

Labor in Focus by Marcia Merry

Strikes and urban services breakdown

"Mini-Grace Commissions" are telling elected officials how to "adjust" to the depression by ending services.

By the end of July, it is expected that all the final settlement details in the Detroit and Philadelphia city-employee strikes will be agreed upon by the cities and municipal workers. New contracts will be concluded.

However, behind these headline situations—for example, the mid-summer pile-up of 75,000 tons of garbage in these two cities alone—is the underlying process of breakdown of essential services in cities all across the country, as local and state governments attempt to adjust to the economic depression by cutting back budgets for service workers and infrastructure maintenance.

Some of the worst urban breakdown situations in the United States are in the small towns of the Midwestern farmbelt, where whole communities are going bankrupt. Hospitals and other vital services are being shut down entirely.

Up for renewal this year are contracts for 300,000 of a total 1,000,000 American Federation of State, County, and Municipal (AFSCME) workers. Besides Detroit and Philadelphia, cities due to renegotiate AFSCME contracts include Milwaukee, Jacksonville, and Cleveland. Thousands of non-AFSCME workers, such as Pittsburgh, also have contract deadlines.

In Philadelphia, a tentative contract agreement was reached July 22 with 12,885 blue-collar workers who returned to work July 21, ending a 20-day strike. Trash collectors were ordered back to work July 19 by court action, in order to remove 45,000 tons

of garbage that piled up during the walk-out.

In Detroit, by July 23, a settlement seemed in sight by negotiators for the city and striking municipal workers, engaged in court-ordered talks to end an eight-day walk-out.

The strike began July 16, and included 7,000 trash collectors represented by AFSCME, and 5,000 other city employees honoring the picket lines. The strikers were seeking a 26% pay raise over three years. The city offered raises tied to its financial situation, with a guarantee of 2% the first year and a cap of 18% for the three years.

According to Philadelphia Mayor Wilson Goode, the pact worked out with AFSCME District Council 33 included a 10% raise over two years.

In the past, city and state employee contracts were typically for two years each, and city and state negotiations tended to occur in alternate years. Now, the pattern has blurred. Many large states, such as New York, have three-year contracts.

Most of the contract talks by AFSCME have been of the crisis-to-crisis nature. Since 1979 and the onset of Paul Volcker's usury, many contracts have merely held the line or fallen back on wage rate levels. The average wage of an AFSCME government worker is \$17,000-18,000, or about \$8.50 an hour.

At present, there is pressure to both restrict wage increases to 0-3% and shift costs of health care and other benefits onto the employee. Governments have also implemented attrition

policies; retiring employees are not replaced. The workload must be shared among the remaining workforce.

There are some health workers who now have an impossible caseload of literally hundreds of people. The corrections facilities have become impossible-to-manage situations for the government employees.

In the energy states, where government revenues have plunged during the past few months of oil price decline and related declines in the real-estate and agriculture sectors, local government services face an emergency. In Texas, public-sector strikes are illegal. But the situation in Houston is in a crisis stage; there is no money to maintain the needed workforce to guarantee services.

In Louisiana, where public-sector strikes are also illegal, there have been no local government wage increases in eight years, except for incremental increases within the same wage category.

Earlier this year, there were heated negotiations in the state of Iowa. There and in some other states, private consultants are presenting blueprints to the elected officials on how to "adjust" to the depression and cut back on government employees and services. These studies are state and local versions of the Peter Grace Commission recommendations on how to slash the federal budget and essential functions. The state studies recommend "reorganizations" to eliminate many services, and "privatization" of many functions.

In July, such a report was presented to Gov. Arch Moore of West Virginia, prepared by executives from various businesses in the state. Called the "Governor's Manager's Taskforce Report," the study is a "mini-Grace Commission" report that recommends "downsizing" government, just as did the Iowa report.