Power, participation, and protest in Flint, Michigan: Unpacking the policy paradox of municipal takeovers, by Ashley E. Nickels

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David Fasenfest

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Ashley Nickels’s work is an analysis of state policy directed at addressing fiscal stress within a city. Through the lens of events in Flint, Michigan, and the usurpation of democratically elected local officials, Nickels asks several questions: What happens when elected local leaders and representatives are displaced? Can a state government simply impose non-democratic rule over cities to address fiscal stress? In whose interests are state appointed managers acting when they take decisions?

These questions animate Nickels’s examination of the consequences of appointing an emergency manager (EM) in Flint, Michigan. At its core, this is an analysis of urban politics and its consequences. Through her case study of Flint, the first four chapters carefully trace the origins of fiscal distress among cities. Here she identifies the range of policy options available to state governments, in effect creating a “new normal” (p. 49) to deal with this distress. Nickels explores the context for the unevenly experienced consequences of EM actions. The usurpation of democratically elected local officials by the politically appointed EMs informs the selection of decisions, why they are taken, and in whose interests they serve. In chapters 5, 6, Nickels raises the important question of who benefits as she explores how a development agenda emerged and then morphed into a “development regime.” This work’s key focus is on answering several questions: What went wrong with the decision to appoint an EM? What can be done about municipal fiscal stress in the future? And finally, is the solution presented (i.e. appointing an EM) worse than the triggering event?

The book’s final two chapters (7 and 8) provide the reader first with a discussion of how the community tried to reassert itself through social protest and political action, followed by a review of the negative consequences of the EM actions for the residents of Flint. The ensuing water crises that turned Flint into the poster child of environmental racism because of urban neoliberalism did not receive the full attention I had expected. Lead poisoning was the catalyst for the ensuing social protest and community mobilization presented by Nickels. That said, the important contribution of this book is its excavation of policy and politics writ large, providing a road map to help us understand the interplay between local and state government.

As a political science analysis of power and policy, this is an important book, and a good case study. I would have liked, however, a more socioeconomic perspective to permeate the analysis. This book carefully explores the reasons given for fiscal distress: ineffective local leadership and historically devastating structural change. Informed by assumptions of mismanagement rather than an analysis of structural challenges facing Michigan cities, legislators implemented management-centered policies. The solutions tailored by state appointed EMs tend to focus singularly on budgetary strategies to alleviate short-term problems which may, in the end, culminate in the reemergence and exacerbation of fiscal crises. EMs largely ignored structural problems like the loss of revenue from lower tax rates, a declining tax base from outmigration and declining property values, and changes in a complex set of programs and requirements associated with state revenue sharing, in favor of cutting costs by reducing public employee wages, employment benefits, and public services. Policies by Rick Snyder’s administration, in part, exacerbated fiscal distress; by diverting funds earmarked for revenue sharing many of the EM cities were deprived of much needed funds. Overall, estimates are that the state of Michigan withheld about US$ 6.2 billion from cities and towns that were otherwise eligible for funding if Michigan had fulfilled revenue sharing promises (Oosting, 2014).

Many have questioned whether emergency managers were assigned primarily to those distressed cities with minority populations. Between 2008 and 2014, EM designated cities had an
overall population of 1,027,854 or 10.3% of the state’s residents. During this same period, EM cities had a total of 732,942 African American residents or about 52.2% of all African Americans living in Michigan. Research by Kirkpatrick and Breznau (2016) conducted on the EM assignment in Michigan concluded that African Americans were disproportionately affected. They question the claim that non-Whites are impacted primarily because their communities are poor, and not because they are African Americans. What they find, instead, is that the odds of intervention increase proportionately with the relative size of the local Black population. They suggest that racial bias and discrimination may have had a direct impact on whether a municipality was assigned an EM. In my review of the fiscal circumstances of some majority White cities in Michigan (for example, Taylor and Dearborn Heights) I found that they qualified for the appointment of an EM under existing triggering mechanisms, but they were left to deal with their financial stress on their own. In the end, the logic of emergency fiscal intervention is related to a post-crisis pattern of urban value extraction that takes the form of the financialization of urban policies.

Did the emergency managers serve the interests of the residents of Flint? Nickels points out it’s about “who has power and how they use it” (p. 54) and reminds us that our understanding of events depends on which of the stakeholders gets to tell the story (p. 62). In the end, actions like appointing an EM “may have short term success in balancing the city’s budget but fail to address deeper structural issues, such as population decline, increasing poverty, economic disinvestment, or persistent racial or economic inequality” (p. 64). What are the real issues facing cities in fiscal distress? A closer look reveals that the declining ratings of city debt arising from an inability to service loans thereby threatening the State of Michigan’s overall bond ratings. The EMs were charged to clear up the debt in any way they could, whether it meant selling off public property, terminating labor contracts, or as in the case of Flint, deciding to draw the city’s water from a river with a history of industrial pollution. This decision resulted in dire health consequences for the city's poor and majority African American residents. In the end, “economic rationality is emphasized over democratic principles of community control” (p. 129) in the search for how to address the crisis in Flint and elsewhere.

This book makes an important contribution to our understanding of how policies are formed to address the problems faced by cities in decline. It is a story about Flint, but just as we hear about more cities with high and dangerous levels of lead in their water supply, we must understand that the growing inequality in our society will produce ever more municipal fiscal crises. This is not just a story of poor policy decisions and even worse outcomes. In the end, those cities with emergency managers were able to remove delinquent debts at a steep price to the people who lived there. The emergency managers did little to alter the underlying structural problems that gave rise to their inability to service municipal debt.

Cities need to borrow—local tax revenues accrue periodically while the expense of running a city and serving its residents are constant and regular. Each of the EM cities now has new long-term debt and the only accomplishment of having an EM has been to push the question of the city’s financial viability into the future. In some cases, one of the more perverse outcomes was to structure the new debt in such a way that debt service had priority over spending on city services. Nickels points out the price municipal takeovers have had on the local residents, arguing that these burdens “outweigh the purported fiscal stability” (p. 164). In municipal governance, not all stakeholders take part in the deliberation over how to address challenges faced or participate in deciding which solutions should be employed. Nickels ends the book with a series of recommendations that might result in better policy options, recommendations that are well worth considering. This is a very accessible book tackling a very important problem, and it deserves the attention of scholars and practitioners of municipal finance.
References

David Fasenfest
Wayne State University
David.Fasenfest@gmail.com; david.fasenfest@wayne.edu

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