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**Disappearing the American Dream...
Fire Sales and Emergency Managers in
the Heartland**

Julie Johnson

Master of Fine Art Candidate 2015

Michigan State University

USA

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Abstract

Public space exists as part of the democratic process. Whether that space is architectural and relates to real estate, institutional in the instance of public schools, or social with respect to forums and programs that service and support entire communities, the presence and vitality of space for the public is critical to the communication and conflict ultimately required to ensure the survival of a democracy. Without this space critical thought, lively discourse and protest are stifled.

As a visual artist and sculptor, my research questions the politics of artistic and social space in an age of globalization and privatization. My studio practice probes visual ways to represent the increasing disappearance of public space and the social ramifications attendant to that. My scholarly work is based upon research and works by Rosalyn Deutsche, "Evictions: Art and Spatial Politics," and Branko Milanovic, lead economist at the World Bank's research division and author of "The Haves and the Have-Nots." My research also includes selected works on globalization and articles detailing the role of emergency managers in determining fiscal policy and economic strategy at the local level within the United States.

This arc of inquiry has produced questions that include but aren't limited to: What causes the current and unusual reimagining of what constitutes a post-recession economic emergency at the local level, in light of the pressing global economic issues of recent years? What role do current state-level governments now have in determining how and for whom those fiscal emergencies are mediated at the local level? My work investigates the recent and vastly expanded role of emergency managers now routinely installed by one state governor in particular, Rick Snyder of Michigan. I question whether this practice also serves as a test for other states seeking through the politicization and privatization of public space to diminish the influence of a vibrant and at times contentious public, and the heretofore democratically determined territory that it occupies.

Keywords: Public space, Emergency manager, Globalization, Neo-liberal

“Every epoch in fact, not only dreams the one to follow,
but in dreaming, precipitates its awakening.”
Walter Benjamin

What are the connections between art, social space, and economic strategies that shift public enterprise into private control? How do the politics of territory influence the disappearance of democratic space in the global economic environment? My research and practice concerns itself with the recent appointments of emergency managers in Michigan, and how these appointments alter the democratic processes that fundamentally define a republic. Prior to the housing crisis I was employed in the mortgage industry. What I observed there caused me to re-examine connections between local crises and market-centered global economic systems. As a sculptor, it was natural to question the spaces that art shares with markets and economies, as well as explore the possibilities that art might possess to make visible these spaces as contested territories.

In her book, *Evictions: Art and Spatial Politics*, Deutsche stated that, "The new public art was defined as art that takes the form of functional objects placed in urban settings...or as art that helps design urban spaces." She added, "Moreover, the promotion of the new public art itself took place within a broader context, accompanying a massive transformation in the uses of urban space--the redevelopment and gentrification of cities engineered throughout the 1980s as the local component of global spatioeconomic restructuring."¹ What Deutsche identified as occurring in New York City in the 1980s, now occurs in the promotion of market driven economies over previous models of capitalism that sought to minimally balance social and market concerns.

The shift from Keynesian, or “controlled” capitalism to the more controversial and aggressive neoliberal model is characterized by, “...deregulation (of the economy), liberalization (of trade and industry), and privatization (of state owned enterprises),” resulting in an upward redistribution of wealth.² This paper examines how global economic strategies, specifically privatization, are locally implemented in ways that impact both the art world, and democratic spaces and processes.

Richard Lloyd, in *Neo-Bohemia: Art and Commerce in the Postindustrial City*, examined how artists and the larger creative community are directly connected to the continued development and spread of neoliberal global capitalism through the restructuring of urban space via gentrification.³ Observing artist’s communities, or “bohemia,” from the nineteenth century until the present, Lloyd, in *Neo-Bohemia: Art and Commerce in the Postindustrial City*, explained how these creative spaces have changed, and

¹Rosalyn Deutsche, *Evictions: Art and Spatial Politics* (Cambridge, MIT Press, 2002), 259-260.

²Manfred B. Steger and Ravi Roy, *Neoliberalism: A Very Short Introduction* (Oxford, Oxford University Press, 2010), 14.

³Richard Lloyd, *Neo-Bohemia: Art and Commerce in the Postindustrial City* (New York, Routledge, 2010), 18.

now directly connect many artist communities to neoliberal economic policy. Lloyd charted the significant increase of those who identified themselves as part of a class of culture producers and concluded as credible, "...the idea of an expanded cultural economy that affects employment as well as consumption." ¹

These connections both conceal and create problems for Lloyd's neo-bohemias. Low rent, work space and the promise of support for creative projects is attractive to artists, but also a low-risk, high reward investment for developers seeking to clear future sites of premium real estate of any existing marginalized populations. The privatization of urban territory requires involvement with the creative community who represent a critical first-step in gentrification efforts. Working artists and other culture creators are an important source of labor and marketing for developers. Lloyd quotes Holland Cotter of the *New York Times*, "Never has the American art world functioned so efficiently as a full-service marketing industry on the corporate model."²

As cultural and economic architects, neoliberals relentlessly espouse the virtues of small government while actually constructing something quite different. Philip Mirowski notes, "...mature neoliberalism is not at all enamored of the minimalist night-watchman state of the classical liberal tradition: its major distinguishing characteristic is instead a set of proposals and programs to infuse, take over, and transform the strong state, in order to impose the ideal form of society..."³ Neoliberal global economics restructures social behavior and culture by replacing community and democratically focused citizens with self-interested individual investors whose decisions are governed by an unregulated market allegedly free of state intervention. Contrary to political talking points, neoliberal policy does not champion small government if that government in any way impedes the growth of the market. It promotes an aggressive shift toward managed governance that relentlessly advances "...highly optimistic claims about exceptional wealth creation, global opportunity and hybrid culture with emphases on the free market, unrestricted property rights, and self-reliance and opposition to welfare and redistribution."⁴ In this scenario, government is not concerned with the protection of democratically determined cultural space reflective of its citizenry, but instead concerns itself with creating culture and legislation that favors markets over people, and punishes those who will not, or cannot participate as investors.

According to Milanovic in, *The Haves and the Have-Nots: A Brief and Idiosyncratic History of Global Inequality*, two factors overwhelmingly explain a person's income. These factors, determined at birth, are citizenship and the income of one's parents. Effort is not a significant factor, though for neoliberals, poverty is typically regarded as a function of effort, and the avoidance of it serves to motivate and control. Its visibility and possibility trains people to make market supporting decisions rather than decisions

¹Lloyd, *Neo-Bohemia*, 68.

²Lloyd, *Neo-Bohemia*, 263.

³Philip Mirowski, *Never Let a Good Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*. (London: Verso, 2013), 40.

⁴Antonio, Robert J., "The Cultural Construction" in *The Blackwell Companion*, 2.

supporting the greater good.¹ As Brown states in, *Edgework: Critical Essays on Knowledge and Power*, “The political sphere, along with every other dimension of contemporary existence, is submitted to an economic rationality; or, put the other way around, not only is the human being configured exhaustively as *homo oeconomicus*, but all dimensions of human life are cast in terms of a market rationality.”² Government and the state then exist only for the construction, development and expansion of a voracious and indifferent global market economy.

Detroit, Michigan, once ground zero of the North American auto industry and still home to General Motors exemplifies the rapid shift toward the privatization of urban space in the United States. Recent state legislation dismantles bedrock democratic processes and temporarily transfers total control of some financially distressed cities and school districts away from previously elected officials to governor appointed managers. These managers are tasked with designing and implementing significant local economic turnarounds before returning control of a municipality or district to its democratically previously elected local officials.

Emergency managers aren’t new to Michigan, however the roles of appointed managers changed radically through congressional action taken in 2012 by Michigan’s conservative Republican majority party. At this time emergency managers were granted sweeping powers far beyond those of their predecessors. In a ballot initiative in November of 2012, the citizens of Michigan successfully voted to overturn these additional powers outlined in Public Act 4. Less than a month later, new legislation was reintroduced and signed by the governor, proposing a similar but more aggressive bill, with provisions prohibiting its rejection through a referendum. Despite clear opposition from the state’s voters just four months prior, Public Act 436 took effect in March of 2013 and grants unprecedented power to all emergency managers. These managers may now hire and terminate local government employees; negotiate, terminate or modify existing labor contracts; sell, lease or privatize local assets; revise contract obligations and change local budgets without local approval. They may also initiate municipal bankruptcy proceedings as well as hire support staff and consultants.

Beyond the striking level of personal power now granted to emergency managers in Michigan, lies the fact that overwhelming public condemnation at the polls did nothing to alter the political goals of the Michigan state house. Conservative state politicians appear far more influenced by the neoliberal economic agenda than they are by the voting results of those they represent. Mirowski in, *Never Let a Good Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*, notes that managing an authoritarian state while maintaining at least the appearance of a functioning democracy is not an easy task, “This is a thorny problem for neoliberals; how to maintain their

¹Branko Milanovic, *The Haves and the Have-Nots: a Brief and Idiosyncratic History of Global Inequality*, (New York: Basic Books, 2012), 121.

