How Class Works – Bethlehem Steel Workers: Displacement, Dispossession, and Alienation in Mill Transfers

I recently completed a dissertation entitled *Bethlehem Steelworkers: Re-Shaping the Industrial Working Class*. In my ethnographic research, I focused on the long trajectory of restructuring of the U.S. (and global) steel industry, and how it played itself out in the lives of one cohort of steelworkers (those hired in Bethlehem, PA from 1963-1979). Bethlehem Steel, for long the second largest steel company in the world, was a core part of the steel industry, itself a key industry in U.S. economic development. Bethlehem Steel’s flagship plant—the South Bethlehem steel mill—stretched out for more than five miles along the Lehigh River. Bethlehem Steel was headquartered in Bethlehem, PA, and the mill and company dominated the landscape and economy of a small city of 72,000 people.

In my research, I examine the effects of displacement, disinvestment, downsizing, and deindustrialization at Bethlehem Steel’s south Bethlehem mill. Within the plant, these processes played themselves out over twenty years—through management-employee “team” initiatives; closing of shops, departments and divisions; and eventually the shutdown of the plant itself. This included early retirements, transfers of workers into other Bethlehem Steel mills in the northeast, Bethlehem Steel’s bankruptcy in 2003, the dumping of steelworkers’ pensions onto the Pension Benefit and Guaranty Corporation, the jettisoning of steelworkers’ health care coverage, and the expulsion of many steelworkers, in their forties and fifties, out into a post-Fordist labor market. In this paper, I examine steelworker transfer to other Bethlehem steel plants. These transfers, even while letting workers hold onto some of the Fordist rights of steel jobs and retirement benefits, also undermined the moral economy that governed steel work, reframing steel jobs as “flexible” (requiring geographic mobility), de-
emphasizing seniority as a measure of skill and experience, undermining solidarities built over years of
gang and crew work, representing work as insecure, and building new individual subjectivities and
common sense understandings.

We have the idea, as represented in many good studies of deindustrialization, of sudden plant
closings, accompanying disinvestment in cities and communities, and the downward spiral of many
deindustrialized rustbelt cities (Dudley 1994; Doukas 2003; Walley 2013; Modell 1998; Russo and Linkon
2003; Walley 2013). These studies well-document the trauma experienced by steelworkers who, often
overnight, found their jobs gone, their communities traumatized, and their skills defined as irrelevant.
While this does characterize many cities and steel mills, this picture does not accurately portray
Bethlehem. Bethlehem, PA and Bethlehem Steel’s flagship steel mill on the city’s South Side, saw a long,
drawn-out, highly contradictory process of deindustrialization. While this made for an “easier landing”
for both the city and displaced steelworkers than the sudden, traumatic plant closures of Youngstown
and South Chicago, this process is also enormously dehumanizing, demeaning, and dislocating. It is a
long, incremental and contradictory process, in which expanded reproduction (reorganizing of the U.S.
steel industry through introduction of new management regimes and technologies, accumulation by
dispossession (as workers’ assets are transferred to financial elites), and expulsion (as workers are
pushed out of productive, meaningful work and recognized social citizenship) fragment and disrupt
workers lives. This process also perhaps better resonates with the broader social processes confronting
many middle and working class workers today, as they experience the often contradictory and
incremental exclusions, displacements, and erosions of rights and expectations that characterize what
Saskia Sassen calls this “new phase of advanced capitalism.“ (Sassen 2014:12)

In studying one particular cohort of steelworkers, I examined the strategies workers exercised to
retain some of the benefits won through decades of unionized struggle. Workers strategized ways to
hang on to the benefits and working conditions of the Fordist social order, even as those work
conditions and benefits were simultaneously being whittled down and restructured in a post-Fordist milieu. Most important, to the workers I studied, was access to retirement benefits. Getting a lifelong $1,200 to $3,000 pension as well as health benefits was crucial. Workers were well aware that leaving their steel jobs, even in Bethlehem’s robust post-Fordist labor market, as older people with steelmaking skills would be challenging.

