UFCW forces through concessions contract at Gelson's markets in California

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10 April 2004

On March 24, the United Food and Commercial Workers (UFCW) leadership strong-armed workers at Gelson's, an upscale supermarket chain in southern California, to obtain approval for a three-year contract that the employees had voted down 12 days earlier.

The agreement that was forced through is identical to the contract ratified on February 29 by 59,000 striking and locked-out southern Californian grocery workers. It includes massive concessions on wages and benefits.

The UFCW's quashing of opposition to the agreement among Gelson's workers underscores that the trade union bureaucracy is working to impose on its membership the labor conditions demanded by the supermarkets to protect their profit margins from growing competitive pressure.

During the 19-week strike/lockout by workers at Ralphs, Vons, Albertsons, and Pavillions supermarkets, the employees at Gelson's remained on the job, even though they were covered by the same UFCW contract under dispute at the other stores. The union leadership and management at Gelson's agreed that neither a strike nor a lockout would occur, based on the understanding that whatever contract was finally signed at the four larger chains would serve as the framework for an agreement with the Gelson's workers. Employees were informed that they would have the right to vote on the final contract.

The agreement that ended the strike/lockout contained such massive givebacks that the UFCW members at Gelson's voted against it. The agreement includes the creation of a two-tier wage and benefits system, in which new-hires earn substantially less than current employees, have less medical coverage, no health benefits upon retirement, and a meager pension plan to which they must contribute 65 percent of the total amount. In addition, the contract caps employer contributions to medical and pension benefits for current employees, thereby forcing workers to make much larger contributions to maintain their current levels of coverage.

On March 17, just over two weeks after this contract was signed, Ralphs announced that it would be closing 15 stores in southern California over the next two months, resulting in the elimination of 600 jobs.

The UFCW leadership was only able to gain passage of the agreement covering Ralphs, Pavillions, Vons and Albertsons workers by isolating and demoralizing the striking and locked-out union members. (See "Union surrenders benefits, wages in sellout of California grocery strike," March 2, 2004.)

In response to the March 12 vote by the Gelson's workers against the contract, the UFCW leadership said it would continue negotiations with management to work out some adjustments that would make the agreement more acceptable to the membership. At the same time, the union announced it did not intend to call a strike, thereby making it clear that regardless of any discussions with management, the contract was essentially a done deal.

Over the following week, the UFCW pressured the membership for a second vote on the agreement. Facing a united front of the UFCW and Gelson's to impose the contract, the workers finally agreed. The contract approved on March 24 was the same as the one voted down on March 12.

The betrayal at Gelson's, following the sellout of the southern California strike/lockout, demonstrates that the UFCW is primarily interested in demonstrating its continued usefulness to the supermarket chains. In the face of growing competition from low-wage, non-union outfits like Wal-Mart, the UFCW is working to push through the wage concessions and cutbacks in health coverage that the industry is demanding.

The contract signed in the aftermath of the grocery strike/lockout is serving as the model for labor agreements being hammered out between the UFCW and employers throughout the country. On March 30, the union reached a settlement with the Safeway and Giant supermarket chains in Washington, D.C. and Baltimore. That contract, which covers 29,000 workers, sets up a two-tier health benefit system that increases the size of employee contributions for new-hires and drastically extends the amount of time they must wait to achieve full coverage. In addition, the agreement raises the health care deductibles and prescription co-payments for veteran workers.

In Houston, Texas, where the contract with the Kroger chain expired on April 3, negotiations covering 11,000 grocery clerks are ongoing. Management is demanding a 40 percent reduction in medical benefit costs.