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AlterNet / By Peter Dreier, Kelly Candaele

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Lessons from the Picket Line

Unions throughout the country will be looking at the Southern California grocery worker strike and drawing lessons from it. Were there strategic missteps that could have been avoided?

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The 60,000 grocery workers who went on strike almost five months ago have reluctantly ratified a contract that most consider a setback in terms of their wages and benefits. In Los Angeles and around the country, the labor movement and its



allies hoped the strike would be settled on the union's terms -- without significant givebacks. Instead, employees will now shoulder increased costs for health care benefits and a "two-tier" wage system will bring new hires in at dramatically reduced levels.

United Food and Commercial Workers (UFCW) members and others in the labor community are asking themselves whether this result was inevitable — the inexorable logic of economic forces over which neither the grocery chains nor the union had control — or were there strategic missteps that could have been avoided. In other words, had the UFCW done things differently, could they have won the strike?

The answer is important because unions throughout the country will be looking at the strike and drawing lessons from it. The grocery chains are feeling their oats from this contract settlement. They have other union contract negotiations coming up around the country, including in northern California in September. They, and the business community in general, hope that the recent settlement scares the hell out of other unions. They hope that unions throughout the country accept that "givebacks" are now unavoidable. Will the grocery chains' victory intimidate other

unions from using the strike as a strategic tool? Will it discourage workers in non-union workplaces from joining unions? What should they learn?

Heading into the conflict last fall, the three giant supermarket chains had most of the advantages. The Cincinnati-based Kroger Co., which owns Ralphs, is the nation's eighteenth-largest company, with revenues of more than \$51 billion. Albertson's, Inc. based in Idaho, ranks thirty-fifth, with revenues of \$36 billion. Safeway, which owns Vons and Pavilions, and is based in Pleasanton, California, ranks forty-first, with revenues of \$32 billion. These chains understood that while the UFCW is a national organization with over a million members, the main battlefield would be with the seven independent and often quarrelsome union locals in Southern California. The union is highly decentralized. Dozens of distinct locals around the country bargain separate contracts many with different contract expiration dates, salary and benefits levels and workplace rules.

Throughout southern California, the public was obviously very sympathetic with the strikers. The chains lost about \$2 billion of business as consumers shifted to less convenient stores. Supporters joined picket lines at stores throughout the region. But the focus on Southern California region was inadequate. In a classic divide and conquer strategy, the stores calculated well in advance that they could take billions of dollars in losses in their Southern California stores but cushion their losses by operating unimpeded throughout the rest of the country. The three chains have a total of 6530 stores nationwide, while workers in only 860 stores in Southern California were on strike. The corporate chains convinced most institutional investors that they could amortize any losses over a period of years if they could beat down their labor costs significantly nationwide by starting in California. The grocery chains knew that the UFCW had a limited strike fund. Employees need to work or risk losing their homes, their health insurance and their kids' college tuition.

There is a reason why the United Auto Workers negotiate a national contract that covers all locals and the three major automobile manufacturers under one agreement. It keeps the employer from playing one small local off against another, utilizing givebacks from one group to pressure the same from another.

The Hotel and Restaurant Employees unions, which also negotiates contracts with major hotel chains on a local basis, is currently designing a national strategy to align their local contracts with other large city contracts throughout the country.

Historically, unions have won major strikes through grass roots solidarity, organizational preparation and the astute cultivation of community and political support. The UFCW's campaign should have been nationwide from the start. Through national action such as boycotts, picketing of stores throughout the country, and the early involvement of the AFL-CIO, the union could have demonstrated early on that they could affect the employers beyond Southern California.

When the United Farm Workers were attempting to organize in the California grape picking industry beginning in the 1960s, their boycott of Gallo wine engaged virtually every community in the nation. Millions of shoppers started making the connection between their consumer choices and the conditions of workers in the California grape fields.

In the recent grocery strike, however, it wasn't until three months into the strike that the national AFL-CIO was brought in to galvanize support, but little was done to mobilize allies in cities across the country. Even in California, the state AFL-CIO initiated a statewide boycott only a few weeks ago.

The Southern California grocery workers union hadn't resorted to the strike weapon since 1978. It had negotiated good contracts, lifting baggers and clerks into the middle class, in the context of labor-management cooperation. But in recent years, the context had changed. Like much of corporate America, the chains' top executives focused more closely on profits and dividends. In addition, they faced escalating health insurance costs and threats to their market share from non-union Wal-Marts. Union leaders warned members that the approaching contract negotiations would be tougher than previous years, but did not develop a comprehensive strike strategy to counter the chains' new intransigence.

To win a strike, unions need to communicate with and mobilize their allies — other unions, consumers, community groups, religious congregations and college students, among them. Four years ago, when the Service Employees International Union (SEIU) was preparing for its "justice for janitors" strike in LA, it spent a great deal of time and energy a year before the strike cultivating supporters, explaining their position to community groups and clergy, and making sure that elected officials were briefed on the critical demands they were pushing for. When the strike eventually came, there were thousands of supporters ready to march, speak to the media, and lobby their elected leaders to put pressure on the building owners to bargain fairly. This transformed the janitor's strike into a crusade rather than a bureaucratic ritual between labor and management.

Many local clergy, community groups and other unions participated in rallies and prayer vigils. Some even joined UFCW members in civil disobedience. Several presidential candidates -- Howard Dean, Dick Gephardt, and, last year, John Kerry -- joined workers on picket lines. From the get-go, however, the grocery workers' crusade should have included marches down Wilshire and Cesar Chavez Boulevards, rallies with celebrities, and free concerts with sympathetic entertainers like Bonnie Raitt, Ani DeFranco, and Willie Nelson to draw public attention to the cause.

