understand it was government that came to the rescue. They understand that, as President Obama said in his inaugural address, it is not whether government is too big or too small, but whether it works. The nation is ready to restore public service to its rightful place, both in public opinion and in public policies; to abandon the philosophy that you're on your own and embrace the vision that we're a community, working together for common purpose. Our government is our most visible expression of that community.

A restored and strengthened public sector will help lay the foundation for economic recovery and build a fairer society for the future. We face unprecedented challenges. Only with a strong public sector and support for the millions of workers who provide public services can we face them together as one nation.

Therefore, the AFL-CIO will work with its affiliates and with its allies to restore a broader sense of appreciation for the role of government in building our communities and maintaining the strength of our nation. Through our programs and communications, we will endeavor to educate our members, and the public at large, on the essential role of government in promoting fairness and in advancing the quality of life of all Americans. This is an effort that can only serve to build our economy and defend our democracy.