

Six years into “economic recovery”

York, Pennsylvania: Mass unemployment and temporary jobs

Douglas Lyons, Samuel Davidson
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Located in south-central Pennsylvania, about 30 miles from the state capital of Harrisburg, York has a population of 44,000. Six years into the supposed economic recovery, York is mired in unemployment, low-paying jobs and poverty.

In 2013, the official unemployment rate was 13 percent, more than twice the state average of 5.6 percent. Thirty-nine percent of the adult population is not counted in the labor force and less than half of all adults are employed, compared to 58 percent for the state as a whole.

Over 37 percent of all residents, more than one in three, live in poverty, and the childhood poverty rate is 51 percent, with two out of every three children, five and under, living in poverty. Median household income is slightly more than \$30,000, and per capita income is about \$15,000.

Unlike many industrial centers in Pennsylvania that used to house massive steel mills and other industry, York’s economy has been dominated by smaller manufacturers, many of which have closed or laid off workers. Those that remain have used the high level of unemployment to push down wages.

Patricia Perry worked at the Sylvania plant for 15 years until it shut down this past September. The plant, until recently, had employed over 600 people. She, along with 118 other workers, lost their jobs when the plant was closed.

“I am going to relocate because there are no jobs here,” Perry said. “I have been out of work for nearly six months. My unemployment is running out. The pay is low around here.”

Osram Sylvania, the North American business of OSRAM AG located and headquartered in Munich,

Germany, produces lighting commodities for consumers, businesses, the automobile industry, and for tech industries such as computer developers and aerospace. According to its web page, Osram Sylvania is “one of the world’s largest manufacturers”.

The company employs over 35,000 workers in 53 production plants located in 18 countries. In the last decade, it has expanded its international footprint, tripled its sales and doubled its world market share. In York, however, it cited sales decline and lower consumer demand as the rationale for closing the plant and two others in Manchester, New Hampshire, and Central Falls, Rhode Island.

“I was a press operator. I ran 10 machines at once,” Perry continued. “If someone didn’t come in, I would also have to cover their machines. I would make sure everything was running, deliver the parts, checking that the parts were coming out right.

“The company said that they were closing our plant because it was not profitable enough. They have other plants around the country, and they were going to move the production to a plant in Kentucky and another one in Pennsylvania.

“I was making \$19.85 an hour. So far, all the manufacturing jobs around here only pay at most \$14 an hour if you’re lucky. All my experience is in production manufacturing, I don’t have any experience in office work. I am even trying to find volunteer work so that I can get office experience, but I can’t even find volunteer work.

“The politicians say that unemployment is at an all-time low. If this is low, what were things like when it was high? They cut the unemployment down to only six months. People used to get an extension, but that

was all cut.”

In nearby Hanover, shoe manufacturer Clarks closed one of its distribution centers after it moved to a brand new facility across the road that is much more automated. One hundred ten workers lost their jobs.

Also in Hanover, 120 workers at a clothing distribution center lost their jobs earlier this year when Delia Retail filed for Chapter 11 bankruptcy.

As in the rest of the country, many businesses are taking advantage of high unemployment to hire workers as temporary, paying low wages and holding out the prospect of a permanent job as an incentive to work hard.

Nationally, the use of temporary workers has grown to over three million, a more than 50 percent increase since 2009, with the number expected to rise to over four million by the end of the decade.

Leah Walker is a temporary worker for a company that packages products and ships them to stores for sale. “You can’t make a living off of \$8 or \$9 an hour. You just can’t live,” she said. “There is a lot of unemployment, and that is bad, and it is also keeping raises low. It used to be if you were working for a company making \$10 an hour, soon another company would open up, and they would be paying \$11 an hour.

“I have been working here for six months; it took me a year to find this job. I have been through all the temporary agencies and online sites. Monster’s, Career Link, you name it, I been there.

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“I am temp to hire, I go for an interview this week or next, but I am being realistic about it. They have three positions and there are umpteen temporaries working there. So no, it is not set in stone that I will get the job.”

“Living is a struggle,” Walker continued. “My pay is not much more than minimum wage. Right now the company doesn’t have much work. Our hours have been cut back, and I am only working 20 or 25 hours a week. Sometimes I only work two days a week.

“We are just skinning by. The situation is very stressful. You have food and bills to pay, and you have to put gas in your car so you can get to work.”

Another major problem facing temporary workers is the lack of health care. Many companies have cut hours for temporary workers so that they don’t have to provide them health insurance, while others offer plans

with the worst benefits.

“As a temporary you have no health benefits,” Walker said. “When you go for the job, they just throw something at you like Aflac. That is not insurance, Aflac just pays you a lump sum each day and it is very expensive.”

York is a prime example of deindustrialization in the US, where plant after plant has been closed down to invest production in other countries where the owners can exploit more sources of cheap labor.

The Harley-Davidson plant in York, for instance, still employs hundreds of workers but has experienced the same restructuring as elsewhere. The restructuring of Harley-Davidson in 2009 and 2012 resulted in over \$300 million in yearly savings for the company, trimming the workforce from around 2,000 to 1,000 workers.

Catherine Smith, who works at a McDonald’s, has two friends who recently lost their jobs, including one who worked for Harley-Davidson. She said: “There are jobs, but they all pay the minimum wage. My friend worked at New York Wire and they closed down. He had worked there for 20 years and now he can’t find a job anywhere. He is having a really hard time paying his bills and keeping his house. Seventy or 80 people worked in the plant. It may be relocating, and some of the people may get jobs if they follow the plant, but it is hard to relocate.”

“Another friend worked at Harley-Davidson,” Smith said. “He was forced to retire when they closed one side of the plant down. He is barely making it on his retirement. He has a house to keep up and bills to pay, and the retirement is not very much. Property taxes keep going up, and he just struggles to live.

“I shouldn’t be working. I have post-traumatic stress disorder from things that happened to me when I was young. But I can’t live on the little I get from Social Security. My PTSD is just the same as people who were in the military. I can’t make my payments, so I have to come here. I only work part-time, and it is not very much money.”



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