

IN THE SHADOW OF KODAK

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Deferring to "Great Yellow Father" was the title *The New York Times* gave to its November 17, 1997 whitewash of Kodak's actions in Rochester, New York. In the article, subtitled "Kodak Workers Say Layoffs May Be Necessary Medicine," the Times' Raymond Hernandez reported Kodak's disclosure that it would shortly fire 10,000 employees. A month later, that figure rose to 16,000 - the largest job cut announcement by a U. S. company in 1997. "Ever since George Eastman, the company's founder, set up shop here at the turn of the century... Kodak has been regarded as an important and model corporate citizen," wrote Hernandez.

A model corporate citizen? Well, Kodak is a model of sorts. It laid off 18,000 employees in Rochester alone between 1984 and 1990, setting a precedent for other Rochester-based corporations. Bausch and Lomb announced last spring that it would eliminate 14% of its workforce, a total of 1,900 jobs. Meanwhile, Kodak CEO George Fisher made \$11 million in 1995.

Several years ago, Kodak successfully pressured Rochester and surrounding communities to cut its taxes. Now, Xerox is suing the town of Webster, a Rochester suburb, to reduce taxes on its manufacturing center by \$100 million. To appease the corporation, the Monroe County Water Authority is offering to build Xerox a multimillion dollar water-cooling system.

With this sort of corporate ethic, it's no wonder that labor disputes are on the rise in Rochester. When Rochester Telephone, the main subsidiary of the Frontier Corporation, decided to replace the pension funds of its employees with stocks, the workers' union, the Communications Workers of America, began airing radio ads in opposition. Rochester Telephone tried to intimidate radio stations that ran the union ads by pulling out its own ads. Rochester Telephone's strong-arming was so blatant that even sectors of the business community objected to it.

Hernandez claimed that the Rochester metropolitan region "has been among the most economically robust" in New York State, citing its 4% unemployment rate compared to 6.1% in the state and 4.7% in the nation. But he misses the point. More than a third of Rochester area employees are temporary or contract workers. Many are doing overtime to supplement their low pay. Few can afford a decent home.

Rochester's unemployment rate is one whole percentage point lower than that of "comparable cities," namely, Utica and Buffalo, notes the Times. Accordingly, Hernandez talks about the "relative prosperity in Rochester," which he attributes to the presence of Kodak.

Relative prosperity? Rochester's population dropped from 332,000 in 1950 to 232,000 in 1990. The downtown workforce alone dropped from 48,000 to 44,000 in the past decade. Rochester now has the highest rates of poverty and teenage pregnancy among the cities of New York State. Unemployment among blacks doubled from 8% to 16% between 1970 and 1990. The poverty rates of Rochester's children are 25% for whites, 48% for blacks, and 58% for Latinos. True,

Rochester is not Buffalo, which lost 6% of its population in the last decade; nor Utica, whose recent budget crunch forced it to close libraries and fire stations.

But "relative prosperity" will not save the six community health centers which care for the poor and the uninsured in Rochester and which have been operating at a net loss for the past three years. They face further cutbacks and possible closure now that Monroe County is requiring 26,000 Medicaid patients to enroll in HMOs. The community centers do not belong to the HMOs, which would only pay the centers around \$9 per month per patient. To make things worse, local officials want to sell Monroe County's public hospital.

Kodak has begun to withdraw from Rochester's "community rating" system for health insurance rates, under which big and small businesses pay the same for their employees' health benefits. By pooling risks across all local companies, small businesses get lower rates. They can pass the savings on to their employees, who in turn can afford health care plans. This reduces the number of uninsured, whose unpaid bills drive up insurance rates for everyone.

But Kodak expects to save even more by switching to an experience-rated plan based on the medical histories of its employees. Kodak's withdrawal will help to raise the number of uninsured, driving up insurance rates, so that fewer companies and people will be able to afford health insurance.

"Kodak is the strength of the fabric of this community," the Times quoted one employee as saying. "It is in everything." Including the air, land, and water. According to the Federal Toxic Release Inventory, Kodak ranked first in the nation from 1990 to 1994 in discharges of cancer-causing chemicals into waterways. Kodak has EPA permits to discharge 2.8 million pounds of pollutants into the Genesee River, which flows through Rochester. These discharges, which have made the Genesee by far the most polluted river in New York State, account for a third of the waterborne toxins in New York State. The fact that Kodak released 7.9 million pounds of pollutants in 1995 tells only part of the story, since the government requires companies to report the emissions of just a small fraction of the thousands of commercial chemicals in use. Women who live near Kodak Park are twice as likely to get pancreatic cancer as women in the rest of Monroe County.

Rochester's decline leaves mayor William Johnson with few choices. He wants to sell the naming rights to the Rochester War Memorial, a newly renovated arena, for \$2 million. Monroe County simply proposes more corporate giveaways as the solution to Rochester's problems. The county's Industrial Development Agency, which gives tax abatements to companies that invest in enterprise zones in Rochester, has even granted waivers to companies that failed to qualify by creating the minimum 25 jobs over a three-year period.

Fortunately, there are still signs of vitality in Rochester. One is the public market where you can buy produce from local farmers and olives from a man wearing a fez. Another is City, the superb alternative weekly whose publisher, Mary Anna Towler, writes on metropolitan government as a solution to Rochester's problems. Towler suggests that consolidating services and school systems would reduce poverty in the region, as would halting the diversion of public resources to corporate profit. Thanks to City, people in Rochester are beginning to imagine alternatives to

"deferring to Great Yellow Father," and bearing the health, environmental, and social costs of living in Kodak's shadow.

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