

Kroger to close at least two grocery stores in Seattle after hazard pay increase

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The Kroger Company, the largest grocery chain in the US, is closing two stores in Seattle, Washington after Seattle City Council implemented a hazard pay measure, increasing wages for all supermarket employees by \$4 an hour. Kroger recently closed two stores in Long Beach, California in retaliation against local ordinances requiring hazard pay.

Seattle is within King County, where there have been 80,859 positive COVID-19 cases, 5,062 hospitalizations and 1,345 deaths as of February 18. To the south, the state of California has been a global epicenter of the pandemic for weeks.

The Grocery Store Hazard Pay Ordinance is a temporary measure that requires grocery store businesses that employ more than 500 employees to pay hazard pay of \$4 per hour. Grocery store businesses that are less than 10,000 square feet do not have to provide hazard pay.

This pay increase would not provide even a near living wage for workers in Seattle. The median cost of a house in Seattle is \$714,400. The US Census Bureau determined that the median monthly rent and utilities paid in Seattle from 2015-2019 was \$1,614.

Seattle's largely Democratic city government put forward the \$4 pay increase in order to stem worker militancy. Calls to strike Kroger stores found overwhelming worker support in West Virginia and Texas in 2020. The United Food and Commercial Workers Union (UFCW) Local 400 pushed through a sellout agreement over strong opposition at over 40 stores in and around Charleston, West Virginia. The new contract accepted by the UCFW was almost identical to the contract that was previously rejected. Many workers boycotted the second vote, in disgust over the sellout deal.

Kroger had offered employees \$2 an hour in hazard

pay at the early stages of the pandemic, but ended all hazard pay in May. Kroger has stated that they "operate on razor-thin profit margins in a very competitive landscape." Kroger claims that if they provided hazard pay it would "become impossible to operate a financially sustainable business."

But this claim is contradicted by the fact that on its own website, Kroger boasts, "third quarter net earnings were \$631 million, or \$0.80 per diluted share. Adjusted net earnings were \$557 million, or \$0.71 per diluted [sic] share. Identical sales, without fuel, were 10.9%. Digital sales grew 108% during the quarter ... We are successfully transforming our business model to deliver consistently strong and attractive total shareholder return in 2020."

The Brookings Institute has tracked the top retail companies in the US and found that these companies, such as Kroger, "earned on average an extra \$16.7 billion in profit this year compared to last—a stunning 40% increase—while stock prices are up an average of 33%."

Kroger has used these profits to further enrich shareholders, the Brookings report said. It noted that the company bought back \$211 million in stock shares during the second quarter in 2020 and announced an additional \$1 billion in buybacks in September.

Andrew, an e-Commerce department worker in a Seattle Fred Meyer store, which is also owned by Kroger, told the *World Socialist Web Site* that the store closures are the company's "backlash" for "having to divvy up their money in a different way and give more of it to workers." He added, "They are just here to make money."

Andrew added, "The grocery store chains are making a lot of money," He contrasted Kroger's record growth, sales and profit margins with the high-risk conditions

workers have faced during the pandemic.

His e-Commerce department processes online orders and gets the products loaded into customers' vehicles. During the pandemic, Andrew and his coworkers have gotten "more and more volume added to our workload. We are taking on double what our station is designed for." The higher volume and greater profits for Kroger comes at a cost to the safety of employees. "There are groups of workers confined to tighter spaces in my department," he said.

One of Andrew's coworkers passed away during the pandemic, after complications with a chronic health condition that Andrew attributes in part to the high levels of stress and anxiety working in unsafe conditions.

"We are hauling 9 totes collecting items from shelves when the store is more crowded than ever. We are face to face with all kinds of people throughout the day. Management has not made any significant changes to limit the number of people in the store at one time, enforce one-way traffic, change how merchandising is done to limit physical contact." In fact, management "cut the cleaning staff for the bathrooms" asking the busy front-end customer service workers to check on bathrooms throughout the day. "A global pandemic is going on, and they tell us to just 'clean up after yourself'," he said.

According to the UFCW, at least 137 workers it represents at Kroger and other retailers have died during the pandemic and more than 30,100 grocery workers have been infected or exposed to COVID. Despite this, the UFCW has not called a single job action or protest over health and safety.

Andrew said, "I haven't heard much from them at all. They've been talking about hazard pay a little bit, but it seems like the most recent increase was led by the city council, and only then the union supported it. Even when safety concerns have been brought up, we haven't heard anything or seen anything changed."

Kroger workers in Seattle must unite with workers around the US and the world in forming rank-and-file worker committees. This is the only means to put forward workers' demands for a living wage, and to preserve life during the pandemic. The pandemic has already claimed the lives of over 490,000 in the US, and the schools are rapidly being reopened. These homicidal policies must be opposed by the working

class. This requires organization. We urge Kroger workers and other grocery workers to contact the WSWs to learn more about establishing a rank-and-file safety committee in your workplace independent of the unions.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact