

THE FIGHT FOR FOOD & HEALTH CARE: WHO LOSES AND WHO WINS; AND WHAT IS THE PRICE OF A SMILE?

BY BARBARA DARBY



LINDA BLECK

It was the beginning of October and massive fires, Thanksgiving and Christmas were their backdrop as the mostly women and Hispanics fought for their livelihoods and families against the mighty grocery conglomerates of Safeway, Kroger and Albertson's. Their foe would not relent and dictated its terms relentlessly. The meager \$100 per week income, from an ever dwindling union strike fund, was unable to sustain them as they walked needing shoes and hoping they could at least buy their children an ice cream. When outsiders finally came to their aid in January, many had lost their homes and most were unable to pay for their own health insurance. They walked on because they had nothing left to lose as each one leaned on the other to avoid defeat and give in, to go to work for someone else who would devour their spirits, pride and sense of selves even more. Seventy thousand southern California grocery workers started their strike on October 11, 2003; they prepared to return to work March 1, 2004 after the longest grocery strike in history. They had voted to ratify a three-year contract that saved most of their former benefits and wages but gave lowered wages and benefits for newly hired personnel. They also made future concessions to their employers that made them assume part of the cost of their health care coverage.

The industry's goal is to bring its health care costs more in line with those of nonunion Wal-Mart stores Inc. The retail giant's medical plan covers less than half of its workers, and its sales clerks earn less, on average, than the federal poverty line. This was the goal of Safeway CEO Steven A. Burd, who led the campaign against the strikers and wanted in the beginning to cut their medical benefits by two-thirds.

"All I want is medical insurance to take care of my baby? Is that so much to ask?" said Cynthia Hernandez, 27, a Safeway striker and single mother.¹

Some think Burd, leader of the of corporate attack against the workers, will be locked out of his job soon, but I am sure he will leave much better cared for than those he fought so hard to kick even lower on the bottom rungs of their ladder. Some Safeway executives defend Burd; he is responsible for requiring all Safeway employees to smile at you and read your name off your receipt at the end of your visit to their stores. Other executives left their jobs to escape association with Burd's tactics that opened them to lawsuits when he was selected to bargain for all the conglomerate grocers involved. He is also mostly responsible for leading Safeway to stock losses of more than \$700 million, a fact that caused even Wall Street brokers to at least give verbal support to the striking workers.

In Oregon, "labor leaders asked Oregon state pension fund officials to use their financial leverage to pressure Safeway over its management practices. The 'state' pension fund owns 598,000 shares of the company."² (California state pension funds also invest heavily in Safeway stock.) Still others said it made no sense to fight against strikers because turnover rates among grocery workers were so great that future hires could be made to burden the changes.³ In the end that is exactly what happened,

but the losses for future workers would have been higher if not for the efforts of the striking workers.

The striking workers who returned to work will make up their five months loss in wages with the same pay and benefits they had when they left and will be forced to negotiate another contract in three years. New hires will receive less.

"...the union has, in effect, sold out its next generation of membership," Edmond Jacoby wrote in the *North County Times* (Escondido, Calif.) "The second tier workers will become members of the UFCW, but they will be second-class members, workers who get less pay for the same work, who take years longer to climb the wage ladder, and who will be covered by a benefits package that will cost them more to use and for which they must work much longer to qualify. Also losing are pensioners whose health insurance also becomes costlier. In fact, even though they will pay no premiums for at least two years, current employees will find their health care costs going up thanks to a doubling or more-than-doubling of the co-pay provisions."

So, did the workers who picketed for those almost five long and hungry months gain anything for American workers as a whole? Grocery workers in Colorado and northern California began negotiating their new contract with the same Safeway, Kroger's and Albertson stores at the end of March. Workers in other states will need to enter negotiations with these giant want-to-be Wal-Marts also. I asked a long-time Astoria Safeway employee if they had a new contract. He didn't know. He did know, however, that the California strike was over and top workers' wages were less than those offered long-term employees here. He also noted that Portland Safeway employees receive higher wages than the approximate high of \$14 an hour received in Astoria and workers in Oregon are also concerned about losing health care benefits.

In fact, new hires in southern California will receive a maximum opportunity to receive \$14 an hour and be hired for an as yet undisclosed lesser amount. Long-term employees can earn up to \$17 an hour there. However, the cost of living is much higher in California than here in Astoria.

An optimist could list several reasons that this strike might be another turn around for American workers as a whole. Costco, a grocery retailer whose union benefited by increased membership during the strike, recently settled with its employees; Costco workers settled for a cut in pay so their benefits would be left intact. Negotiators were praised and overall feelings were high about this outcome that failed to demean Costco employees. Safeway, Kroger and Albertson's executives may tread more lightly on workers who endured so much to win at least some concessions during their lengthy strike.

Industry giants might reflect on how much they lost in profits and public opinion as a result of the strike.⁴ The strike garnered the support of a large base on concerned Americans in a cross section of income levels. The strike received attention when corporate shareholders became concerned about currency losses and prevailed upon the industry to settle with employees. The strikers received the support of larger unions along with grocery workers who walked picket lines at Safeways in other parts of the nation.

Daniel B. Wood wrote in an article for the *Christian Science Monitor*, "Because of other unions' moves to support the grocery workers (in Los Angeles), some labor analysts see a rebirth of labor solidarity, one that could bolster organized labor nationwide and change how strikes are waged. They cite the recent move... by 8,000 Teamsters to honor the picket lines

and abandon distribution centers and delivery routes to 860 stores. The International Longshore & Warehousemen's Union pulled 3,000 members off docks in Los Angeles and San Pedro to hold a meeting in front of a grocery that had locked out its employees."⁵ "Union solidarity hasn't been seen on this scale for quite awhile," writes Harley Shaiken, a UC Berkeley professor specializing in labor and global economy.⁴

The striking grocery workers' union received attention from religious leaders as well who helped apply tactics of moral philosophy to end the strike for the benefit of strikers and for the larger purpose of countering corporate greed that compromises the vitality of American workers.

"It is the poorest and the downtrodden who need our voice, so we are taking an active stand on their behalf," said Rabbi Steven Jacobs, one of the participants in the cross-California "Justice Pilgrimage." Along with 50 grocery store workers, two dozen Catholic, Episcopal, Methodist, Jewish, Presbyterian and Lutheran clerics boarded a bus for an 8-hour, multistop journey to the East Bay home of Safeway CEO Steve Burd. Once there, they joined a contingent of 200 protesters and marched to Mr. Burd's palatial estate, where they delivered 10,000 letters appealing to him to resume negotiations in the deadlocked strike. "Organizers know it is a way to win the public over by showing how such leaders are living in luxury while their workers can't make ends meet," Rabbi Jacobs said. These shifting tactics are helping to bring support back to the unions.⁵

Media coverage of this event in California put yet another light on incongruities in American society. Do we need to wait for the future — hope that the upper class of Americans will lend aid to alleviate the injustices reaped by their practices and help lift the burdens workers experience? Past experience shows us that this is only accomplished when workers demand more for their needs. This solidarity can only come if they truly work together and avoid issues that media and politicians use to divide them. These things: color, ethnic group, gender, pro-life and pro-choice, and now gay marriage are exploited to crush the needs they all share, a living wage and health benefits.

Can workers all speak together against a society that goes to war to settle the atrocities of other nations while large sectors of our own society are left hungry, without housing and medical care? This "lower" class of workers is growing larger as jobs are outsourced and health care is a given only when the rich can profit.

It will take all workers to demand and act for change in a society that will not change unless we lean and hold onto each another in support just like the grocery workers and their friends in southern California. All citizens must come together, all union workers and nonunion workers, clergy, Wall Street executives, and the rich who reap and stockpile the profits. It is time for American workers to receive more for a smile.

Barbara Darby lives in Astoria.



¹ Wal-Mart lost an initiative election it sponsored in April that would have exempted it from all zoning laws in Inglewood, California. The vote was 60% to 40%.

² The ILWU was locked off West Coast docks in a 2002 strike.

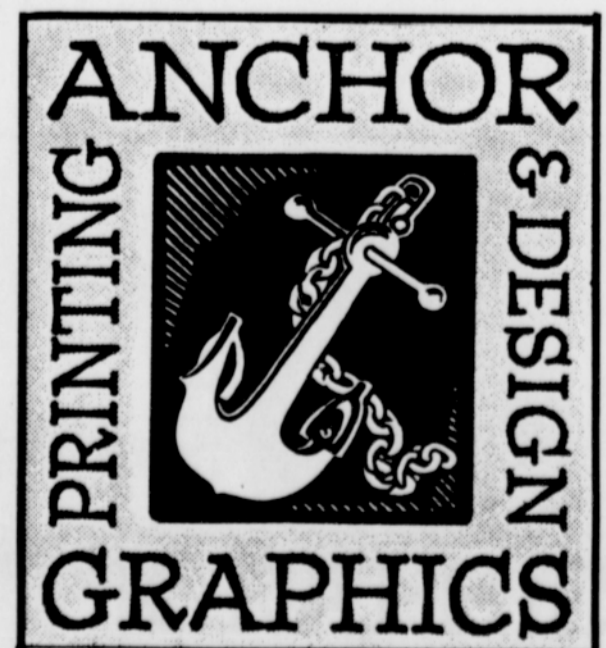
³ March 1, 2004 article for *Business Week* by Ronald Grover and Louise Lee ("Will Safeway's CEO Get Locked Out").

⁴ January 31, 2004 article for *The Oregonian* by Brent Hunsberger and Michael Liedtke ("Safeway Protest Hits Portland as Chief Executive Draws Fire").

⁵ March 1, 2004 article in *Business Week*.

⁶ A Strike That's Struck A Chord Nationwide (December 11, 2003).

⁷ Daniel B. Wood, *ibid*.



439 30TH STREET, ASTORIA (503) 325-5841
email: patjen@seasurf.com