The Flint Water Crisis, the Karegnondi Water Authority and Strategic–Structural Racism

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Abstract
Everyone knows that what happened in Flint is connected to race, but we lack the necessary frameworks to fully understand the multiple ways that race and racism contributed to the Flint Water Crisis. This article introduces the notion of Strategic–Structural racism, the manipulation of the forces of intentional racism, structural racism and unconscious bias for economic or political gain. This construct is applied to critical aspects of the Flint Water Crisis: the imposition of emergency management, the approval of the Karegnondi Water Authority (KWA) pipeline, the decision to use the Flint River as an interim source of drinking water and how municipal finance rules were manipulated to obtain financing for the KWA pipeline but not to fund necessary upgrades to the Flint Water Treatment Plant (WTP). Tragically, the strategic racism embedded in the KWA approval process created an environment of denial, cover-up and complicity as aspects of the public health crisis began to emerge.

Keywords
emergency management, fiscal austerity, Flint, racial geography, strategic racism, structural racism, urban sociology

Introduction
Flint is a complicated story where race plays out on multiple dimensions. It is a difficult story to tell because many facts suggesting the State’s real complicity in the tragedy are still being revealed. That said, three truths about Flint, race, and water are beginning to resonate strongly. The first truth is how the entire Emergency Management regime and Governor Snyder’s approach to municipal distress and fiscal austerity serves as a morality play about the dangers of structural racism and how conservative knowledge-&-power constructs can drive decisions leading to the poisoning of an entire city. The second truth is the role strategic racism played in motivating actors at the Karegnondi Water Authority (KWA), Michigan Department of Treasury (Treasury), Michigan...
Department of Environmental Quality (DEQ) and various state-appointed Emergency Managers to disregard the lives of the citizens of Flint in seeking initial approval of the KWA pipeline and how these same players manipulated rules governing bond financing in a way that cemented use of the Flint River as an interim drinking water source as a predicate for financing the distressed City of Flint’s participation in the KWA. The third truth is how the structural racism embedded in the first serves to enable and reinforce the strategic racism embedded in the second.

**Flint, Municipal Distress, Emergency Management and Strategic–Structural Racism**

**What are Structural and Strategic Racism?**

We need to develop more meaningful understandings of how race and racism function in modern America if we want to achieve greater racial equity. Both Bonilla-Silva (1997) and Powell (2012) struggle to address these concerns. Still, the only types of racism most Americans imagine are intentional or express forms of discrimination. Similarly, intentional discrimination is about the only type of racism our laws address. Research in cognitive psychology documents how implicit bias can impact thought and action at an unconscious level. These unconscious biases are created and reinforced by media messages and dominant social narratives about history, politics, power and the economy (Powell, 2012).

Structural racism consists of the inter-institutional dynamics that produce and reproduce racially disparate outcomes over time. These racially desperate outcomes occur in areas of health, education, income, transportation, housing and the environment. Historically, these forces served to perpetuate notions of White Supremacy most evident in institutions of slavery and Jim Crow segregation. Today, these same forces continue in different institutional forms to protect and reinforce notions of White Privilege. The oppressive and hierarchical nature of these forces, however, remains the same.

Geography plays an important role in understanding structural racism. In this context, we need to be more aware of the spatialization of race and the racialization of space (Lipsitz, 2011). A frame of structural racism helps do this. Theories of structural racism are also useful because they employ systems-based forms of reasoning that can identify root causes of problems that change over time and better inform future policy actions. Systems-thinking also helps us move beyond simple linear forms of causation and appreciate the effects of mutual, reciprocal and reinforcing notions of cause and effect.

Finally, there is strategic racism. The forces of intentional racism, structural racism and unconscious biases are strong in American society and can project their own fields. This is not just a matter of theory. In their book, *Disciplining the Poor: Neoliberal Paternalism and the Persistent Power of Race*, Soss et al. (2011) show how race as a social and mental structure affects poverty governance decisions in a manner that generated disparate negative impacts on communities of color. Similarly, Kirkpatrick and Breznau (2016) conclude that race acts as an independent factor, separate and apart from indices of fiscal distress, in explaining why Emergency Managers in Michigan were disproportionately imposed on non-White communities. They found that the odds of state intervention increased proportionately with the size of the local African American population.

Strategic racism is the manipulation of intentional racism, structural racism and unconscious biases for economic or political gain, regardless of whether the actor has express racist intent, although the very act of engaging in strategic racism is itself a form of racist behavior. An intuitive way to understand this dynamic is that structural racism creates the vulnerability and strategic
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racism exploits it. One of the clearest historic examples is that of “blockbusting” in residential real estate markets. Real estate agents manipulate individual racism and the racism embedded in economic market forces to get White homeowners to sell low in integrating neighborhoods, only to make a profit by selling high to incoming African American homeowners, all while further entrenching residential segregation.

Lopez (2014) applies the notion of strategic racism to what he calls “dog whistle” politics, where politicians manipulate racialized beliefs embedded in programs ranging from welfare to the war-on-crime to advance their own political objectives. Stanley (forthcoming) extends the notion of strategic racism as an illustration of Weaver’s (2007) “frontlash,” where ideological frames of “technocracy” and “settler colonialism” combine with the incentives of the financial system and municipal bond market to fuel Michigan’s regime of Emergency Management and set the stage for the tragedy of the Flint Water Crisis.

Several questions need to be raised: 1) How is the Emergency Manager Law, particularly as imposed after repeal by popular referendum, an illustration of structuralized racialization? 2) How is the phenomenon of municipal distress in Michigan itself a manifestation of a history of structural racism? 3) How did strategic racism enable decisions regarding Flint’s initial participation in the KWA? 4) How were rules concerning bond financing manipulated in a manner that committed the use of the Flint River as the interim drinking water source to enable Flint to finance its contribution to the KWA? 5) How did the features of Emergency Management, government conflicts of interest and the embedded nature of structural racism influence the delayed institutional and political response to the emerging crisis?

Knowledge, Power, Emergency Management and Race

To paraphrase Foucault (1977), there can never be an assertion of power without an underlying claim of knowledge, and there can never be an assertion of knowledge without an underlying claim of power. At the heart of Emergency Management in Michigan are highly racialized questions of knowledge-&-power and how knowledge-&-power relates to policy and privilege. Different groups of people have different sets of information and beliefs (knowledge) and are differentially situated to influence policy (power). As it relates to Emergency Management, Flint is a story about whose knowledge matters; how the information and beliefs of particular groups can predetermine policy; and how resistant established knowledge-&-power matrices are to change, especially when challenged from below by groups historically marginalized in terms of race, ethnicity and national origin.

People outside of Michigan may have a difficult time understanding the political audacity by which Emergency Management became state law. Michigan long had a role for an Emergency Financial Manager with highly circumscribed powers, working largely within local democratic structures. Governor Snyder oversaw the enactment of a new law (Public Act 4) creating Emergency Managers with the power to completely displace local democratic institutions, break existing contracts, privatize assets and act with no local accountability or oversight. A majority of the state residents revolted and mounted a successful repeal effort through a state referendum process. Within weeks of the repeal of Public Act 4, a lame duck legislature with the Governor’s approval passed a near identical Emergency Manager law (Public Act 436), with a twist. The new law had an appropriation provision, which under obscure state principles, prevents it from being challenged by public referendum. Michiganders got the very law they had successfully repealed through grassroots community action re-imposed upon them.

In essence, the Governor privileged his conservative set of Emergency Manager policies, with its embedded knowledge-&-power assumptions, over competing visions and ensured that his policy regime would govern events in Flint and elsewhere in Michigan. These knowledge-&-power
constructs have important but often obscured implication for race and privilege. In Governor Snyder’s Emergency Management construct, municipal distress is the outcome of public mismanagement by groups of people who are incapable of governing themselves. The policy prescription is a draconian form of paternalism and a regime of strict fiscal austerity. Alternatively, different knowledge-&-power constructs informed by understandings of race and privilege would see municipal distress as residual evidence of decades of structural racism. The policy prescription in this construct is to address the racialized root causes of municipal distress and envision more equitable and sustainable forms of future resource distribution.

The existence of these competing knowledge-&-power constructs can be evidenced in official documents, political campaigns, intra-governmental emails and newspaper accounts. Two documents are particularly helpful artifacts in deconstructing the Flint Water Crisis from a perspective of structural racism. The first is the Flint Water Advisory Task Force Final Report (2016). This report, by an independent Task Force commissioned by the Governor, essentially vindicated (ex post) the knowledge-&-power assumptions held by opponents of the Emergency Manager law who spearheaded the repeal effort. Democracy, checks and balances, and citizen participation all matter in good governance. In Flint, that which was feared most was permitted to come into being, while the same blindness that prevented the Governor and Republican legislature from questioning their own information and beliefs in the wake of the successful referendum effort, prevented them and other government officials from recognizing the emerging crisis and taking appropriate remedial actions. What causes this internal blindness to external truths and how is it related to issues of knowledge, power and structural racism?

The second document is the report, Long-Term Crisis and Systemic Failure: Taking the Fiscal Stress of American Cities Seriously: Case Study: City of Flint (Scorsone and Bateson, 2011). The Scorsone and Bateson report was published in the midst of the state’s assessment of Flint’s alleged financial emergency, only weeks before the appointment of Flint’s first Emergency Manager – Michael Brown. The Report calls into serious question the basic assumptions of the Emergency Management policy as applied to Flint.

The report should have made clear to the Governor, the Treasury Department and the appointed Emergency Managers that there were deep structural problems in the city. As a matter of basic economics, it would not be possible to cut the Flint budget or generate sufficient additional revenue to remedy Flint’s fiscal distress. Nevertheless, Emergency Managers in Flint continued on course with “business as usual,” without adjustment. What causes this blindness to truths that should be self-evident inside the dominant construct and how is it related to issues of knowledge, power and structural racism?

Underlying the interpretation of these documents are streams of recently released emails illustrating how strategic racism can and did manipulate racialized forces in Flint for private gain at critical junctures of the Flint Water Crisis – the decision to opt for the KWA pipeline and the financially driven decision to use the Flint River as an interim drinking water source in order to circumvent debt limits governing bond financing of the KWA project. Strategic racism manipulates the forces of express and structural racism, while structural racism often provides cover for strategic racism. Again, structural racism creates the vulnerability. Strategic racism exploits it. This was sadly illustrated in the delayed institutional and political response to the water crisis and the efforts by the DEQ to obfuscate, deny and cover up the poisoning of an entire city.

**Flint from a Perspective of Structural Inequality**

Flint is a shrinking, post-industrial city. Flint’s population reached a peak of nearly 200,000 in 1960, only to shrink by more than half today. While Flint is now a majority African American city
with roughly 57% of the population Black and 38% White, the story of when and why people started leaving the city is quite different. Flint’s White population has been fleeing the city for more than half a century – declining from 162,128 in 1960 to 38,328 in 2010 (Scorsone and Bateson, 2011: 4). In contrast, Flint’s Black population continued to grow from 1960 (34,521) to 1990 (67,488) and did not start meaningfully to decline until 2010 (57,939) (Scorsone and Bateson, 2011: 4). Significantly, when white people left the City, they did not leave the region. The population of Genesee County has remained relatively stable from 1970 to the present. The percentage of the population represented by the City of Flint, however, has fallen dramatically from just over half to less than a quarter in the past 50 years.

As in most cases of the spatialization of race and the racialization of space, the City of Flint and Genesee County have taken on increasingly different socioeconomic characteristics over time, with increased segregation of race, wealth and opportunity (spatial racism). The population of Genesee County is not just whiter than the City of Flint, it is also wealthier. In 2010, median household income in Flint (US$28,384) was 31.7% lower than that of Genesee County (US$41,586) (Scorsone and Bateson, 2011: 6). Other characteristics of Genesee County facilitate greater spatial segregation and make regional integration – economic and racial – more difficult. Genesee County is another illustration of unplanned urban sprawl: “Genesee County consists of eleven cities and seventeen townships. […] [O]ver half of the county’s population is dispersed in townships that cover 87% of the land area. The remaining cities are relatively small” (Scorsone and Bateson, 2011: 26). This stimulates substantial inter-governmental competition in terms of taxes, investment and development, mostly to the disadvantage of Flint.

