UFCW agrees to meager “pay raise” for Southern California grocery workers

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In predictable fashion, the United Food and Commercial Workers (UFCW) agreed to a sellout contract with Kroger Company and Cerberus Capital in Southern California. The two companies employ more than 60,000 workers at Albertsons, Ralphs and Vons grocery stores.

There should be no illusion that the new contract will benefit workers in any meaningful fashion, as it only offers a meager pay raise while maintaining current health care and pension benefits. No information has been released at this point concerning the issue of guaranteed work hours for part-time workers.

Workers voted August 8-9 but the union has yet to release the tally of the vote. The vote for the contract comes less than one year since the Haggen grocery chain announced it would close all of its doors in California, Arizona and Nevada.

The Haggen decision to purchase 146 stores, at a time when the company only operated 18 stores in Washington and Oregon, was welcomed by the UFCW. Some 8,000 workers in California were laid off with many unable to be rehired or allowed only to work in part-time capacity where they were transferred from one store to another.

Rick Icaza, president of the UFCW Local 770, moved quickly to silence dissent among workers through a deal that even in his own words is a “give and take” contract. While calling for a strike vote in late June, the union bureaucracy has kept workers in the dark about the negotiations as the two parties scheduled 10 meetings lasting through early August.

Negotiators met at the Manhattan Beach Marriott last week to determine how to work as quickly as possible to strike a deal before a strike was launched. Both the union bureaucracy and the corporations do not want to see a repeat of 2004, when thousands of workers across California struck for 19 weeks. With the growing dissatisfaction of the grocery workers, the union bureaucracy is afraid they will be unable to contain and isolate a strike if one breaks out.

Kroger and Cerberus have amassed their fortune by purchasing companies and turning them around through “restructuring,” an aggressive corporate process to close stores, lay off workers and strip the remaining employees of their wages, health benefits and pensions. The two companies have combined profits of around $4 billion each year of these types of investments.

After workers have been without a contract for over three months, and while many scrape by on part-time and meager wages, Rick Icaza is pawning off the contract as a victory: “This contract represents a significant victory for our members, and secures their wages, retirement security, and control over their schedules.” This kind of rhetoric is becoming all too familiar and should be met with contempt by all workers.

Icaza maneuvered carefully to keep workers in the dark about the negotiations and did not allow them to read the full contract. Far from a “victory,” the contract gives an 85-cent raise over a period of three years for highest-paid butchers, cashiers and general merchandise clerks. A 30-cent raise will take place immediately, with another 30-cent raise the following year followed by a 25-cent raise in 2018.

Entry-level cashiers will earn only 40 cents above the minimum wage. This paltry sum cannot even be considered a raise due to the increasing costs of commodities and regular inflation. In actuality, it is a pay cut.

Chris Tilly, a UCLA professor of urban planning, waved his wand of approval to the new contract by stating that it is “a lot better than what the grocers were offering before. It’s a decent raise over three years with current rate of inflations, but it’s not a huge increase.” Clearly, these are words spoken from a more comfortable position in academia.

Far from keeping up with current rates of inflation, workers in every industry have, over the past decades, seen nothing but stagnating wages and attacks on their health care and retirement. According to Census data from 1960 to 2014, inflation-adjusted rents in the US jumped by 64 percent, while household incomes increased by just 18 percent. Faced with a high cost of living, many grocery workers in Southern California are forced to work two jobs.

As a continuation of the 2004 sellout contract, this new contract will not alleviate any problems confronted by grocery workers. At that time, the UFCW surrendered to all the major demands of the supermarket chains, forcing employees to pay part of their medical insurance premiums, abolishing the “maintenance of benefits” requirements and paying up to 35 percent of their monthly pension contribution—up from zero percent under the old contract.

WSWS reporters spoke to Steve, a clerk for three years for Vons in San Diego. He expressed frustration over the unions and the supposed “pay raise,” saying, “I don’t believe the unions fought hard enough for us; how am I to live on my salary?”

Donald, a butcher for seven years, spoke on the lack of full-time work and the rehiring of Haggen workers: “I have two daughters, with only 85 cents a raise over three years I’m going to have to start looking for another job. We hired some Haggen workers not too long ago, but they were unemployed for several weeks.”

Workers have expressed discontent and bemoaned the meager raise over social media, with one worker on Facebook asking rhetorically, “Am I being greedy thinking we all deserve $1 raises every year?” Other workers expressed disillusion with the contract, writing: “Not greedy at all. A 30 cent raise is not going to even show on the paycheck” and “.30 is a slap in the face!”

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