

New York City Democrats propose phony “living wage” bill

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New York City Council Speaker Christine Quinn held a press conference last week to announce that she plans to introduce a so-called “living wage” bill in the Council by the end of April. The bill would mandate wages of at least \$10 an hour, with benefits, and \$11.50 an hour for those without benefits, for workers on developments that receive city subsidies.

Quinn, who is expected to run for mayor as a Democrat next year in the race to succeed three-term Republican billionaire Michael Bloomberg, had first announced plans for the legislation three months ago. She has spent much of the intervening period trying to broker a deal between her professed liberal supporters as well as the trade union bureaucracy, and the wealthy real estate and other business interests that have bankrolled her career and to whom she is looking for support as she runs for higher office.

San Francisco, Los Angeles and some other US cities already have “living wage” requirements, and they have made only minimal difference. Even \$11.50 an hour, compared to the federal minimum wage of \$7.25, is not enough to lift a family of four above the poverty level. Furthermore, these mandates apply only to a relatively small number of jobs, and lower-paying jobs continue to be the only alternative for many immigrant workers and others who are desperately looking for work as the unemployment rate remains at greater than 10 percent in New York and many urban areas.

Quinn’s proposal, however, falls far short of even those previously enacted. The product of her three months of negotiations and revisions is a bill that would apply only to firms that directly receive subsidies from the city, and not to tenants within the subsidized projects. This would leave out the great majority of those affected.

Moreover, the legislation will also exempt most large

projects that have already been announced. FreshDirect, the online grocery firm that plans to move to the Bronx rather than New Jersey in exchange for \$100 million in tax breaks and other subsidies, will not be obliged to meet the \$10 an hour pay floor. The massive Hudson Yards project on the west side of Manhattan will also be partly exempt. According to an account in the *New York Times*, Quinn justified the exemptions by saying the bill was designed to apply to new projects and “most of the leases, deals, whatever on the Hudson Yards are already well along.”

The proposed bill, which is expected to win the support of the lopsidedly-Democratic City Council and easily override a threatened mayoral veto, is so toothless that Steven Spinola, the president of the Real Estate Board of New York and a vigorous opponent of the proposal, is not very concerned. “Its impact, I believe, will be minimal,” he said. Even Quinn’s own office admitted that the bill would affect only between 400 and 500 low-wage workers in a given year. Under conditions where the poverty rate in New York approaches 30 percent, this would mean that less than one-tenth of one percent of workers paid the minimum or near-minimum wage would benefit from the Democrats’ plan.

A City University professor of labor studies, Stephanie Luce, told the *Times*, “I just don’t see [the bill] covering that many people.” Luce said Quinn’s claim that the legislation would be the most expansive in the country was “strange.”

An official of Good Jobs New York, an economic development advocacy group, told the newspaper that the organization started “really excited....because we’ve watched for so many years incredibly egregious subsidies going to companies without any guarantee that there are going to be good-paying jobs on the other

end.” This official then added, referring to the watering down of the meager proposal, “You watch the process and you see the water, and you see more water, and there’s some more water.”

Despite Quinn’s efforts to appease her business backers, Mayor Bloomberg voiced outrage at the proposal. The Mayor, perhaps feeling less need for political posturing in his last term, said that even the most minimal restrictions on business were an outrageous step on the road to socialism. “...the last time we really had a big, managed economy was the USSR, and that didn’t work out so well,” said Bloomberg. He said he would veto any such legislation, and sue to block the law if it is passed over his veto.

“You cannot stop the tides from coming in,” Bloomberg continued. “It would be great if all jobs in the city paid a lot of money and had great benefits...but if you force that, you will just drive businesses out of the city.” This is coming from a man whose net worth of nearly \$20 billion is equal to almost one-third of the entire city budget, and who has already placed his order for his own private hybrid helicopter-plane, which will cost him up to \$30 million when it is ready for delivery in a few years.

Though Bloomberg is no doubt sincere when he denounces the slightest infringement on the prerogatives of giant corporations, it should also be noted that he and Democrat Quinn have enjoyed the closest relations in her six years as Council speaker. As Quinn positions herself for the 2013 election for mayor, she and her advisers see the need to put a little distance between herself and man who personifies the banking and corporate plutocracy. Her “living wage” fraud, along with Bloomberg’s predictable attacks, enables her to do just that.

There is another major ingredient in the plans to market Christine Quinn as a “friend” of the low-wage worker. The trade unions, an integral part of the Democratic Party apparatus in New York and nationally, are singing the praises of the “reform” announced by Ms. Quinn. Stuart Appelbaum, president of the Retail, Wholesale and Department Store Union, said he was pleased and accepted all the exemptions in the bill. Appelbaum, touted as a new breed of “labor leader,” has the closest of ties to the Democrats and the big business government as a whole. (See “From Tunisia to ‘Occupy Wall Street’: Who is the AFL-

CIO’s Stuart Appelbaum?”)



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