Flint is also an economic story of job losses associated with deindustrialization and changes in the auto industry, particularly as mediated through General Motors (GM). In this process, there has been substantial spatial relocation of workers holding many of the remaining good paying jobs, while there has been an increased concentration and economic isolation of the poor and jobless of all races trapped inside of Flint. The numbers are staggering: “In 1978, over 80,000 Flint-area residents were employed by GM. By 1990, the number of employees decreased to 23,000. It was reported to be as low as 8,000 in 2006” (Scorsone and Bateson, 2011: 1). While unemployment statistics notoriously understate the existence of joblessness in urban areas because they fail to capture those who have stopped looking for work, Flint’s unemployment rate in 2010 was 23.2%, the highest in the state (Scorsone and Bateson, 2011: 6).

In 1990, 30.6% of Flint residents lived below the poverty line (Scorsone and Bateson, 2011: 6). By 2009, it was 34.9%. By 2016, it was over 40% (Lurie, 2016), constituting the second highest rate in the country. With concentrated poverty comes increased social and economic isolation. In an insightful article, Henderson and Tanner (2016) examine “How job loss and isolation help keep Flint poor.” With increased regional job sprawl, “[n]early half of the working population [in Flint] travels 25 miles or more to work each day” (Henderson and Tanner, 2016: n.p.). This is in a city where nearly one in five residents does not have access to a car and the City’s public transportation system serves the urban core with little access to suburban spaces. Isolation brings mounting physical, mental and emotional stress, where access to basic services, even groceries, can become daily challenges.

In the end, these are structural problems that need structural solutions. Henderson and Tanner conclude:

In Flint, lead poisoning in the water supply has generated a wealth of attention. But when we talk about what to do in that city, the conversation needs to focus on the complex web of policy dynamics that create dramatic job loss and economic isolation. It needs to address decisions that, for more than a generation, have driven urban areas into economic chasms that almost seem designed to nurture and trap poverty, and to destroy opportunity and hope. (Henderson and Tanner, 2016: n.p.)
The only element expressly missing from this analysis is the role of race in these processes, but Flint is and must be understood as a dramatic illustration of structural racism.

**Municipal Distress as Evidence of a History of Structural Racism**

What are the causes of financial health and municipal distress? Distress at the household level is deeply interconnected with distress at the municipal level. The three primary sources of municipal revenue in Flint are property taxes, income taxes and state revenue sharing. Between fiscal year (FY) 2006 and the planned fiscal year 2012, there were dramatic reductions in each revenue category. Property tax revenue fell 33% from US$12.5 million to US$8.3 million, a sign of a collapsing real estate market (Scorsone and Bateson, 2011: 50). Income tax revenue fell 39% from US$19.7 million to US$12 million, a sign of a collapsing jobs market (Scorsone and Bateson, 2011: 50). State revenue sharing fell 33% from US$19.5 million to US$13.1 million (Gantert, 2016), a sign of the state’s abandonment of its older urban areas.

Property tax revenues are inherently unstable in a city that has lost half its population and the majority of its manufacturing base. Problems in the real estate market translate into problems in municipal tax revenue. In Flint, many houses are simply being abandoned and increasing amounts of land lie vacant: “The rate of housing abandonment in the City of Flint presents numerous long-term structural budget issues. Housing vacancy has increased from 8.2% in 1990 to 21.1% in 2010” (Scorsone and Bateson, 2011: 4). Abandoned houses not only translate into falling property tax revenue, but into increased costs for the city, including “increased municipal maintenance, police patrol, fire protection, and other costs to preserve health and human safety concerns” (Scorsone and Bateson, 2011: 5). The city is in a double bind.

One response to falling property values and falling property tax revenues might be to increase taxes to increase revenues. The first problem with this is that it has already been done. Flint has the fifth highest property taxes in the state (Scorsone and Bateson, 2011: 12). The second problem is that increasing taxes further could actually make things worse. Sadly, competitive regional dynamics punish distressed cities that raise taxes: “When competing for residents within Genesee County, the City of Flint is further disadvantaged by a high homestead tax rate […] The City of Flint homeowner will pay, on average, 28% more than County residents in the nine other largest communities” (Scorsone and Bateson, 2011: 12). It is not possible to tax oneself out of a structural deficit. Similar observations could be made about trying to increase income tax revenue.

Scorsone and Bateson (2011) conducted an analysis to see what it would take for the City of Flint to return to levels of property and income tax revenue comparable to FY 2006, the last time that the city ran a budget surplus. That analysis revealed what it would take to generate an additional US$4.2 million in property tax revenue:

\[ N \text{ew investments in taxable property of US$525 million with an assessed value of US$262.5 million would be needed in order to generate US$4.2 million in revenue. In other words, the additional taxable value needed equates to almost eleven times the current assessed value of the City’s single largest taxpayer, General Motors. Similarly, new projects equal to almost four times the assessed value for all of the ten largest taxpayers would be needed to return revenues to the fiscal year 2006 level. (Scorsone and Bateson, 2011: 53–54) \]

These estimates suggest the tremendous depth of the structural challenges facing Flint in 2011. Similar disturbing results flow from the analysis of the investments in job growth needed to reverse the US$7.7 million reduction in income tax revenue. The authors conclude that “40,000 new taxpayers would be needed to return income tax revenue to the FY 2006 level” (Scorsone and
Bateson, 2011: 55). Relative to the anemic employment picture in Flint, this is a staggering number: “To put the estimate of 40,000 into perspective, that amount exceeds the total number of employees at the City’s ten largest employers combined” (Scorsone and Bateson, 2011: 55).