Unions, environmental groups, and community organizations often use tactics to embarrass key corporate decision-makers who refuse act responsibly (such as paying workers a living wage) in order to isolate them from lenders and stockholders, and to bring pressure on key company board members from their social, civic, and business friends. Many of these board members share overlapping membership on boards of other companies, charities, foundations and other do-gooder groups that help to soften their public image as "corporate citizens."

A well thought out "corporate campaign" would have reinforced what the public already understands --- that Vons, for example, is not a faceless corporation but is run by real people who have some choices about how they treat their workers. It was three months into the strike before public attention was directed towards Steve Burd, Vons CEO, who was quarterbacking the negotiations for the three chains. Three weeks ago a group of clergy marched on his house -- a tactic used to publicly embarrass key targets that refuse to be accountable for their actions.

The union could have focused on other potential targets -- such as Peter Magowan, grandson of Safeway's founder, Safeway board member, and owner of the San Francisco Giants. In a strong union town like San Francisco, how would Magowan have reacted to a "Giants Fans for Social Justice" group, for instance, who threatened to picket Giants games unless he pressured Burd to ease his more extreme demands?

It would be tragic if America's working people, and its union leaders, learn the wrong lesson from the recent UFCW experience — that corporate might always beats union right, that money always prevails over social justice.

The UFCW rank and file who stood on strike for over four months showed a tenacity and devotion to their organization that is rare in today's America. After seven or eight weeks it was clear to the strikers that they would be unlikely to gain back in a new contract what they had lost in wages while not working. That they stayed strong was not a testament to greed, as some cynical commentators have suggested, but a positive sign that there are still people who are willing to sacrifice for others that they don't even know. One of the major criticisms of the new contract by strikers returning to work is the two-tier system that will apply to new hires that will start at a lower base pay than they will. The strikers walked out for months partly to protect people who have not even been hired yet. It's not a bad example to set for children.

It remains to be seen what lessons the labor movement and its supporters learn from the Southern California labor struggle.

One lesson is that the loyalty of local union members and the sympathy of the majority of local consumers, while impressive, wasn't enough to win the strike. The union could not beat huge national corporations without expanding the war to a national battleground.

A second lesson is that rising health care costs should be the top domestic priority not only for unions and their allies but also for businesses that provide insurance. Over 40 million Americans lack health insurance. A growing number of employers are dismantling their health insurance or dramatically increasing their employees' premiums and co-payments. Employers, who do offer insurance, like the three grocery chains, have an incentive to reduce their costs by joining the battle for nationwide universal health insurance. This will obviously be an important issue in the current presidential contest.

The third lessons is that while the grocery workers strike was abut health benefits and wages, it was also about something much larger: the Wal-Marting of America. Wal-Mart, the nation's largest employer with 1.2 million workers, and its biggest retailer, with 1,397 supercenters, symbolizes the "low road" corporate strategy that relies on part-time workers, pays low wages without benefits, and outsources as much production as possible to sweatshops in Asia and Latin America. It currently accounts for 19 percent of the nation's grocery sales and is now attempting to make inroads in Los Angeles and other urban areas. The grocery chains argued that they could not compete with Wal-Marts low prices and low labor costs.

Although the chains could certainly have afforded to meet the UFCW's

reasonable contract demands, their efforts to mimic the low-road approach will continue until Wal-Mart is unionized. The UFCW has attempted to organize Wal-Mart workers and met with stiff resistance. Wal-Mart has engaged in outrageous union-busting tactics, including firing workers who support union drives and other major violations of federal labor law. The battle to unionize Wal-Mart should be the AFL-CIO's top priority for the next decade. It will require enormous resources and all the allies that the labor movement can muster. This is the biggest challenge that the labor movement has faced since the 1930s.

Back then, the fledgling industrial unions recognized that organizing General Motors, at the time the nation's largest employer, was key to making the labor movement an important political force. The entire labor movement backed the United Auto Workers' organizing drive, including the famous Flint "sit-down" strike in 1937. The UAW victory prompted U.S. Steel, another corporate giant, to sign a contract with the young steelworkers union. During the following 25 years, the labor movement's membership and political clout grew, lifting millions of workers out of poverty and making America a middle-class society.

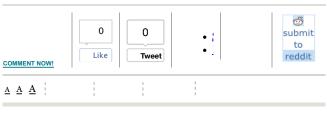
The auto and steel industries dominated the American economy back then the way Wal-Mart does now. Wal-Mart is pulling down America's middle-class standard of living and signaling other companies, whether unionized or not, that it's time to go to war against working families.

In the U.S., any union battle -- from organizing drives to contract negotiations -- is an uphill fight. More than any other democratic nation, America's labor laws are biased toward management and against workers. That's why only 11% of the workforce are union members, despite surveys that show that a majority of workers could join a union if they didn't fear reprisals from employers, including getting fired. Reforming and updating the nation's labor laws is the civil rights issue of the 21st century.

Despite the UFCW recent setback, the grocery workers strike helped put a human face on the major issues facing America's working families -- declining wages, lack of adequate health insurance, the export of jobs to overseas sweatshops, and the uneven playing field created by one-sided labor laws.

The central lesson of the strike is that to compete with the overwhelming power of corporate America, the labor movement needs to be bolder. The future of America as a middle-class nation depends on it.

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