

# **Connecting the Dots: Water Shutoffs, Emergency Management, Bankruptcy & Beyond**

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# Connecting the Dots . . . .



# Connecting the Dots in Detroit



# Diagnosing Detroit's Problems

- Structural Racism + Fiscal Austerity = Detroit
- Structural Racism = 100 year history
- Fiscal Austerity = 40 year history



# Why is Detroit in worse shape?

- Cities are living organisms
- Racism is pathological
- Fiscal Austerity has stressed all cities
- BUT: racism in the Detroit Metropolitan Area has prevented healthy systemic responses
- Situation in Detroit is an extreme maladaptation to increased stresses on cities in the past 40 years



# **Belief Systems & Institutions: Defining Processes of Change**



# Physics of Worldviews & Power

- Belief Systems (Worldviews):
  - How we make sense of the world
  - Frameworks producing order and meaning
  - *Examples*: Neoclassical Economics; American Exceptionalism; Protestant Work Ethic, White Privilege, Neoliberalism . . . .
- Institutions: (Power)
  - Allocation of scarce resources (economics)
  - Distribution of social benefits and burdens
  - Rule of the game & Players of the game



# Fiscal Austerity: Belief System

- Strong belief in markets and fear of the state
- Emphasis on property right
- Hyper sense of individualism
- Marginalizes role of structure and social context
- Blames/punish individuals who fail to live up to standards (false meritocracy)
- Myth of colorblindness
- Bootstraps bootstrapping bootstraps



# Fiscal Austerity: Institutions

- Minimalist state
- Unrestrained markets
- Privatization of public assets
- Minimal public workers/benefits
- Minimal social safety net



# Domestic & International

Reagan (Thatcher)	World Bank/IMF
Fiscal austerity	Fiscal austerity
Privatize/deregulate	Privatize/deregulate
Shrink government	Shrink government
Cut spending/taxes	Cut spending/taxes
Plan of adjustment	Structural adjustment
Conservatism	Neo-liberalism



# Structuralized Racialization (verb)



# Race(ism) & The History of Detroit

- Sugrue: Origins of the Urban Crisis
  - Deindustrialization (mobility of capital)
  - Discrimination in Employment (mobility of labor)
  - Discrimination in Housing (mobility of land)
- Thomas: Redevelopment and Race
  - Regional divisions along racial lines (planning)
  - Racism as obstacle to economic development
- Hammer: Schooling the Governor in the 3-R's
  - Race
  - Regionalism
  - Reconciliation

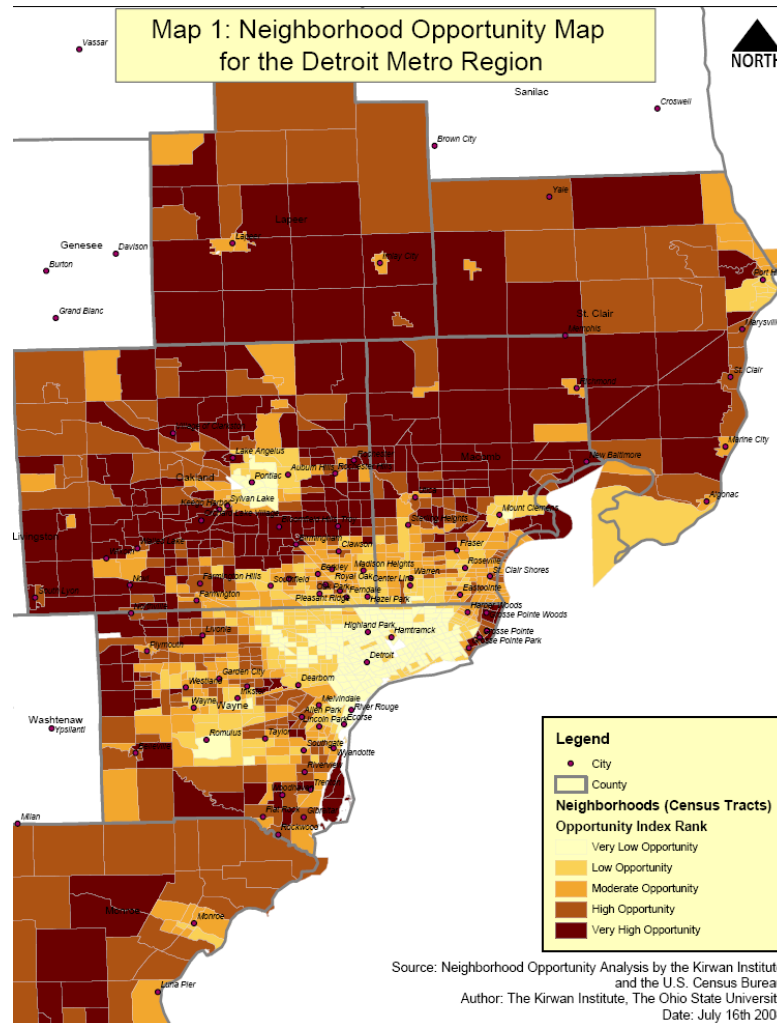


# Spatial Racism: Segregation of Race and Wealth in Detroit

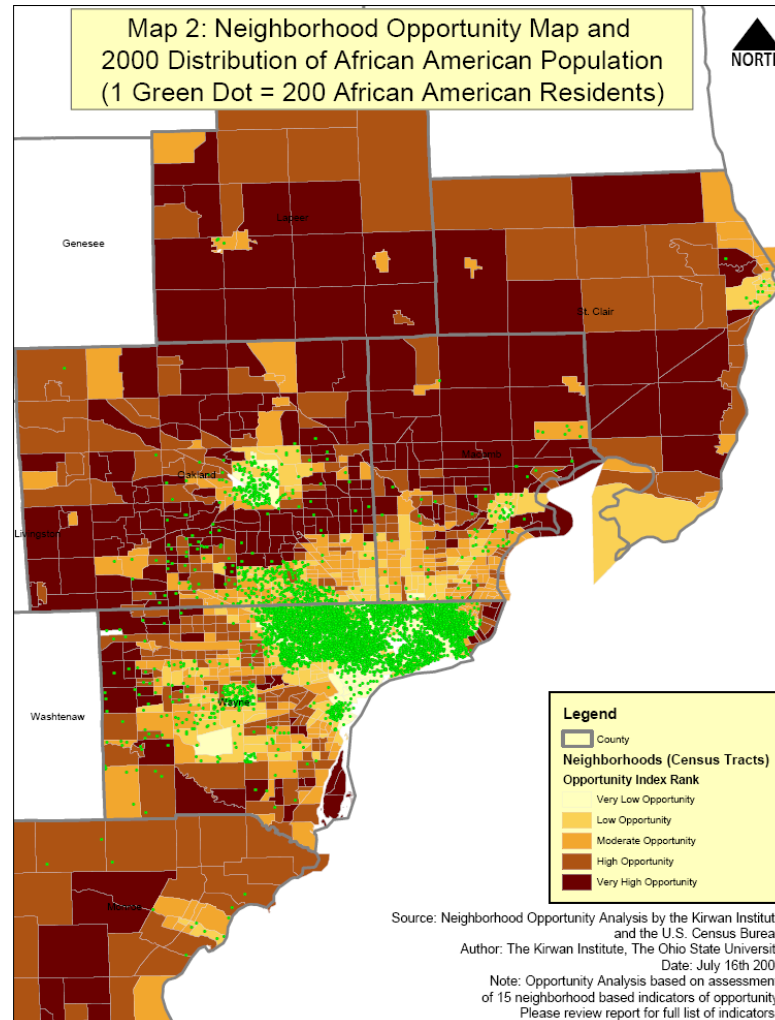
- Michigan Roundtable-Kirwan Institute Opportunity Mapping
- Defining Opportunity
  - Housing
  - Employment
  - Schooling
  - Health
  - Transportation
  - Food security
  - Living environment



# Mapping Opportunity in Detroit



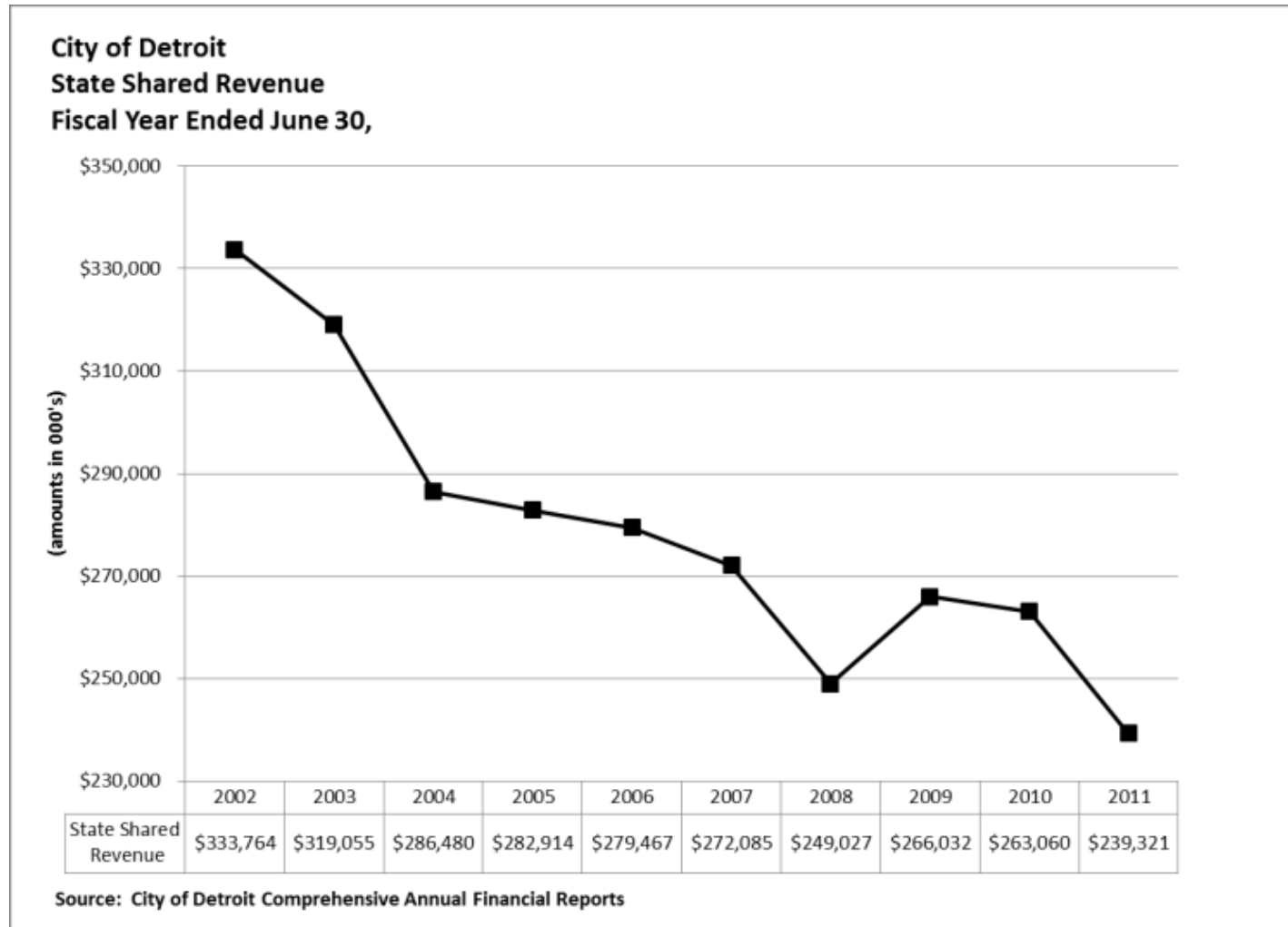
# Mapping Opportunity and Race



# Legacy of Spatial Racism



# How does the State respond?

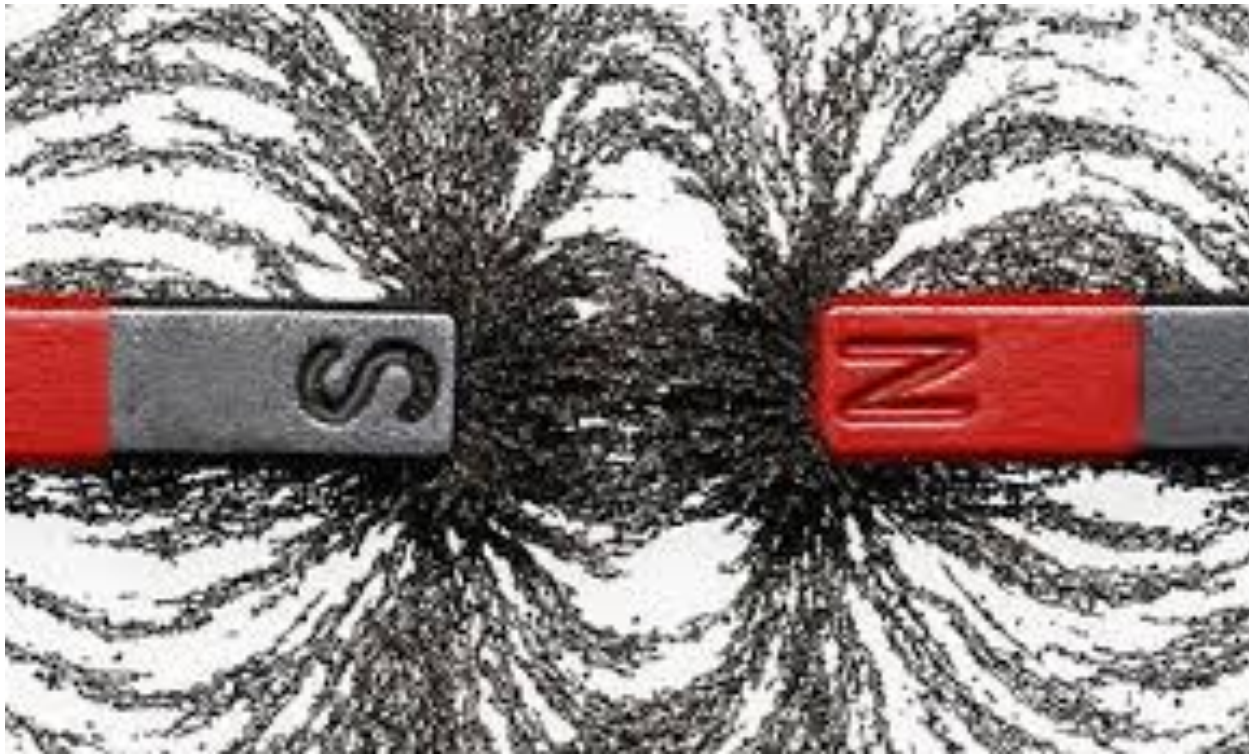


# Connecting the Dots

- Each “Dot” is its own artifact:
  - Emergency Management
  - Detroit Public Schools
  - Detroit Future City
  - Blight Task Force Report
  - DWSD: Water Shutoffs
  - Bankruptcy Plan of Adjustment
- Each “Dot” contains its own embedded manifestation of . . .
  - Belief Systems (worldviews)
  - Institutional Matrix (power)
  - Magnetic force field



# Policies, Institutions & Belief Systems Exert Force Fields



# The Causes of the “Fiscal Crisis”

- Difference between “debt” and “cash flow”
- Leading causes for falling revenue (cash flow)
  - Falling state revenue sharing
  - Falling property taxes (foreclosure crisis)
  - Increasing legacy costs
- Financialization and the role of Wall Street
  - COPS and SWAPS and City finances
  - Bond refinancing of DWSD
  - Predatory lending and the private mortgage financial crisis (Aitken v. Morgan Stanley)



# Emergency Manager

- State imposed, anti-democratic regime
- EM template maps onto neoliberal fiscal austerity agenda
  - Shrink size of government
  - Privatize public assets
  - Cancel labor contracts and reduce workforce
  - Take the city into bankruptcy



# Detroit Public Schools

- Structurally dysfunctional school finance
  - Charter schools
  - Inter-district schools of choice
- Cycles of failed Emergency Management
- EMs cannot solve structural crises
- Failure of competition/markets as social mechanisms
- Failure to protect our children

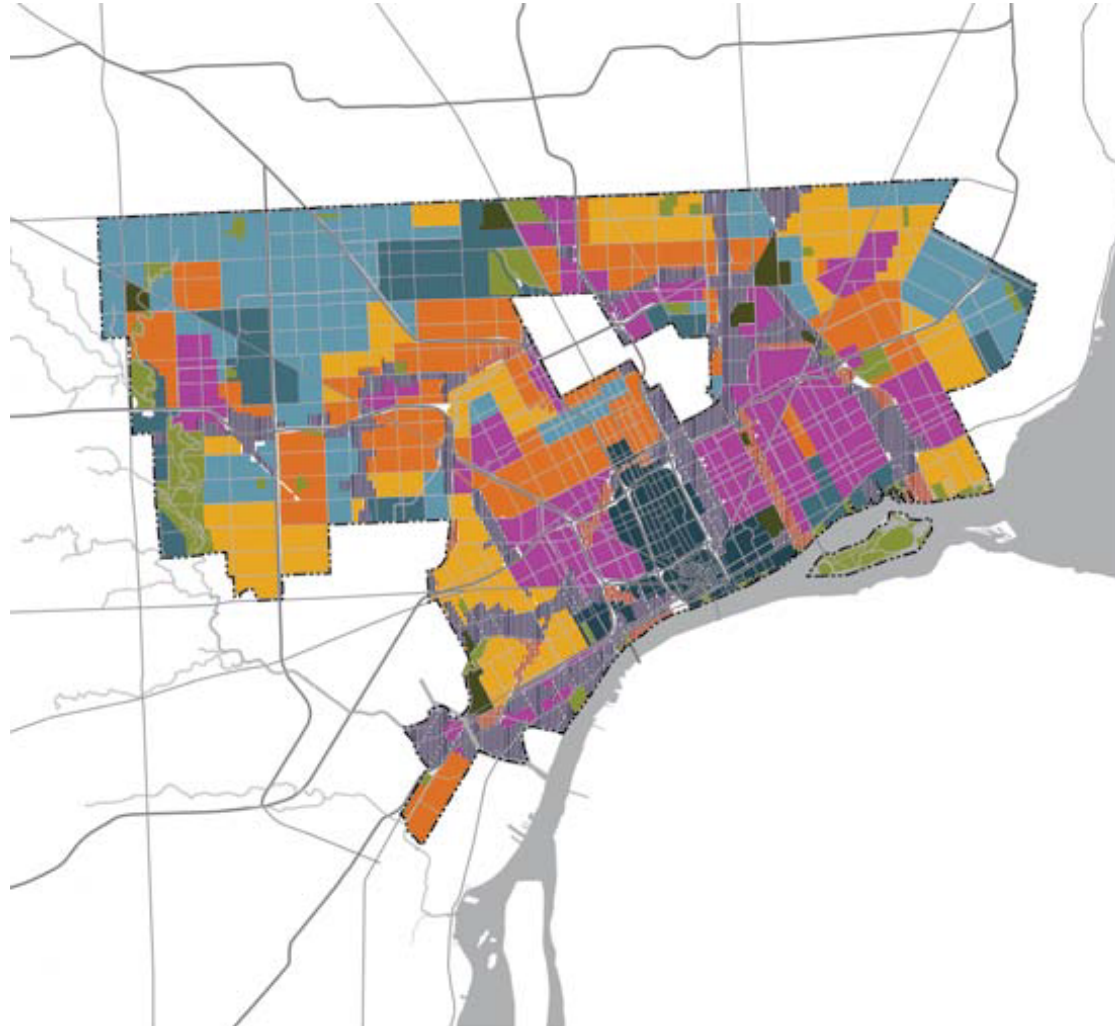


# Detroit Future City

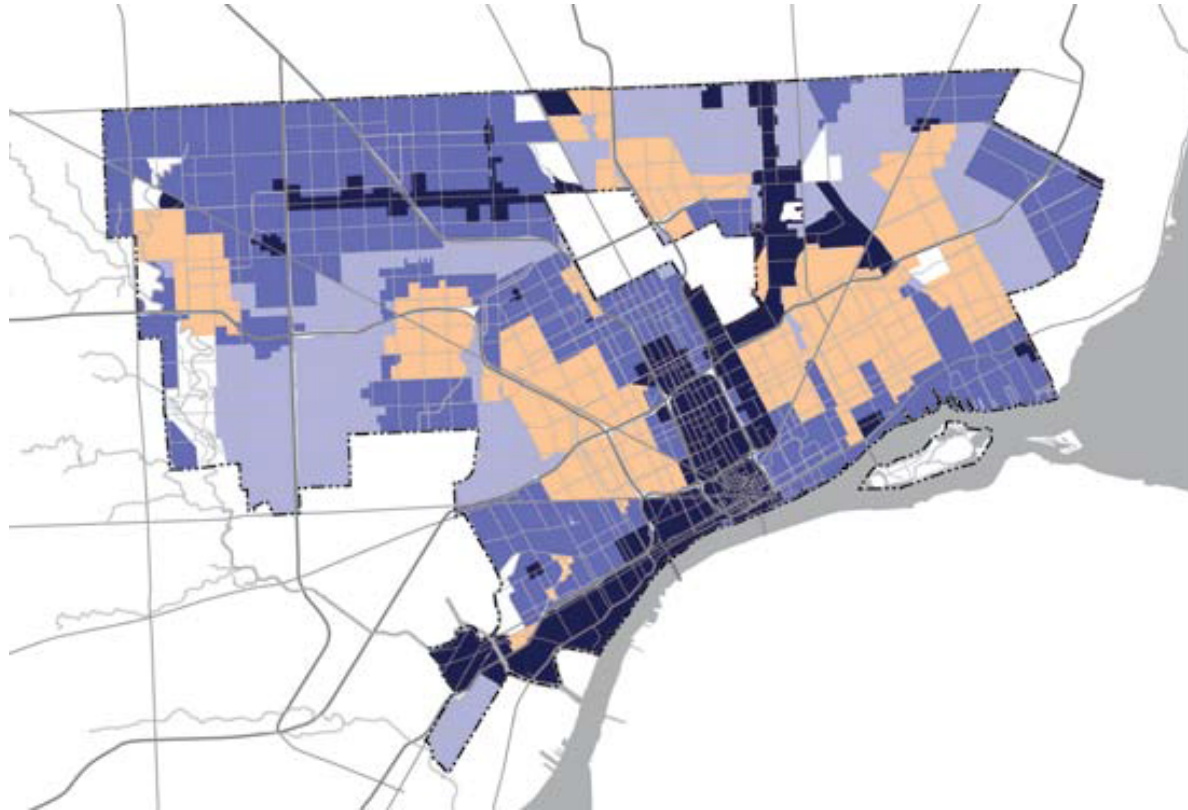
- Distressed housing market is the template for future land use changes
- Investment in City Services altered to map onto existing occupancy rates
- No future residential uses in current distressed areas



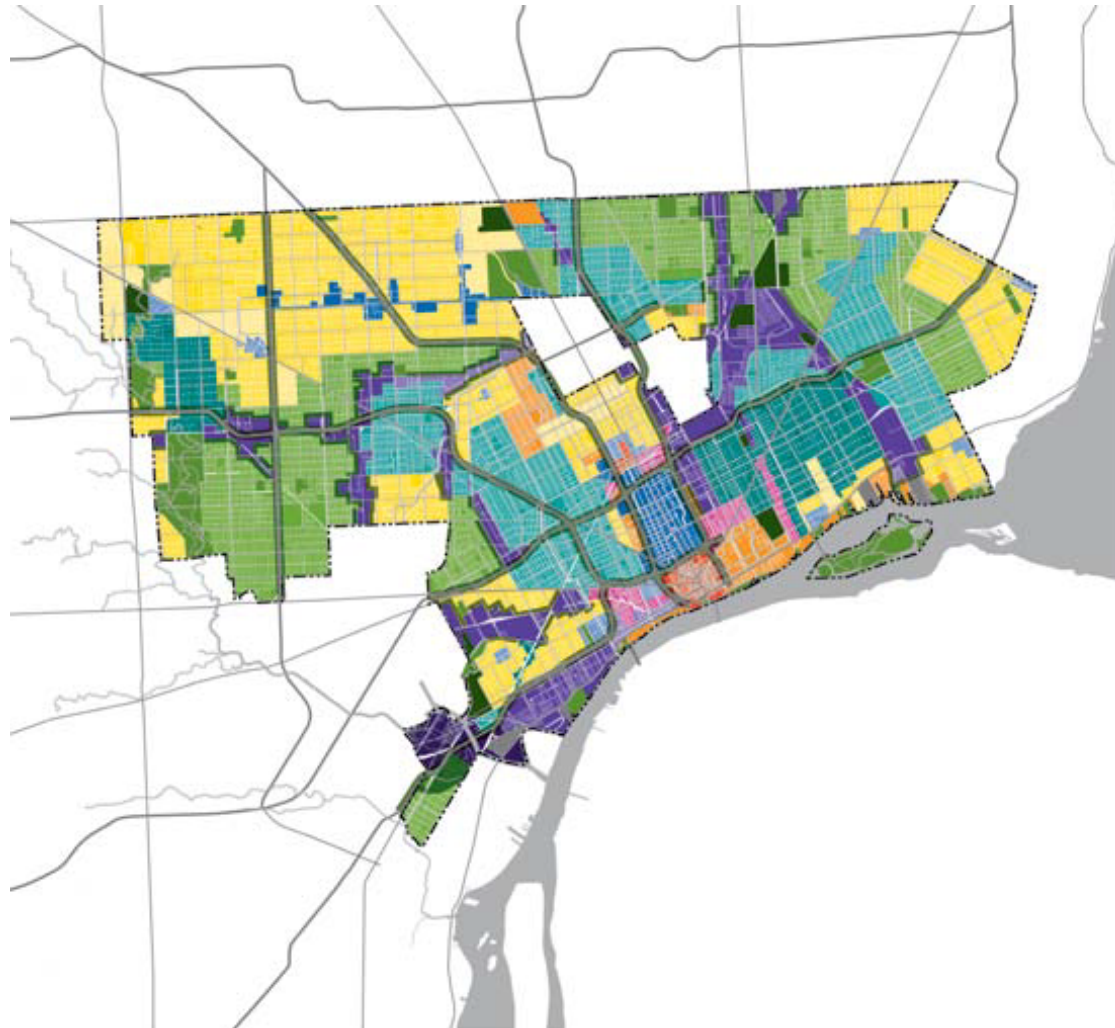
# Detroit Future City (housing occupancy)



# Detroit Future City (investment in city infrastructure)



# Detroit Future City (50 year vision)



# Blight Task Force Report

- Demolition is the top and only priority
  - 850 million dollars
  - 80,000 structures
  - 430 jobs
- Establish mechanisms to transfer private land ownership to public ownership
- Establish mechanism for the reassembly and redistribution of real estate
  - Detroit Land Bank



# Water Shutoffs

- Reveals the nature of the neoliberal worldview (belief system)
- Consistent with privatization agenda
- Consistent with pattern of de-population and relocation



# Bankruptcy Plan of Adjustment

- Mechanism to enshrine the minimalist state
- Vehicle for privatization and sale of public assets
  - DWSD?
  - Belle Isle?
- “Exit financing” to fund the Blight Removal Task Force
  - Borrow new money to tear buildings down but not invest in people
- Absence of investment in people/opportunity



# **Need New Belief Systems & Institutions**



# Alternative Approaches

- Sustainable Development Goals
  - Sustainable Communities
  - Sustainable Economy
  - Sustainable Environment



# Alternative Approaches

- Water Affordability Plan as alternative paradigm
- Articulate components of different belief system
  - Equity/justice
  - Ability to pay
  - Progressivity
  - Effectiveness



# Alternative Approaches

- Community Benefit Agreements
  - Community participation
  - Local focus for development
  - New partnerships with business
  - Place people at the center of development



# Alternative Approaches

- Community Land Trusts
  - New justice paradigm of land ownership
  - New values of stewardship
  - New tools for community
  - New ethic of community



# Why Connect the Dots?

- Need to address core beliefs and institutional structures
- Appreciation of common nature of many different struggles
- Framework for more effective cooperation and collective action
- Reminder that other futures are possible



# Kerner Commission Report (1968)

- This is our basic conclusion: Our nation is moving toward two societies, one black, one white--separate and unequal.
- Choice is still possible.
- This alternative will require a commitment to national action--compassionate, massive and sustained, backed by the resources of the most powerful and the richest nation on this earth.
- hard choices must be made, and, if necessary, new taxes enacted.
- What white Americans have never fully understood but what the Negro can never forget--is that white society is deeply implicated in the ghetto. White institutions created it, white institutions maintain it, and white

# Thank You

- Questions?