What was the State’s response to Flint’s structural financial problems? Between 2006 and FY 2012, on the eve of it being placed under an Emergency Manager under PA 4, as mentioned above, state revenue sharing fell 33% from US$19.5 million to US$ 13.1 million (Gantert, 2016). The inference is clear. The primary, non-structural reason Flint was in financial distress was the direct result of state revenue sharing policy. This fact does not get the public attention it deserves. The State of Michigan helped create the very financial distress in Flint and other cities that it then used to justify the need for Emergency Managers.

One lesson is important. You cannot cut your way out of this type of financial hole. Between 2000 and 2010, the City of Flint implemented many cost-cutting measures, including a workforce reduction of over 50% (Scorsone and Bateson, 2011: 14). But the dynamics driving personnel and other costs are complicated: “Despite reduced staffing levels, the City of Flint’s expenditures have continued to increase. This is symptomatic of a structural budget deficit” (Scorsone and Bateson, 2011: 18).

An Emergency Financial Manager (Ed Kurtz) was appointed in Flint in May 2002 and stayed in place till January 2004, leaving the city with a budget surplus. By June 2008, however, the city was in deficit again. The racialized conclusion that the dominant conservative political narrative (knowledge-&-power) draws from this is that poor, predominately African American cities cannot govern themselves. Scorsone and Bateson draw a different conclusion: “Ultimately, however, if cities with chronic fiscal stress are suffering from structural challenges beyond their control, improved management will only be able to cure a limited number of problems” (Scorsone and Bateson, 2011: 9–10). The authors state in their Executive Summary that “While the city can do some things to manage its financial stress, the revenue structure does not provide a means to solve the fiscal stress. Long-term problems will require long-term solutions at both the state and local level” (Scorsone and Bateson, 2011: i). In this environment, imposing cuts on top of cuts actually threatens the economic viability of the entire system: “City services and infrastructure maintenance have suffered. Attracting and retaining taxpayers is dependent on providing reliable service and high value for the high rate of taxes paid” (Scorsone and Bateson, 2011: i).

One cannot destroy a village in order to save it. Just a few weeks after the Report was published, Michael Brown was appointed Flint’s first Emergency Manager under PA 436. It is fair to charge him and the other Emergency Managers with knowledge of the contents of this Report and to judge them in terms of whether and how they addressed Flint’s underlying structural challenges.

Emergency Management and Structural Racism

One might think that a characteristic of good management, emergency or otherwise, is consistent, coherent leadership. Emergency Management in Flint has had none of these attributes. The State ushered in a revolving door of Emergency Managers (Flint Water Advisory Task Force, 2016: 39). It is difficult to keep them all straight. All totaled, Flint was served by seven Emergency Managers between 2002 and 2015, with several serving multiple but not continuous terms.

The sets of knowledge-&-power relations in which Emergency Management is situated are not well suited to address the multilayered causes of municipal distress. Many of these structural considerations lie outside the Emergency Manager’s mandate and set of constrained tools. Instead, Emergency Managers operate within a narrow accounting frame with the specific charge of balancing the budget, regardless of social cost, believing that policies of fiscal austerity alone will breathe life into historically distressed communities. Moreover, these actions are undertaken in an environment that completely displaces democracy and civil society.
The actions of Flint’s Emergency Managers are consistent with this template. In December 2011, shortly after assuming authority, Michael Brown laid off “several high-ranking City Hall appointees and eliminated pay for the mayor and city council (which he later partially restored)” (Longley, 2012: n.p.). The following week, he eliminated the position of Ombudsman and the Civil Service Commission. Contrary to the lesson that you cannot cut your way out of a structural deficit, as part of the FY 2013 budget, he sent 100 additional layoff notices to city employees, this in a city that had already reduced its workforce by more than half between 2000–10 (Scorsone and Bateson, 2011: 14).

The following year, Emergency Manager Ed Kurtz submitted a “balanced” budget for FY 2014. This was not necessarily an event to celebrate. As reported in Bloomberg News: “After firing 20 percent of its workers, doubling water rates and outsourcing trash collection, Flint, Michigan, has a balanced budget. It’s also approaching the point at which it can’t function as a city” (Niquette, 2013: n.p.). Even the Emergency Manager noted that this was not a sustainable process: “Without reliable revenue to replace dwindling property and income taxes and state funding, the birthplace of General Motors Co. won’t be able to support its citizens, even if its books are square, Kurtz said” (Niquette, 2013: n.p.).

Kurtz deserves some credit for understanding the limits of his tools, the social costs of his austerity policies and the profound dilemma he faced. Deeper cuts could quicken the city’s downward spiral, potentially making it unviable as a social, political and economic entity: “We can’t just keep putting it on the backs of the people who live in the city. Pretty soon, we won’t have anybody left to tax” (Niquette, 2013: n.p.). Kurtz warned of mounting structural deficits in coming years if things continue as is. He also cautioned that further personnel cuts could not be made without them coming out of public safety (Carmody, 2013).

Without similar nuance, but with a clear budget-cutting mandate, Emergency Manager Darnell Earley was committed to submitting a “balanced” FY 2015 budget in the face of increasing structural pressures by making deeper and deeper cuts. Earley did exactly what Kurtz warned against, cutting into the core of public safety. Police and fire represent half of all (remaining) city employees and, according to Earley, constituted the “single biggest stress” on the budget: “The city’s police and fire departments would lose 36 police officer positions and 19 firefighter jobs under a new US$55-million budget” (Fonger, 2014: n.p.). In addition, water and sewer rates would increase an additional 6.5 percent in Earley’s budget. Increasing water and sewer rates, along with other fees for basic services such as garbage, had become a staple of Emergency Management revenue seeking. During Flint’s time under Emergency Management, water rates in the city more than doubled.

Emergency Management can be a cruel and misguided tool. Flint was in municipal distress as a consequence of decades of structural racism, deindustrialization, white flight, economic deprivation and isolation. Rather than addressing these root issues, Emergency Management displaced democratic institutions and further marginalized citizen participation and the role of civil society. In addition, Emergency Managers imposed progressive budget cuts, weakening core city services and turned Flint into one of the latest of what Michelle Anderson (2014) terms “minimal cities.” A city made vulnerable as a result of structural racism was made even more vulnerable through Emergency Management and fiscal austerity.

KWA, DEQ, Treasury, Emergency Managers and Strategic Racism

Strategic racism is the conscious manipulation of the forces of intentional racism, structural racism and unconscious bias for economic or political gain. Structural racism creates the vulnerability and strategic racism exploits it. As more documents come to light, what emerges in Flint is a troubling story of strategic racism as it relates to 1) the initial decision for Flint to participate in the KWA and 2) the financially driven decision to use the Flint River as an interim drinking water source, in part,
because the KWA commitment obligated the City to a multi-million dollar upgrade of its Water Treatment Plant (WTP) it could not afford and, in part, to manipulate bond finance rules to secure financing for Flint’s share of KWA construction costs. Nowhere in this story are the interests of Flint residents afforded pride of place. Instead, the city and its residents are manipulated as means to the predetermined ends of others.

The Flint story is complicated, but it begins with the decision to approve Flint’s participation in the KWA pipeline. Flint had been buying finished water from the Detroit Water and Sewerage Department (DWSD) as a wholesale customer since 1967. This water was ready for residential use and required no additional treatment. Flint also has a Water Treatment Plant (WTP) that was constructed in 1954 and is now used as an emergency backup system that could process water directly from the Flint River. The WTP was started only four times a year for testing. The plant was in need of substantial repairs and updates even as an emergency backup system. It would need much more work if it were to process water on a fulltime basis.

Updating the WTP would cost a substantial amount of money, money the distressed City of Flint did not have. A July 2011 study commissioned by the City from Rowe Professional Engineering estimated total cost of upgrades at over US$61 million (Office of Governor Rick Snyder, 2016a: DEQ2 746/3795). The December 2013 price tag for more limited work to make the plant operational was somehow placed by Rowe at US$25 million (Rowe Professional Engineering, 2013).

In 2012, Flint was considering three options for its future supply of drinking water. First, continue to source treated water from DWSD, as it had done since 1967. Second, reduce purchases from DWSD and supplement the difference by blending DWSD treated water with water drawn from the Flint River and treated at an upgraded Flint WTP. Third, switch from treated DWSD water and purchase water from the recently formed KWA and treat the raw (untreated) KWA water at an upgraded Flint WTP. The KWA pipeline that would transport the raw water to Flint did not exist in 2012 and was nothing more than a stack of blueprints at the time of these discussions.

Treasury commissioned the engineering firm of Tucker, Young, Jackson, Tull (TYJT) to assess Flint’s three options for drinking water. TYJT’s February 2013 final report was critical of many of the cost assumptions underlying the KWA proposal and warned of potential cost overruns as high as US$85 million, with Flint holding the bag for 30% of any additional expenses, potentially as much as US$25 million (Tucker Young, Jackson, Tull Inc., 2013: 15). After weighting all options, TYJT concluded that the option of staying with DWSD and blending DWSD water with water drawn from Flint River was the cheapest alternative.

Apparently, this was not the answer that the Emergency Manager and other KWA backers in Flint wanted to hear. In response to TYJT’s preliminary findings Ed Kurtz commissioned a counter-study to undermine the TYJT analysis, not by a new independent entity, but again by Rowe Engineering (Office of Governor Rick Snyder, 2016a: DEQ2 873/3795). The Flint Water Advisory Task Force (2016: 59) had noted the potential conflicts of interest of all the engineering firms called upon to assess the feasibility of KWA. Not surprisingly, the Rowe analysis was favorable to the KWA proposal.

At this point, Emergency Manager Kurtz started to strategically remove options from the table to influence the outcome. A 15 February 2013, memo “Updated Flint Water System Status Assessment” prepared by Eric Cline (Treasury) reports the results of a 10 January 2013 meeting with Emergency Manager Kurtz (Office of Governor Rick Snyder, 2016b: Treasury 705/7871). At the meeting, Kurtz eliminated all of the cheaper options from consideration. After removing all the cheaper options, KWA was determined to be the cheapest alternative available.

In a stunning move on 15 April 2013, DWSD made a fairly dramatic counter offer. Flint was offered a substantial and immediate reduction in wholesale water rates (Office of Governor Rick Snyder, 2016b: Treasury 447/7971). In a 16 April 2013 email to Treasurer Andy Dillon and others, DWSD Board Chair Jim Fausone summarizes the DWSD offer: “Folks – This proposal saves Flint/
Genesee essentially 50% TODAY and 20% when compared to KWA over 30 years. If the decision is about economics or engineering, I don’t see how [Flint/Genesee] F/G proceeds with KWA” (Office of Governor Rick Snyder, 2016b: Treasury 421/7971). Following the Fausone email thread within Treasury and the Governor’s office is revealing. Kurtz did indeed reject the DWSD offer, almost out of hand. A 17 April 2013 email from the Governor’s Chief of Staff Dennis Muchmore to Dillon states: “So, if the last DWSD proposal saves so much money, why are we moving ahead with KWA? I take it that Flint doesn’t trust them and is just fed up? Does Kurtz have his head on straight here?” Dillon responded the same day: “That is the US$64,000 question. DEQ is firm that KWA is better. Are they an honest broker?” (Office of Governor Rick Snyder, 2016b: Treasury 420/7971).

Treasury turned to the DEQ for advice, but as the Flint Water Advisory Task Force (2016: 59) noted, the DEQ was “an agency ill-equipped to render judgments regarding economic feasibility.” At this point, Treasury exhibited very little leadership and made few efforts to conduct further assessments of the competing proposals. Kurtz’s decision was treated as final. The decision of Flint to participate in KWA was publicly announced on 1 May 2013. Construction on the KWA pipeline began on 1 June 2013.

Tellingly, there was no discussion of how the distressed city would finance the multi-million dollar project, nor an appreciation of how existing city debt limits had prevented basic repairs and updates to the WTP in the past (Office of Governor Rick Snyder, 2016a: DEQ1 4042/4581). Showing again that the various actors were concerned about the financial needs of KWA and not the residents of Flint, external financing was obtained for the KWA pipeline construction, but no external financing was obtained for WTP upgrades. To fund KWA construction, KWA, the Emergency Manager, the DEQ and Treasury collectively manipulated bond finance rules to manufacture an Administrative Consent Order (“ACO”) to circumvent limits on Flint’s bonding capacity (Office of Governor Rick Snyder, 2016a: DEQ1 3666/4591). The reliance on an ACO predicated on problems at the WTP ensured that the City would have to use water from the Flint River for the 30 months of KWA pipeline construction. The failure to obtain proper financing for WTP upgrades meant that the WTP would not be ready to process the river water when the switch from DWSD was made (Office of Governor Rick Snyder, 2016a: DEQ4 7103/7579).

What happened in Flint is an example of strategic racism. The decisions made by KWA, the Emergency Managers, the DEQ, Treasury and others were not made in the best interests of the residents of Flint. There was a clear agenda on the parts of these actors to pursue the KWA pipeline, regardless of the needs and priorities of Flint. The residents of Flint were instrumentally used as means to be manipulated and not as ends in themselves. Decision making in the DEQ and Treasury was not consistent and objective. To the extent that Emergency Management is supposed to be about the rigorous application of economic rules, the various Emergency Managers and Treasury failed in this role. Ultimate decisions regarding approval of the KWA pipeline were made for political, not economic reasons. All of this took place against the backdrop of the structural racism that defines the Flint economic crisis, the displacement of democracy and the express disempowerment of Flint residents. It is difficult to imagine the same sequence of events unfolding in Ann Arbor, a majority wealthy and white city in Michigan, but they can take place in Flint.

The Perfect Storm of Strategic and Structural Racism: Conflicts, Complicity, Indifference and the Lack of an Appropriate Political Response

The lack of response to the mounting crisis in Flint reveals disturbing truths about structural and strategic racism in America. The Flint Water Advisory Task Force Final Report highlights the
dangers of Emergency Management and structural racism. To this foundation needs to be added the troubling consequences of strategic racism.

**Flint, Emergency Management and Structural Racism**

Flint residents had knowledge of the water crisis almost immediately upon the switch to the Flint River, but they lacked the power to influence the decision making of the Emergency Managers, Treasury, DEQ or the Governor (knowledge-&-power). This knowledge was real and visceral, flowing from the color, smell, taste and detrimental effects of the water on exposed skin. In a prosperous, predominately White community, complaints of residents based on this knowledge alone would have forced change, because this knowledge would have been combined with the power necessary to demand action.

Residents of Flint lacked this power. Power lay first in the hands of the Emergency Manager, who had just made the decision to support the KWA pipeline and to use the Flint River as an interim source of drinking water. Emergency Managers do not have to listen to residents, because they are not popularly (re)elected. Emergency Managers report to Treasury and to the Governor. Treasury officials are unlikely to be predisposed to grant the complaints of people in cities like Flint much credibility. The whole premise of Emergency Management and fiscal austerity is that people like the residents of Flint cannot govern themselves. Of course, Treasury would believe, Flint residents are going to complain about many aspects of the strong medicine required to put their cities back in order. These residents do not have to be taken seriously.

The Task Force Report mounts a persuasive critique of the Emergency Management regime that resonates strongly with the teachings of structural racism, as well as with the knowledge-&-power claims of opponents of Emergency Management who led the successful referendum process to repeal PA 4. The Task Force identifies three structural failings. First, Emergency Management removes the necessary checks and balances inherent in a functioning democracy (Flint Water Advisory Task Force, 2016: 1–8). Second, Emergency Management creates a balanced-budget-accounting framework that biases decision making in favor of fiscal austerity over competing social needs. This frame inevitably leads to financial decisions that can threaten public safety (Flint Water Advisory Task Force, 2016: 40–42). Finally, Emergency Management fails to build in the necessary non-financial sources of expertise needed to govern a city across its full range of human and social concerns (Flint Water Advisory Task Force, 2016: 8, 12).

In sum, Emergency Management creates a dynamic where bad decisions that threaten public safety are almost guaranteed to occur, and when they take place, there is no ready mechanism to identify and correct them. The Task Force proceeds to frame these structural problems in terms of environmental (in)justice (Flint Water Advisory Task Force, 2016: 54). Environmental justice has both a procedural and a substantive component. Procedurally, environmental justice requires the ability of all people to participate in decision making regardless of race, color, national origin or income. Second, decisions must be substantively fair and non-discriminatory. By definition, Emergency Management violates the process criteria. In substance, it violated the second criterion. The Flint Water Crisis created a public health catastrophe that disproportionately affected people of color and other historically marginalized communities. The Task Force concludes: “The Flint water crisis is a clear case of environmental injustice” (Flint Water Advisory Task Force, 2016: 55).

Language matters. The notion of environmental justice is a good first step, but it is important to move from environmental justice to environmental racism to structural racism to fully understand what happened in Flint. Structural racism connects the dots of the racialized history that constitutes the root cause of municipal distress, the financial misdiagnosis behind the Emergency Management regime and the manner in which the entire apparatus of Emergency Management and the policies
of fiscal austerity will disproportionately target disadvantaged communities of color. Emergency Management is a racially blind and fiscally flawed response. It is at this already highly racialized point that the structural failings inherent in Emergency Management (the absence of checks and balances, a financial accounting bias that threatens public safety and the lack of social decision making expertise) take hold and create the preconditions where tragedies like the Flint Water Crisis unfold.

**Strategic Racism and the Failure to Respond to the Flint Water Crisis**

The frame of structural racism does not go far enough to explain the tragedy in Flint. The reality of strategic racism adds an additional layer of intent and complicity to the analysis. Too often, the story of the slow acknowledgment of the emerging public health crisis in Flint and the story of initial KWA approval are told separately. This is a mistake. The two episodes are continuing chapters of the same saga. Early on, KWA–Flint Emergency Manager–Flint Mayor–DEQ formed a united front seeking KWA approval (Office of Governor Rick Snyder, 2016a: DEQ 7103/7579). This united front succeeded in gaining Treasury approval of KWA and in manipulating State rules governing debt limits to finance the pipeline. No comparable effort was made by any of these parties to ensure that the City of Flint could obtain independent financing for necessary upgrades to the WTP or to pay higher DWSD interim rates for safe drinking water.

What emerged was a risky “30-month strategy,” where residents of Flint, without their say or democratic participation in the process, would have to drink water from the Flint River until construction of the KWA pipeline was completed, even though only minimal upgrades to the WTP had been made. Once water from the Flint River started to flow into Flint homes, members of this same united front started playing a game of defense. Every aspect of the slow detection and slow public health response to the emerging water crisis must be filtered through a lens that expressly acknowledges the complicity of the same public actors in devising and implementing this risky 30-month strategy.

The Flint Water Advisory Task Force (2016: 1) found that “With the City of Flint under emergency management, the Flint Water Department rushed unprepared into full-time operation of the Flint Water Treatment Plant, drawing water from a highly corrosive source without the use of corrosion control.” The Flint Water Advisory Task Force tells the story of the events in Flint without benefit of knowledge of the role that the DEQ (and Treasury) played in manufacturing an ACO to facilitate the City’s bond financing for the KWA pipeline. In this manner, the Task Force knew the “what” without completely understanding the “why” of the DEQ’s misconduct.

As a result, the Task Force tries to explain the DEQ’s misconduct largely in terms of gross incompetence and cultural shortcomings. The Flint Water Advisory Task Force (2016: 28–29) found that the DEQ: “suffers from cultural shortcomings that prevent it from adequately serving and protecting the public health,” “misinterpreted the [Lead Copper Rule] and misapplied its requirements,” “failed to promptly require corrosion control,” “waited months before accepting EPA’s offer to engage its lead (Pb) experts,” “responded publicly through formal communications with a degree of intransigence and belligerence that has no place in government.”

While this list of failings may be the product of incompetence or indifference as suggested by the Task Force, within the frame of strategic racism, the actions of the DEQ take on even more troubling connotations. All of the parties, DEQ–Flint Emergency Managers–Treasury, had direct incentives to hide and cover up problems with the Flint River, not to expose and act on the emerging public health crisis. They were complicit in the crisis from the beginning.

The DEQ, in particular, appears to have adopted a strategy to “run out the clock” in terms of environmental oversight, believing that all would be forgotten once the KWA pipeline was constructed.
and the River was no longer in play. For example, the DEQ adopted a flawed and indefensible interpretation of the Lead Coper Rule (LCR) that committed it to engage in two six-month testing periods before taking any action with respect to the Flint River, including the recommendation of adding corrosion control (Flint Water Advisory Task Force, 2016: 27). This makes no sense from the standpoint of protecting public safety, but it makes perfect sense if the intention is to run 12 months off a 30-month clock. The same logic of delay and cover-up explains other findings of the Task Force Report. The DEQ engaged in flawed sampling techniques, manipulated test results and refused to respond in a timely fashion to complaints ranging from common citizens to experts at the Environmental Protection Agency (EPA) (Flint Water Advisory Task Force, 2016: 27).

But, the DEQ could not control facts on the ground. By August 2014, there were boil water advisories because of E. coli bacteria in the water. In September 2014, there was another boil water advisory due to Coliform bacteria. On 13 October 2014, General Motors announced that it would stop using Flint River water at its Flint Engine Operations facility due to corrosion concerns. Even members of the Governor’s executive staff called for a switch back to DWSD. Incredibly, it took just one day for the DEQ to beat back the panic. A 15 October 2014 memo from Emergency Manager Darnell Earley to Wayne Workman (Treasury) provides a summary of a conference call held that day. The governmental consensus was clear. There were no serious health problems in Flint:

The DEQ has been supportive of the decision for Flint to move to use of the Flint River as a water source. The DEQ receives regular reports from the City’s continuous water quality monitoring. They have agreed that the water being produced for distribution is safe. (Office of Governor Rick Snyder, 2016b: Treasury 3459/7971)

This is just one of many examples of the DEQ engaging in block and tackle strategies to deny, obscure and cover up aspects of the emerging public health crisis.

On 2 January 2015, the City of Flint mailed a notice to all residents that the City was in violation of the Safe Water Drinking Act because excessive levels of the disinfectant trihalomethanes (THM), a potential carcinogen, were now present in the water (Bridge Staff, 2016). The combination of these failings – bacteria, boil advisories, THM, discoloration, rashes and odor – was producing stronger and stronger public outcries. This was not lost on State officials. On 23 January 2015, Snyder Administration Special Projects Manager Ari Adler raised concerns about Flint with Communications Director Jarrod Agen:

This is a public relations crisis – because of a real or perceived problem is irrelevant – waiting to explode nationally. If Flint had been hit with a natural disaster that affected its water system, the state would be stepping in to provide bottled water or other assistance. What can we do given the current circumstances? (Bridge Staff, 2016)

Behind the scenes, the looming threats to public safety were growing even more ominous. Country and State officials were aware of a serious outbreak of Legionnaires’ disease in Flint, information that would be withheld from the public for over nine months (Bridge Staff, 2016). On 26 February 2015, the DEQ was aware of testing of lead levels at Lee Ann Walters’ home that were off-the-charts dangerous (Bridge Staff, 2016). She had two children under the age of three living in the house at the time.

In early February 2015, senior officials inside the Governor’s Office were once again calling for a return to DWSD. Snyder Chief of Staff Dennis Muchmore wrote on 5 February:

Since we’re in charge, we can hardly ignore the people of Flint. After all, if GM refuses to use the water in their plant and our own agencies are warning people not to drink it . . . we look pretty stupid hiding behind
While the October 2014 panic was beaten back by DEQ assurances that the water was safe, the panic of early 2015 would be beaten back almost strictly out of financial concerns. On 3 March 2015, Emergency Manager Jerry Ambrose strongly opposed any move away from the Flint River strictly on cost grounds (Office of Governor Rick Snyder, 2016b: Treasury 4720/7971). On 23 March 2015, the Flint City Council voted 7–1 “to do all thing necessary” to return Flint back to the safe water of DWSD (Fonger, 2015). Citing cost concerns, Emergency Manager Ambrose called such a demand “incomprehensible.” The City Council’s vote carried no legal weight.

