

New York Mayor Bloomberg reaches concessions deal with city's biggest union

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The tentative contract agreement announced last week between the administration of New York City Mayor Michael Bloomberg and the municipal workers union representing more than 120,000 city employees imposes anti-working class concessions sought by big business and its political representatives in New York for more than 20 years.

As Bloomberg himself noted with satisfaction, the contract establishes the “principle” of tying any and all wage and benefit improvements to savings generated by the workers themselves through increased productivity and other concessions. Billionaire Bloomberg secured a deal that stipulates, among other “two-tier” provisions, that all workers hired after July 2004 will be paid 15 percent less than their fellow employees in their first two years on the job.

The members of District Council 37 (DC 37) of the American Federation of State, County and Municipal Employees (AFSCME), comprising hospital workers, clerical and office workers, social workers and a range of other blue- and white-collar employees, have been working without a contract for two years. The proposed three-year agreement would expire in July 2005, only 14 months from now. It gives the workers a grand total of 5 percent in pay increases plus a \$1,000 “signing bonus” over the three-year period, below the rise in living costs. Inflation, in fact, shows signs of stirring, with the Bureau of Labor Statistics reporting price increases in New York City of more than 1 percent in the most recent month alone.

The \$1,000 bonus covers the first year of the long-awaited contract, and the city agreed to grant a 3 percent increase retroactively to July 2003; but in return, the DC 37 leaders agreed to the lower pay, along with cuts in sick days, holidays and vacation time, for new workers. The measly 2 percent increase set for this July is tied completely to these wage and benefit cutbacks. Furthermore, the union bureaucrats agreed to the establishment of a committee of city and union officials to look for additional productivity savings to fund another 1 percent pay increase in the final

year of the agreement.

The contract establishes a two-tier system for New York City employees for the first time since the city's brush with bankruptcy in 1975. Both the city and the union justified the layoffs and cuts in pensions and benefits imposed at that time as emergency measures to forestall a collapse of the city's finances. Today, however, even as the city's finances are improving somewhat from the slump of the last few years, Bloomberg sees no need to make any such argument.

The spokesmen of the business establishment, who habitually chide New York City mayors for losing their nerve and failing to impose sufficiently harsh conditions on city workers, pronounced themselves pleased with the latest agreement. The research director of the Citizens Budget Commission declared, “This settlement in fact has cash savings from the 15 percent pay cut, and those savings are real. A lot of the productivity stuff we heard about in previous contracts wasn't real.” The *New York Times* added its praise for Bloomberg, lauding the “important principle that workers must produce savings to pay for their own wage increases.”

The media and the economic and political establishment see no need for the slightest sacrifice among the Wall Street brokers and dealmakers, who received million-dollar bonuses several months ago. They aren't concerned when the city hands out hefty increases to its already highly paid managers and department heads, or when Bloomberg proposes hundreds of millions of dollars in tax breaks and other aid to the multimillionaire developers who propose to build a new stadium in Brooklyn for the New Jersey Nets basketball franchise.

Furthermore, the policy—almost uniformly accepted in union contracts for decades, that workers deserve some protection against rises in living costs over which they have no control—is not one of Bloomberg's “principles.” He sees no need to even mention the matter.

Bloomberg is not the first mayor to attack the wages and conditions of city employees, of course. His predecessor Rudolph Giuliani regularly demeaned city employees, but

Bloomberg has gone further. As far as the ruling elite is concerned, this man, truly one of their own, has spoken more softly but carried a big stick.

This development demonstrates what many workers have long since recognized—that Bloomberg’s “softer” style in comparison to Giuliani means absolutely nothing. Whoever occupies the office of mayor continues to try to roll back living standards and working conditions, while presiding over a steadily widening gulf between the rich and poor, a gap that has now surpassed the level of social polarization of the early decades of the twentieth century. Behind these attacks is not simply greed, but the needs of the profit system itself.

Bloomberg’s attacks on city workers are part of a broader assault on every section of the working class. On the education front, the mayor has just implemented his reactionary policy against “social promotion,” the demagogic plan to hold back thousands of third-grade students if they do not pass standardized tests. This policy of cracking down on eight-year-olds who are having difficulties in school is a means of obscuring the fact that the city has refused to spend what is needed to build more schools and classrooms, or provide even the minimum supplies and programs for existing schools.

Similarly, Bloomberg declared his support for the city’s implementation of a rule that mandates all able-bodied residents of the city’s housing projects who are not employed to put in a minimum eight hours of volunteer work per month. This effort stigmatizes the poorer sections of the working class as “freeloaders.” Just as with the city employees who are supposed to pay for their own raises, the poor are supposed to “give back” at least partial payment for the “privilege” of paying subsidized rents. There is no call from City Hall, however, for the wealthy who benefit from real estate tax breaks on their cooperative and condominium apartments to similarly perform unpaid labor.

Bloomberg, whom polls show to be unpopular with a majority of the city’s voters, is able to carry out the above policies because he faces no organized opposition. This is bound up both with the bipartisan support for these attacks on city employees, and with the role of the city unions and the entire trade union bureaucracy.

To say that DC 37’s surrender of wages and benefits shows simply that the unions are weak or helpless would not accurately sum up the present situation. The city workers have long since been abandoned by the organizations they joined and helped to build decades earlier. DC 37 is a particularly instructive example. The union has been wracked by crisis for years. A corruption scandal that erupted in 1998 showed that union officials who were lining their own pockets were at the very same time rigging a

contract vote to impose an earlier batch of concessions sought by the Giuliani administration.

The AFSCME international was forced to place DC 37 in receivership, and former union official Lillian Roberts, now 74 years old, was later brought back from retirement to head the local union. It is Ms. Roberts who negotiated the latest contract, which she declared “did not come easy.... We have delivered the best possible contract we could for our members.”

The DC 37 leadership is currently embroiled in a factional dispute so bitter that the contending groups can barely meet in the same room. Roberts narrowly won reelection some months ago, based on a vote of the union’s delegates, but her opponents, led by Charles Ensley of the social services local, control the union’s executive board.

Ensley’s faction includes officials who declare that the union has not sufficiently rooted out corruption. Significantly, however, when it came time for DC 37’s local union presidents to vote on the tentative contract, 54 out of 56, including the “opposition” faction, voted to recommend it for a membership vote.

The problem goes far deeper than that of corrupt leadership. The trade union bureaucracy and all of its factions agree with Bloomberg’s “principles.” They accept the profit system and its needs as sacrosanct, the holy of holies, and everything flows from this.

If the concessions contract passes, it will not be because workers are satisfied with it, but because they see no alternative. Not even the most elementary rights, rights that were taken for granted in past decades, can be defended today through the outmoded organizations of the misnamed “labor movement.” What is required is a leadership based on a new perspective, which challenges the profit system and the polarization and inequality that it breeds.



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