

The Privatization of Public Wealth: The Heroic Story of Working-class Detroit

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A city worker on strike at Detroit's Wastewater Treatment plant, Sept. 30, 2012. Photo: Diane Bukowski

Note: This is the first in a series of articles on Black America.

Almost 50 years after the Civil Rights Movement won the 1965 Voting Rights Act, racist politicians and their wealthy sponsors are finding new ways to disenfranchise Black workers. In Michigan, the Emergency Manager Law is a big hammer.

Put to a statewide referendum last November, the law was defeated at the ballot box. But in December, Rep. Gov. Rick Snyder and a lame-duck legislature rammed it through.

Known as Public Act 436, the law enables Michigan's governor to appoint an emergency manager (EM) for cities that are deemed financially at-risk. Given dictatorial powers, the EM can void labor contracts, privatize services, and overrule elected officials. Five of the six cities with managers are predominantly Black, even though the majority of Michigan residents are white.

The law enables Snyder to bust unions and impose austerity measures so that debts to banks and bondholders are guaranteed. It's a variation of what's happening in Europe, where bankers are demanding that poor countries such as Greece slash wages, jobs and services to pay interest on their debt.

In April, Snyder installed Kevyn Orr as the EM of Detroit. Orr earned strokes from the elite as the lawyer who took Chrysler through bankruptcy, wresting huge concessions from auto workers.

Orr has made it clear that nothing is sacred in balancing Detroit's books, including the 48

unions that have contracts with the city, libraries and other vital services. But Detroiters aren't going quietly into the night. They are slugging back. Strikes, traffic snarls, rallies and other forms of protest kicked off quickly with Orr's first day at work. And as their grassroots opposition has picked up speed, it has forced Snyder to slow the pace of his bulldozer.

A bipartisan affair. Detroiters know what is coming under Orr's regime because their schools were put under emergency management in 2009, with the result that schools are starving more than ever. During those same years, Democratic Mayor Dave Bing and the City Council imposed 10 percent wage cuts and 20 percent hikes in healthcare costs to public workers.

Strikes and protests erupted in reply to the attacks by Democrats. Now, Orr is coming in as a strongman to finish the job. Orr's previous employer was Jones Day, a global law firm that represents many of the banks growing fat off fees and loans made to Detroit. The EM's job is to ensure his former banker clients are paid first.

The backdrop for this dictatorship of the banks, bosses and politicians is a metropolis that suffers from 25 percent unemployment and 36 percent poverty. Access to good jobs and healthcare has declined significantly in the last 10 years.

Detroit's rise and fall. Today's hard times are a stark contrast to Detroit's proud history as a thriving industrial and cultural center. During the labor shortages of World War II, Blacks migrated to Detroit and other northern cities to find stable employment and living wages in industry, as well as relief from the Jim Crow segregation laws of the South. In the 1960s, Detroit achieved world fame as the birthplace of Motown, where scores of talented musicians got their start, from Gladys Knight to Michael Jackson.

Today, many of Detroit's neighborhoods resemble war zones, with blocks of abandoned homes. While poor people are pushed out of the downtown core, millions of dollars are flowing to make it over as a playground for tourists and millionaires. Jobs in the auto industry have dried up thanks to automation and outsourcing of work to lower-wage areas. President Obama helped GM and Chrysler gut wages, jobs and the right to strike as a condition of federal bailout money. The Big Three auto makers are doing better than ever now — even if the workers who made them rich are sinking.

During the housing bust, Detroit suffered one of the highest foreclosure rates in the U.S. thanks to racist and predatory lending. Now, the banks that evicted poor people are walking away from foreclosed homes and property taxes. This further impoverishes the city, but Orr has shown no interest in getting tough on bank scofflaws.

A legacy of struggle. Racism, robber barons and hardship are not new to Detroiters. Nor is their readiness to fight back.

In the 1930s, Michigan helped birth the modern U.S. labor movement with plant sit-downs and occupations, a response to brutal conditions. The industrial unions that arose from this fight represented a giant leap for all workers. When Blacks gained a foothold in the industry in the 1940s, they were assigned the hardest, dirtiest jobs, and laid off first. While the once-militant United Auto Workers gave lip service to racial equality, UAW ignored discrimination against its African American members. In the 1960s, racism and terrible conditions sparked a revolutionary union movement led by Black workers. Wildcat strikes, mass labor-community protests, caucuses and factory occupations broke out throughout metropolitan Detroit.

This radicalism survives in unions such as American Federation of State, County and Municipal Employees (AFSCME) Local 207, representing public utility workers. In 2009, the union called for a community-backed public workers strike to save Detroit, and declared, “No reliance on the politicians! To win we must build our struggle independently.” Meanwhile, community organizations are also cranking up the heat. Moratorium Now! is calling for delaying Detroit’s debt service, and “united mass actions to render emergency management ungovernable.” Their plans are at www.moratorium-mi.org.

A beacon of hope. Today, Black Detroit casts in bold relief many of the most pressing issues of the working class, especially its most exploited members. This includes the rise of two-tier, low-wage systems, technological speedup causing mass unemployment, and the privatization of public wealth.

But the crisis also presents a huge opportunity for labor. As history showed in the 1930s, one spark can light a flame. Local 207 offers some ideas on how:

“To go beyond symbolic struggles, and fight to win, we need rank and file caucuses in each union that can coordinate, learn from each other and build multi-union mass direct actions including strikes. By fighting racism, immigrant bashing and the attack on women’s rights unions can unite and lead all those targeted by the right wing. We can’t win by limiting ourselves to the courts and elections — BUT WE CAN WIN!”

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