Southern California grocery workers authorize strike action

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Grocery workers at three of the largest supermarket chains in Southern California voted overwhelmingly to strike last week. The strike vote came after stalled talks between the United Food and Commercial Workers union (UFCW) and the Albertsons, Vons and Ralphs supermarket chains. Federal mediators have been involved in negotiations since April of this year, while workers at the three chains have been working under the terms of an extension after their contract expired in late March.

The strike authorization vote allows the seven affected UFCW locals to call a strike if negotiations with the chains fail to make progress. The union, however, is first seeking the approval of the Los Angeles County Federation of Labor on Monday to "take economic action against the stores," according to UFCW local spokesman Mike Shimpock, even though grocery workers already voted 96 percent in favor of the strike.

Even if the county federation, or LA Fed as it is known, does not exercise the veto power voluntarily given it by the UFCW leadership, they will surely work with the UFCW to prevent any possible strike from spreading to other sections of the working class in the region and across the state.

At the California Democratic Party convention held in late May and early June, delegates elected the former president of the LA Fed, Rusty Hicks, as new state party chairman. In other words, Democratic party officials will surely be directly involved in making sure that any possible strike does not spread and prove an embarrassment, especially for the current crop of Democratic presidential candidates.

The UFCW and the supermarket chains will not officially sit down together again until July 10, meaning that a strike called by the union would not commence until after that date. Should a strike be called, it would involve more than 46,000 grocery workers and would shut down 532 stores throughout southern California, affecting more than 30 percent of all supermarkets in a region of some 24 million people.

The last UFCW grocery strike in southern California was nearly 16 years ago in 2003 and 2004 when 71,000 workers struck against the same three large supermarket chains. The strike lasted 19 weeks and was the longest work stoppage in the history of US supermarkets at the time. It is estimated that the three companies lost a combined $1.5 billion in sales in spite of the fact that the grocers kept the doors of the supermarket open through the use of scabs and with the active collusion of the Teamsters union, which forced its drivers to cross picket lines and make deliveries to stores.

The drop-off in sales was due to a partial lockout by the supermarket chains but was more broadly attributable to mass support from shoppers who largely honored pickets with the exception of several days of wildfires causing some residents to spend heavily on emergency supplies. Even though the strike was enormously effective, it was ultimately betrayed by the UFCW. The union agreed to a concessions contract with sharp reductions in salary, reductions in overtime from time and a half to time plus one dollar along with no personal days and longer wait times for employees to accrue vacation days and benefits.

Similarly, this past April the UFCW ordered its 31,000 members in the Northeastern US striking against the Stop & Shop grocery chain back to work under the terms of a rotten concessions contract. After ten days on the picket line, the union abruptly called off the strike in spite of the fact that Stop & Shop was losing $2 million in revenue each week. The company demanded raises in healthcare deductibles and the elimination of defined benefit pension plans in exchange for defined contribution plans tied to the stock market along with cuts to holidays and sick time.

In the case of Stop & Shop, the UFCW was keenly aware of the contract negotiations with the southern California chains and the danger that a prolonged strike by Stop & Shop workers could have culminated in a bicoastal strike or larger, a danger that it sought to avoid at all costs.

In fact, this is precisely the type of action that workers must initiate if they want to overcome the intransigence of the multibillion-dollar supermarket chains. The lessons of past strikes must be heeded and the struggle taken out of the hands of the UFCW, with workers forming their own rank and file committees independently of the unions and the Democratic and Republican parties.

They must do what the UFCW itself refuses to do, that is to fully organize workers across regional and company lines. Moreover, these struggles must merge with the growing discontent of workers at other large and nonunionized chains such as Walmart, Target, Trader Joe's, Costco, Whole Foods and others.

John Grant, president of UFCW Local 770, told reporters last week that union members "stated resoundingly that we will not stand by while these wealthy corporations...force these hard-working grocery clerks to struggle in order to put food on the table and pay rent." In a letter to grocery workers, Grant also wrote, "We win by showing the grocery executives that we won't settle for their insulting offers, and we won't back down in the fact of corporate greed."

