

Seward Rooster note: We can't verify facts for some of the generalizations or assertions, but those concerning Seward Co-op appear sound. Comments welcome.

by Marianne Garneau
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Why Do Coops Hate Unions?

Marianne Garneau spoke to workers in over a dozen grocery cooperatives across the U.S. and Canada to produce this report on coops' exploitation of workers and history of union-busting.

We like to think of grocery cooperatives as islands of progressivism in an otherwise ruthless capitalist world. First sprung up in the 1970s, these groceries are “member-owned,” essentially pooling customers’ purchasing power to acquire organic and “natural” foods at a reasonable price. Because grocery coops often buy locally-raised food directly from nearby farmers, and because profits are either put back into the coop, or paid out as dividends to consumer members, coops are seen as an investment in the local community. Most explicitly embrace the language of “community,” “fairness,” “democracy,” and so on, styling their identity as an alternative to the usual for-profit grocery store.

So it is all the more shocking how ruthless cooperatives’ track record is when it comes to quashing worker rights and attempts to organize. Grocery coops not only inflict the same indignities on workers as corporate, for-profit stores – low pay, harassment, lack of benefits, etc. – but they are just as intolerant of unions. In fact, coops are arguably even worse than corporate groceries, because they cynically use the language of community and social mission to deepen their exploitation of workers, while using their supposedly democratic structures to evade accountability. They are a nightmare masquerading as a utopia.

Grocery coops exploit workers

Grocery coops are consumer coops, not worker coops. This means they are owned not by the workers, but by the people who shop in the store – a pool of a few thousand people who usually pay a

small initial sum of money to become members. Sometimes grocery coops allow, and in rare cases might even require, consumer-members to work an occasional shift in the store, but the majority of the work of ordering food and stocking shelves, preparing deli dishes and ringing through purchases at the register, is done by a full- or part-time worker who is employed by the coop for a wage.

Therefore, just like any other waged worker, workers at grocery coops have an employer, the coop, which is usually represented by a board and a store manager, and which dictates the terms of their employment. On a day-to-day basis, coop workers report to supervisors and managers. Those supervisors and managers may treat the workers well or treat them poorly. The coop may pay the workers well or pay them poorly. Worker feedback to the employer may be handled well, or handled poorly.

As is happens, coops treat their workers very poorly. Most workers are paid at or near the minimum wage. Benefits are often stingy, scheduling last-minute and inconsistent, and overwork and harassment are common. Most of all, workers describe a climate of fear or intimidation, with job security depending on one's selfless devotion to the coop and its alleged mission. When workers do speak up, management at best stonewalls them and at worst outright retaliates.

Consider the example of the cashier at Seward Community Coop in Minneapolis. The store had recently implemented a "Round Up" program at the register, whereby customers could round up their purchase to the nearest dollar, with the extra change donated to a local cause. The program was unpopular with cashiers, because it had been implemented without their input, meant extra work for them, customers didn't like it, and it seemed like a cynical move on the coop's part to burnish their progressive credentials by giving to the community, when it wasn't even their own money they were donating.

Workers signed a petition asking that the program be suspended, and presented it to the manager. The manager conceded, but a week later fired one of the cashiers – the one who had been most vocally opposed to the "Round Up" program. According to Hallie, another cashier who worked at Seward at the time, "That's what she was written up for and fired for. That she didn't like it." The

firing seemed particularly vicious, Hallie notes, given that the cashier “was in her 50s and had worked there for ten years. She had a head injury and couldn’t drive, and there were only so many places she could work. They fired her on the last day of the month so that she lost her health insurance immediately.”

Or consider Celia*, who worked at a coop in upstate New York. She was vocal about the coop’s failure to deliver on its promise of a living wage. In the past, the coop had honored the area living wage as determined by a local credit union and worker center, but it no longer did. Celia had raised the issue directly to management and among other coop workers. When one day she called out for a shift ten minutes late, management issued her a disciplinary warning, then combined that with two other alleged infractions: a manager’s claim of having been harassed *by her* as an employee, and a customer complaint, for which no details were provided. On the basis of those three strikes, she was terminated.

Cooperative principles are empty slogans

Something one learns in talking to workers is that a boss is a boss *is a boss*. For-profit workplace, non-profit workplace, private sector, government – everywhere, workers are expected to work more for less, and to make all kinds of personal sacrifices (including their own dignity) for the business or cause.

But the abuse of workers at coops comes with a perverse twist: the use of progressive ideals and kumbaya rhetoric to justify their mistreatment.

Take this story of a worker at a coop in the Northeast. She had been employed there for more than a decade, and had developed mobility issues. Instead of being accommodated for her abilities, especially in light of her long-term loyalty to the coop, she received a disciplinary letter from her supervisors telling her that it was “unfair” to her colleagues that she didn’t go to the upstairs stock room as much as they did. According to another employee at the coop, who spoke on condition of anonymity, “They don’t like to fire people, they just like to intimidate them and get them to resign, themselves. It’s very conflict-avoidant and passive-aggressive.”

Coops take advantage of workers' buy-in to the overall project of the coop. Jake*, a worker at a co-op in central New York State, explains, "People who work there want to be part of something bigger. They actually believe in cooperative principles." Many begin as shoppers or members before becoming employees, after which they continue to shop at the store, sometimes spending a significant amount of their paycheck there. But when workers try to raise issues, the coop shuts them down. "They talk about coop values when it serves them," Jake says, "but when we bring things up, the answer is, 'we're a business, we have to make profit.'"

Finch*, who worked at the Good Earth coop in Saint Cloud, Minnesota, describes how "showing up really fucking early as a form of self-sacrifice is seen as a necessary part of being a valuable worker." On one occasion, a management consultant "expected all of us to show up when the store was closed on Memorial Day at 6:00 a.m. to clean out the produce cooler and learn all the hottest new stocking techniques. He was upset when I told him that the busses don't run on Memorial Day in St. Cloud and that I lived too far outside of town for anyone to want to give me a ride in to work."

At the above-mentioned coop in upstate New York, Sally* describes how the "loose culture of a coop" is used to ask workers to take on extra work: "'Why don't you just jump in on dishwashing,' or 'How about you fill in on this?'" Workers are expected to train new hires under the guise of "taking them under their wing." "How about a shift differential?" she asks rhetorically. Meanwhile, Sally says, the coop recently rolled out a program training workers "how to be more cooperative, collaborative. How to adjust your behavior to be 'always up.'" But, she notes, "part of that is a way to chill any critique of anything going on at the store: 'You've got to be positive.'"

The progressive rhetoric of coops hides very regressive working conditions. One obvious example was at the Seward Coop in Minneapolis. Hallie points out that the coop would brag in all of its marketing materials, "We pay all of our workers a living wage!" of \$15 an hour. But if you looked closely, she says, "there was an asterisk, and it was 'if you're full-time, and you've worked 2000 hours, and you work 30 hours a week.' And so they kept everyone at 29.5 hours."

Zach, another worker at the Good Earth coop in Saint Cloud, describes how management failed to implement scheduled pay increases for deli workers. When workers confronted one manager about this, his response was “Working at the coop is like community service. We’re doing it for the community, not ourselves.” Notes Zach: “This manager was making a hell of a lot more than us workers, who were just demanding our small wage increase. It was like, ‘We’re here for the community, but not for each other. Or as workers.’”

“It’s like the tyranny of the forced smile,” says Zach. “‘Everything is great here because we espouse these values. These values are written on paper, therefore this is how we operate.’ But those values they espouse are never implemented, they’re just empty slogans.”

Workers at the Dill Pickle Food Co-op in Chicago learned the same lesson. Jeanne* describes how the coop has a written policy that it will not allow any employee to work for less than a living wage. She says, “the general manager is required to interpret the policy, provide evidence whether she is meeting it or not to the coop’s board, and if not, come up with a plan to make compliance.” The workers, who Jeanne says are significantly underpaid, found that the GM had simply been reporting out of compliance for many consecutive years, without any consequences from the board, or any plan to reach compliance.

“There tends to be that culture of ‘we’re all a family, and we’re all going to put in work because we care what we’re doing, and care about the mission of our store,’” says Jeanne, and yet, when workers confronted the board about their low pay, they got no answer.

Coops are vicious union-busters

When workers try to organize at coops, the reaction is no better than at corporate grocery chains.

Workers at Dill Pickle decided to form a union with the IWW. They first asked the general manager for voluntary recognition. She replied that not having a union election would be “undemocratic.” She then retained an anti-union lawyer, who tried to force the vote to take place in-person only (no mail-in ballots),

knowing that several workers would be out of town on the date of the election. A coop worker showed up to an NLRB hearing to contest this. Shortly after, that worker was fired.

Workers won their election. When Dill Pickle later expanded and took on many more staff, management again complained, nonsensically, that it wasn't "democratic" for the original staff to make decisions on behalf of all workers.

Coops use many of the same tactics as the corporate world in fending off unions. Adam worked at Mississippi Market in St Paul when the United Food and Commercial Workers kicked off a union drive there. "The GM came around and did what I now realize was a captive audience meeting. She pulled the deli around in a circle and said 'the union people are going to come in here and tell you that we're expanding off your backs, but what they really want is your money,'" Adam explains.

