

WVU right-to-work study disputed as Legislature considers bill

By David Gutman



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Dozens of people stand outside West Virginia's Senate Judiciary Committee meeting room Thursday morning, as a hearing on a right-to-work bill goes on inside. The room was too

small to allow everyone to attend the hearing.

Just as the West Virginia Legislature began considering “right-to-work” legislation Thursday, a new economic analysis has alleged that the intellectual backbone behind the Republican proposal, a West Virginia University study of the issue, made basic mistakes and “is fraught with several problems.”

In November, the WVU Bureau of Business and Economic Research unveiled a study of right-to-work laws that was requested and funded by the Republican-led Legislature.

The study, analyzing state economic data from 1990 to 2012, found that passing a right-to-work law in West Virginia would lead to faster job growth and a faster-growing economy.

“We established a process to ensure we would have independent, unbiased economic analyses of major initiatives that come before the Legislature,” House Speaker Tim Armstead, R-Kanawaha, said in touting the study. “This study appears to support what we’ve been saying for some time — that a right-to-work law would certainly be advantageous to job growth in our state.”

However, on Thursday, the Economic Policy Institute, a national think tank, released an analysis of the WVU study, saying it made such egregious errors as to “allow serious researchers and conscientious policy makers to disregard their study and results.”

When you fix the errors in the WVU study, the EPI writes, “the relationship between right to work and employment growth disappears.”

The EPI describes itself as a nonpartisan think tank focused on the needs of low- and middle-income workers. It says it gets about one-quarter of its funding from labor unions, which strongly oppose right-to-work laws. Slightly less than one-third of the organization’s board of directors are union-affiliated.

“Every left-wing think tank has a study that says right-to-work is bad, every right-wing think tank has a study that says it’s good,” said John Deskins, the lead author of the WVU study. “The fact of the matter is that econometric analysis is difficult and complicated, and there are lots of ways for researchers to manipulate their models to suit their purposes. My team and I, on the other hand, have no particular leaning and no reason to manipulate results.”

The WVU study examined economic data before and after various states passed right-to-work laws, to

try to pinpoint the effect of those laws.

The most basic error that the EPI said it found in the WVU study is that researchers simply got the year wrong for when certain states adopted right-to-work laws.

Utah adopted a right-to-work law in 1955 and Texas did so in 1947, the new study writes, but, WVU wrote that Utah became right-to-work in 1995 and Texas did so in 1993.

Deskins acknowledged the error in the date for Utah, but said the error, if corrected, would actually strengthen his team's conclusions.

For Texas, he pointed to the National Conference of State Legislatures, which states that Texas adopted right-to-work in 1993.

The National Right to Work Committee, which supports right-to-work laws, sides with the EPI and says Texas became right-to-work in 1947.

Also, during the bulk of the time the WVU study covered, from 1990 to 2010, only one state switched its right-to-work laws, the EPI writes. This means, that almost every switch in status was either too old or too new to yield reliable data, the analysis says.

Correcting these errors, the new study says, makes it "impossible to reliably identify the causal impacts of right to work on employment growth."

Deskins said several of the EPI's other allegations make clear that it is being disingenuous.

"They are simply trying to discredit any report that does not support the financial position of their sponsoring organizations, regardless of scientific merit," Deskins said. "Furthermore, aside from any numbers, the basic idea that businesses are going to be more attracted to locations with more flexible labor markets is wholly consistent with basic economic theory."

The questions about the WVU study come just as it is being used as a bulwark in the Republican Legislature's push for right-to-work.

Hundreds of union members flooded the Capitol on Wednesday to protest the proposal, which they say will weaken unions and lower wages and benefits.

Union members were again out in force Thursday, as the Senate Judiciary Committee began considering the right-to-work legislation, with dozens who could not fit in the committee room waiting in the hallway during both morning and afternoon sessions.

The WVU study repeatedly was cited as evidence by lawmakers of both parties. The committee discussed the right-to-work bill (SB 1) for more than four hours on Thursday, but took no action.

Senate Majority Leader Mitch Carmichael had a brief back and forth with Ken Hall, president of Teamsters Local 175 and general secretary treasurer of the Teamsters, about the possible flaws with the WVU study.

Afterward, Carmichael said he had no great concerns with the WVU study.

"We chartered an independent study by an academic Ph.D. economist that returned results that suggest West Virginia would grow, have more jobs as a result of this," Carmichael said. "I trust the independent analysis."

Carmichael, R-Jackson, said he expects the committee to vote on the legislation today, which would send it to the Senate floor.

If West Virginia passes right-to-work legislation, it would become the 26th state to do so.

If a majority of workers in a workplace vote to form a union, the union must represent all workers in contract negotiations, even those who voted against the union. To do so, the union is allowed to collect fees, to cover the cost of negotiations, from every worker. Right-to-work laws allow workers to opt out of paying those fees, even if they are covered by the union contract and benefit from union negotiations.

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