It is important to recall the first sentence of Dennis Muchmore’s 5 February 2015 email: “Since we’re in charge, we can hardly ignore the people of Flint.” One way to solve this dilemma, if one lacked the political will to actually help the people of Flint, would be to make arrangements so the State would no longer be “in charge.” In April 2015, Treasury somehow decided that Flint was no longer facing a financial emergency, even though it still had more than a nearly US$8 million accumulated general fund deficit. In an act that would be the envy of David Copperfield, Treasury simply made the Emergency Manager in Flint disappear.

It is important to note the fiscal hypocrisy. The State’s panic over the growing water crisis was beaten back upon the realization that Flint lacked the financial ability to pay for clean DWSD water – a cost that would be approximately US$12 million a year. It was only by cannibalizing the money formerly paid for clean water that Flint was able to afford upgrades to the WTP in preparation for its commitment to KWA. If the cost of clean water was put back on the books, Flint would have a deficit of over US$20 million, an amount higher than when the “financial emergency” was originally declared. Furthermore, Treasury made no effort to project and include the costs that would be needed to remedy the human toll of the water crisis or to repair the damage to the water infrastructure in its economic analysis. Some estimates put the cost of repairing damaged infrastructure alone at US$1.5 billion (Office of Governor Rick Snyder, 2016b: Treasury 6237/7971). Flint was facing far greater fiscal challenges when the so-called emergency was declared over, than when the stated emergency was originally declared.

But Flint was not out of the woods yet. Flint had to enter into an Emergency Loan Agreement with Michigan’s Local Emergency Financial Assistance Loan Board to formally bring an end to Emergency Management. The fine print of the loan shows how tightly bound Flint–Treasury–KWA–DEQ had legally become to the continued use of the Flint River. The State Emergency Loan “effectively precluded a return to DWSD water, as Flint citizens and local officials were demanding without prior state approval” (Flint Water Advisory Task Force, 2016: 7). The Agreement also prevented Flint from terminating its participation in KWA before the system became operational and from reducing its already high water rates without state approval (Local Emergency Financial Assistance Loan Board, 2015). Remarkably, the Resolution submitted to City Council to approve the agreement “contained no information regarding the DWSD and water rates conditions contained in the emergency loan” (Flint Water Advisory Task Force, 2016: 41 n.55).

The Emergency Loan Agreement was signed on 29 April 2015. Two days before, Miguel Del Toral of the EPA sent an email to EPA colleagues “stating that Pat Cook/MDEQ has confirmed the Flint WTP has no corrosion control treatment (CCT), which is ‘very concerning given the likelihood of lead service lines in the city’” (Flint Water Advisory Task Force, 2016: 19). That same day, Del Toral visited the home of Lee Anne Walters to inspect plumbing and deliver sampling bottles. On 24 June 2015, Miguel Del Toral submitted his Interim Report: High Lead Levels in Flint, Michigan (Flint Water Advisory Task Force, 2016: 20). On 27 August 2015, Virginia Tech professor Marc
Edwards released his first set of findings showing elevated lead levels in Flint (Flint Water Advisory Task Force, 2016: 20). On 24 September 2015, Dr. Hanna-Attisha presented the findings of her analysis “reporting that the proportion of children with elevated blood lead levels has increased since the switch to the Flint River water source in April 2014” (Flint Water Advisory Task Force, 2016: 21). On 16 October 2015, Flint stopped using the Flint River for drinking water and switched back to DWSD.

The cost of the transition back to DWSD was US$12 million – US$6 million from the State, US$4 million from the Mott Foundation and US$2 million from the City. This is approximately the same amount of money Flint paid for water before the approval of the KWA pipeline.

**Conclusion**

We need better understandings of how the forces of structural racism enable opportunistic behavior that produce benefits for a few at the expense of traditionally marginalized groups. The construct of strategic–structural racism outlined here is one effort to address this need. The Flint Water Crisis provides a tragic case study of how these dynamics can operate.

The long list of strategic and opportunistic actions taken by the Emergency Managers, Treasury, DEQ and KWA is highly racialized. This could happen in Flint because a majority of its residents are poor and Black. The question of whether this could have happened in a city like Ann Arbor haunts the Michigan Civil Rights Commission’s final report. Flint resident Yolanda Figueroa stated: “If this was in a white area, in a rich area, there would have been something done. I mean let’s get real here. We know the truth” (Michigan Civil Rights Commission, 2017: Statement by Yolanda Figueroa, Flint resident).

What happened in Flint could not have happened in Ann Arbor. What happened in Flint was the product of strategic–structural racism that enabled opportunistic behavior by private and public actors. What happened in Flint will happen again until and unless more direct and intentional efforts are devoted to uprooting racism in America in its many insidious forms.

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**Notes**

1. This article is an edited version of testimony given to the Michigan Civil Rights Commission in 2016 (Hammer, 2016). In editing the report for publication, an effort has been made to maintain the integrity of the original document. Changes fall in two domains. Greater theoretical texture is given for the readers of this journal to the notion of strategic–structural racism. At the same time, citations to the underlying factual record have been edited to enhance the readability of the document, while retaining the essence of the controlling narrative.

2. Governor Snyder has released batches of emails and related documents. In citing these documents, I will provide sufficient detail in the text for the reader to understand the context and provide a citation to the file name and page number in the file where the document can be found. For example, this document can be found in file “DEQ2” on page 746 of the 3,795 page file: (DEQ2 746/3795). The website containing the file can be found on one of Governor Rick Snyder’s Press Releases (Office of Governor Rick Snyder, 2016a).

3. Emails and documents from the Treasury file are contained in a different release of documents (Office of Governor Rick Snyder, 2016b: Treasury 705/7871). The document can be found on page 705 of the 7871 page file.
References