Bethlehem Steel workers who were ineligible for retirement when their shop or department closed were laid off. When workers with more than 20 years employment were laid off for more than two years or due to plant shutdown, workers were eligible for either a shutdown pension or “suitable long term employment” at another Bethlehem Steel plant in the region, within a two year period. But Bethlehem Steel disputed how “the region” was defined, hoping to avoid paying early pensions by offering transfers to more workers. To this end, much to the disgust of many workers, Bethlehem Steel and the USW renegotiated criteria for plants falling within transfer range, adding the Sparrows Point, Maryland works (a three hour drive) and the Lackawanna, New York steel works (a five hour drive from the Lehigh Valley) to the Steelton (Harrisburg) option. Transfer options expanded in 1998 when Bethlehem Steel purchased the Lukens Steel Company, adding mills at Conshohocken and Coatesville, near Philadelphia, as potential transfer sites. Jeff Hoffert, who transferred to Bethlehem’s Sparrows Point mill, only to miss his pension by eight days when Bethlehem Steel went bankrupt, is quite critical of this process.

When this place [the Bethlehem plant] shut down, nobody had the rule of 65 so they arbitrated. They had an arbitrator decide our fate. And he decided we can go to different plants – Sparrows Point or Lackawanna. He was sitting in the room, all dressed up nice, and decided hey now, you can change your lives and go to a different place. Which was not easy. (PCN)

With this agreement, the transfer process was put in place. Workers did have some input into transfer decisions. A worker could decide whether to accept a forced transfer, volunteer for transfer to a specific works, or reject a transfer. In reality, though, a worker’s layoff date limited transfer options.
In the incremental, extended downsizing of the Bethlehem plant, shops, departments, and divisions closed at different times, and steelworkers often had a limited number of plant transfer options at the time of their layoff. Laid off workers waited for official letters to arrive informing them of their mandatory transfer options. Although union-generated rules of seniority were supposed to dictate the timing of forced transfer letters, there was a degree of uncertainty and arbitrariness to the process, and, therefore, a visceral reality to the physical arrival of the letter. John Moore describes receiving the letter, which arrived by certified mail at the worker’s home, “it was like getting a draft notice. My heart sunk when I got it.” Although workers would call the union hall to find out where they were on the “list,” one man, Paul Davis, described waiting and waiting for a letter that never arrived. Even as workers with more seniority than he received letters, he never got one. He made it through the two year period without receiving his letter, and signed up for his pension.

Once the letter arrived, families held anxious discussions to decide whether or not to accept the transfer. In considering transfers, workers’ understandings of place clashed with neoliberal assumptions of a mobile, flexible workforce. Workers’ emphasis on place, in which working class families “inhabit a fixed territory of local culture and community,” as opposed to capital’s “more fluid command of space” was evident in these decisions (Cowie and Heathcott 2003). First, most workers did not move with their families to the city of the new steel works. Instead they designed alternative plans to maintain their homes in the Lehigh Valley while working at transfer mills for enough time to gain their pension. The lack of younger workers at the Bethlehem mill was a key variable in this strategy, as workers had between 1 to 10 remaining years to reach pension eligibility. Maintaining Bethlehem as a home base and defining transfer as a short-term strategy meant that commuting distance was a key consideration. Steelton, and later Coatesville and Conshohocken, were plants that could be reached in a daily commute. Sparrows Point and Lackawanna were too far, by car, for that. Many workers with sufficient seniority, such as Dave Baker, volunteered to go to the Steelton plant in Harrisburg. Dave talked to his
wife about moving to Harrisburg to avoid the two and half hour daily commute, but “she said absolutely no.” As for setting up a household in Baltimore or Buffalo and commuting home on weekends, Dave said “my wife would have divorced me.” Ellen Bream said she “cried and cried” when she heard her husband, Rich’s, transfer options of Burns Harbor, Indiana or Sparrows Point, Maryland. She told him “I’ve never flown, and I’m not going to start now.” And Ted Smith poignantly described the enormous stress of transferring to Sparrows Point and commuting home to Bethlehem on weekends,

Taking that move was probably one of the hardest things I’ve ever done in my life. I would have done anything in the world not to have done that. And my first probably three or four Sunday nights, you know, I’d always leave on a Sunday night to go down there [Baltimore], when I’d come home on a weekend. And my wife would be in tears and bawling. I actually would have to push her out of the car and leave. Which was hard, because I had to do it (Steelworkers’ Archives).

Workers’ ties to place were not strictly symbolic or emotional. Connections to place also produced social capital which could not be reproduced in the new cities of Lackawanna, Baltimore, or Harrisburg. This included kin and friendship networks through which collaborative labor could be mobilized (for babysitting, household improvements), home ownership facilitated, and job opportunities supported. Kinship ties operate through extended kin networks, including blended families, maintained through women’s “kin work.” This “nontransferable capital in homes and land, kin and friendship” provides important supports for working class families (Doukas 2003:24). Steelworker families also valued their role in providing social and material support to children and grandchildren, through providing housing when necessary (and this happened in many cases as adult children and grandchildren moved back in with their parents), childcare, and financial and emotional support. Many families with older children chose not to move so they could continue to be near children and grandchildren, and those with teenagers in high school did not want to disrupt their schooling and social networks. In addition, wives held a variety of jobs, which many were reluctant to give up for what was defined as a short-term move. Secure jobs with health care, pension, and vacation benefits could not be easily replicated in new cities, and families were wary of leaving these jobs for a short-term relocation.
Another consideration in household and individual transfer strategies was the viability of the new plant, and the possibilities of layoffs. Mark Nowak decided not to volunteer for transfer to Steelton, but instead to wait for a letter forcing his transfer to Lackawanna, because of the poor condition of the Lackawanna plant. Mark knew the plant had been through an extended downsizing, and, in his judgment, it would soon close down. “I wanted to go to Lackawanna, since it was down to the coke facility. It was in bad shape, the facilities were falling apart. I thought that the rules would say that after the second shutdown I would be eligible for my pension.” Tom Urban also waited for the Lackawanna letter, saying “I played the odds. I had a feeling that the place in Buffalo wasn’t going to last much longer, especially after I got there and saw the condition of the place. I knew that was the next place to close. Sooner or later.” John Moore said “I saw the facility was in a deplorable condition. I thought there was no way I could be there for more than a year.” Workers also had to calculate the possibility of long layoffs as they moved to unstable workplaces where they had lost seniority. Dave Baker said “In transfer, there was no guarantee that you were going to stay there. It was just to get you off the pension list. That’s what it was all about.” But, a long-enough layoff could roll a worker into pension benefits, and this would be desirable. Therefore, workers acquired information on site visits, using their educated assessment of machinery to determine the extent of recent capital investment. Those with social ties asked union officials, who had broader social networks and more knowledge of other plants, for insider information. This data helped them attempt to predict the uneven process of deindustrialization within the corporation. Which works would the corporation close next? Was closure inevitable? What was the likelihood of layoffs, and for how long? In what time frame would this occur? Workers tried to make rational decisions with the data they had, but that information was often limited. They didn’t know Bethlehem Steel’s long-term viability; the time frame for shut down of shops, divisions of plants; or the likelihood of entering bankruptcy court. They couldn’t predict the effects of bankruptcy – the end of their seniority, the 2001 takeover of their pension benefits by the Pension Benefit and
Guaranty Corporation, the loss of retiree health care benefits. And even as rational individual choice was not always effective, workers were simultaneously internalizing common sense understandings of contemporary work as inherently insecure, unstable, and inherently unfulfilling.

Transfer was also unpredictable because the union rules governing seniority could become confused and confusing in the transfer process. As departments and divisions shut down, workers were laid off, thus becoming eligible for transfer. But the arbitrary nature of department shutdown, coinciding with the uneven availability of job openings at various plants, meant that junior workers might get more desirable transfer options than more senior workers. This irked Jim Wojcik who argued to the union “wait a minute,” why should a Bethlehem plant employee junior to him get a more desirable transfer (like the commutable Steelton plant) simply because his department closed earlier? This contradicted the principle of seniority, although not the union-negotiated law governing the transfer process, making company transfer decisions arbitrary and unjust in the eyes of workers, and undermining the power of the union to enforce the moral order encoded in seniority.

For most workers, the decision to transfer was clearly defined as necessary in order to work the remaining years to attain their pensions. Since all of the workers at Bethlehem’s plant were relatively senior, for these workers this was not an extended period of time. Over and over again workers voiced this motivation -- “I went up to do my time for pension eligibility.” “I had 26 years at that time, I needed four years.” “My goal was three years and out,” and “I was not going to turn it [the transfer] down. I would’ve went, no matter where, I would’ve went. I wanted to get my thirty years. I wanted to take care of my family. The whole nine yards. It’s my responsibility.” Most workers did not want to move feeling, as craneman Frank Havlicek did,

I’m a Bethlehem steelworker. Bethlehem’s my plant. It’s always going to be my plant, and I live in Bethlehem...this is our home. That’s not our home up there. We’re only going up there cause we have to, we have no choice. We’re doing time there. We’re coming home here though.
Workers’ strategies shifted from the goal of keeping their home plant alive to that of “doing time” until they were eligible for pensions. For most transferees, steelwork that had once been fulfilling became a means to an end—retirement benefits. The moral economy of the home plant—the values of seniority, citizenship, and solidarity that guided relationships and practices, made work meaningful and gave work dignity—was displaced and over-turned in a host plant that did not recognize worker’s seniority and citizenship rights, and that undermined solidarity. This transformed work, for many workers, making it alienating and unfulfilling. For the most part (there was a small minority of exceptions) workers worked to earn their pension, to “do their time,” and when their time was up at the host plants, they returned home to Bethlehem.

Once workers got to the new plant, they confronted a harsh new regime of work. They lost many benefits of their seniority, a loss which had psychic as well as material consequences. The local unions had differing agreements on transfer workers from other Bethlehem Steel plants, U.S. labor unions had frequently negotiated collective agreements that “distinguished between home plant workers and trans-plants” as a part of the price of company-wide recall rights (High 2003:73). As a result, unlike the Bethlehem plant, other plants did not fully recognize their South Bethlehem plant seniority. In material terms, this loss of seniority meant that workers had to take whatever job they were assigned, often moving from prestigious positions within the works to jobs as common laborers, work they had not done since they were young men. Tom Urban describes his new job at the Lackawanna Coke Works.

Well, we had to start at the bottom. And when you were not the bottom, that’s where you went. Things moved pretty fast...I had 26 years when I went up there and it was 26 years this guy (the boss) threw out the window. He gave us 2 months seniority. Which means I had to go to the top of the coke ovens. And I was 45 years old. Young kids were doing the fish dance up there, and I was 45. It was so hot I thought my brain was on fire. I kept feeling my forehead. My forehead wasn’t hot, but it felt like my brain was burning. I got big blisters on the bottom of my feet, even though the soles of our boots were that thick [holds up his hands several inches apart], from the heat.
Bethlehem transfer workers had to work at laborer jobs, even as younger native workers moved into more skilled positions. Although experiences varied, depending on the skills of the worker and the works they went to, many workers were initially passed over for promotions, even when they were the most skilled workers available for the position. USW contracts laid out conditions for compensation for lower pay rates, or time limits for promotion into more skilled jobs, but many transferred workers felt hostile bosses at their new plants denied them opportunities as long as they could. This demotion contributed to tension and hostility between the home plant workers and the transferees, further fragmenting the labor force, and ensuring that workers would be hard-put to collectively fight plant closing in the new plant. This upsetting of the accepted moral economy of the mill was experienced as demeaning and alienating by Bethlehem workers.

In addition, in some of the receiving plants, workers had to confront the resentment of local “natives” towards the Bethlehem “newcomers,” reversing a central Bethlehem worker identity as experienced and senior natives in the Lehigh Valley. Workers lost their “seniority” as valued and experienced community members as they moved to new cities, as short-term, transient residents. And they lost the value of their “lineages” of intergenerational experience at the Bethlehem plant, and the claims that gave them to the space of the mill and to intimate knowledge of the machinery and technology at the Bethlehem mill. In addition, the uneven geographic unfolding of deindustrialization generates conflicts and divisions within the industrial work force as workers struggle to hang onto jobs. Workers are cognizant of this geography of deindustrialization, tracking Bethlehem Steel’s decisions regarding capital investments in various plants, and correlating that with long-term plans for these plants. This bred competition between Bethlehem Steel mills and between locals of the United Steelworkers union for corporate capital investment indicating long-term commitment, as workers struggled for the survival of their home plants. Partially as a result of this competition, officers of union locals often favored their constituents, the “native” workers at the home plant, over the new transfers
from Bethlehem. Although some Bethlehem workers were satisfied with union representation at the new plants, most expressed dissatisfaction with their new union locals.