The general manager later circulated an [anti-union letter](#) reiterating that "Unions have one primary objective — to grow the ranks of their membership ... and to collect dues and fees from those employees." The letter also gave other arguments as to why joining a union was not in the best interests of the workers.

Examples abound of coops engaging in textbook union-busting. The La Montañita coop in Albuquerque retaliated against workers for organizing with the UFCW, including by taking work away and reassigning it to workers at the coop's other, non-union locations, as well as suspending staff meetings. It was charged with four violations of the National Labor Relations Act.

Workers at the Citizens Coop in Gainesville, Florida tried to organize with the IWW. They contacted members about their mistreatment at the hands of management, and their desire to form a union, imploring them to support their struggle. The coop board immediately voted to fire nearly the entire staff. Says Jason, an IWW organizer who helped workers file an Unfair Labor Practice complaint, "[The board] gave all of them a chance to rat each other out, and then anyone who didn't rat was fired."

The Harvest Collective coop in Winnipeg likewise [refused](#) to negotiate with workers after they won a union election. When the coop later shut down, a board member reopened the store under a

new name and hired the old management team and the one worker who had refused to join the union.

Zach at Good Earth was fired for his organizing activity. He had worked in the deli for six years before being notified via voicemail, a few weeks ago, that he was terminated. On that day, workers in the deli were engaged in a job action – a sick-out in protest of management union-busting. Oddly enough, Zach was the only worker not scheduled to work that day. However, he was a known union leader, in a campaign that had heated up over the previous year.

A boss is a boss, and any entity, for-profit or not, is going to resist a union settling in. But the reaction to unions in the coop world is a little beyond. Because coops have a reputation as progressive, community-based institutions, their supporters are often particularly vituperative against organizing. Workers at a coop in the D.C. area found themselves confronted by “concerned” members of the community when they started their union drive, including those who proudly announced that they too supported unions and/or were union members – but they didn’t want the union to “ruin” or “destabilize” the coop. Others have [argued](#) that coops should be spared from organizing and unions should target corporate chains instead.

Valerie experienced first-hand how anti-union coops can be. She worked at The Creamery coop in the Berkshires for 5 years, and struggled with low pay and overwork. She once mentioned to a board member and personal friend that she thought the coop could benefit from a union. “She was a close friend of mine, whom I had known for years – she’s been one of my farm mentors [for my goat farm] – so we had a close relationship, and I thought I could talk to her. I went over some of the issues with the coop, and she said ‘I bring these things up in the board meetings and they don’t listen to me.’ I said, ‘Well I’m trying to get people organized,’ and she got extremely angry at me. She said, ‘If you did something like that, you’d kill us.’ I said ‘We’re not going straight to striking or anything,’ but she was just four-square against everything.”

Coops are centralized and corporate

Coops’ treatment of workers is bad and getting worse. While grocery coops are consumer coops and not worker coops (meaning

the profits belong to the customers), in previous decades, some claimed to be worker-run, i.e. the day-to-day operations were managed by the workers in the store. Over the past 40 years, the trend has been toward more centralized and hierarchical management, brought in from the outside, sourced from the corporate sector and following a corporate playbook. That trend has been accelerating lately.

The reason why has to do with a strange trio of entities: CDS Consulting (short for Cooperative Development Services), National Co+op Grocers (NCG), and United Natural Foods Incorporated (UNFI).

In brief, CDS is a consulting firm that advises coops on everything from marketing to labor relations. NCG is a trade association of hundreds of grocery coops – like a coop of coops – meant to pool operational strategies and purchasing power. UNFI is a multi-billion dollar distributor of organic foods and “natural” goods.

NCG has a [partnership](#) with UNFI making the latter the main distributor for NCG member coops. NCG member coops get discounts from UNFI (whose other, biggest customer is Whole Foods), and in turn NCG coops accept a certain amount of oversight and direction from NCG. One way that works is that NCG coops have to pay into a “[Joint Liability Fund](#)” to ensure that no individual coop can default on its payment to UNFI. That “joint liability” opens the door to NCG having the right to look at their books and impose terms on them, like how much of a deposit they have to pay to NCG, and at what rate. (One worker I spoke to described NCG as “the IMF of coops.”)

CDS, meanwhile, is like the aggressive policy arm of NCG, especially for those coops that NCG deems in financial trouble. CDS rewrites coop bylaws and policies, reorganizes stores (in a way that involves expanding sales of UNFI products), and supplies general managers as well as board members.

Overall, the trio are launching an enormous project of standardization and horizontal integration, which some coop consumer-members have sounded the alarm about under the name [Take Back the Coop](#).

