

“No company will hire full-time anymore”

Deindustrialization and unemployment in Syracuse, New York

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Syracuse is typical of the one-time industrial centers in upstate New York and the Midwest. Over the past several decades, the decline of large employers in the region has left an employment chasm. The 2008 crisis brought with it another sharp downturn, with no recovery in sight.

Economic conditions in the city reveal the real state of the Obama “recovery.” The administration continues to boast that it is helping manufacturing production return to the United States and cities like Syracuse. This is a fraud.

Unemployment remains high. Many of the jobs created since 2008 pay low wages with few, if any, benefits. Those seeking work generally find that decent jobs with benefits are scarce or nonexistent. Thousands of others, unable to find work, have dropped out of the labor force altogether.

Poverty, hunger, decaying housing, failing schools and the social ills that accompany them—spousal abuse, crime and drug abuse—have all increased. Similar conditions are repeated in city after city.

Among the companies that have cut back or shut down in recent years are: Carrier (the world’s largest maker of air conditioners), General Electric, General Motors, Chrysler, Allied Chemical in Solvay, Rockwell Tools, Will and Baumer Candles, P&C Grocery, and the Miller Brewing Company.

Melvin Reed told the *World Socialist Web Site* that he had a lot of friends with degrees who had to move out of the area because of the lack of jobs. “There are no jobs out here. It used to be that if you came out of high school you could find work in one of the factories, but now even if you finish college it is no guarantee that you will be able to find work.”

“The only jobs are in retail,” Melvin added. “If you look at all the stores around here—the Family Dollar, the drug stores, the food stores—they all pay the minimum

wage. There is not one place that pays more than \$9.00 an hour, and they are all part-time. How can you expect to live on that?”

Turning to politics, Melvin said, “The government doesn’t care about the people. They just care about the wealthy, because those are the ones who helped them get in office.”

The layoffs began well before the current recession. At its peak, Carrier employed nearly 7,000 workers in its manufacturing and research and development facilities. General Electric employed 6,300. Between just 2000 and 2003, Syracuse lost 10,000 manufacturing jobs, or 20 percent of the total.

New Process Gear (NPG), an auto parts manufacturer, was the latest big manufacturer to close its plants. Once employing over 4,000 workers, it eliminated its remaining 400 jobs and closed its doors last year.

Carrier, founded in the 1920s, moved its production and headquarters to Syracuse in the 1930s. Ten years ago, Carrier announced that it would be closing its two manufacturing plants in East Syracuse, slashing 1,200 jobs. Even prior to this, the company began moving production to other states and overseas where labor was cheaper and higher profits could be made.

This past September, Lockheed Martin announced company-wide layoffs and the elimination of jobs for 600 of the 1,700 people currently working in the Syracuse area. In a 1996 payoff to Lockheed, the state took possession of the company’s extensive factory site on Electronics Parkway in Salina and agreed to lease the buildings back to the company for \$1 for 30 years. Under this deal, Lockheed said it would keep at least 1,500 employees in Salina. It is unclear whether there will be any penalty for Lockheed, or a new “incentive” for the company, which saw a \$3 billion profit gain in 2013.

Tessy plastics in Elbridge, a suburb of Syracuse, is an example of the medium-sized employers who are exploiting the scarcity of jobs to lower costs. The company began operations in 1973 and expanded steadily by manufacturing toiletries and plastic parts for medical devices.

Tessy employed 730 full-time and 100 temporary workers as of 2012. In December, the company listed want ads for long-term temporary employment, with an option to hire on permanently, starting at just \$8.25 an hour to work grueling 12-hour shifts.

While good-paying manufacturing jobs were being eliminated, the city and state gave millions in tax breaks to real estate developers to build a massive shopping mall, with the claim that this would increase employment. The mall, Destiny USA (previously the Carousel Mall, opened in 1990), is listed as one of the largest malls in the United States. Its 6,000 employees mostly work seasonally or part-time, with low wages and few or no benefits.

The mall's developer, Pyramid Companies, was handed generous tax breaks from the local and state governments. Pyramid's owner, Bob Congel (net worth close to \$1 billion) recently built a \$3 million mansion in the area. The big prize was a local property tax exemption for 30 years, totaling \$600 million.

Lori Gutshall works part-time in one of those stores. "I work part-time because no company will hire full-time anymore. I am trying to find another job.

"I have worked at the same job for 3 years, and I only make \$7.90 an hour and work part-time," Lori added. "They have not hired anyone to work full-time for over 5 years. Basically, they feel that there are so many people out looking for work that they don't have to give anyone full-time work."

Lori said that she had just been cut off from food stamps. "Because my daughter is 21, they say that they have to count her income with mine. She has a good job, making \$10.00 an hour. We just spent \$60 in the grocery store, and that is what we [including Lori's granddaughter] have to eat."

"We make it, our children don't go hungry, but things are getting bad. I have a special needs son. He gets Medicaid, but I don't have any [health] insurance."

Stacy Hand had worked as a sales clerk in a bridle shop for 11 years. "I tore my ACL [anterior cruciate ligament] after working 11 years, and they terminated me," she said. "That was three years ago. I was the highest sales person they had. I sold over \$500,000 a year, but when I hurt myself they just terminated me. Welcome to corporate

America!"

Stacy's history is one expression of a deep health care crisis in the United States, which will only be made worse by the Obama administration's overhaul. "I wasn't working the day I hurt myself, but I was due to work the next day," she said. "I went to the doctor and he said that I needed to get an MRI. When I called the health insurance company to get it scheduled, they said that my plan had been canceled because I had been terminated from my job. I couldn't get Medicaid because they said I made too much money. It took seven months before I was able to get the MRI, and my knee is still not right."

Stacy added, "I was getting \$200 a month in child support, but the government is taking that because I had been on public assistance. They say that I have to pay that back first. How are we supposed to live when we are getting nothing?"

The manager of a Save-A-Lot grocery store said that except for the managers, the franchise owners would employ only part-time workers. "We have four managers and 19 part-time staff here. This company is the largest owner of franchises for Save-A-Lot. They have 700 stores around the country.

"Everyone who is part-time just had their hours cut so that the company would not have to pay for health insurance under ObamaCare. These people are making just \$8 an hour and no health benefits. Now they just lost about 25 percent of their hours."

This and worse is the true state of affairs for the working class. The Obama administration, along with both the Democratic and Republican Parties, have plans for deeper cuts, thus increasing inequality and economic insecurity in America.



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