



 REPORT WORK

GOP Secretaries of Labor: Puzder Is a Break from the Past

JANUARY 23, 2017 — ANDREW STETTNER

Next month, Andrew Puzder, Donald Trump's nominee for the secretary of labor and the CEO of CKE Restaurants (the parent company of Hardee's and Carl's Jr.) will go before the Senate HELP (Health, Education, Labor, and Pension) committee to testify at his confirmation hearing. President-elect Trump could hardly have nominated a more controversial choice for secretary of labor. The nation's top labor enforcer is slated to be a CEO from one of the highest-violation industries in the nation—fast food. The Department of Labor found that nearly 60 percent of Carl's Jr. and Hardee's restaurants investigated had at least one wage violation.¹ Moreover, Puzder is a prolific public speaker and writer who has decried the overall negative role of regulations in the economy and the specific harm of recent efforts to strengthen labor and employment laws.

Congress gave the Department of Labor a unique mission when it was established in 1913: “to foster, promote and develop the welfare of working people, to improve their working conditions, and to advance their opportunities for profitable employment.”² While other agencies focus more directly on the needs of businesses (Treasury, the Small Business Administration, Commerce), the Department of Labor is the only agency set up to protect the workforce and to ensure that jobs created by the economy are in fact good jobs.

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Confirmation hearings typically give incoming secretaries a chance to map their course to fulfill the goals of their designated agency. It is hard to know what a confirmation hearing will be with a designee as negatively predisposed to the agency's core mission as Puzder. While past secretaries of labor all made statements that embraced parts of the mission of the Department of Labor in one way or another, it is difficult to find any such sentiment in Puzder's public declarations.

As Puzder prepares his notes for the course he intends to set, this report looks back at the confirmation hearings of the past six GOP-nominated secretaries of labor (nominations from 1981 to 2001).

The Background of Past Nominees

The first contrast between Puzder and past GOP secretaries of labor is their background. Five out of the prior six GOP secretaries came to the Department of Labor from a career in public service (see Table 1). By contrast, Puzder hails from

management in the exact type of low-wage private industry that the Department of Labor was established to regulate. As with other fast food chains, research is finding that Hardee’s and Carl’s Jr. frequently have labor law violations. A recent report from the Restaurant Opportunity Center found that 28 percent of Hardee’s/Carl’s Jr. workers worked off the clock, and nearly one-third experienced other wage violations, such as not receiving breaks.³

Moreover, Puzder will bring a very negative attitude regarding the government workforce to a job that manages a cabinet agency of more than 17,000 employees. In his book—*Job Creation: How It Really Works, and Why Government Doesn’t Understand It*—Puzder explains the inferiority of government to the private sector: “These tax-funded positions and programs operate outside the constraints of success or failure, and therefore, lack even the most basic form of incentives such as those a private sector firm needs to succeed.”⁴

Table 1. GOP Secretaries of Labor, 1981-2009

Secretary of Labor	Background	Years of Service
Elaine Chao (George W. Bush)	CEO of United Way / deputy secretary of transportation	2001-2009
Lynn Martin (George H.W. Bush)	Member of Congress / school teacher	1991-1993
Elizabeth Dole (George H.W. Bush)	Secretary of transportation / previous White House posts	1989-1990
Anne McLaughlin (Ronald Reagan)	Undersecretary, Departments of the Interior and Treasury	1987-1989
William Brock (Reagan)	Senator	1985-1987
Raymond Donovan (Reagan)	Construction executive	1981-1985

On Fulfilling the Mission of the Labor Department

Prior GOP nominees took time out of their opening statement to embrace the unique mission of the Department of Labor. Secretary Lynn Martin was one of several who referenced their personal background as part of her commitment to the lofty aims of the Department of Labor: “My parents were workers and I will always remember that the Labor

Department is their department and my real commitment is to them and to the millions of Americans whose department it must be.”⁵ Secretary William Brock eloquently stated his view on how the mission of the Department of Labor complements the goals of a conservative Reagan administration focused on economic growth: “The social justice we seek for our country’s workers must not be at the expense of our national economic health: rather it represents the means for maintaining that healthy prosperity.”⁶ In other words, when government helps workers do well, we all benefit from a stronger more prosperous nation. Prior statements from Puzder, such as “more government is not the solution to every problem, it’s the problem to every solution,” indicate that he does not hold such a favorable view of social justice and economic growth.⁷

VIDEO: SECRETARY OF LABOR CONFIRMATION HEARING, JANUARY 30, 1991.

