

The political issues raised by the Detroit Living Wage Ordinance

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Detroit voters overwhelmingly passed a ballot initiative Tuesday called the Living Wage Ordinance. The measure requires that all companies doing \$50,000 or more worth of business with the city, or receiving city subsidies, pay a minimum wage of \$7.70 per hour, the official poverty level for a family of four, and provide health care benefits. Companies that do not provide benefits would be required to pay \$9.63 per hour. The ballot measure was initiated by a coalition headed by the Detroit Metropolitan AFL-CIO.

The provisions of the ordinance are very limited. A wage increase of one or two dollars an hour would hardly lift tens of thousands of Detroit's working poor out of real poverty. Moreover, most city contractors currently pay wages at or above the proposed minimum, and many private employers have been forced to raise wages to attract workers. In several cities where similar measures were passed, including Los Angeles and Baltimore, many employers have simply ignored it.

However, in the weeks before Election Day a concerted effort was launched by the so-called Coalition for Full Employment to defeat the ordinance. The Detroit Regional Chamber of Commerce, whose members include the Big Three auto companies; the American Society of Employers; the *Detroit Free Press* and *Detroit News*; Detroit Renaissance and the Booker T. Washington Association, an organization of black businessmen, all publicly opposed the measure.

Chamber president and CEO Richard E. Blouse Jr. denounced it, saying it would lead to a 'ripple effect' causing all wages to increase, and that this would 'result in business relocations, layoffs and business closings.' He added that 'a living wage' would hamper companies from hiring entry-level workers and make it less likely that they would invest in Detroit.

Mayor Dennis Archer originally endorsed the measure, but then reversed himself saying the ordinance would do 'damage' to small and minority-owned businesses and particularly nonprofit organizations.

Despite the extremely limited character of the proposal it has brought to the fore the antagonism of class interests in Detroit. On the one side, workers overwhelmingly supported the measure. On the other, virtually all of Detroit's economic and political establishment opposed it, including the black politicians and wealthy businessmen who claim to speak for minority workers and youth.

Workers for the most part ignored the pro-business arguments and affirmed their feelings that they have the right to jobs with decent wages. However, those who are counting on the measure to significantly improve their economic standing are going to be disappointed.

The employers will likely challenge the ordinance in the courts and tie up its implementation for years. Even if it were to take effect, past experience shows that the ordinance will likely become a dead letter. A study in May done by the coalition that won passage of a similar measure in Los Angeles said the city fails to monitor and implement the measure.

The Metro Detroit AFL-CIO cannot be counted on to enforce it. The union officials have already indicated that they will accept exemptions to accommodate the employers. As a spokesperson for the Detroit Metro AFL-CIO told the *World Socialist Web Site*, 'The guidelines will be no different than any other city that has a living wage ordinance. All of those cities have exceptions and exemptions.'

Even if it were enforced, the ordinance in and of itself cannot solve the social problems facing Detroit workers, especially low-paid and younger workers. A

whole raft of companies have already said that if they are forced to pay higher wages they will take their business elsewhere.

This underscores the fact that the struggle for a living wage is bound up with the struggle to defend jobs. A strategy to defend good-paying jobs raises fundamental questions that go to the heart of the present economic system. What are to be society's priorities: the provision of ever-greater profits for the wealthy and the most privileged layers of the upper middle class or the guarantee of decent jobs and living standards for the vast majority of the population--the working people?

The fight for jobs at decent wages raises the need for a struggle to fundamentally change how the economy is organized. Neither one of the political parties will take any measure that seriously challenges the profits and property of big business. That includes the Democrats on the Detroit City Council who supported the Living Wage Ordinance as a token gesture to give themselves a 'left' coloration.

Working people need a political party answerable to their own interests. Such a party would carry out socialist policies, including placing the major industries and banks under public control, in order to operate the economy for the common good, rather than private profit.

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