

Executives at Canada's Loblaws food retail giant gorge on bonuses, while condemning grocery workers to poverty wages

Carl Bronski
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As grocery store workers at the food retail giant Loblaws contend with the COVID-19 pandemic, low-wages and precarious employment, the company that controls Canada's largest grocery store chain is making money hand over fist. On Wednesday, Loblaws reported first quarter profits for 2021 were up by a massive 30 percent compared to the first quarter of 2020.

The lavish payments made to company executives for 2020 were also recently announced. With overall food purchases slightly up due to an increase in at-home cooking during the pandemic, top executives met 90 percent of their personal compensation targets and were rewarded with bonus payments across the board. This included total compensation packages of \$3.55 million for Loblaws Executive Chairman Galen G. Weston Jr. and \$6.4 million for departing company President Sarah Davis.

As if intentionally seeking to add insult to injury, Loblaws unveiled an "appreciation bonus" for workers, which ranged from a risible \$25 for part-time workers—the vast majority of the company's store workforce—to \$175 for full-time staff.

The Loblaws conglomerate is the largest retail food distributor in Canada, employing some 200,000 workers. It is owned by the Weston dynasty, the third richest family in Canada. Aging company oligarch Galen Weston Sr., who died last month, oversaw a family empire worth C\$13 billion. The patriarch liked to split his time between a spacious downtown Toronto residence, a private island in Georgian Bay, holdings in London, England and family compounds in Florida and the Bahamas.

The lavish compensation of the Weston executive team was not an unusual occurrence. In one snapshot of corporate fortunes taken between March and September 2020, Canada's billionaires got \$37 billion richer during the pandemic's first 6 months.

Canada's three main grocery outlets drew the ire of grocery workers across the country, when in a highly provocative and apparently coordinated move, they

announced that they were scrapping a \$2 per hour COVID-19 pandemic "premium" or bonus last June. Loblaws, the Metro supermarket chain and Empire, the parent company of Sobeys, IGA, Safeway and other chains, introduced the bonus in late March 2020. They did so to dampen worker anger and anxiety about being exposed to the highly contagious and potentially lethal coronavirus in their workplaces while the country was in near total lockdown. Additionally, it was recognized that if the bonus was not introduced, grocery stores would struggle to get workers to show up because they would have been able to earn more on the government's poverty-level Canada Emergency Response Benefit (CERB).

The worker bonus was touted by corporate bosses and the mainstream media alike as an example of the ruling elite's recognition of supermarket workers as "heroes." This was a crucial element in the fraudulent narrative that everyone was pulling together in the face of the pandemic—a narrative that has been promoted by the trade unions, as they herd workers back into unsafe nonessential workplaces. Indeed, across the top of the homepage of the Canadian Labour Congress there is a banner that reads: "In Canada, we've weathered the pandemic by sticking together and supporting each other."

In reality, while workers received a few crumbs in emergency support, the federal Liberal government and Bank of Canada handed over more than \$650 billion to the financial markets, banks and big business.

Last summer, Weston management worked to impose further givebacks on grocery workers. 1,400 grocery workers at the conglomerate's Dominion stores network in Newfoundland and Labrador rejected a rotten contract that their union, Unifor, had endorsed and went out on strike in August. The rejected tentative deal only provided for a \$1 per hour raise, gradually disbursed over the life of a proposed three-year contract.

When the strike began, 83 percent of the Dominion workforce was made up of low-wage part-time employees

with no or minimal benefits. Fully three-quarters of the workers made less than \$14.00 per hour, with a majority of the part-timers labouring at or just above the provincial poverty-level minimum wage of \$11.65 (since raised by the province to \$12.15).

The strike in Newfoundland was the first grocery contract dispute in Canada since the beginning of the pandemic. But in the 2021–22 period, contracts covering workers at 2,400 other Loblaws outlets will expire. Loblaws was therefore determined to crush the strike in Newfoundland and force the acceptance of the miserable contract offer in order to set a nationwide benchmark.

In this, Loblaws management enjoyed the support of Unifor. The union systematically isolated the Newfoundland strikers, refused to call for solidarity strike action by other grocery store workers, and restricted its activities to sending a few regional union reps to the strikers' picket lines. When the capitalist courts predictably imposed injunctions on workers barring all but the most token picketing, Unifor rolled over and accepted them without a fight.

After a bitter 12-week strike with workers left isolated by their union and attacked by the police and the provincial courts, Loblaws with union acquiescence pushed through a deal almost identical to the one that the workers had overwhelmingly rejected before the strike began.

Backdated to October 2019, the new contract provided a paltry pay increase of \$1.35, now spread over four years. But only full-time workers and part-timers with more than five years seniority received the full \$1.35. In a further insult, Dominion management “threw in” a store gift card. Most workers received cards worth just \$50 or \$100, with the few remaining high seniority full-time staff receiving \$500 cards.

As the *World Socialist Web Site* noted at the time, “(T)here is no question an appeal for job action in support of the striking Dominion workers would have won powerful support among workers across Canada—beginning with the hundreds of thousands of supermarket workers, including many at other Loblaws outlets, whose contracts have or will soon expire.

“But such a working class counteroffensive was precisely what Unifor was determined to prevent. A close ally of the federal Liberal government, (Unifor President Jerry) Dias and the Unifor apparatus have responded to the pandemic and the eruption of the greatest crisis of global capitalism since the Great Depression of the 1930s by deepening their anti-worker corporatist partnership with big business and the state.” (See Unifor sells out militant Newfoundland Dominion grocery strike)

The connivance of the trade unions in the destruction of jobs, wages and benefits in the grocery industry reached a new low with the sellout and defeat of the Newfoundland

strike. But the attacks on grocery workers' living standards have a long and sordid history. In 1990, the United Food and Commercial Workers union (UFCW) set a miserable precedent with Loblaws in Ontario when it gave away the principle of across-the-board wage increases in favour of a new wage structure tied to hours worked. The floodgates were opened for a steady destruction of full-time jobs in the industry.

Then in 1993, UFCW executives organizing workers at Alberta's Safeway network convinced workers that the company would close stores if they did not swallow wage and job cuts and accept the company's right to employ a virtually unlimited number of part-time workers. That major concession was followed up with a similar deal rammed through after a bitter three-month strike at 63 A&P-owned Miracle Food Mart stores in Ontario. By the mid-1990s, retail food market chains from coast to coast had created a precarious-employment, poverty-wage, minimum-to-no-benefits regime throughout the industry, with the unions now openly acting as junior partners of the corporations.

Grocery workers at Loblaws stores and other outlets can only take forward their struggle for decent-paying, secure jobs and protective measures against the threat posed by COVID-19 by breaking politically and organizationally with the rotten pro-capitalist unions. They should establish rank-and-file committees at every grocery store to organize and coordinate a working-class-led counteroffensive aimed at securing wage increases and job security for all, and expropriating the vast wealth hoarded by corporate executives and rich investors so that it can be deployed to meet critical social needs amid the pandemic, like a well-funded health care system.



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