What are the political forces behind Seattle's minimum wage proposal?

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Declaring that "Seattle's workers are getting a raise," the city's Democratic mayor on May 1 announced a deal that would gradually phase in increases in the city's minimum wage over three to seven years. Last week, Mayor Ed Murray presented the proposal to the City Council, which can vote to approve, reject or amend the deal.

There are an estimated 102,000 workers making less than $15 an hour in Seattle, where the state's minimum of $9.32 an hour is in effect. The city is regarded as having the seventh highest cost of living in the US, with a decent, one-bedroom apartment costing an estimated $2,185 a month. Even if the minimum wage were raised to $15 over the next several years, tens of thousands of workers would still be unable to keep up with their bills.

The mayor's proposal is chiefly a political ploy to bolster illusions in the Democratic Party and mollify popular opposition over immense levels of social inequality. The state of Washington is the home to eight billionaires on the Forbes list of the richest people on the planet, including Microsoft's Bill Gates (number one at $77 billion) and Amazon's Jeff Bezos (number 18 at $32 billion).

Murray's minimum wage measure contains a series of loopholes for employers based on the size of the businesses and whether or not workers earn tips or receive health care benefits. Smaller employers (less than 501 employees) will not have to pay the full $15 until 2019. However, if tips and benefits are included in workers' compensation then that deadline is pushed out to 2021. Larger employers have until 2017, unless they provide health care and then they have until 2018 to pay the full $15 wage.

There are other ambiguities that will allow companies to dodge the measure. Several commentators have suggested that fast-food franchises could claim they are "small" businesses and therefore, fall under the four to seven-year schedule or that companies could manipulate health care plans to change a worker's "total compensation" levels. Moreover, the city government will have little means, much less desire, to enforce the measure.

The convoluted formula was drafted by business owners, city council members and union officials sitting on the mayor's Income Inequality Advisory Committee, which recommended the proposal by a 21 to 3 vote. The city council is expecting to water the measure down even further, with Murray saying, "I imagine there will be tweaks."

Speaking at the mayor's May 1 press conference, Howard Wright, co-chair of the mayor's committee and CEO of the Seattle Hospitality Group, said, "When I accepted this role, it was with three tenets in mind: 1) measurement of additional forms of income above and beyond straight wages; 2) a phase-in period allowing employers to plan and to anticipate labor costs; and 3) no exemptions or special carve outs. All three of these goals were met; while I know not everyone in the employer community will be satisfied, I believe it is the best outcome given the political environment."

David Rolf, co-chair of the committee and president of Service Employees International Union 775, framed the issue as benefiting business and lowering government spending. "When workers have less income, businesses have fewer customers and governments spend more on social services. With this announcement today, Seattle is leading the way toward a better economy and more robustly shared prosperity. One hundred years from now, our generation will be remembered for whether or not we stood up and fought for the American Dream in its moment of greatest risk," Rolf said.

A "purist position" would not have gotten a supermajority of committee support, Rolf said, telling the liberal publication *In These Times*, "The good news is that when all the scales are done, everyone hits the same

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point—approximately $18.13 by 2025."

Such comments only underscore the contempt of the union bureaucracy for the working class. Having betrayed struggle after struggle and systematically collaborated with the employers to lower wages, especially for the next generation of workers, the union executives now declare that the "American Dream" is for a full-time worker to earn $30,000 a year—an amount that could qualify a family of four for food stamps. Certainly Rolf, who pocketed $190,596 as president of SEIU Local 775 last year, has far more comfortable dreams.

The Democratic Party establishment and the trade union apparatus are well aware of the deep social anger in the state, where earlier this year Boeing workers rebelled against the International Association of Machinists only to have the IAM ram another concession-laden contract down their throats.

The mayor warned that a protracted fight over a placing an initiative to raise the minimum wage on the ballot could lead to "class warfare." Supporting Murray, Rolf told the *New York Times*, "I believe that if the Council passes this agreement within the next few weeks that the public won't support a ballot measure fight. And certainly the labor movement is not going to support a ballot measure fight."

This tepid measure in Seattle is fully in line with the recent posturing of President Obama as an opponent of inequality and his call for increasing the minimum wage to $10.10, a measure recently and predictably blocked by the Republican Party. This effort, which has been coordinated with the SEIU and other unions, which have called protests of fast-food workers, is aimed at bolstering the mid-term election prospects of the Democratic Party and concealing its role in channeling 95 percent of all income growth since 2009 into the hands of the richest one percent.

Addressing a press conference in response to Murray's May 1 announcement, Seattle Councilmember Kshama Sawant, a member of Socialist Alternative (SA) and a leader of the 15 Now campaign, criticized the loopholes in the measure but declared, "Any step forward in improving the living standard of the workers of this city is a victory for the movement."

Sawant, who sits on the mayor's advisory committee, voted against the proposal, saying that putting pressure on the city council or a signature campaign to put a minimum wage hike on the ballot would produce a "stronger" proposal. "We cannot look at signature gathering and a city ordinance as separate processes," she said, adding that the referendum campaign would "let the city council know we are watching." She hailed the city council—a gang of political shills of big business—as "public servants" who would answer to the needs of Seattle workers if sufficiently pressured.

In her press conference, Sawant sought to dodge the obvious fact that union officials had backed the pro-business proposal. Answering a question about a "split" with labor, Sawant insisted, "We haven't split off! Labor still supports a strong proposal. Labor representatives are the spokespeople for all the workers of Seattle and we have to keep pushing forward on the movement."

The ballot measure being proposed by Sawant contains an opt-out clause exempting businesses that sign contracts with the SEIU and other unions from the $15 minimum wage. As with the Sea-Tac measure passed last November with the support of the SEIU, mandating a $15 minimum wage for airport workers, union-organized businesses would receive a waiver from the law. Employers would then have an incentive to sign poverty-wage contracts in which unions like the SEIU would expand its dues base at the expense of its membership.

From the beginning, the 15 Now campaign has been the political vehicle through which Sawant's pseudo-left organization has cultivated close ties with a section of the trade union bureaucracy and the Democratic Party. SA has essentially argued that the interests of the trade union executives and other sections of the upper middle class can be better served by pressuring the Democratic Party ostensibly from the outside rather than from within. Whatever their supposed "opposition" to the Democrats, however, this group functions as a "left" flank of the political establishment. Its main aim is to reassert the authority of corporate-controlled political parties, and their trade union allies, and block the development of a genuinely independent political movement of the working class.

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