

Thousands of US Stop & Shop workers in New England vote for strike action

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The last of five union locals that account for more than 31,000 Stop & Shop workers in southern New England voted over the weekend to authorize strike action against the supermarket chain. The United Food and Commercial Workers (UFCW) bargains on behalf of Stop & Shop workers throughout Massachusetts, Connecticut and Rhode Island. Workers at the grocery chain have not been on strike in 30 years.

Workers' contracts expired February 23, and the first union, UFCW Local 1445, voted the following morning to authorize strike action. Four others, Locals 328, 371, 919 and 1459, have since followed suit. The UFCW has not set a strike deadline, claiming that Stop & Shop can be pressured to negotiate a better deal than what they have already offered.

Stop & Shop has more than 400 locations in southern New England as well as New York and New Jersey, where workers have a separate contract. The company, owned by billion-dollar Dutch-owned retailer Ahold Delhaize, is demanding deep cuts in take-home pay and benefits for thousands of workers.

The supermarket giant is seeking to drive down the wages and conditions of workers—which include cashiers, stock personnel, department workers and others—to the level of their nonunion competitors.

The company says that its rivals, including Market Basket, Trader Joe's, Whole Foods and Walmart, are all non-union with much lower labor costs, and that "labor costs are having a major impact on the company's ability to compete in a fundamentally changing market."

With the takeover of Whole Foods, Amazon is the latest entry into this competitive grocery market. A report in the *Guardian* recently exposed that Whole Foods workers have seen their hours slashed after Amazon CEO Jeff Bezos raised the starting wage to \$15 an hour last year. This was nothing but a cynical ploy to boost the company's public image after exposures of brutal

conditions at the world's largest online retailer, which is now moving into brick-and-mortar sales.

An Illinois-based Whole Foods worker recently told the *Guardian* that "once the \$15 minimum wage was enacted, part-time employee hours at their store were cut from an average of 30 to 21 hours a week, and full-time employees saw average hours reduced from 37.5 hours to 34.5 hours."

Stop & Shop is seeking to transform conditions for its workforce, many of whom have worked at the supermarket for decades and have seen their jobs as a lifelong career, into those of a low-wage sweatshop, along the lines of Amazon.

It is not for lack of funds that Stop & Shop is demanding massive cuts. The Ahold Delhaize conglomerate is highly profitable, generating net sales of \$18.7 million for the fourth quarter of 2018, up 3 percent at constant exchange rates. Net consumer sales, operating income, and free cash flow were all up compared to the same period in 2017. But management is seeking to maximize profits on the backs of its workforce.

Stop & Shop is also going head-to-head with Amazon delivery service, which operates out of Whole Foods and through its Amazon Fresh and Prime Pantry services. Amazon makes home deliveries in as little as an hour after a customer orders online in some markets. Stop & Shop currently utilizes Chicago-based Peapod, also owned by Ahold Delhaize, which offers only next-day delivery.

In a fact sheet on the negotiations, management writes: "Stop & Shop is the only large fully-unionized food retailer left in New England. Our labor costs are having a major impact on the company's ability to compete in a fundamentally changing market."

They bemoan the fact that "full-time associates, including department managers...average an hourly wage of \$21.30. In Massachusetts full-time associates in various

positions make as much as 44 percent more per hour than other grocery employees.”

But while claiming that “No one’s pay would be cut,” they are proposing deep cuts to medical and retirement benefits that will ensure that workers will see a steep decline in take-home pay.

Stop & Shop is proposing that health care deductibles for individual coverage rise from the current average of \$200 per year to \$1,500—a 650 percent increase. Workers would also pay 20 percent of plan costs for individuals and for covering dependent children.

In a particularly sharp attack, health coverage rules would change so that only spouses of workers “who do not have access to a group health plan through their own employers” would be eligible. In this case, workers would pay an additional \$250 per month for eligible spouses to participate.

Stop & Shop is demanding substantial cuts to its fully funded defined benefit pension, which it says costs them \$1,926 to \$2,644 annually per full-time worker. It proposes maintaining the company’s current contribution to the pension fund for “current full-time associates and for many of our senior part-time associates.” This means contributions would be cut for many non-senior workers and for future new-hires.

While the company proposes to slash workers’ benefits, Stop & Shop spokeswoman Stefanie Shuman told the *Boston Globe* that the company has committed up to \$2 billion to upgrade its stores over the next several years.

Many of these upgrades are aimed at replacing workers by installing more self-check lanes and introducing other technology. Ahold Delhaize, which also owns Food Lion, Hannaford and other grocery stores, has already begun the rollout of robots named “Marty,” designed by Kentucky-based Badger Technologies. These Marty bots roam stores to manage inventory, identify spills, and other potential safety hazards, only notifying workers when needed, thus cutting workers’ hours while boosting sales.

UFCW union officials have said that negotiations with the company have resulted in “minimal progress.” Talks are slated to begin again on Wednesday and Thursday in Providence, Rhode Island. In a statement released by the UFCW after the contracts expired, the UFCW pointed to company greed as the major factor in the lack of progress, writing:

“Why is a company that is ‘solid,’ ‘healthy,’ and ‘strong,’ and according to its own CEO, is ‘fit for the future’ today, sitting across from us at the negotiation

table trying to cut tens of millions of dollars from the very workers who built their success?”

If this is the case, workers must ask why the union has proposed no strike date and is telling them that Ahold Delhaize and Stop & Shop will see the error of their ways and take back their demands. As in negotiations in 2010, the UFCW is fully prepared to accept a “compromise” that cuts take-home pay, medical and pension benefits, and lays the groundwork for transforming Stop & Shop into a low-wage factory floor.

In addition to the New England Stop & Shop workers, the UFCW has approximately 1.3 million members in the United States and Canada, in industries from retail to meatpacking, food processing and manufacturing, hospitality, textile and others. It is affiliated with the AFL-CIO, which has an estimated 700,000 workers in Massachusetts, Connecticut and Rhode Island.

Workers represented by the UFCW are among some of the lowest-paid unionized workers. The UFCW has also been a strong proponent of a \$15 minimum wage, which at Amazon has translated into a pay cut and reduced hours for many workers. The unions will not conduct a fight against Stop & Shop’s organized assault.

Instead, Stop & Shop workers should turn to their fellow UFCW members and workers at nonunion supermarket chains to organize rank-and-file workplace committees, independent of the unions, to organize strikes and other actions to fight both for a decent contract at Stop & Shop and for an overhaul of wages, working conditions and benefits in line with the needs of workers, not the giant supermarket owners.



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