

A New Book on Job Displacement at Paper Mills

By Aselia Urmanbetova

Last week UPM announced yet another mill closure in Maine. According to PaperAge, the mill can produce up to 195,000 tons of supercalendered paper annually while employing 214 people. The main reason for closure is the mill's unsustainable cost structure resulting from dramatically decreased demand. Since this news broke, we have received a number of requests for more background information on closures that have occurred in recent years. While CPBIS has been unable to provide detailed information on the closures, just last week we received a copy of "Surviving Job Loss: Papermakers in Maine and Minnesota" (Kenneth A. Root and Rosemarie J. Park W.E. Upjohn Institute for Employment Research Kalamazoo, Michigan, 2016) This work draws upon a variety of sources, including CPBIS data and reports and provides a systematic look at recent industry. It is a detailed account of downsizing and eventual closure of two Verso mills – at Sartell, Minnesota, and Bucksport, Maine – and how the closures affected their workers. The storyline is based on an analysis of survey data collected from people who worked at both mills. Sartell's sample comprised 56% of all downsized mill employees, while Bucksport's comprised 44%. The survey design enabled the authors to analyze not only further employment options, financial impacts, and difficulties with finding a new job, but how job losses affected their physical and mental health, outlook on life, and readiness to re-train and/or search for new employment. The future prospects of displaced workers differed by their age, gender, family income and whether both earners in the same household were laid off. In addition, the study outlines how the differences in the base communities affected the displaced workers and their response to the events.

Without giving away too much of the story, a couple of tables compiled by the authors can provide a preview to their unique perspective and account. For instance, Table 8.1 on page 128 presents a nice statistical summary of the two communities. Perhaps the most striking piece of information is how long ago the two mills were incorporated – Sartell in 1907, and Bucksport mill in 1792. Also, Bucksport is a much smaller community with a 2010 population of 4,924 in spread over 53.5 square miles, while Sartell's population in the same year was 15,876 located on 10 square miles. Greater population and proximity to a vibrant metropolitan area provided better opportunities for employment. The authors noted that the greater number of paper mills in Maine did not automatically translate into securing employment for Bucksport workers, because of the need to relocate or commute. Especially notable is the effect of displacement on the physical and emotional health of the workers. 49% and 41% workers reported negative health effects of displacement for Sartell and Bucksport samples, respectively (Table 8.11, page 139). Interestingly, 41% of the Bucksport sample reported a positive health impact.

Perhaps the best feature of the analysis is the up-close and personal accounts of in-depth reflections on the experiences of the interviewed workers. First, the reader learns all the industry-level indicators and trends, community-based statistics and mill histories, and why rural industries may not attract a lot of media attention (in contrast to the stories of industrial demise that received wide media exposure like textiles and auto-making). Afterwards, the authors present frank accounts of the delicate circumstances and feelings of the displaced mill workers. The reader learns about life histories, family lines, inter-generational careers at paper mills, families with both husband and wife working together and being displaced at the same time.

The book is available for purchase and/or download at: <http://www.upjohn.org/publications/upjohn-institute-press/surviving-job-loss-papermakers-maine-and-minnesota>.

Table 8.1 Descriptive Characteristics of Sartell and Bucksport

	Sartell, MN	Bucksport, ME
Incorporated	1907	1792
2010 population	15,876	4,924
2014 unemployment rate (%)		
January	7.2	8.7
February	6.9	9.4
March	7.3	8.6
April	5.3	7.0
May	4.5	7.8
June	4.8	6.4
Geographical area	10.05 sq. miles	56.53 sq. miles
Closest city of 50,000	St. Cloud, MN	Portland, ME
Mill employment (prior to downsizing)	485	700+
Age of paper mill in 2010	107 years	82 years
Annual mill production capacity	310,250 tons	482,800 tons with 4 paper machines
Most recent mill modernization	1982	2014
Unions represented	United Steelworkers	United Steelworkers, Int. Brotherhood of Electrical Workers, Int. Assoc. of Machinists and Aerospace Workers, Office and Prof. Employees Int. Union
Number displaced	175	151
Date downsizing announced	Oct. 11, 2011	Oct. 11, 2011
Date when most employees were downsized	Dec. 31, 2011	Oct. 23, 2011

SOURCE: Authors' compilation.

Table 8.11 Downsized Sartell and Bucksport Worker Responses on the Impact of Job Loss on Their Physical and Mental Health (%)

Impact on health	Sartell sample		Bucksport sample	
	Physical	Mental	Physical	Mental
Affected health negatively	14	49	22	28
No change	55	29	47	31
Affected health positively	31	22	32	41
<i>N</i>	94	92	60	64

NOTE: Chi-square = 8.6 with 2 degrees of freedom, significant at the 0.01 level.

Somers' d = 0.22. Categories may not sum to 100 because of rounding.

SOURCE: Authors' compilation of survey responses.

References

- Root, Kenneth A., and Rosemarie J. Park. "Surviving Job Loss: Papermakers in Maine and Minnesota." 251. Kalamazoo, Michigan: W.E. Upjohn Institute for Employment Research, 2016.
- PaperAge, "UPM to Close Madison Paper Industries in Maine by End-May," March 17, 2016: http://www.paperage.com/2016news/03_16_2016upm_closing_madison_paper.html.

Paper Breakthroughs

“This collection of innovative paper solutions arose out of fascination and surprise. One of the oldest known materials, often a symbol for the opposite of today’s smart technologies, turns out to be on the threshold of remarkable technological breakthroughs. This is not expected of paper.” So begins the introduction to European communications specialist Heidy van Beurden’s skillfully written treatise, “Paper Breakthroughs.”

For centuries, paper has excelled as a carrier of information, serving as an important means of communicating ideas and recording events. It has not pretended to be much more than that. But that has changed. Van Beurden surveys the myriad roles that paper can assume in this era of digital information storage and transfer, climate concerns, burgeoning world population and looming scarcity of natural resources. She instills in the reader both awareness and appreciation of previously unforeseen paper applications, ranging from smart packaging to construction. Each is characterized in terms of its status, relevance, and future prospects. The array of applications is eye opening: biobased cars, electricity-generating paper, paper insulation, noise-absorbing paper, paperboard buildings, Wi-Fi-blocking paper, sound-generating paper, etc.

In short, this work provides a wealth of ammunition for those who would challenge the supposition that paper is a dying medium. To learn more about it, visit www.paper-innovation.com/publication

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Below is a sampling of recent Industry Intelligence headlines, chosen to mirror significant trends and other interesting developments in and around the paper and forest products industries.

Domtar reportedly spending estimated US\$10M on campaigns promoting paper as still vital in digital age, including its PaperBecause and PaperPal projects, among others, which Domtar official says remind consumers how useful paper is today

The project also interviewed students on a university campus about how they value paper. When asked if they would like to get their diploma in a pdf, none were interested.

Closure of Madison paper mill will leave six mills operating in Maine's paper industry, which once employed 18,000 workers; Maine Pulp and Paper Assn. says remaining mills must be empowered to continue innovation, investment that is key to their survival

UPM’s Madison Paper Industries mill is closing in May, putting more than 200 employees out of work and adding to the decline of Maine’s paper industry.

Maine's US senators call planned closure of Madison Paper Industries by end of May 'devastating news', urge Dept. of Commerce to establish integrated, multi-agency Economic Development Assessment Team focused on Maine's forest-based economy

An Economic Development Assessment Team focused on Maine’s forest-based economy would leverage the power of multiple federal government agencies and harness stakeholder input to create economic development strategies that would help pave the way for job growth for rural Maine.

Tissue products a growth area for forest products industry, at forefront of new technologies, innovation, pursuit of sustainable production, says AF&PA CEO at Tissue World New Orleans, noting group's role in shielding sector from burdensome regulation

Tissue is the fastest growing forest product in the world today, representing an area of growth for the industry.

IP plans to convert Holmen's Madrid, Spain, newsprint mill to 380,000 tonnes/year containerboard mill during H2 2017; aggregate investment including mill's acquisition expected to be €150M, will strengthen IP's corrugated packaging business in EMEA

International Paper will purchase the Madrid newsprint Mill, as well as associated recycling operations and a 50-percent ownership interest in a cogeneration facility. In Europe, Middle East, Africa & Russia (EMEA), IP focuses on the production and marketing of office papers and paper-based packaging.

British Columbia-based non-profit Canopy launches search for farm communities that could be candidates for locating straw pulp mills, says it is

working with investors, mills interested in building new non-wood-based pulp and paper infrastructure

Canopy reports that it has already identified 1.3 million short tons of unmet demand for North American-sourced straw pulp for paper and printing use.

DS Smith to increase containerboard production capacity by 30,000 tonnes/year at its mill in Aschaffenburg, Germany, via project that will boost recycled fiber stock prep output with planned installation of new pulper and feeding belt

The mill will increase both containerboard production and recycled fiber use.

€160M investment at UPM pulp mill in Kymi, Finland, has had many benefits, chiefly boost in pulp production capacity to 700,000 tonnes/year, as new drying machine speeds up pulp drying; mill's energy self-sufficiency also increased to more than 85%

More pulp, less energy use.

Oji Holdings to permanently shut down PM No. 4 at Kasugai Mill in Japan; decision based on company's expectation that demand for printing and communication papers will continue to decline, as well as to further cut costs and strengthen competitiveness

The closure of the 44,000-tpy machine will take place in March, 2017.