On Minimum Wage and Overtime

Puzder has been critical of core Department of Labor policies, such as the minimum wage, stating “that the feds can mandate a wage increase, but some jobs don’t produce enough value to warrant the increase.”⁸ Puzder has been vociferous in disparaging President Obama’s strengthened overtime regulations, declaring that “this new rule will simply add to the extensive regulatory maze the Obama Administration has imposed on employers,” penning his opposition to one of the few public policies that can address the dismal fortunes of middle class workers that President Trump campaigned on fixing.⁹

It may be surprising to learn that the past three GOP secretaries (Chao, Martin, and Dole) used their nomination testimony to declare their support for at least a modest minimum wage increase, and minimum wage increases were signed into law by both Bush presidents. President-elect Trump has changed his position on a minimum wage increase several times, and Puzder has seemed to embrace the view that a minimum wage hike is not needed: “When there’s a demand for labor, the cost of labor goes up. When there’s no demand for labor, it goes down and you can’t solve that problem by having the government artificially mandate a wage increase when there’s no economic growth to support that.”¹⁰

On Occupational Safety

Puzder’s specific position on occupational safety is not as easy to identify as those on other regulations. What we do know is that Hardee’s and Carl’s Jr. locations have been found in violation of federal OSHA rules eighty-seven times in the past sixteen years and have been assessed \$75,000 in fines. The Century Foundation (TCF) has mapped these safety

violations which have spanned from California to North Carolina. In this context, it is extraordinary to review the testimony of the other GOP leader selected as labor secretary, Raymond Donovan. A video at the hearing shows Donovan seated at the lectern with records of his OSHA violations, the majority of which had been resolved. Donovan was proud of his safety record stating: “Any good manager, regardless of the law, has to concern himself with safety.”¹¹

HOVER, CLICK AND DRAG OVER MARKERS TO EXPLORE THE MAP.

On Enforcement

The Department of Labor is responsible for enforcing 180 laws, covering wage laws, racial and sex discrimination, pensions, family leave, job training, retirement programs, unions and their members, and much more. The awesome responsibility of the role was not lost on Secretary McLaughlin, who stated during her confirmation that “Central of importance to me is my duty as the Secretary of Labor to enforce the law. But if confirmed I will continue to improve as my predecessor has done. Guiding the Labor Department’s law enforcement efforts through gathering reliable information. Making priority and resource decisions based on that information. Investigating alleged violations thoroughly and assessing substantial penalties quickly where violations are found. In other words, I will be fair but firm.”¹²

VIDEO: SECRETARY OF LABOR CONFIRMATION HEARING, DECEMBER 8, 1987.

All of the recent GOP nominees have stated their commitment to even-handed enforcement of the law, with Elaine Chao, Elizabeth Dole, Raymond Donovan and Lynn Martin echoing a version of Secretary McLaughlin’s remarks during their opening statement, as displayed in Table 2.

Table 2. GOP Secretary of Labor Confirmation Hearing Statements on Enforcing the Law

Elaine Chao	The balances that those laws struck between the forces of labor and the forces of management are a crucial source of stability in our economy, as well as a guarantee of fairness in the workplace.
Lynn Martin	Regulations will be fairly and firmly enforced.
Elizabeth Dole	I am committed to a vigorous enforcement program and I am committed to ensuring the integrity of the data on which we base of our enforcement decisions.
Raymond Donovan	I am committed to carrying out the laws of the department in an even handed fashion.
Sources: U.S. Senate, Committees on Labor and Human Resources and Health, Education, Labor and Pensions.	

