

# Americans Across the Land Say NO to Austerity: Local Struggles against Budget Cuts

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<u>Inequality</u>

Between sequestration, with its damaging impact on workers and the economy, and the billions of dollars in cuts to Social Security, Medicare and other necessary social programs that President Obama is pushing, it is evident that the economic policies of both major parties are not intended to promote a recovery for working people.

You cannot lift up a nation's economy while slashing away at its consumers' pocketbooks. In order to justify their defiance of this elementary law, both Republicans and Democrats start talking the language of "austerity," that is, the notion that economic policy must be guided by reducing budgetary deficits first and foremost, and that workers exclusively must be made to pay the cost.

Policies associated with austerity include the cutting of public programs, privatizing existing government assets, mass layoffs of public workers and wage freezes for those who remain, union busting in the public sector and the revising of labor laws to further enhance the power of employers at the expense of employees.

Enforcing these policies during a recession prevents a recovery. Economic theory predicts this and history demonstrates it. Why, then, would the politicians promote austerity? Because these policies assure that the 1% will be let off the hook from paying their fair share of taxes that help subsidize the social safety net, and will have vast pools of public capital opened up for their private investment.

Why worry about the overall economy when the real power brokers from the corporations and banks are making out just fine with austerity? The message seems clear: As long as Wall Street is enjoying the "recovery," no one else gets to. Wall Street has used its vast wealth to lobby politicians for policies that are in its interests. In order for working people to climb out of the recession, they will have to organize in order to create their own power base.

#### Local Struggles

As already noted, austerity is being enforced on a national scale. Below the radar of news headlines, for the most part, the policies of austerity are spreading on a local level as well with even more devastating immediate impact. Along with this, there has been a growing grassroots opposition to austerity starting locally.

This is most visibly the case in Chicago where Mayor Rahm Emanuel plans to sacrifice 54 public schools on the alter of austerity and Obama's "Race to the Top." Thirty thousand students from primarily low-income black and Latino neighborhoods will be affected. Rising

to confront Mayor Emanuel's threats has been a grassroots opposition that was built from previous battles linking the Chicago Teachers' Union's interests with those of the working class communities at large. This was most evident at a large rally against the school closures on March 27.

In Detroit the movers behind austerity have taken their most politically extreme measures yet, putting the city ahead of the curve for what is likely to develop across the country. Michigan Governor Rick Synder has appointed Kevyn Orr, of Jones Day Law firm, as Detroit's Emergency Financial Manager. Orr has the power to dismiss elected officials, tear up union contracts, privatize public assets and impose new taxes without a vote. He will use this power to enforce austerity. Though Orr has yet to unveil his plans, there have already been numerous protests and rallies, and the actions are <u>likely to increase</u>.

On the West coast at the end of April, hundreds rallied outside the San Jose City Hall to protest proposed cuts to neighborhood services and Mayor Chuck Reed's threat to declare a fiscal emergency.

On April 11 in Oregon, a public budget hearing in which the Portland City Council intended to sell \$21.5 million in cuts attracted over 400 Portland residents, overwhelming city staff. Many citizens spoke to the need to prevent the cuts and instead raise revenue from corporations rather than handing out taxpayer subsidies to them, an idea that received overwhelming support from attendees.

And at an Oakland City Council budget talk, a packed Chamber booed and jeered a presentation on Oakland's fiscal future, chanting "Enough is enough!" The City Council is projecting a deficit ranging from \$19 million to \$26 million. Considering that there has already been a 20 percent reduction in the city's full-time work force and that the city's three major non-public safety unions are negotiating new contracts, there was no mood to accept the City Council's <u>austerity story</u>.

In Newark, Illinois, around 1,000 high school students walked out of class last month to protest deep cuts to the district's budget. Newark Superintendent Cami Anderson claims the district faces a \$57 million deficit. Newark's high school students, correctly, refuse to accept that they must sacrifice their education in order to fill this hole.

## **Growing Potential**

This list over protests in the last two months is not complete. It does display some patterns, however. It shows how education, public workers and the communities they serve are the primary targets of austerity. That means a lot of people are taking hits.

The list also demonstrates how people become empowered when these constituencies work together in solidarity. Austerity promoters prefer to pit communities and/or unions against each other in a scramble to grab what remains of a shrinking budget pie. The events reported above show that a different reaction is possible — one that will strengthen people's ability to powerfully confront their local governments.

Finally, these developments show it is necessary to go beyond the budget claims of the city government. Budget deficits are the product of allowing big business tax loopholes, obscenely low tax rates, and subsidies paid for by taxpayers. Those expected to bear the burden of cuts are not responsible for this.

In a time of high unemployment it is necessary to stimulate the economy by creating jobs. This stimulus should be paid for by the 1%.

Those uniting against austerity cuts could also demand what they stand for, that is, a budget that puts jobs, education and neighborhoods first rather than corporate profit. To effectively do so the unions and community groups fighting austerity can work together to build their own budget assembly to counter city governments' "we are broke" excuses and popularize an alternative.

These local struggles and many more are a confirmation that austerity in the U.S. will be met with a fight. Though they are disconnected in terms of their organizing, they are a response to a national problem. This wave of local grassroots organizing shows the potential exists to galvanize a national movement against austerity.

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