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Social context

Amazon A–Z: Wages

“When Amazon announced in 2010 that it would build a distribution centre in Lexington County, South Carolina, the decision was hailed as a victory for the Palmetto State. Today the e-commerce giant employs thousands of workers at the centre,” says “The Economist” 2018 text.

“The local unemployment rate is only 3.5%. However the increase in jobs has not resulted in an increase in salaries for forklift truck operators or packers. Since Amazon opened the doors of its hall in Lexington County, the annual earnings of warehouse workers have fallen from 47 thousand dollars to 32 thousand dollars, i.e. by over 30%.

But there are more such cases. “The New York Times” describes a request filed by the grocery workers’ union (UFCW) with the Federal Trade Commission (F.T.C.), where New Jersey trade unionists report similar figures – in Mercer County, warehouse workers’ earnings were expected to fall by 18 percent from 2014. This is when Amazon’s largest fulfillment center in New Jersey opened.

These declines are the most extreme examples. However, according to analyses of the weekly magazine “The Economist” (based on U.S. government earnings data), the earnings of warehouse workers in the places where Amazon operates are falling anyway: on average by 3% compared to the previous level. Employees themselves also earn on average 10% less than employees in the same industry in places where Amazon does not operate. The magazine’s analyses were made before the company introduced a minimum hourly rate of \$15. However, with the simultaneous elimination of wage supplements and bonuses, total income is unlikely to have changed significantly.

According to the calculations of scientists from the Massachusetts Institute of Technology, the so-called ‘living wage’, which allows to provide for a family of two working adults and two children, is \$16.14 per hour gross in the US (data for 2019). Even the increased minimum wage in Amazon is below this limit. Not surprisingly, according to “The Intercept”, about 10% of Amazon employees in Ohio and Pennsylvania and over 30% in Arizona receive government support in food stamps. Exact data

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from other states are not known, because the authorities are not obliged to keep such statistics categorized by employers.

Earnings in Polish Amazon warehouses do not differ significantly from those of other warehouse workers. The basic salary of 20 PLN gross per hour (2020) is slightly less than the median salary of warehousemen – 3440 PLN gross (data for 2019 survey by the consulting company Sedlak & Sedlak). It is worth noting, however, that the increase to the current rate was only a reaction to the collective bargaining and threats of strike by the trade unions.

What is important in looking at Polish wages is the comparison with wages abroad. The Amazon infrastructure in Poland has so far been built to effectively serve customers across its western border. Employees and workers of Polish fulfillment centers often pack goods that were previously brought from Germany and then send them back there. The whole operation pays off only because for the same work Amazon pays about 50 PLN per hour in Germany (calculated), which is 2.5 times more than on the Polish side.

sources:

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