²Wendy Brown, *Edgework: Critical Essays on Knowledge and Power*. (Princeton: Princeton University Press, 2005), 40.

pretense of freedom as non-coercion when, in practice, it seems unlikely that most people would freely choose the neoliberal version of the state.”¹ In Michigan at least, this seems to be the case. Emergency manager may effectively auction off public assets, liquidate public resources and transfer ownership of public enterprise to private investors with impunity. Conspicuously absent in the strategies of the different managers are plans for future financial stability that allegedly constituted the need for emergency managers in the first place. When all solutions to all problems involve the short-term liquidation and privatization of public assets, little changes to improve and secure the fiscal health of a city or school district.

Private property requires certain protections and property rights laws, and the access they grant or deny, are vigorously guarded by neoliberal political policy. The sales of publicly held resources and assets into private ownership aren’t reversible, even if the current political policies permitting them are. Increased personal protections for emergency managers in Michigan signal an awareness of future legal challenges and protect those managers from personal liability, regardless of the financial hardship their decisions inflict upon taxpayers.² Much has been promised in the way of a new and vital Detroit metropolitan area, but little has been discussed or produced in the areas of job-creation or education reform for Detroiters and others in the state with emergency managers. In the absence of clearly defined financially viable, long-term plans to at a minimum create jobs, fund schools, and buoy tax revenues, it appears that emergency managers in Michigan have been installed primarily to hasten privatization efforts by conservative lawmakers beholden to corporate funding.

The well-publicized potential sale of selected artworks from the Detroit Institute of Arts Museum to private corporations and investors illustrates this point more clearly. The purpose of such a sale would be to partially repay creditors for massive debts accrued by the city over the last half-century, while ignoring the issues that created the debt, and denying Detroiters access to culturally priceless and irreplaceable pieces of art. It has been suggested by some in the business community that Detroiters no longer deserve their art, having squandered their right to beauty and culture with their failed economy. This though we flock to other museums to examine their collections as a measure of their cultural greatness.

There are other examples of aggressive privatization through the sale of assets and undervalued property. Christine MacDonald and Mike Wilkinson of the Detroit News, February 3, 2011, reported that, “...ten men and their companies own more than 5,000 parcels of land in Detroit and stand to profit—or influence—[then] Mayor Dave Bing’s Detroit Works Project to re-shape Detroit.” The parcels are often empty and some owners owe taxes and fines to the city for blight. Mike Martindale, of the Detroit News noted on November

¹Philip Mirowski, *Never Let a Good Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*. (London: Verso, 2013), 57.

²“Public Act MCL Search,” Michigan Legislative Website, Accessed April 21, 2014, [http://www.legislature.mi.gov/\(S\(gnjmacbqn0o0ht55izdwr45\)\)/mileg.aspx?page=MclPASearh](http://www.legislature.mi.gov/(S(gnjmacbqn0o0ht55izdwr45))/mileg.aspx?page=MclPASearh)

17, 2009, “Nearly 35 years after taxpayers spent \$55.7 million building the Pontiac Silverdome, and a year after a \$20 million sale fell through, city officials have sold the arena once called the most desirable property in Oakland County. The price: \$583,000. ‘This was a giveaway,’ said David J. Leitch, a broker with an Auburn Hills based realty firm.” These are but several on a long list of liquidations and fire sales that move public territory into private hands, while simultaneously failing to provide the type of financial leadership promised to Michigan’s most struggling urban communities.

The Detroit Free Press and News as well as other media organizations provide most of the information regarding emergency managers that is available to the public. Reviews of distressed municipalities and appointments of managers occur quietly and quickly, without public input. Increased speed and efficiency are the primary reasons given in support of the appointment of emergency managers and both are useful in the service to a neoliberal economic agenda whose outcomes might face far greater resistance were they more transparent. There is little awareness regarding emergency manager authority in communities without managers or significant minority populations. Even less information is available regarding the long-term ramifications of emergency manager privatization strategies, their suspension of democratic processes and the cultural implications of such actions. This complicates an understanding of these strategies, and effectively slows efforts to mount effective opposition. The appointment of emergency managers has also thus far been confined to urban areas largely inhabited by minority populations, so the loss of elected and representative government in Michigan has largely affected only African American communities. Race and cultural indifference are significant factors influencing the relative ease with which emergency managers have been dispatched and installed. Michigan’s majority white population remains largely unaffected thus far by the political disenfranchisement that the appointment of an emergency manager necessarily produces.

