Kroger grocery chain closes Southern California stores due to new “hero pay” laws leading to worker protests

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About 20 grocery store workers rallied in Long Beach, California recently to protest the closure of two Kroger supermarkets. Management at the supermarket chain announced that, in response to a $4-an-hour pay raise to all supermarket employees, it would close those two markets in mid-April and lay off and/or transfer the 200 workers employed at both stores.

At the rally, workers carried homemade signs denouncing corporate greed, demanding hazard pay and calling on all workers to speak out.

Long Beach is an industrial port and logistics city in Los Angeles County. As of last weekend, the city had reported 48,824 cases and 698 deaths from the coronavirus. It lies directly southwest of the city of Los Angeles, which for several weeks has been the worldwide epicenter of the coronavirus pandemic with more than 17,000 deaths and more than one million positive cases as of this writing.

The Long Beach City Council mandated the $4-an-hour “hero pay” wage supplement two weeks ago, in response to the pandemic. The order will last 120 days. Similar ordinances are being proposed in other California cities. The LA City Council is discussing a $5-an-hour hazard pay as are other Los Angeles suburbs.

Last week, the board of supervisors in Santa Clara County also voted to draft a $5-per-hour measure. Similar measures are being considered in San José and the San Francisco Bay Area.

The Long Beach wage supplement applies to supermarkets and all grocery stores with at least 300 employees nationally or more than 15 employees at each store.

Kroger management denounced the Long Beach rule, charging the city with interfering in the wage-bargaining process, and for treating other large retailers unequally. Long Beach exempted retail giants Target and Walmart from the rule, even though both those chains sell groceries. A company statement declared that both stores had been “long-struggling.” A company spokesperson indicated that underperforming stores in other cities would also close if forced to pay the extra amount.

The *Long Beach Press-Telegram* quoted an email from John Votava, corporate affairs director for Ralphs supermarkets, who called the new mandates “misguided,” placing “any struggling store in jeopardy of closure.”

The California Grocers Association has filed a lawsuit against the Long Beach measure, claiming that “grocers operate with razor thin margins.”

Not so for Kroger Company—the Brookings Institution reported the firm made $2.6 billion in profits between February 2 and November 7, 2020, out of which it used $989 million for stock buybacks.

Last November, in a study entitled “Windfall for Profits and Deadly Risks,” Brookings examined pandemic hazard pay at Kroger and 12 other companies, ranging from big-box stores and grocery chains to pharmacies and electronic stores. “The numbers are stark,” declared the report. “They paint a picture of most companies prioritizing profits and wealth for shareholders over investment in their employees.” The study found that these companies could have quadrupled hazard pay to their workers and still made a handsome profit during the pandemic.

Nationally, the average Kroger’s cashier makes a poverty wage of $10 an hour. In Long Beach, a city

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with a high cost of living, the minimum wage for employers with 26 or more workers is almost as exploitative, $14 per hour.

Kroger and the other retailers have counted on the complicity of the United Food and Commercial Workers Union (UFCW). Nearly 17 years ago, a 19-week strike and lockout involving 59,000 Los Angeles area grocery workers resulted in a resounding victory for the employers, including Ralphs and other Kroger markets.

The UFCW accepted drastic reductions in overtime pay, cuts to holiday pay and sick time, increases in health care deductibles and the elimination of defined benefit pension plans. This sellout then served as a model for UFCW contracts across the country.

More recently in 2019, the UFCW settled for contracts in California and Oregon with wages increases of under one percent per year, well below the inflation rate, while banning strike action. In 2020, the UFCW pushed through another sellout agreement in West Virginia. A $4-an-hour increase would barely begin to compensate for those betrayals

Workers should place no confidence in the union to defend their jobs or wages or to protect them from the coronavirus pandemic. That is why grocery workers across California, the US, and internationally must take matters into their own hands, forming rank-and file committees independent of the UFCW and other unions to fight for adequate pay and resources to confront the COVID-19 pandemic and make up for decades of attacks on wages, benefits and working conditions.

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