

“I feel like it’s the days of peasants and lords—and we’re the peasants.”

US grocery workers speak out against store closures

Jake Dean and Norisa Diaz
21 October 2015

Less than a year since its expansion into the Pacific Southwest market, Haggen Inc. recently announced that it has filed for Chapter 11 bankruptcy and will be liquidating all of its 27 stores throughout California, Nevada and Arizona.

There is still no exact figure on how many employees will be affected after all the store closures, but union officials are estimating that upward of 8,000 workers will be laid off in California alone. Haggen for now plans to maintain its 37 stores in Washington and Oregon.

Owned by the Florida-based equity firm Comvest, the grocery chain originally operated primarily in Washington and Oregon, with only 18 stores. The company grew nine-fold when it decided to purchase 146 stores from Albertsons and Safeway Inc., in five western states last December. At the time, Albertsons agreed to divest some of its stores in order to receive federal approval for a \$7.6 billion merger.

Shortly after the sudden expansion, Albertsons sued Haggen for its refusal to honor a deal whereby it agreed to pay Albertsons for \$36 million worth of inventory. Last month, before Haggen filed for bankruptcy, the company sued Albertsons for what it calls “systematic efforts” to eliminate Haggen as a “competitor” in the five states.

According to the bankruptcy court filing, Haggen estimates it can save about \$57.4 million for the rest of the fiscal year while earning an additional \$125.6 million by liquidating the stores. The chain store plans to liquidate all its merchandise and furnishings. There is no reason to doubt that Haggen went into the deal

knowing that the present outcome was a distinct possibility. The sudden expansion, followed by an equally sudden shutdown, speaks volumes on the reckless and parasitic nature of finance capital.

At the time, Haggen Chairman John Caple, a partner in Comvest, said, “With this pivotal acquisition, we will have the opportunity to introduce many more customers to the Haggen experience. Our Pacific Northwest grocery-store chain has been committed to local sourcing, investing in the communities we serve, and providing genuine service and homemade quality since it was founded.”

Caple is a former executive with Bain and Co., a company led by Mitt Romney from the late 1970s throughout the 1990s. Workers should note that Comvest and Bain are composed of the same human material and pursue the same anti-social interests. What was initially endorsed as an “anti-trust” measure by the Federal Trade Commission (FTC)—the selling off of 146 stores to Haggen-Comvest—within months revealed its true nature as a speculative operation far removed from the noble goals invoked by Mr. Caple.

In 2014, the WSWS warned that the eventual outcome of the initial Safeway-Albertsons merger with Cerberus could only have dangerous consequences for workers.

The corollary to all this is that the United Food and Commercial Workers Union (UFCW), which represents the majority of grocery workers in the US, willfully covered up the real nature of these financial maneuvers, reassuring workers at the time that their jobs would remain secure. The union thus served as an accomplice

in this example of economic parasitism. The UFCW has since made clear that the store closures and job cuts are out of its hands, and it will do nothing to mobilize the 1.3 million workers whom it ostensibly represents.

The WSWS spoke to Haggen workers throughout San Diego. They overwhelmingly felt that bankruptcy was the plan all along, and that Haggen seemed to actively pursue bankruptcy as it raised prices and cut selection from the moment it took over.

Gina is a worker in her early 50s and has been working at a Haggen in San Diego for 28 years. She is the sole earner for her household. She told WSWS reporters, “We’ve been screwed. I don’t know what I’m going to do. Hopefully I’ll get another job soon... I’ve been with Albertsons for 28 years, and I can’t believe this is happening.”

“They are taking away our ‘Golden 85,’” this worker added. She was describing the policy in which, when the total amount of years of service plus the employee’s age added up 85, the employee was able to retire with good benefits and a pension. “The grocery industry used to be a good place to work. I’ve been here 28 years, most of my life, and now they want to take all that away from us. I was going to retire within 5 years, and now I’ll have to work until the day I die.”

When asked what the union is doing, she replied, “Nothing, the deal’s already been done.”

“If I get rehired I won’t be busting my back, I’ve done that already, I’ve given everything to this company, and look how they’ve repaid me.”

Gina expressed hopes of finding a job at Ralphs. When it was pointed out that the owners of Ralphs were capable of doing the same thing, Gina agreed, “you’re right, they could decide at any moment they don’t want those stores either and lay us all off again.”

“It’s all about corporate greed,” she continued. “Speaking of corporate greed, my roommate is HIV positive, and just learned about that 30-year-old kid [Martin Shkreli] who bought up the company that owned the rights to a pill she needs, and is now jacking up the price to \$750 a pill. It’s downright criminal.”

“You know what really makes me happy these days?” Gina continued. “Gathering all the food that’s past date, we freeze it and give it to the homeless shelter. Watching this company lose money and giving this food away to those in need, that’s what makes me happy.”

Irene, another worker at the same store and the mother of four, said, “We’re not allowed to talk to reporters, but I will say that what’s happening isn’t right. It isn’t right that a company, if it ‘fails’ within a certain amount of time, can file for bankruptcy. There’s something fishy going on there.”

Haggen officials announced last week that Gelson’s Markets and Smart & Final have submitted bids to purchase a total of 36 stores throughout the Los Angeles, Orange, Riverside and San Diego counties. The livelihoods of thousands of workers and the thousands more who comprise their households and families will once again be at the mercy of a handful of individuals whose calculations and interests are completely at odds with a rational and planned use of social resources.

Irene continued, “It’s set up that way. If I can be honest, I feel like it’s like the days of peasants and lords—and we’re the peasants.”



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact