

Manufactured Scarcity and the Inland Southern California Economy

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Accepted January 2020

*Paper commissioned by the Blueprint for Belonging project,
Othering & Belonging Institute, UC Berkeley*

The people of Inland Southern California live in the midst of one of the most important and dominating industrial landscapes in the world. The region is dominated by the needs of the global goods movement industry, a set of warehouses, freeways, rail lines, airports and other infrastructure built in the past 30 years for the benefit of the largest retailers in the world—Walmart, Target, Home Depot, Amazon.

This industrial infrastructure is overlaid onto the twelfth largest metropolitan area in the nation, with more people than the Bay Area. The region's planners and leaders have orchestrated massive growth of both capital and labor in the western Inland Empire region, but most of the energy has been focused on supporting the industrial infrastructure, with people, especially working people, as an afterthought.

But those people are the ones who are supposed to be working in these warehouses. Those are the people who we were told are the ones who will benefit from these operations. When cities approve new warehouses and infrastructure, the industry is what is given its preferred sites, and people those whose health is dismissed due to the mitigating factor of job creation. The fact that the jobs are not necessarily good, that workers have no voice at these jobs, are not taken into consideration. With this paper, we hope to lay out how manufactured scarcity—of work, but also of other basic resources—manifests itself in the Inland Empire through its establishment as the warehouse to the nation, and how the logistics industry and its boosters have perpetuated a narrative that this scarcity is due to individual failings, rather than a systemic and structural one. We at the Warehouse Worker Resource Center are working to change the material conditions of

this scarcity by engaging people in the community to understand where they fit in this system, how it works, and why it benefits from them remaining in an individualized mindset.

Inland Southern California: A Sacrifice Zone through the Century

In the early 20th century, Inland Southern California was a rural agricultural area. Over time it became a classic hinterland to Los Angeles's metropole. In the mid-20th century, inland Southern California was the site of dumping of garbage, toxic materials, and noxious land uses. The military used the region for the development of fuels and armaments during and after World War II. After the plants were closed, toxic substances remained, seeped into the soil, and their effects were ignored. For decades, the Inland region has been a site of deprivation—a sacrifice zone for our nation's economy.

Similarly, the region was identified as a site for sacrifice when planners and developers aligned in the Southern California Association of Governments devised the next generation of Southern California's economy in the 1970s and 1980s. The Ports of Los Angeles and Long Beach were developed as the anchors of the new import-based economy of Southern California. But the sprawling logistics complex of highways, railyards, and warehouses that was required to process and redistribute these goods was centered in the Inland Empire, where planners saw open space and friendly policymakers. They sold the region a plan of growth based on the prospect of a logistics sector that would raise the region's economy and make it a center. But in fact, as soon as the development began, the industry and its bureaucratic boosters treated the region as a hinterland to be extracted from—not the focal point from which economic activity would be centered or generated.

The promise of jobs both attracted new people to the region and created a multiplicative effect, attracting new warehouses to the region. But the jobs tended to be low-quality, with no path to permanent or sustainable employment. In the decades of the 21st century, the region exploded in population but the poverty rate increased. Underemployment of workers in logistics is a constant issue. Health impacts were immediately clear—the air pollution of the region increased, congestion grew, cancer and asthma continued to spike. As communities raised these concerns, the boosters of this model dismissed their concerns. Jobs were being created. The economy was growing.

Neoliberalism and the Enforced Fear of Loss

Why did the community living in the Inland region allow this to happen? The fact is, most residents of the region understood the risks and impacts of this sector, but also saw it as the only option—an inevitability. The attitude of inevitability that the economic boosters were capitalizing on was the prevailing attitude of the neoliberal era. This perspective of decline and limited resources has fueled a perspective in the Inland region among both its ruling class and its working class, in different ways.

Among the powerful in the region, who primarily deal in real estate, the goods movement sector brings vast profitability to land that only a generation ago was relegated to wasteland, farmland, or desert. The opportunity for them is that this sector brings massive investment. Despite the massive investment in the region that the state, federal government, and private capital have all made, policymakers at the county and city-council levels claim that, like the manufacturing of a generation ago, it can all go away again. The Kaiser Steel Mill, which closed in 1983, remains a ghost of a previous generation—one that has not been fully dismantled while much of its site is now home to warehouses. The devastation of the mill's closure led to right-wing backlash in cities like Fontana, where the Ku Klux Klan and Aryan Nations capitalized on job loss and fear. The real estate and logistics sector boosters like the Inland Empire Economic Partnership have held for the past decade that logistics is all the Inland Empire can depend on now, and that it could all go away if California remains a “job-killing” state with high taxes, regulation, and environmental policies. This mindset of fear of loss has remained strong in the political class of all stripes, which was aligned with or descended from leaders of the Kaiser Mill closure era.

The logistics industry often uses the tool of arbitrage across local municipalities, where local governments compete with one another to subsidize warehouse development. This occurs at the municipal level. But the Inland region itself has had billions of dollars in infrastructure, investment, and development that makes it a stable, and in fact critical, part of the global goods movement network—one that could not be easily avoided. Self-imposed scarcity, not external scarcity, is what maintains a level of fear in our community. It leads to policies of austerity at the government level, which then lead back to real scarcity among community members whose lives are made more difficult by the lack of services and resources in their communities.

Scarcity

The Inland region sees billions of dollars invested in the region's economy every year, but little is being retained by the community. Workers and governments struggle while profitable companies benefit from the region's human, natural, and infrastructure resources. The idea that challenging this situation will result in capital flight is based in the lessons of deindustrialization—the idea that capital will move when challenged at any time. This narrative is framed around the Schwarzenegger-era concept of job-killing California, which was regulating employers out of business and losing capital to low-tax, cheap-labor states like Texas and Arizona.

This narrative has been spread throughout the nation and elides the facts of policy and investment activity that really leads firms to make decisions. But in the context of goods movement, it is entirely out of context. Goods movement exists in Southern California because manufacturing capital left. The sector is the exhaust of production offshoring to Latin America and Asia, and the path of consumer goods back to the consumers in the U.S. And the industry desperately needs pathways to optimize its logistics through Southern California, home of the only major deepwater port on the West Coast. The fact that the local narrative remains one of scarcity is rooted in the fact that real-estate interests are the primary ones represented in local and regional governments—the places where land use and infrastructure decisions are made.

The way to challenge this narrative is similarly rooted in the people of the Inland Empire. We see with our own eyes every day companies like Amazon benefitting from the region, and every day we see pollution increasing, we see congestion thickening, and we see that people are not benefitting from the jobs that are being created in our communities.

At the Warehouse Worker Resource Center, we challenge these narratives by encouraging workers to analyze the companies whose products they move—where the products come from, where they are headed, and what percentage of the value of the production remains in the Inland Empire. We examine what the region could look like if our employers paid a living wage, provided benefits, paid taxes, and invested in the community.

Narrative and Mindset of Individualism

The public of the region has received this narrative of scarcity that tells us there is only so much to go around, and that we should be happy with what we get. The narrative works because the Inland region is essentially a renewed community. A high percentage of residents of the area have newly moved from Los Angeles, other parts of the nation, or other parts of the world. These people enter into an unsettled area—economically changing, physically spread out, and baffling—and are essentially disoriented. The rush of life in Southern California, the constant driving, but also the job uncertainty and other factors that make life hectic for working people lead to a feeling of acceptance. Further, acceptance of the idea of scarcity is powerfully perpetuated by a narrative of individualism. This exists everywhere in neoliberal society, but is especially strong in the Inland Empire, where people new to the region live disconnected lives, and are told, “No matter what you experienced before you got here, hard work and ‘grinding’ is the only way to make it.”

Many warehouse workers we talk to take on this mindset—rather than considering themselves part of the warehouse workforce, they are just here for a little while, before going to college or getting a career. These jobs however are what is available; the careers that are promised often don’t show up.

In the words of Franklin, a local warehouse worker, “When I arrived in the Inland Empire in 2001, I took a temporary warehouse job, took whatever job I could get, knowing I had to get established somehow. I did not know that 20 years later, I would be doing the same work, still unsure if the job will be around tomorrow. Now my son has graduated from high school but the only jobs he can find are warehouse jobs that are inconsistent and low-paying. This is not how it is supposed to work.”

