

Detroit's Invisible Majority and the Crises of Municipal Governance

Claims of revitalization exclude the social aspirations of African Americans and the working masses

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Global Research, October 30, 2017

Region: [USA](#)

Theme: [Law and Justice](#), [Police State & Civil Rights](#), [Poverty & Social Inequality](#)

Featured image: Abayomi Azikiwe at Detroit MLK 2014

During the week of October 23-27, the World Conference of Mayors held a conference in the city of Detroit at the luxurious MGM Casino Hotel.

This organization is not to be confused with the United States Conference of Mayors which has existed for decades. The World Conference mainly consists of elected officials and other affiliates from small and medium-sized African American majority cities in the southern U.S. along with some representation from Africa, Canada and the Middle East.

The event was held in Detroit under the theme of “The City that Never Surrendered.” Although the notion of non-surrender is applicable to the people who have struggled to remain in the Motor City, the actual meaning of such a sentiment should not be distorted and utilized as a mechanism to obfuscate the ongoing problems of poverty, unemployment, state repression and gross economic exploitation of working people and public resources.

Detroit has become a focal point for a false narrative of “urban revitalization.” Having been subjected to the social effects of capitalist de-industrialization and restructuring for decades, the city has seen a drastic decline in population from 1.8 million in 1950 to approximately 670,000 today.

The drastic reduction in residents is linked with the systematic disinvestment by the manufacturing industry and the financial institutions. Even dating back to the 1950s and 1960s, there was a major shift in investment strategies where through federal governmental assistance whites were funneled into the suburbs along with the construction of newer factories and commercial centers such as shopping malls.

There was almost no attention directed towards the increasing African American, Latina/o and working poor communities pouring into the Northern, Southern, Midwestern and Western cities fleeing from the collapse of small and large-scale agricultural production both inside and outside the U.S. Decaying housing and municipal infrastructure, along with overcrowding, fueled resentment. Pressures from the African American led Southern Civil Rights Movement and the consequent “white backlash” angered the burgeoning ghetto communities where overcrowded schools and neighborhoods contained through de facto segregationist policies sparked urban rebellions in over 200 cities from 1963 through 1970.



Real Detroiters Speak Out Town Hall Meeting, October 26, 2017

White flight from the central cities to the suburbs was by no means spontaneous. The enactment of The Federal-Aid Highway Act, also known as the National Interstate and Defense Highways Act (Public Law 84-627), was adopted by Congress and the White House on June 29, 1956, when **President Dwight D. Eisenhower** signed the bill into law.

Years prior to this during the Great Depression, the Federal Housing Administration (FHA) grew out of the National Housing Act of 1934. Although both measures ostensibly were designed to improve conditions in the major cities, inevitably due to the institutional racism undergirding public policy in the U.S., projects designed by banks and city administrations in fact provided billions in public funding to facilitate the large-scale population transfers intensifying the national oppression of the African American people in particular.

Tax Captures and Downtown Development

Over the last two decades there has been another major effort to reverse the population shifts of the immediate post World War II period. Due to a myriad of factors, development planners have focused on central cities for substantial investments in office complexes, retail outlets, high-income housing units and entertainment venues such as concert halls and sports stadia.

These projects have been promoted as a means of turning the tide of urban decay and population loss. Nonetheless, the major beneficiaries of this style of investment have been the same ruling interests which profited from the suburbanization and restructuring extending from the 1950s to the first decade of the 21st century.

The unprecedented bailout of the banks, insurance firms and auto companies beginning in 2008, was carried out over and above the political will of the people of the U.S. Overproduction in housing loans through the corrupt and usurious practices of the securitized trusts that backed fraudulent loan schemes due to the enormous profitability, left urban and suburban communities devastated through home foreclosures, further job losses and subsequent abandonment.

This is the plight of the city of Detroit which after decades of population decline from the

1950s to the 1980s had witness a degree of stabilization at the conclusion of the 1990s. Nonetheless, the speculative financial predatory loan schemes that were channeled to residents, in a municipality which had the highest homeownership rates in the U.S., eviscerated any capacity for a community-based revitalization.

A drastic decline in homeownership and employment resulted in a precipitous reduction in tax revenues. Therefore, Detroit was forced again into predatory municipal financing instruments engineered by the same banks which had robbed the people of their homes and jobs.

An illegally-imposed system of “emergency management” in 2013, in the wake of a statewide vote against such legislation, restructured the city in the interests of the financial institutions and corporate magnates. The bankruptcy was carried out through the appropriation of \$5.5 billion in state constitutionally-guaranteed pension funds, the theft of public assets such Belle Isle, the Detroit Institute of Arts (DIA), Public Works and Public Lighting, among others, was apparently not enough to satisfy the capitalist ruling class.