Do Michigan’s current economic policies foreshadow this type of economic legislation and disregard for democratic practices in other areas of the United States? Similar strategies are well underway worldwide. The World Bank, International Monetary Fund and other global lending institutions maintain established and well-documented regulations for loaning money to emerging countries, if as a condition of receiving monies those nations install neoliberal governments that are democracies, but with little to no meaningful governmental participation by their citizens.¹

Allowing citizens to vote does not guarantee them a participatory role in their government. Addressing the issue of democratic processes outlined in Michigan’s state constitution and the state’s minimum wage, Brian Dickerson of the Detroit Free Press reported on May 10, 2014 that Michigan’s conservative legislators are poised to arrange a ballot initiative for voters on a

¹Manfred B. Steger and Ravi Roy, *Neoliberalism: A Very Short Introduction* (Oxford, Oxford University Press, 2010), 19.

bill that will no longer exist at the time of the vote. Dickerson writes, “More disturbingly, this is the third time Republicans have used this sort of subterfuge to subvert the initiative process since they won control of all three branches of state government in 2010. Previous casualties include a voter initiative to repeal an unpopular emergency manager law [Public Act 436, discussed above] and a measure to permit wolf hunting.”

Without genuine interest in Michigan’s nearly ten million residents, recommendations by the state’s emergency managers do not address the long-term social or financial challenges specific to each location, and are instead meted out based upon their usefulness to the development of a private, profit driven and market centric state government. Democratically focused financial solutions aimed at increasing prosperity at all income levels will not come from the current state government. Judged by their legislative record alone, Michigan’s conservative politicians are focused almost solely upon economic policies to privatize public enterprise and resources. Inhabitants of affected areas will suffer or prosper as investors allow.

The political conditions and strategies described above are having a significant impact on the shifting of space and political power in the state of Michigan. The efficiency with which Michigan’s conservative government continues to strip its citizenry of their resources, rights and collective voice is alarming. Philip Mirowski may offer a clue, “People do not generally imagine themselves trapped in a world that is upside down relative to what they think they know...at least in the contemporary world, most conventional notions of political protest themselves have been transformed and subverted by privatization and commercialization.”¹

Integral to my work are the questions of art, space and democratic processes. How do communities develop and adapt to adverse economic conditions like the ones described above? How does and could art function in such conditions? What could its work be? Should artists be more mindful of ways their art functions in the world?

Doris Sommer writes, “A more practical response to the dangers would distinguish art that does damage from art that does good.”² Art may be pressed into even greater service to assist those the market increasingly fails to enrich, or those it impoverishes in its inevitable cycles and corrections. Art attracts, informs and affects viewers, but should it now strive to be an empowering experience for as well. Can the power of art be used to inform and inspire even more than it already has and if so how? My most recent works have emerged from seeking answers to these questions. One installation referenced human material desires and the culturally produced ideas of success that feed into and upon those desires. Who produces the cultures that attract us like moths to flame, and who benefits most when we embrace them? As artists how do we contribute or resist? A second installation addressed the longing to return home

¹Philip Mirowski, *Never Let a Good Crisis Go to Waste: How Neoliberalism Survived the Financial Meltdown*. (London: Verso, 2013), 329.

²Doris Sommer, *The Work of Art in the World: Civic Agency and Public Humanities*. (Durham:Duke University Press, 2014), 30.

by those displaced during the U.S. housing crisis and used house keys as visual data to more graphically represent the number of foreclosures by year-end 2013. A third project was a sculpture that represented the popular tradition of pulling apart the breastbone of a roasted bird, usually a goose, turkey or chicken, to secure a wish or desired outcome. The broken and reattached pieces of this sculpture represent repeated attempts to produce different financial outcomes by repeating the same failed policies. My latest project features images and voices of some of those whose lives or families' lives are currently affected by the appointments of emergency managers. It captures the art and voices of Detroiters ignored by policymakers, and seeks to give voice to their perspectives regarding the problems in their city that might be resolved through a more democratically focused government.

A future project will continue to examine the privatization in Detroit and "map" street level outcomes of gentrification efforts in Detroit by focusing on the migrations of Detroit's most vulnerable and invisible populations. Those with the least often require public space the most, as the place in which, at a bare minimum, they physically exist.

Art works to free difficult concepts from the murk of the abstract. Though art can be used to exert undue influence, it can also be employed to energize, empower and restore. Through the making of art, data becomes visible, awareness raised, questions posed and voices restored. As artists we cannot explore, challenge and recreate the boundaries of our existence without the artistic and democratic space to do so

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