

Seattle's \$15-an-hour minimum wage of little benefit to workers

Hector Cordon, Patrick Martin
10 June 2014

Seattle's City Council voted unanimously June 2 in favor of raising the minimum wage to \$15 hour. The increase will be phased in incrementally over a seven-year period, with various exemptions for small and big businesses and the permanent exclusion of teenage workers from coverage.

Hours after the vote, the International Franchise Association announced that it plans to sue to stop the wage increase altogether, calling the varied wage increases for different size and types of businesses "unfair" and "discriminatory."

Seattle, the seventh most expensive city in the US, with a cost of living 24 percent higher than the national average and one-bedroom apartments renting for \$1,381 per month, has roughly 102,000 workers making less than \$15 an hour. Only a fraction of these will ever benefit from the measure passed last week, and then only after a lengthy delay during which the value of the new minimum wage will have been further eroded by inflation.

The Seattle ordinance is the product of collaboration between the Democratic Party, the trade union bureaucracy, and the pseudo-left Socialist Alternative organization. The last-named group is represented on the City Council by Kshama Sawant, elected last December amid great media fanfare as the first "socialist" in the city government in more than a century.

Sawant has since been promoted by middle-class "left" groups throughout the United States, her election praised by the International Socialist Organization and Sawant herself cheered at the recent "Left Forum" in New York City—the new name of the Socialist Scholars Conference.

The professed perspective of Socialist Alternative is that a combination of reformist electoral efforts at the

local level and lobbying by the trade unions can shift bourgeois politics to the left. Seattle is being cited as proof of this perspective, with a Democratic-controlled City Council and a Democratic mayor enacting the new minimum wage after a protest campaign, dubbed "15 Now," involving Sawant, Socialist Alternative and the Seattle unions.

That this perspective of pressuring the Democrats means subordinating the working class to the Obama administration and American capitalism is expressed in the text of the Seattle ordinance itself, the second sentence of which quotes President Obama's demagogic declaration last December that inequality is "the defining challenge of our time."

Obama himself has done nothing to reduce inequality, and much to increase it. He has called for increasing the federal minimum wage to \$10.10 while allowing extended unemployment benefits to be terminated and cutting the food stamp program twice.

There is no question that a dramatic increase in the minimum wage is fully justified. The present US minimum—last increased in 2009 to \$7.25—is barely 32 percent of the average worker's wage, second from bottom of the 34 members of the Organization for Economic Cooperation and Development. Only Mexico has a lower percentage.

But the unanimous vote by the Seattle City Council is a political maneuver aimed at quelling increasing opposition to inequality and, in an election year, bolstering illusions in the Democratic Party. That is why the measure was enthusiastically endorsed by the *New York Times* in an editorial headlined, "Seattle Leads the Way."

In a statement May 29, Socialist Alternative hailed the impending passage of the minimum wage increase, declaring, "One hundred thousands workers will be

lifted out of poverty.” This is a lie. Even with a full-time job, which many low-wage workers are denied, at \$15-an-hour a family of four cannot sustain a decent standard of living and still qualifies for food stamps.

Speaking on MSNBC’s “Morning Joe” program, Seattle’s Democratic mayor, Ed Murray, admitted, “The minimum wage would be about \$21 an hour here in the city of Seattle, which is a very expensive city, if we actually wanted to get a real livable wage. Fifteen dollars would still be very hard for someone making that wage.”

City Council Democrats added a series of reactionary amendments to the ordinance since it was first introduced May 2. The two most important changes threaten the entire basis of the minimum wage by excluding workers younger than 18 from coverage and counting tip income as part of the basic wage.

The effect of the first change is to create a permanent sub-class of super-exploited youth who will not be paid the same as workers aged 18 and older, even if they perform the identical work. The second change tends to undermine the state of Washington’s minimum wage, currently set at \$9.32 an hour, which excludes tips from being counted, thus requiring employers of wait staff, taxi drivers and other tipped occupations to pay higher base rates.

The council majority also decided to begin phasing in the new minimum wage in April 2015 rather than January, a three-month delay in the initial increase to \$11 for companies employing more than 500 workers.

No one will actually be covered by the \$15-an-hour requirement until 2017 for some larger businesses, until 2018 for larger businesses that provide health care benefits, and until 2021 for businesses employing fewer than 500 workers—where a substantial majority of low-wage workers are employed. Even assuming only modest inflation of 3 percent a year, the \$15-an-hour minimum wage will be worth only \$12-an-hour by the time it is phased in seven years from now.

There are also ample opportunities for employers to cheat, since the penalty for defrauding workers of their wages is limited to \$500 for the first offense. How strongly the complicated pay structure will be enforced is problematic, since enforcement will not even be considered until later this year when a Labor Standards Advisory Committee provides “feedback.” There has been little to no enforcement of the City Council’s two

recently passed laws outlawing wage theft and mandating sick leave.

The duplicity of Socialist Alternative was revealed in the reversal by Kshama Sawant, who voted against the minimum wage ordinance when it was first introduced. In the end, Sawant voted for the much inferior plan adopted by the City Council on June 2, joining eight Democrats in a unanimous vote.

Sawant did not explain her decision to support a measure that is actually worse than the version she had previously opposed. At that time, she denounced the proposal, saying it “does not live up to the wishes of Seattle’s workers,” and contended that maintaining opposition would produce a stronger proposal. She then introduced a series of amendments to force big businesses to pay the \$15 wage sooner and to remove the lower teenage training wage. These were, predictably, voted down by her Democratic colleagues.

Sawant has hailed passage of the grossly inadequate, token measure as an “absolutely historic victory.” She is seeking to conceal her role of providing a “left” cover for the Democratic Party and the unions, which have collaborated to gut social programs and drive down wages and benefits to the levels that existed before the industrial unions were built in the 1930s.

Since the City Council vote, Sawant and “15 Now” have said nothing about their initiative petition, filed last April, to amend the Seattle City Charter and implement a \$15 minimum wage by most businesses beginning January 1, 2015. Both Mayor Murray and David Rolf, head of Service Employees International Union Local 777, have warned against the petition, with Murray suggesting it amounted to “class warfare.”



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact