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The Privatization of Water in Detroit. Massive Water Shut-Offs

Corporate-led Detroit Fails to Guarantee Water Services to Residents

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Mondialisation.ca, 26 avril 2016

Région : USA
Thème: Global Economy, Poverty & Social Inequality

Thousands of households are being subjected to ongoing terminations

Despite the business media praise of the actual program of dislocation and underdevelopment aimed at long-time residents disguised as « revitalization », the City of Detroit is slated to embark upon a new round of massive water shut-offs.

Many who are scheduled to be terminated may not be aware of the imminent crisis they are facing. A report from Michigan Public Radio indicated that the Detroit Water and Sewerage Department (DWSD) are not placing notices on the doors of homes which are in arrears on their bills. (April 15)

The water department says that “customers” should look for the notices on their bills sent out in the mail or posted online. This represents a departure from years past when the DWSD would send “collectors” to households informing them that their services were slated to be terminated in five days if arrangements to pay were not made.



Abayomi Azikiwe graphic on federal bankruptcy

Spokesman for DWSD, Bryan Peckinpaugh, told the media that bills have labels entitled « account status » printed on them, in what he described as bold fonts letting residents

know they are behind or in danger of termination of services.

Peckinpaugh stressed the department stopped using door tags as a budgetary matter. Noting the DWSD utilizes other means to notify residents.

« We have a new e-mail system that the City of Detroit utilizes that we're also utilizing at DWSD to communicate with our customers through text and e-mail, » Peckinpaugh said.

Perhaps realizing that these practices could ignite widespread anger, Detroit corporate-oriented Mayor Mike Duggan told the Detroit Free Press that the City would continue to post notices on doors regarding potential shut-offs. Duggan, who the Free Press claims re-established the notification policy in 2014, says he disagrees with the decision and is ensuring that employees who hang notices on doors will continue to make their rounds as of April 15.

« The mayor has not been informed of any decision to discontinue the door hanger notices and would consider that decision to be completely unacceptable, » mayoral spokesman John Roach said in a statement. Peckinpaugh, on behalf of the DWSD has declined to comment on Duggan's supposed reversal of the new policy.

Duggan, who was elected to office during the bankruptcy in 2013, resulting from a write-in campaign after he failed to qualify for ballot status, has to stand for re-election in 2017. The longtime political figure linked in the past to the former Wayne County Executive Ed McNamara's Democratic Party political machine is a former resident of Livonia, one of the most segregated cities in the United States.

A Tale of Two Classes

Even though the daily newspapers are filled with stories of economic revival in Detroit, joblessness, poverty and homelessness remains major social problems. Media reports of a plan for thousands of water shut-offs seriously contradict the official corporate narrative involving the situation in the city.

The Detroit News, which is considered a more conservative publication than the Free Press, wrote a revealing story on April 1 pointing to the disparate treatment between largely working class and poor households which are routinely terminated from water services, and the opposite approach to thousands of businesses that remain behind in their bills but are not shut-off.

Journalist Joel Kurth wrote that: "Detroit last year shut water service to 23,300 homes — the equivalent of every household in the city of Pontiac — but left the taps running at thousands of businesses that owe millions of dollars, city documents show. Businesses and government-owned properties owe nearly twice as much as residences, $41 million compared with $26 million for homes, but only 680 were shut off in 2015, according to records obtained by The Detroit News through the Freedom of Information Act."

Consequently it is quite obvious that the real target of the water shut-offs are the majority African American, proletarian and impoverished residents of the city. The termination of water flowing into households is tantamount to an "illegal lock-out" since it becomes almost impossible to live in a home, flat or apartment without this essential service.

Therefore, the impact of these policies serves to further dislocate and forcefully remove tens

of thousands more people from Detroit. In the last census period of 2000-2010, Detroit, the largest per capita African American populated municipality in the United States lost nearly 25 percent of its overall residents.

Detroit residents with minors in their places without water are subject to intervention by Child Protective Services under the guise that the household is dangerous and unfit to live in.

During 2015, over ten percent of the city's 200,000 residential accounts were shut-off, whereas approximately 0.3 percent of the city's 25,000 non-residential accounts suffered the same fate, the records say. Since 2014, when the termination of services gained national and international attention due to protests outside the DWSD headquarters downtown and the blocking of the Homrich wrecking company facilities on the eastside, over 50,000 shut-offs have been carried out.

Kurth also wrote in the April 1 article that: "City records claim the state owes more than $1 million — $648,000 for the Detroit Reentry Center prison and $473,000 for Belle Isle, which the state Department of Natural Resources has managed since 2014. Both are more than 60 days overdue and eligible for shut-offs, records show."

The Need for Mass Struggle to End Corporatization

Two years ago during the largest municipal bankruptcy in United States history the city under emergency management was forced through mass action to declare a moratorium on water shut-offs for several months.

However, payment plans set up in the aftermath of this period have failed to keep tens of thousands of households out of shut-off status. Yet another plan was introduced in March through the Great Lakes Regional Water Authority (GLRWA) which ostensibly provides assistance to those in low-income households.

This plan allocates only $4 million to assist those unable to pay their bills, many of which are questionable and under dispute, falling far short of the tens of millions that are in arrears. One factor rarely spoken about in the water crisis in Detroit is the interest rate swaps on bonds associated with the DWSD which have drained at least $537 million from the system since 2012.

A March 11 article in The Nation illustrated that the problems of rising water rates and shut-offs is national in scope pointing to the existence of these problems in other cities such as Pittsburgh and Baltimore. Carrie Sloan writing for publication places the blame where it should be on Wall Street.

"Detroit water customers have seen their rates spike by nearly 120 percent in the last decade; almost half of their payments now go toward paying down the debt on the swap termination fees, Sloan emphasized. "In a city where nearly 40 percent of residents live below the poverty line, it's not surprising that many have fallen behind on their skyrocketing bills."

Sloan went on to point out that in the scheme of economic policies directed at urban areas "in 2008, when Wall Street crashed the economy, and the massive risks associated with these deals came to light, cities across the country found themselves owing banks millions of dollars."

The billions needed to rebuild the declining infrastructure of the cities are being expropriated by some of the leading financial institutions such as Chase Bank, UBS and Morgan Stanley.

These factors must take center stage in the struggle for the right of working people, the nationally oppressed and the poor to remain in the cities.

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