

Amazon Cannot Deliver on Working Class Needs in Pittsburgh

Amazon in Seattle

The actual experiences of working class residents affected by Amazon's Seattle headquarters reveal a detrimental impact on everyday people, contrary to the narrative that desperate, cash-driven corporate-funded local politicians are portraying. Corporate giants, including those outside the tech industry, march into cities that are starving for solid, well-paying jobs, gut public accessibility to a stable infrastructure and spit out huge numbers of unemployed, underemployed, and underserved people, struggling to survive.

The economic repercussions of twisting an entire city to attract massive tech-based companies include drastically unaffordable housing and a diversion of tax dollars from public services to profit-driven private interests. Seattle's homeless population has ballooned; housing prices have risen by as much as 31% in certain neighborhoods, while rents have risen 57% over the past 5 years. An underfunded and difficult-to-access public transit system reinforces barriers built on gentrification and racial inequality. As politicians like Socialist Alternative member and Seattle City Councilperson Kshama Sawant stand up to Amazon and their destructive corporate greed, the company has been campaigning to find another city to exploit and has its sights set on Pittsburgh. Hailed as [the next "tech hub"](#), the city is already leveling working class neighborhoods and disrupting communities of color to make room for tech giants like Google, Uber, and a wide range of other high-profile startups. Without their being forced to, we have no reason to expect Amazon or its counterparts will actually deliver wealth and opportunity for working people in Pittsburgh or at any headquarters worldwide.

The Breakdown of Amazon's Promises

Jeff Bezos and Amazon executives pitch their headquarters as a project that will generate "as many as 50,000 high-paying jobs," with salaries approximating \$100,000. But Amazon's white collar workers exposed the company in 2015 for the ["unreasonably high"](#) standards, demands, and abuses that came with their six-figure salaries. From on-call hours including harassing correspondence well past midnight to the encouragement of cut-throat interactions with coworkers, the tremendous toll is undeniable. "Nearly every person I worked with, I saw cry at their desk," one staffer was quoted in the New York Times; another noted that she didn't sleep "for four days straight" to finish a project. [Hundreds of employees](#) have since joined in solidarity to share the serious physical and psychological repercussions they attribute to Amazon's corporate culture, with some reporting to have considered or attempted suicide.

Amazon's warehouse positions have also been exposed as arduous jobs with long hours and brutal conditions, but they do not offer a sustainable paycheck or benefits. Positions posted in the Pittsburgh region typically offer only \$13/hour, which is well below the local living wage and below the \$15/hour minimum wage Seattle demanded and won for their city. In Ohio, [Amazon has recently plundered the region's job market](#); in just a few months it established several thousand warehouse jobs in exchange for millions of state and local tax breaks, but not without quickly becoming the state's 19th ranking employer whose workers rely on SNAP benefits and assistance. While Amazon was promised to be a boon to the people of Licking County, which struggles with nearly [13% of residents living below the poverty line](#), one in ten employed by Amazon receive food assistance to sustain their families.

When a company like Amazon creates one job, it often does so by destroying another. A new software position in Pittsburgh, with its lower cost of living, is likely to mean the firing of a worker with the same job in Seattle. A few hundred low-paying Amazon warehouse jobs could come as thousands of retail and distribution jobs are shed by local competitors.

<https://www.brookings.edu/blog/the-avenue/2017/09/12/amazons-recent-hiring-spree-puts-new-focus-on-warehouse-jobs-and-worker-needs/>

Problems Facing the “Next Pittsburgh”

Amazon’s open call for HQ2 proposals was clear to bidders: the cloudy promise of jobs wants for a generous incentive package. Some cities have offered tax breaks totaling over several billion dollars. Corporations have long taken advantage of such incentives to the detriment of underfunded public services and infrastructure. UPMC, Pittsburgh’s largest employer, clings to its nonprofit tax-exempt status as CEO Jeffrey Romoff makes nearly \$7 million a year.

Our communities experience the calamitous effects of this kind of quid pro quo directly. Citing post-industrial depopulation, Allegheny County Executive Rich Fitzgerald (D) obtusely boasts the region’s capacity to accommodate an incoming population, ignoring the sacrificial impact of the “Google effect”: out-of-state workers are attracted to the city’s comparatively cheaper cost of living and higher paying technology jobs. These newcomers have transformed local culture and commercial priorities while the cost of living has skyrocketed for native Pittsburghers.

Workers cannot be faulted for pursuing a better quality of life and deserve well-paying jobs. To avoid these negative consequences, corporate employers and developers must be held responsible, pay taxes, and work directly with the communities. The majority of working class families can no longer comfortably afford to rent a 2-bedroom apartment, but developers like Walnut Capital nonetheless receive tax breaks as they drive gentrification and reckless redevelopment projects. Throughout 2017 residents of East Liberty protested LG Realty’s purchase and razing of the Penn Plaza apartments for the neighborhood’s second Whole Foods and luxury apartments. Low income and elderly residents were displaced, some forced outside the city. Meanwhile, HUD-subsidized homes are falling apart and fail to meet public assisted housing standards. Community members and housing advocacy organizations have had to fight for funding to preserve and develop affordable housing and reduce homelessness in the city. Rental and home ownership costs have doubled or tripled over the last decade, and old or vacant housing stock continues to deteriorate.

The lack of safe and affordable housing is not the only issue facing the city. After years of service cuts and recent fare hikes, the Port Authority’s initial proposal for a Bus Rapid Transit plan caters to increased convenience and recreation for Pittsburgh’s more affluent neighborhoods and threatens to further marginalize working communities where transit is relied upon. The city also faces a water crisis after private mismanagement badly damaged infrastructure to cut costs and maximize profit; as a result, homes and schools suffer high lead levels in the water supply, especially in poor neighborhoods of color.

Pittsburgh’s public schools are struggling; in the past decade alone, the Board has closed approximately forty public schools, instead diverting public funds towards new charter schools. Furthermore, without sufficient training or education to attain many of the new technology jobs, Pittsburgh’s working class residents are left behind as the income inequality gap in the country’s “most liveable city” widens. The prioritization of profit and a business-friendly climate puts the whole city at risk as Pittsburgh undergoes

its so-called “renaissance.” We must continue to fight against the prospects of a city rebuilt for a select wealthy few at the expense of the many.

What Is To Be Done

These problems point to a city government and a corporate-allied Democratic Party unwilling to stand up for the needs of struggling residents. The political establishment’s strategy of conceding to big business interests, in the hope that a rising tide might lift all boats, has not worked. Working people in Pittsburgh and all around the country must get organized and build a movement that can ensure that development in our cities benefits the 99%. We must tax the rich and large corporations like Amazon, UPMC, and Uber to fund critical, basic social services such as high-quality public schools, clean water, safe and reliable public transit, safe and dignified housing, and much more.

To win all of these things, we also need political organizations independent of the Democratic Party, and ultimately, a new party of the 99%. The Democratic Party has shown that it is too subservient to corporate and financial interests to serve as an effective political vehicle to win real and lasting victories for working and oppressed people. We need independent candidates who take no corporate or developer money and are accountable to our movements and organizations.

Socialist Alternative demands:

- Stop the race to the bottom - no tax subsidies and giveaways to corporations and developers!
- Tax the rich and companies like Amazon and Uber to fund affordable housing, public education, and public transit!
- A \$15 an hour minimum wage and union jobs!
- Free higher education and job training!
- A socialist transformation of society that puts people over profit!