While conservatives generally are against regulation, Puzder’s views seem to indicate that he sees regulation as a primary barrier to economic growth, without regard for the social benefits of regulations: “When federal regulations are being reduced or eliminated, government spending is reined, taxes are lowered across the board, individuals and businesses perceive a greater degree of certainty about their prospects for personal income and company profits.”¹³

On Equal Opportunity

The Department of Labor administers the Office of Federal Contract Compliance, which enforces race and gender discrimination laws, and affirmative action programs that add up to billions of dollars in federally contracted services. And, in that regard, the past six GOP secretary of labor nominees spoke at their confirmation hearing about the special role that the Department of Labor plays to insure that Americans from diverse racial backgrounds and abilities have access to employment opportunities. For example, Bill Scher observed that Reagan (despite famous quips like the welfare queen) campaigned with a more optimistic and conciliatory tone on race and gender than Trump. And Elaine Chao declared that the Department of Labor “represents those who’ve been denied equal access to good jobs or advancement because of residual prejudice against their race, gender, ethnicity, national origin or religion.”¹⁴

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Puzder, however, has taken a curious stance in this regard, defending his affinity for robots over human workers, in part because they do not file discrimination claims: “They’re always polite, they always upsell, they never take a vacation, they never show up late, there’s never a slip-and-fall, or an age, sex, or race discrimination case,”¹⁵ Moreover, his restaurants are infamous for sexually suggestive ads of women eating hamburgers and hot dogs, which he has also defended: “I like our ads. I like beautiful women eating burgers in bikinis. I think it’s very American,’ he says. ‘I used to hear, brands take on the personality of the CEO. And I rarely thought that was true, but I think this one, in this case, it kind of did take on my personality.”¹⁶

On Work and Family

The past four GOP secretaries of labor were all women, who strongly asserted the importance of ameliorating work-family conflict and commended companies for taking action. For example, Secretary Dole stated that “government has a positive role to help balance the dual responsibilities of work and family.”¹⁷ Secretary McLaughlin declared that she would “strongly advocate that employers and employees find ways to balance work and family and increase the availability of affordable child care.”¹⁸ GOP leaders were more inclined to see their role as promoting best practices by employers rather than issuing government mandates. For his part, Puzder, has complained that “paid sick leave laws generally requiring a paid week of time off each year per covered employees,” were forcing restaurants to reduce costs while maintaining service and quality.¹⁹ While Ivanka Trump has made work-family balance her signature issue and is set to release a new book on the topic, much of the policy implementation no doubt will fall to a secretary of labor whose views will soon become clearer.

VIDEO: SECRETARY OF LABOR CONFIRMATION HEARING, JANUARY 19, 1989

On Job Training

Job training has been a common theme for GOP secretaries of labor, providing an opening for Republicans to state their commitment to opportunity through work. Secretary Dole passionately asserted that her first priority would be to

“ensure that American workers are world’s best trained and most highly skilled, placing special emphasis on the disadvantaged among us to ensure their full participation in the opportunity that lies ahead.”²⁰ Certainly, President Trump will not be able to fulfill his goals of bringing manufacturing jobs back if he does not address the shortage of skilled workers that could leave manufacturers short of 2 million workers they need to expand.²¹ It is likely that Puzder, who has said little on the topic of job training, will say positive things about the need to increase the skills of the U.S. workforce. But will he propose dedicating any additional Department of Labor resources to expand job training, a commitment that has declined from over \$5 billion a year in 2000, to just under \$3 billion in 2015?²²

Conclusion

American workers depend on the Department of Labor to uphold a wide array of labor standards, and they look to the secretary of labor to lead efforts to address new challenges facing the workforce. Previous GOP secretaries have been less aggressive than their Democratic counterparts in enforcing existing regulations or promulgating new regulations for a changing economy, but at least they have recognized the Department of Labor’s important mission during their confirmation hearings. Unlike these previous nominees, Puzder is entering his confirmation hearing with a long record of opposing the Department of Labor’s mandates and mission, and the hearing will thus likely be far different than his GOP predecessors

Notes

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