All of the major “development projects” centered in the downtown area are subsidized through the capturing of tax dollars to fund the building of such prestige monuments such as the recently opened District Detroit, which includes a new hockey and basketball arena and entertainment complex. Taxes to the tune of at least \$343 million were redirected from the municipal services, schools and libraries. Although District Detroit is supposedly the property of the quasi-public Downtown Development Authority (DDA) it is managed by the tentacles of Illitch Holdings, which owns the Detroit Tigers and others corporations in the vicinity. Altogether the taxpayers of Detroit, who are per capita the poorest city residents in the U.S., could be on the hook for more than \$800 million.

In yet another plot to further impoverish the masses, billionaire **Dan Gilbert**, the owner of Quicken Loans and the Cleveland Cavaliers basketball team, maybe the recipient of additional largesse to construct a retail and apartment building on the old long-demolished J.L. Hudson Department store site on Woodward Avenue. Gilbert and the owner of the Detroit Pistons Tom Gores of the Beverly Hills, California-based Platinum Equity have their eyes as well set on building a soccer stadium at the location near the Wayne County Jail downtown to the tune of \$1 billion. The correctional facility would be re-located to the location of the now-defunct headquarters of the American Motors Corporation (AMC) on the northwest side of the city.

An article published by the Detroit Metro Times weekly newspaper said in regard to recent legislation passed in Lansing to finance the Gilbertville program that:

“The new laws make available up to \$1 billion in taxpayer money for Gilbert’s \$775 million mixed-use tower planned for the site of the former J.L. Hudson’s department store. Those funds could also be used for Gilbert’s proposed nearby Monroe Street project. And whatever he doesn’t cut out of that pie goes to other wealthy developers around the state. To be clear, the laws — more formally called ‘Transformational Brownfield’ bills — only put in place a mechanism to give Gilbert and other developers the money and the exact figure will be determined as they apply for the funds. It’s possible — though unlikely — that Gilbert takes the whole pot. Perhaps he only gets \$200 million for the Hudson site and another \$400 million the following year for the Monroe Street project. There’s no exact figure up front, and that’s why his strategy is so savvy — the waters are muddy and opponents of corporate welfare won’t

know his haul until it's too late to put up any kind of fight." (Oct. 4 article by Tom Perkins)

An Alternative Vision for Detroit

This set of circumstances guided the people's response to the distortions surrounding the World Conference of Mayors. It is an election year in Detroit and the corporate-oriented white mayor **Mike Duggan**, the first in forty years to rule over a city which is now 82 percent African American, seeks re-selection on the basis of the disingenuous claims of a revival. Duggan's campaign is funded by the corporations and banks who he faithfully serves at the expense of the majority African American population.

When the Moratorium NOW! Coalition issued the call for an alternative summit to counter the Dugganite psychological warfare campaign against the people, it noted:

"Detroit's 'rebirth' has meant that the public revenues generated through the process of taxation are being funneled to the capitalist corporations. The People's Summit will discuss a real agenda for the rebirth and rebuilding of our neighborhoods and communities. Real development in Detroit would focus on the rehabilitation of neighborhoods, the guaranteeing of jobs, housing, water services, heating and quality education for all. The banks which are responsible contributed for the destruction of our neighborhoods and must be held accountable through criminal prosecution and the payment of reparations."

The week of activities organized by Moratorium NOW! Coalition and its allies featured a public meeting addressed by **Rev. Edward Pinkney** of Berrien County, Michigan in the southwest region of the state on October 23. Pinkney is a former political prisoner who served two-and-a-half years in detention for organizing a recall campaign against a corporate-backed mayor of Benton Harbor, a city which is over 90 percent African American.



Rev. Edward Pinkney addresses the Moratorium NOW! Coalition alternative people's summit to the World Conference of Mayors, October 23, 2017

Pinkney, the leader of the Black Autonomy Network Community Organization (BANCO), was framed for allegedly altering the dates on five recall petitions. He was tried by an all-white jury and sent off to perish in the correctional facilities in Michigan. A defense committee worked tirelessly to bring about his release in June. Benton Harbor is a social microcosm of Detroit.

Another highlight of the week of action was the “Real Detroiters Speak Out” town hall meeting held at the Historic St. Matthews-St. Joseph’s Church on Woodward Avenue on October 26. Over twenty people from various community organizations addressed a capacity audience on the profound problems facing the city.

It is outcomes of such coalition and movement-building activities that solutions to the crises will emerge. At the root of the social problems of Detroit and other major cities is the decline of the capitalist system.

The present administrations holding power in the municipalities, state governments, Congress and the White House are a reflection of the inability of the prevailing economic system to resolve the fundamental needs of the people. The only solution is socialist reconstruction which would transfer the wealth generated by the working and oppressed communities from the capitalist ruling class to the masses.

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