

Amazon builds low-wage Maryland plant on ashes of largest steel mill in US

Adam Soroka**27 November 2017**

In early November, online retail corporation Amazon announced it would open a fourth fulfillment center in the Baltimore area by 2019. The estimated \$225 million project will see an 855,000 square foot sorting facility built at Sparrows Point, the site that formerly housed the Bethlehem steel mill and shipyard that operated there throughout the majority of the twentieth century.

The decision to open an Amazon distribution facility, synonymous with underpaid and heavily exploited labor, at the site of the Bethlehem Steel mill, is demonstrative of the decline of American capitalism. Opened in 1917, the Sparrows Point steel mill was the largest steel mill in the United States during the early and mid-twentieth century, employing upwards of 30,000 workers in the 1950s. The mill produced steel girders used in the construction of the Golden Gate Bridge, cables used in the George Washington Bridge, and other components symbolizing the US's manufacturing prowess during the early twentieth century.

During that time, the steel industry became one of the staples of the eastern Maryland economy while its workers were some of the highest-paid in the US. The steel mill was shuttered for good in 2012, employing at the time only 2,100 workers. In 2014 the property was acquired by Tradepoint Atlantic, which began remaking the steel mill into an industrial park. Another Amazon facility in the city is built on a site used by General Motors that operated for over 70 years until being shuttered in 2005.

State and county officials are touting Amazon's decision as a win for the local job market. Governor Larry Hogan (R) has stated that getting the 1,500 added jobs from the new facility was "a top priority of our administration and another example of how Maryland is and will continue to be open for business." Kevin Kamenetz (D), Baltimore County Executive, boasted, "This is what job creation looks like: a world class

company investing in the region." Kamenetz has announced his intention to run for Maryland governor in 2018.

In securing the deal with the web retail giant, the state Department of Commerce ponied up a \$2.2 million "conditional loan" to Amazon as an incentive to build the center. Conditional loans are typically converted to grants when certain requirements are met.

In this case, Amazon is to employ 1,500 employees at the center by 2020, spend at least \$125 million on building and outfitting the facility as well as maintain 4,800 jobs across the state.

The facility will sort, pack and ship books, electronics and various housewares. It will be located seven miles from two other sorting facilities in Baltimore City. Amazon employs roughly 5,000 full-time workers across the state, according to reports. Amazon expects to hire 3,000 seasonal part-time workers of whom only a select few will be able to retain their jobs after the holiday season ends.

The claim being made by the media and local officials that adding more Amazon jobs is a "win" for the jobs market is at odds with the reality faced by Amazon workers throughout the company's 75 distribution centers nationwide. A review on Indeed.com from a sorting associate at one of the Baltimore City facilities titled "Stressful and Demanding" gives a grim picture of life as an Amazon worker: "Working at Amazon is the most stressful and mind boggling experience thus far. Working here has made me appreciate all of my other previous employers. The work is very easy, but you are required to do it at an extreme fast pace, on your feet, non stop until your assigned break. Working here limits your freedom tremendously. Managers keep tabs on you at all times and if you are not doing work for more than five minutes you can be held accountable for it, no matter what the reason is for you not working."

“Your body aches from head to toe from the physical labor and managers still expect the best results from you no matter what. The hours working here is another complete con. Overtime is given to Associates often and is mandatory. So, instead of working 10 hour days for four days, you are expected to work 11 hour days for five days straight! It takes a lot from you physically and also mentally. While working in my department, I am alone all day with no music or anything for 10 long hours. It makes work less enjoyable. Working here is definitely not worth the pay. The only pro I can think about are the benefits, but most people don’t stay working here long enough to enjoy them.”

Many of the jobs Amazon will add to the state’s jobs market will be part-time, seasonal positions that pay \$12.50 an hour. Amazon’s job description for their sorting associates makes it clear that they expect workers to be docile and willing to be worked to the bone: “Flexibility is key, associates should be open to extra hours, time off, and a rapid pace.”

Although the \$12.50 is higher than the state’s paltry \$8.50 an hour minimum wage, it is far below what is needed for an acceptable standard of living. According to MyApartmentMap, the average rent for a studio apartment in Maryland is \$1,187 per month. The National Low Income Housing Coalition, in its 2015 report *Out of Reach*, noted: “A worker in Maryland State needs to make \$24.64 per hour in order to afford the fair market rent and utilities of a two-bedroom apartment without spending more than 30% of his or her income.”

Happening simultaneously, yet unrelated to the announcement of the new sorting facility, is an attempt by Maryland state, county and city officials to convince Amazon to open its HQ2 in the state. The new headquarters is estimated to bring 50,000 new jobs and over \$2 billion in investment. Although Maryland is considered a long shot, Amazon’s recent \$53 billion contract with the Pentagon may make Maryland a natural location for a major headquarters, bringing it further into the military-intelligence apparatus.



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