Visy fined AU\$8,500 for offensive odors, litter at its paper mill in Smithfield, New South Wales, Australia, following complaints from residents and state follow-up inspection that detects additional odors due to poor leachate management, plus more litter

In November of last year EPA officers had issued the company a notice to act on preventing further emissions of odors beyond the plant's boundary.

Six Chinese viscose producers join CanopyStyle campaign to eliminate from fabrics any wood fiber sourced from ancient and endangered forests, supported with the companies' first pulp procurement policies for protecting forests, developed with Canopy

Canopy is an international nonprofit environmental organization dedicated to protecting forests, species and climate.

Finland to grant €32.1M toward construction of Metsä Fibre's bio-product pulp mill in Äänekoski, for renewable energy and energy efficiency measures; €1.2B project also receiving European Investment Bank loan of up €275M

The mill will produce much more electricity than it will need, as well as tall oil and turpentine, among other bioproducts. It is scheduled to be completed during the third quarter of 2017.

Paper Quotes

“Paper versus electronic should be the consumer's choice. Banks and credit card lenders should not push consumers into electronic statements with fees or coercive measures.” – *Lauren Saunders, associate director at the National Consumer Law Center*

“The U.S. Fish and Wildlife Service is the latest federal agency to make a misguided attempt to go paperless without congressional oversight or public comment. Every agency should be as efficient as possible, but when more than a quarter of the U.S. population doesn't have access to broadband Internet, the government simply can't eliminate important paper-based information.” – *John Runyan, executive director of Consumers for Paper Options*

Statistics Corner: Where Recovered paper Goes

According to the American Forest and paper Association, data for the year 2014 indicate that 33 percent of the paper and paperboard recovered in the U.S. went to produce containerboard (i.e., the material used for corrugated boxes) and 12 percent went to produce boxboard, which includes folding boxes and gypsum wallboard facings.

Exports of recovered paper to China and other nations accounted for 39 percent of the paper collected for recycling in the U.S in 2014. ■

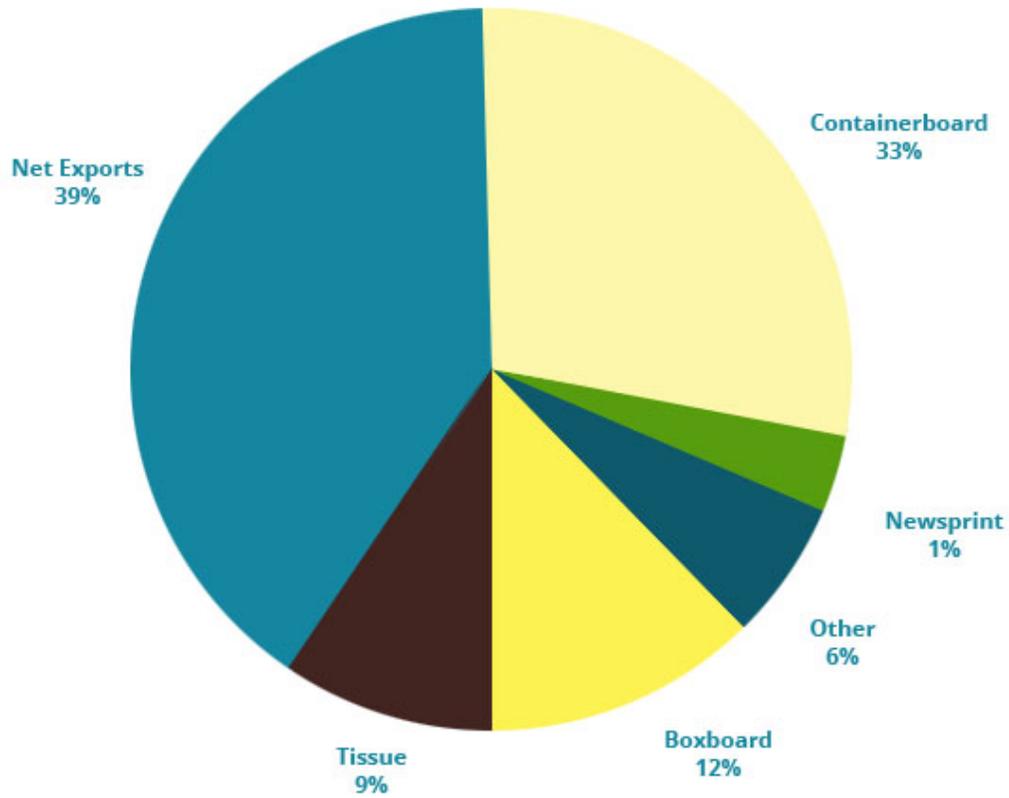


Figure 1. Where Recovered Paper Goes

(Source: AF&PA)