

Detroit city workers face new cuts

Shannon Jones
10 January 2013

Detroit City officials are reviewing plans for massive new cuts as the city faces a budget deficit that by some estimates could run as high as \$113 million by June 30.

Detroit Democratic Mayor Dave Bing has called for 400 to 500 additional layoffs in departments across the city. These cuts come on top of 2,000 jobs eliminated from a workforce of 12,000 over the course of the past year and will further decimate city services that have already been gutted by round after round of cuts.

In addition to layoffs Bing is calling for a one-year freeze on pension credits beginning February 1 for employees under the General Retirement System. He also proposed furloughs equivalent to a 20 percent pay cut for the staff of the city council and mayors office along with increased health care contributions for all employees.

The city council is calling for even more drastic cuts aimed at saving \$15 million a month from the Detroit budget. The council wants to impose an additional 20 percent pay cut on nonuniform city employees and force them to pay 10 percent of pension costs. Hospitalization costs would increase to 40 percent for employees and 60 percent for retirees. These cuts come on top of a 10 percent pay reduction imposed last year.

Police and fire personnel would also see a 20 percent pay reduction and increased pension and hospitalization costs.

Council members say that they want even more layoffs than those proposed by Bing, but have not presented a number.

Detroit's financial implosion has led to a massive reduction in city services, gravely undermining the health and safety of the population. The fire department is seriously understaffed, leading to increased response times to fires due to the "browning out" of entire fire companies. The city's buses barely run due to a shortage of mechanics and the layoff of drivers. Weekend and evening bus service has been sharply cut

back or eliminated. Streets are in disrepair, the city is strewn with abandoned buildings and vacant lots and street lighting is out in whole areas of the city.

The proposal for additional pay cuts follows a 10 percent cut imposed on all city employees last year. Detroit city workers already make near poverty wages, with the typical unionized city employee earning between \$22,000 to \$31,000 per year.

The massive cuts already carried out have done nothing to resolve the city's financial crisis but have only whetted the appetite of banks and bondholders for even more drastic measures.

Waiting in the background is the administration of Michigan Republican Governor Rick Snyder, who has threatened to appoint a state overseer to take control of Detroit finances. In December, Snyder appointed a six-member financial audit team to review Detroit's financial position. The move is the first step toward the appointment of an emergency financial manager with broad powers to dictate cuts.

A previous review of Detroit finances completed early last year resulted in the signing of a so called consent agreement between the state of Michigan and Detroit officials. Under terms of the agreement, Detroit's finances were put under the oversight of a financial advisory board composed of corporate heads and investment bankers. The agreement pledged the city to cut services, rip up union contracts and impose drastic pay cuts and layoffs.

A new, more drastic, emergency manager law takes effect in March. The measure was recently approved by the state legislature to replace the previous emergency manager law, Public Act 4, which was overturned by voters in November in a popular referendum.

The new law gives state appointed overseers even more powers to sideline elected officials and impose cuts or even put local governments into bankruptcy.

The possibility of a state imposed bankruptcy is

looming, with bond rating agencies recently downgrading Detroit's debt further into junk territory. In fact bankruptcy is likely the outcome preferred by a section of the financial and political establishment because it would allow the gutting of employee pensions and other measures that are now not possible.

The role of the unions has been to strangle and divert all opposition to the cuts. Officials of AFSCME moved in to betray a strike by workers at the Detroit Wastewater Treatment Plant last fall against announced city plans to impose drastic workforce reductions at the facility. AFSCME officials moved in to isolate and shut down the strike, which ended with no gains for the workers. As a consequence, 34 workers were targeted for victimization, receiving lengthy suspensions.

The unions have been abetted by pseudo left groups in Detroit, such as By Any Means Necessary (BAMN), which have sought to divert workers anger into the blind alley of racial politics. By presenting the attacks being carried out on Detroit workers as a conflict between the "white suburbs" and the African American majority in Detroit they seek to tie the working class to a section of the black Democratic Party establishment in the city. In reality, these big business politicians are just as hostile to the interests of workers in Detroit as Republican Governor Snyder.

To fight the cuts it is necessary to develop an independent political movement of the working class, uniting all sections of workers, black, white and immigrant, both in Detroit and the outlying suburbs, in a common political struggle. The working class needs a political party of its own, independent of the two parties of big business, fighting for a socialist program to reorganize production on the basis of meeting human need, not corporate profits.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact