

The social cost of GM's downsizing

Pontiac, Michigan “restructures” schools, fires entire education staff

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Earlier this month the school board in Pontiac, Michigan, in an unprecedented action, voted to lay off all 774 teachers and support personnel in the public schools, effective June 30. Workers are being forced to reapply for their jobs for next year. It is expected that less than half will be rehired.

The school board, which is controlled by the local Democratic Party, said the layoffs were a necessary part of a massive "restructuring" plan needed to close a \$12 million budget deficit caused by cuts in state aid and huge losses in the city's property tax base.

Pointing to the long-term decline in enrollment—down from 13,000 in 1999 to 7,200 students today—board officials in January said they would shut eight of the district's 20 public schools and consolidate the two high schools into one by 2010.

The choice of the term "restructuring" is telling. General Motors, which has long dominated Pontiac, is currently "restructuring" its international operations, wiping out 47,000 jobs, including 21,000 in the US, and closing 14 North American plants. The Obama administration is demanding a sharp reduction in workers' wages and benefits in exchange for federal assistance to keep the near-bankrupt company afloat.

The virtual collapse of public education in Pontiac—the product of years of school closings, layoffs, cutbacks and privatization schemes—parallels the decline of GM.

Pontiac, like nearby Flint, Saginaw, Detroit and other GM manufacturing centers along Michigan's I-75 highway, was once thriving. Its factories poured out GM's hot-selling Pontiac cars and thousands of workers—black, white and Hispanic—came to the city to

join the ranks of the auto workforce, attracted by the relatively high living standards won by the United Auto Workers union. In 1976, Pontiac was awarded the banner of "All American City" and boasted about its high rate of home ownership and quality school system, built to accommodate 20,000 students.

It has been years, however, since any of GM's Pontiacs have been built in the city. After decades of plant closings and major layoffs only one GM plant remains—Pontiac Truck & Bus. The factory, whose workforce has fallen from 6,000 in 1997 to just 700 workers today, is one of the plants likely to close in GM's latest "restructuring." In the last two years alone, GM, the city's largest employer, has eliminated 3,000 jobs.

At the end of 2008, the city's unemployment rate was at 19.8 percent, nearly twice as high as the state of Michigan, which is the highest in the nation. The city has a foreclosure rate of 19 percent compared to the 11.18 percent national average, according to the Mortgage Bankers Association's National Delinquency report, and its homeowners have twice the national exposure to subprime loans—52 percent, versus 26 percent nationwide.

One only has to drive through Pontiac to see the real impact of deindustrialization—empty lots where massive factories stood; boarded-up businesses and dilapidated neighborhoods. The city has lost more than a quarter of its population and now has around 59,000 residents, down from a peak of 85,000 in 1980.

The city and its residents have been left to rot by the

auto companies, the government and American capitalism. For its part, the UAW has collaborated in the destruction of jobs and living standards in the name of making the US auto companies more competitive.

Workers and youth interviewed by a WSWs reporting team spoke angrily and passionately about life in this city.

Eva Conn, an 18-year resident, said, "I work in a boutique in Ann Arbor but it's not making money and may close down. My friends help me out and I hope I'll find another job, but it's hard, very hard. People are angry because there are no jobs. My husband works for a landscaping company and the business is going down. Everyone is a victim.

"My father-in-law worked for GM and another relative works for GM. She was fired one month ago because of the economy. She was there for 7-8 years. She was an engineer."

Conn said when she moved to the US from Poland 20 years ago "everything was different." But now, she said, "everything is collapsing. It is a good question—what to do? This was my dream, the United States, but now it is so different."

In Pontiac the median household income decreased from \$31,207 in 2000 to \$29,094 in 2007, well below the government's official poverty threshold for a family of four. More than 32 percent of residents live in poverty. 1,616 homes were foreclosed in 2007, 12.6% of all homes in the city.

Lisa Machesky is director of the Baldwin Center, which assists residents seeking shelter, food and clothing. The center offers counseling and an after school program for children. She told the WSWs her center served 58,000 meals in 2008, a nine percent increase from 2007.

When asked if she saw any changes, she noted that more adults and fewer families were using the center. She said her clients were in "transition, in times of stress." She thought that fewer families were using the center because they were "moving out of the area" and that Pontiac would be left with only the most impoverished population.

Edmond Richardson, a library technician, said, "We've seen an increase in homeless people or people using computers for job searches who need the library. Although we always had some come in, there are more now.

"The economy has affected the population, not by choice. They're losing their homes or leaving their homes and going into apartments. I've noticed the stores are more empty. People's attitudes are to tighten their belts."

Many residents are leaving Pontiac and Michigan all together in hopes of finding employment and good schools. Many families who remain are opting to send their children to private schools or to other school districts.

School officials say by April 30 laid off employees will be called back on an as-needed basis and according to seniority and certification. The teachers' union president said the union had been willing to accept the layoff of nearly 25 percent of the workforce, but was unprepared for the board's decision to lay off the entire district.

Vince, a school bus driver, said, "What's been going on for awhile, like everyone else, I feel is a tragedy. In 1999-2000 the school board was doing radio advertisements saying how proud they were of the statewide test scores. After that you started hearing less about Pontiac students on the radio and more about deficits. I think it has to do with greed and mismanagement."

Asked how the cuts will affect him, Vince said his hours would probably be cut, and he didn't rule out a layoff. He is already thinking about moving out of Michigan.



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