Back To The Future

Those who cannot remember the past are condemned to repeat it
George Santayana

The First Rule of Holes:
If you're in one stop digging

The various committees, agencies, authorities, and groups charged with leading the state's rebuilding efforts should consider how Louisiana has treated its most valuable business asset. You know, the working men and women of our state. Because a recent independent study shows that before Katrina, Louisiana ranked last among all states and the District of Columbia in work environment. That's 51st out of 51, dead last, rock bottom, the worst of the worst, the lowest of the low.

Studies comparing states' economic conditions usually measure factors that make for a favorable business climate. But researchers at the Political Economy Research Institute at the University of Massachusetts Amherst instead decided to evaluate each states' worker climate. It's the first index to do so. The study shows a consistent link between the quality of a state's work environment and its economic health. And states that treat workers well have lower poverty rates than those – like Louisiana -- with high poverty rates.

While the economic recovery experts are at it, maybe they can rethink Louisiana's approach to protecting our environment. Our past practice of subsidizing big business by letting them pollute the state's air and water without fairly paying for the privilege isn't working either.

How The Study Works

So what is it that makes Louisiana such a crummy place to work, contributing to a faltering economy and staggering poverty? The researchers measured three basic factors of the U.S. work environment: job opportunities, job quality, and economic fairness.

The category of job opportunities evaluates the problems associated with getting and keeping a good job. It measures statewide unemployment rates, duration of unemployment, and data on people forced to accept involuntary part-time jobs. Job quality includes figures on average wages in each state (after adjustment for cost of living differences between states) and proportion of workers in the state receiving job-related health and retirement benefits. Workplace fairness consists of two categories. First is the degree of equity among workers in the state. Worker equity considers the proportion of low-wage workers in the state (those making less than 50 percent of the national average wage after adjusting for cost of living) and differences in pay equity for men and women. Second is the regulatory environment with respect to labor standards and the right to organize collectively. The regulatory environment category evaluates each state's minimum wage level, rights to collective bargaining, and whether states operate under the so-called "right to work."

What Makes Louisiana Last

Each of the three categories listed above generates its own component score based on a state's rank in the category. The sum of the data yields what the authors call the Work Environment Index or WEI. The WEI number is a measure that defines the quality of workers' lives in the United States. Here's what the researchers say about us.

> The lowest ranked state according to the WEI is Louisiana, with an overall score of 31. Louisiana ranks 41st in terms of job opportunities, 34th in terms of job quality, and 51st in terms of workplace fairness. **Overall, workers in Louisiana face the greatest level of inequity and the weakest social protections**, according to our workplace fairness standard. It is also in the bottom 10 according to job opportunities. It is slightly stronger by our job quality measure, but not nearly enough to compensate for its other weaknesses.

The Pollution Contribution

Another significant factor negatively affecting Louisiana's economic health, worker productivity, and employment is pollution. Big Oil and the chemical companies have successfully sold the public and our leaders on the notion that increased environmental regulations and laws will drive away jobs and hurt the economy. But the work of Dr. Paul Templet, former Secretary of Louisiana's Department of Environmental Quality, and other researchers shows that's wrong. A state's poor environmental record (pollution) equates with lower economic growth and a decline in worker productivity and employment. This is due, in part, to the fact that weak environmental laws or their weak enforcement leads to unintentional consequences in subsidizing the wealthy corporations who pollute. Dr. Templet has written about it.

> Large companies are the biggest beneficiaries of subsidies: they use the most energy and other resources, discharge the most waste, and have the largest incomes and property holdings. If all of the profits generated by subsidies were to remain in the state, the recycling of the extra income might counter at least some of the harm that subsidies inflict on public welfare. Many of the profits are exported, however, to shareholders and managers living in other states.

In other words, subsidizing Big Oil, chemical companies, and other polluting industries in an attempt to stimulate Louisiana's economy sends a lot of money out-of-state. Louisiana doesn't benefit. Stockholders and board members in New York, Texas, or someplace else, do.

And the view of the rest of the country that Louisiana is excessively polluted creates its own reality. Our state is seen as less attractive because of this pollution perception and few businesses are interested in moving here. This lack of attractiveness decreases the diversity of business, makes us poorer, and results in even more dependence on the industries that are reaping the benefits of pollution.

As Dr. Templet has written, "[a]lthough corporations can eventually pick up and go elsewhere, the public as a whole cannot."

As decision makers ponder Louisiana's future after Katrina, let's hope they give due weight to helping workers and protecting the environment. Sure, consider tax breaks for business. But remember that taking care of workers – really taking care of them with quality jobs and fairness in the workplace – is good for economic growth. And improving work conditions in our state and making companies pay their fair share to pollute will reduce poverty. Then, everybody benefits.