The militant posturing by Grant and others in the UFCW leadership in the aftermath of the latest strike vote is belied by its actual record.

At the time of the 2003 strike, however, the UFCW indicated its real attitude in a letter to the employers, writing: "We agree, as your letter states, that 'the unions uniquely understand the challenges facing our industry.' Unfortunately, your intractable position at the bargaining table has so far precluded the unions from using its [sic] unique knowledge to fashion a mutually agreeable resolution to our dispute. We believe it is essential that the parties resolve this dispute in a manner that both sides can mutually agree upon. Anything short of that would threaten the future of our industry more than the perceived competitive threat that you are focused on."

Grant's predecessor, Rick Icaza, openly worried that a prolonged strike would threaten the union's dues base. "My goal was to leave the union in good financial position before I retired," he said after ultimately shutting down the strike over the heads of the workers.

In the case of Stop & Shop this year, the UFCW scolded grocery clerks for demanding decent health care and wages telling them that the concessions-laden contract was the "best that they could get."

While the union understandably would like to hide this history from its workers, the grocery industry knows it all too well and has called the union's bluff. "The outcome of the strike authorization vote does not change anything related to this process," said Albertsons spokeswoman Melissa Hill last week after the UFCW vote took place. This can only mean that the grocery chains expect the UFCW to once again play its assigned role of containing worker discontent and allowing the companies to push through their cost cutting.

The growing strike waves of workers across the US, particularly among teachers, have posed the inevitability of worker discontent breaking free from the straitjacket of these traditional labor-management partnership mechanisms. Moreover, the taking over of the supermarket sector by large "big box" and online retailers like Walmart and Amazon, only means that a mass strike of grocery workers would in fact rapidly spread to broader layers of the economy.

Walmart by itself now accounts for 26 percent of all grocery sales while the overall share of traditional markets like Ralphs and Albertsons is now well below 50 percent.

The traditional shopping market companies, nonetheless, continue to rake in billions at the expense of their underpaid workforces. The claim made by the companies, the unions and the bourgeois media that they will not survive if workers are not willing to make harsh sacrifices is a complete fraud.

Albertsons, Vons and Ralphs are demanding that cost of living increases be reduced to one percent per year, less than a third the rate of inflation in Southern California while demands are also being made to slash cashier wages by a full 25 percent.

Of course, no such belt-tightening is being asked of the major company executives and shareholders nor is there any suggestion that a single dime of their outrageous fortunes be sacrificed for the sake of "new market realities."

Both Albertsons and Vons are owned by Albertsons Companies LLC, a division of Cerberus Capital Management. Albertsons was ranked 53rd in the Fortune 500 list of the largest US corporations by total revenue in 2018. It was also the second largest grocery chain in the US by revenue during that same period.

Kroger, the parent company of Ralphs, is the largest such chain and ranked 17th on the *Forbes* list. It was also, in 2018, the second largest retailer in the US behind Walmart and fifth largest in the entire world. Kroger made $772 million in net profit during the second quarter of 2019 alone while Albertsons made $131 million in net profit in fiscal year 2018.

In 2015, Kroger CEO Rodney McMullen made $11.7 million in income, CFO J. Michael Schlotman made $5.9 million while the executive vice president of merchandising was paid $4.9 million. According to their latest filing this year with the Securities and Exchange Commission, Albertsons chairman Robert Miller made more than $3.2 million in salary and bonuses.

By contrast, the average cashier at one of the stores makes between $30,000 and $38,000 per year, less than one percent of a typical executive's salary, and that does not include the millions more each gains in stocks and other forms of benefits and compensation.

The average apartment rental in Los Angeles in $2,371 per month while the average rental in San Diego is $2,168 per month--the two largest metropolitan areas in Southern California, which contain a large portion of the locations of the two major chains. The salary of a typical grocery worker in many cases is not enough to afford an apartment in such areas and if it does, can only do so with no money left over for food, electricity and other essential expenses.