

Washington, DC Council passes living wage bill

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Earlier this month, Washington, D.C.'s 13-member legislative body, the D.C. Council, unanimously backed a "living wage" bill that would raise the minimum wage from \$8.25 to \$11.50. The increase would take place in phases over the next three years and be indexed to the cost of living. The legislation coincides with identical living wage bills passed last month in neighboring Prince George's and Montgomery counties. The bill currently awaits approval by Democratic mayor Vincent Gray.

Earlier this year, Gray had vetoed a bill that was similar, but which only targeted large-scale businesses of 75,000 square feet or more. That bill was heavily promoted by the District's activist organizations and trade unions such as the United Food and Commercial Workers (UFCW) and the Service Employees International Union (SEIU). The unions fully supported a provision that would exempt unionized companies like Safeway and Giant from its provisions. Gray's veto was primarily motivated by pressure from large retailers like Walmart, which threatened to cancel plans to open multiple locations in the District should the bill become law.

Coming on the eve of citywide elections, the new bill is another exercise in cynical populism. Of the 13 council members, 4 will be running for mayoral election and another 5 for re-election to the council. Gray will also run for re-election, and, for his part, has jumped on the bandwagon advocating for a more "moderate" \$10 minimum wage.

Flanking from the left, Respect D.C., "a coalition of business, labor, religious, policy research and community organizations," has put forth its own "moderate and reasonable" proposal of \$12.50 to be phased in by 2016.

Following the council's meeting on the living wage

increase, council members competed for media attention to define the bill as a product of their leadership. Council member Vincent B. Orange (Democrat-at-large) announced to reporters: "This is legislation introduced by me." Another member, mayoral candidate Tommy Wells (Democrat-Ward 6), proclaimed, "I had the leadership to get nine votes.... I led the first bill to show I could get this done," the *Washington Post* reports.

Wells recently declared his "#livethewage" campaign, in which the council member pledged to live on the current minimum wage for a week. D.C. Council members make more than \$130,000 a year for a position that is considered to be part-time. They are the second highest paid big-city legislators in the nation.

With the help of unions and pseudo-left organizations, city officials are using the living wage debate to posture as supporters of the working class. However, their political maneuverings are more the result of the combined processes of gentrification and mass impoverishment that has come to define life in D.C. over the past decade.

A recent article in the *Wall Street Journal* (WSJ) dubbed Washington, D.C., as "The New Boomtown," citing a 32 percent upsurge in the sale of million-dollar homes in 2013 over 2012. Many of D.C.'s nouveaux riches have come from the distended government contracting sector. According to the WSJ, government spending on local contractors went from \$29.3 billion in 2000 to \$83.5 billion in 2010.

Additionally, the city government has lavished extravagant tax breaks on companies to retain them within the District. For example, the Internet firm LivingSocial was given \$32 million in tax breaks to prevent a move to Silicon Valley.

Meanwhile, a full 20 percent of the population live in

“official” poverty, which itself is far below the recommended level of income needed to live comfortably in the nation’s capital. A study conducted by the Economic Policy Institute (EPI) found that a family of four would need to earn at least \$88,000 yearly to live in normal conditions in the District. Under the “living wage” bill, a full-time worker would make barely \$25,000 yearly, or just above the poverty line for a family of four.

The living wage debate is not limited to D.C. In fact, it has been cynically adopted by President Obama, who in his most recent State of the Union address spoke in favor of raising the federal minimum wage to \$10.10 hourly. Maryland’s Democratic governor, Martin O’Malley, has also stated his support for a \$10 minimum wage. Similar bills are being debated in New Jersey, Illinois and California. All of these living wage proposals, in real terms, fall below what the minimum wage was four decades ago.

The wave of living wage proposals, which offer workers a few dollars more an hour, will do little to offset the social disasters resulting from the unprecedented growth in social inequality in the United States in recent years.



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