

New York mayor unveils plan to cut jobs, services

Dan Brennan
16 February 2010

Mayor Michael Bloomberg recently announced plans to implement a series of cuts in order to close New York City's \$4.9 billion budget deficit, part of the growing wave of fiscal crises affecting state and local governments throughout the country. Bloomberg's answer to this crisis is slashing the jobs and wages of municipal employees and cutting vital social services for the city's residents.

Under the mayor's proposal, the city would reduce its workforce by over 4,000 employees, implement a wage freeze and other controls on employee compensation, and scale back or eliminate a host of services, including those for abused children, AIDS patients and the homeless. The proposed budget would also close or understaff 64 fire companies, eliminate nurses at some public schools, and reduce subsidies to public libraries.

Bloomberg explained during a press conference that the economic crisis continues to have a huge impact on the city, resulting in the loss of a quarter million private sector jobs and diminished tax collection. "New Yorkers continue to feel the harsh impact of the deepest national recession in more than 60 years, and as many businesses and families continue cutting back on their budgets, so too must city government," Bloomberg said. "We haven't seen the end of job losses in New York City, and while the city is collecting more tax revenues than we had once forecast, those forecasts are still running well below what we had forecast."

Faced with reduced revenues brought on to a large degree by reckless financial speculation on Wall Street, the response of the mayor's office has been to shift the burden of the economic crisis onto the shoulders of workers.

The billionaire mayor is retracting the standard wage increase for teachers, threatening them with 2,500 additional layoffs if they don't accept a 2 percent rather

than 4 percent increase. All other unionized city workers would be subject to a wage freeze, which translates to a cut in real terms, after factoring in inflation. In addition, workers are being asked to increase contributions to their health plans, and new hires will have their pension plan slashed, pending state legislation.

Mayor Bloomberg is following the lead of other municipalities in the state that have already implemented a new tier of reduced pension benefits for new employees. This attack would permanently drive down the living standards of future workers. The city employs 300,000 people, with many of them, through years of struggle, winning a decent standard of living with a measure of financial security in retirement. However, as these gains are dismantled, graduating students and young workers are faced with grim prospects for their future.

Bloomberg's success in implementing his budget plan depends largely on the cooperation of the union bureaucracies in forcing through the cuts on their members. The initial reaction of the United Federation of Teachers was less focused on the cuts themselves than on Bloomberg breaking protocol by going public with his demands, before the United Federation of Teachers (UFT) leadership had a chance to adapt.

"We're at the beginning of a budget process, and to be negotiating in the media is not something we're going to do," Michael Mulgrew, head of the UFT, said. "The UFT has a history of working with elected officials to find new revenues and to minimize the damage of budget cuts to schools and children."

Anticipating opposition among rank-and-file workers as well as residents, the mayor and his supporters issued hypocritical calls for shared sacrifice. However, Bloomberg excludes the wealthy straightaway from this

sacrifice. As he explained, “The bottom line is that the concentration of taxpayers in this city is so great that a very small number [of high-income earners], if they were to feel that they just didn’t have a future here, they just couldn’t afford to stay here and they left, it would be devastating to us.”

Bloomberg’s remarks typify the vast gulf that exists between the working masses in New York City and the wealthy elite. While Bloomberg sympathizes with his fellow billionaires over how expensive the city is for them, somehow more than 1.5 million residents manage to survive below the poverty line, with millions more not much better off.

New York City’s budget problems could drastically worsen if New York State’s Democratic Governor David Paterson follows through on his proposal to cut off approximately \$1.3 billion in education and other state aid to the city. The state is grappling with its own \$8 billion deficit, which is set to increase to \$14 billion next year.

If the state ultimately decides to withhold the funds, Bloomberg promised to slash city spending accordingly, resulting in the laying off of 19,000 employees, of which 8,500 would be teachers. Other cuts would include the shutting down of 42 fire engine companies, reduced refuse collection and street cleaning, the elimination day care vouchers for 6,000 low-income residents, and the closing of 500 soup kitchens, 15 senior centers and all city recreation centers.

While there is still considerable uncertainty about the final details of the budgets—the state has until the end of March to finalize its budget, and the city until June—the measures being planned represent a drastic attack on the living standards of broad sections of the population. And these attacks will continue. Even if the budget cuts outlined in this proposal are carried out, New York City will still face budget gaps of over \$3 billion for 2012 and beyond.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact