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LABOR CENTER REPORTER

FEB 12 1982

UNIVERSITY OF CALIFORNIA
BERKELEY

Number 34
May 1981

PLANT CLOSINGS: CALIFORNIA IS NO EXCEPTION

As an earlier issue of the Labor Center Reporter/illustrated (No. 29, Jan. 81) concern is growing about the problem of major plant closures. There is still a tendency, though, to perceive this problem as one which really only affects the "frostbelt" region of the Northeast. In fact, on a regional level, closure rates in the West (which includes California) have been virtually the same as in the Northeast. Research indicates that of all establishments in the West which in 1969 had employed 100-500 workers, 32% were closed by 1976; for those Western plants employing over 500 workers in 1969, 23% had closed by 1976. The comparable figures for the Northeast were 33% and 26% respectively. *Edy Phil Shapira=*

Within California itself, major plant closings have affected numerous communities and large sectors of the state's economy. For instance, the United Rubber Workers report that of the 5,400 jobs which existed in Los Angeles area plants of the "big four" tiremakers (B.F. Goodrich, Uniroyal, Firestone, and Goodyear), 4,500--or 84%--had been eliminated by March 1980. Similarly, in the Bay Area, the United Electrical Workers (Local 1412) once had 3,000 members in a variety of industrial shops in Oakland and San Francisco; they now have less than 200 members in their local. These losses were due almost entirely to plant closings and relocations.

Communities Hit as Well as Workers

One particularly hard hit community has been Hayward which, in recent months, has seen closures and major layoffs at its Hunt and Wesson Cannery (1590 full-time and 750 summer jobs lost); at Diablo Systems (350 production jobs eliminated); at the Shaklee Corporation (300 out of work); and at Mack Trucks (660 jobs lost). However, Hayward is not a special case; other communities have been severely affected too. Antioch, for example, has been impacted by major plant closures in the steel industry, and has also lost nearly 700 out of 900 jobs at Crown Zellerbach. In Berkeley, Colgate-Palmolive is expected to confirm in May the closure of a plant employing 400 workers.

Unfortunately, reliable overall statistics on the number of workers hit by plant closures in California are not easily obtainable, in part because large plants often reduce their workforce over a long period before actually closing. Records of jobs lost just at the point of closure can therefore substantially underestimate the real decline in "full production" employment. Nonetheless, there is evidence which suggests that the two counties suffering the heaviest large plant losses (meaning 100+ workers) are Alameda and Los Angeles, followed by Monterey, San Joaquin, Santa Clara, Stanislaus, Riverside, and San Bernadino. Among the industries hardest hit are motor vehicles, rubber and plastics, steel, lumber, and food processing.

State Initiatives

To help deal with these large plant closures, the Governor is establishing a California Economic Adjustment Team (involving representatives from the Governor's Office, the Employment Development Department, the Department of Economic and Business Development, and the Department of Industrial Relations). This team will provide technical assistance to aid communities in developing "economic adjustment

response plans" and in gaining access to available federal and state "adjustment" resources, such as CETA and the California Worksite and Training Act. The team will also try to ensure that firms engaged in plant closures meet existing obligations for severance pay, leave, health and life insurance, and pensions.

Although it is a welcome initiative, the Governor's Adjustment Team is not in itself fully sufficient to deal with the plant closure problem in California. It has to work within confining legal and financial constraints, and its effectiveness would be further reduced by passage of Reagan's proposed cuts to CETA, the Trade Readjustment Assistance Act, and the Economic Development Administration.

Workers and communities in California might best be helped by national legislation. The Ford-Riegle bill (National Employment Priorities Act) tried to do this last year and it has now been re-filed (as HR 565 by Rep. Roe). However passage is unlikely in Washington's present climate.

At least in the near future, therefore, California will have to develop its own legislative program. State legislative efforts have yet to reach fruition. The bill (SB 1494) filed last year by Senators Roberti and Greene, requiring advance notice of major closings and providing compensation to workers and communities, made little progress in Sacramento. This year, Senator Greene has filed a package of bills (spot bills SB 1109 through 1119) which again require advance notification and also deal with issues relating to health insurance, mortgages, retraining, and transportation to alternative jobs. It remains to be seen how these proposals will fare.

Labor-Community Coalitions

The administrative and legislative efforts being pursued in California reflect similar initiatives which, in the absence of national action, are now being considered in twelve other states. Perhaps of more ultimate significance, though, has been the emergence of active labor-community plant closure coalitions at the local level. In Los Angeles, a Coalition to Stop Plant Closings has been working to support legislation, fight specific closures, and encourage worker-community buyouts. Other coalitions either exist or are developing in the Bay Area and further north, in Eureka and McCloud (particularly in the Woodworkers' jurisdiction). Only if such coalitions grow and develop throughout the state (and, indeed, the nation) will the basis exist for passing even the minimal advance notice provisions of currently proposed legislation. At that point it may be possible to consider attacking the almost complete lack of worker, community, and public control over capital which is a key root of the plant closure problem.

- Phil Shapira

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