At WWRC we bring people together to discuss these stories, to share their hopes and their perceived failures. When we open up and see others are experiencing the same thing, we start to see patterns and systems, not just our own individual experiences of success or failure. From such lessons, we break down false narratives, and can envision how things could work if we begin to lean on each other.

Cost of Living and Scarcity

The quality of life in the region is poor in a specific way that mirrors and reifies the scarcity narrative on a household level. Jobs exist and are relatively abundant, but are short-term, part-time, and insufficient to support a family. The living wage in the region is \$72,000 for a family of 4, but the average warehouse job pays well below \$30,000 per year, even at full time. The region has among the longest commutes, the highest housing costs, and some of the worst public schools and services in the state and the nation. These factors lead to a permanent level of panic and insecurity. Where we see a population of desperate working poor people, the warehouse industry sees a massive pool of surplus labor that the employers of the region benefit from—both directly through ability to readily replenish workers who are dissatisfied, inadequate, or injured; and indirectly, by keeping workers concerned about how easily they could be replaced. So people who are working feel inadequate or as if they have failed if they are not homeowners or able to keep up. Young adults in the region are among the least likely to be able to move out of their parents' homes. Living collectively in the U.S., even with family, is looked down upon, and is counter to the narrative of individualism.

Maria, a warehouse worker, says, “Warehouse wages have been going up since we passed laws to increase the minimum wage, but housing costs are so high, it’s impossible to keep up. I was injured at work and have had to pay medical bills that have put me in debt. If I’m working full time, I think I shouldn’t be losing ground, going into debt.”

The surplus labor pool is both the result and the source of new generation of economic disparity. When the economy is strong, there is still a large percentage of the community that is on edge, desperate to hang on. When the economy crashes, the goods movement is especially vulnerable to rapid declines resulting in regional depression, as seen in the 2008 recession. These episodes act as opportunities to further discipline the local community and workforce—a moment when a pause in production can remind the region that everything can disappear in a snap of the fingers. The region has remained disciplined since that crash a decade ago. Only now, at the stale yellow light of the longest economic expansion in American history (!) is the community at a place to speak up—about the massive turnover at the Amazon warehouses that promised a new economy, about the pools of injured and replaced workers in our communities that represent the exhaust tail of an economic sector focused on productivity at any cost.

Our community is finally responding to the narrative of scarcity and the facts of the level of profit that companies like Amazon are extracting from our community. Community members from San Bernardino to Upland to Riverside and Moreno Valley are demanding more from warehouse development, in the form of job quality, community benefits and environmental mitigation. Communities are organizing to establish consistent standards and also to elect and hold accountable representatives who understand that development must benefit the community directly. They know that the Inland community has waited too long for the promised benefits. Amazon has over 20,000 employees in the region, but the average employee makes \$20,400 per year according to the LA Economic Roundtable's 2019 report, *Too Big to Govern*.¹ This sector-defining employer will create new fears—automation and gig employment, for example—but also represents a company that, if challenged, could be a force for good in our community.

That same character of the immigrant that drives our community to move to new places can also be engaged in the context of the opportunity for change. We know that things are not like this everywhere. People who came to the region for a better opportunity are not passive, and are not broken; they are in fact willing to try new and extreme things to give themselves and their families opportunity.

It is that spirit of opportunity, of willingness to take risks, that our community will have to center in order to take on the largest companies in the world—the retailers like Amazon and Walmart who employ workers in these warehouses. The daring character of the Inland resident—people willing to work hard, take risks, and not expect much back from an employer or politician—is exactly what we need to cultivate in order to establish a culture that is equipped to challenge this system and demand what we deserve as individuals and as a community. We at WWRC are dedicated to changing mentalities on the human level, which we believe will add up to collective action to change political and economic decisions that perpetuate individualist and scarcity mentalities, and the system that benefits from them.

¹ Daniel Flaming and Patrick Burns, *Too Big to Govern: Public Balance Sheet for the World's Largest Store*, Economic Roundtable, November 2019, <https://economicrt.org/publication/too-big-to-govern>