While Steven High (2003) describes the tension between “home planters” and the “shut-down veterans” who are transferred into plants from previous shutdowns, he does not sufficiently emphasize some of the very real material causes for these tensions. Bethlehem steelworkers report that workers in Lackawanna and Sparrows Point resented the new Bethlehem workers, believing that they were taking jobs from their relatives, and that they had come to shut down the plant. Now, it was Bethlehem transplants—who were mostly white, male workers—who were viewed as not rightfully holding these jobs, not having full citizenship rights in “host” plants, and lacking the valued seniority that shaped work and social relations inside the plant. But host workers’ fears and resentments were also accurate, as jobs were opened for transferees, leading to decreased overtime opportunities for native workers, decreased probability of junior workers being called back from layoff, and a reduction in demand for new hires. And as the Bethlehem workers, and their home union, defined their strategy as a short-term fix to generate retirement benefits, the Bethlehem workers were not fighting to keep the plant productive and open. In a shrinking steel labor market, native steelworkers resented prioritizing transferees over more junior natives—often brothers, sisters and nephews of more senior native workers—and resented the lack of commitment to the host plant on the part of many transferees.

Workers used every available resource to plan the best strategy for attaining their clearly articulated goal, the defined-benefit pension. But most of these transferred workers did not reach this goal. Instead, the closing of the Lackawanna coke works in July, 2001 threw Lackawanna workers out of work without a pension. And Bethlehem Steel’s entry into Chapter 11 bankruptcy in 2001, followed by the Pension Benefit Guaranty Corporation takeover of the pension on December 18, 2002, resulted in many workers failing to get their pensions. Workers tell of being six months, three months, and, in one case, 8 days, away from rolling into their pensions at the time of the PBGC takeover. Carefully
calculated time frames for attaining pensions were abruptly cut off at the moment of PBGC takeover. Most Bethlehem workers at the Sparrows Point plant, for example, missed their pension, became ISG employees, and had to decide to accept an ISG buyout, giving up rights to employment. The seemingly arbitrary date of the PBGC takeover, an event completely out of the control of individual steelworkers, determined whether individual strategies for pensions were effective or not. After putting in years of what they defined as an enormous personal sacrifice at far away plants, these workers still failed to achieve their pensions. Without the power to make decisions as to plant closings and downsizings, and without access to insider information, strategies based on individual rational decision making are difficult. When John Caputo went to the Sparrows Point union, angered and upset that he did not get his pension, “the big union guys there” were not sympathetic, saying there was nothing they could do, it was “the luck of the draw.” Luck, rather than solid moral principles or savvy individual choice, determined this. This left John angry at the union, “I think they could have done something for us fellows.”

The option of transferring to another plant is seen by many (including steelworkers) as an important benefit, and one that many steelworkers never had. And the transfer process, using Fordist-generated contractual recall rights, did enable many Bethlehem steelworkers to access retirement benefits that most contemporary workers no longer have. Nonetheless, it was also a process of slow demoralization—dehumanizing what was once meaningful work; devaluing moral principles of the relationship between seniority, prestige, and valued skills; undermining the union-mediated solidarities in mill work; delegitimizing local unions; and eroding control that workers had over their career trajectory, their steel jobs, and their work and leisure. While steelworkers maintain strong critical perspectives on what happened at Bethlehem Steel, they also accept this new reality. This process of transfers, itself an uneven aggregation of Fordist and post-Fordist practices, produced both speed up and sabotage, critique and consent. Through producing geographic and generational fractures amongst
the working class; emphasizing individual and household strategies to attain benefits; and de-valuing what was once creative and meaningful work; interplant transfers undermined broader collective resistance to a downsizing process that, ultimately, resulted in accumulation by dispossession. While real Fordist benefits were generated for some, ultimately steelworkers failed, collectively, in their fight to protect their benefits, many of which were simply erased in bankruptcy, a process which steelworkers and their unions were shocked by.

While these neoliberal processes – an incremental and uneven eroding of steelworkers’ rights, claims, and benefits – are unusual in our readings on deindustrialization, they are typical of the experiences of many U.S. workers today. Working and middle-class Americans all experience a neoliberal restructuring of work which includes speed up, precarity, the demand for flexibility, and a loss of control over one’s own labor. Working and middle-class Americans all experience processes of accumulation by dispossession – where their rights and assets – their healthcare, pension benefits, rights to stable employment – are under attack. This neoliberal assault on workers often is NOT the sudden shock or trauma of a plant closure, but rather the uneven, contradictory, and confusing whittling away of seniority, of job security, of benefits and rights, of the control over one’s creative labor that makes work – whether it is that of a steelworker, a public school teacher, or a college professor – fulfilling and meaningful. It is my hope that in better understanding steelworkers, we can better understand all workers. And, through understanding, perhaps we can build resistances.
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