Coops are no longer the hippie collectives buying from local farmers they were in the 1970s. They are now quasi-independent

outposts of UNFI. As one worker put it, “We’re basically Whole Foods but with more bourgeois prices.”

Coops use “democracy” to give workers the run-around

What does all of this have to do with labor?

Well, for one thing, NCG and CDS advise coops on what to do in response to union drives. Their public websites contain [tip sheets](#) on what to do in the face of organizing, but well beyond that, they will immediately contact a coop facing a union drive and offer to send in GMs and board members with union-busting expertise.

That’s what happened to the workers at the D.C.-area coop. After they won their union election, CDS Consulting sent in an interim GM, Martha Whitman, who had previously made a name for herself union busting in New Mexico, at the La Montañita coop. (Unfortunately for Whitman, workers managed to negotiate a contract anyway.)

Meanwhile, coops that have adopted CDS governance structures will use the “one voice” policy – the idea that those who publicly dissent from the board can be removed – to eliminate any possible pro-union sentiment on the board. At the Seward Coop in Minneapolis, a board member sympathetic to the union (he also published a local AFL-CIO newsletter) was [ousted](#) and prevented from running again for 5 years.

More insidious is how the trio of NCG, CDS and UNFI (1) push coops towards financial instability, and (2) restructure coops to play a shell game with workers trying to make demands.

As to the first point, if you speak to coop workers across the country, again and again, you hear stories of coops falling into financial trouble after taking out loans in order to finance expansion, new point-of-sale systems, capital improvements, and so on. It’s as though nearly every coop is engaged in a massive expansion, whether opening a second store or just moving to a much larger location. In most cases, the expansion is significant enough that staff is quadrupling or more in size. As the people at Take Back the Coop [point out](#), this helps UNFI move more goods, especially since, as we know, UNFI cannot be defaulted on,

because of NCG's joint liability fund. Workers describe post-expansion stores looking "like anywhere else" with massive center sections carrying UNFI goods.

It turns out that coops are encouraged by NCG and CDS Consulting to take out loans for these upgrades and expansions. Conveniently enough, NCG itself [makes loans](#), but it and CDS don't necessarily seem to care where coops borrow the money from. Some coops turn to banks or credit unions, and others approach community members.

When the payments on those loans come due, coops often find themselves falling into financial trouble, and turning to CDS and NCG for restructuring help. Jake describes how, five years after his central New York coop moved into its massive new location, an army of corporate managers has descended on the store to "straighten out their books": CFOs and COOs, hired from the likes of Price Chopper and other chains, each earning a six-figure salary.

And workers, for their part, find themselves last to get paid. After UNFI, after its proxies CDS and NCG, after the new layer of high-priced management, there are the workers, starved for fair wages. All coops seem to have issues paying their workers fairly, but once a coop embarks on the path of NCG membership – which begins with expansion and capital improvements and store reorganization – there is no room left for raises and benefits. Once a coop is in a financial mess and servicing debt, there is *definitely* no room.

Some workers are aware of the influence of this triumvirate of companies, but most don't seem to be. All they know is that when they try to ask about pay or working conditions they encounter a shell game of shifting responsibility blamed on the coop's bylaws and structure.

Valerie felt the need to start a union at The Creamery because neither the GM nor the board would hear her complaint about being paid substantially less than her male predecessors. She says the board kept reiterating that, as an operational matter, her pay was out of their hands, and solely at the discretion of the GM. But when she would raise the matter with the GM, he would deflect as well. "He did at one point take me and three other people aside and apologize to us for things going poorly," she said, "and take responsibility for it, and when I said 'let's fix these things,' he said, 'you're dwelling on the past.'"

CDS calls this division of responsibilities “policy governance” and brags about its efficiency: the board is supposed to look at the big picture, and the GM is supposed to take care of day-to-day operations.

Zach encountered the same run-around as Valerie, only the hypocrisy at Good Earth – where they did have a union – was a little more obvious. “When we tried to reach out to the board of directors,” he says, “they refused to meet with us. They said, ‘We don’t get involved in day-to-day operations, but we are the boss of the GM, so if you have any problems with her, please contact us.’ Well,” Zach reflects wryly, “we just contacted you.” He notes that “supposedly [the board] have nothing to do with wages or wage increases, but when the deli negotiated a new wage scale, and the GM signed off on it, all of a sudden, a few days later, she said she talked to the board and they said this couldn’t happen. But they’re not supposed to get involved in that.”

Just as coops use the store’s social mission to exploit workers, and community rhetoric to fend off unions, likewise they use their allegedly democratic structure to evade accountability.

When workers at the Northeast coop tried to put together a meeting among workers, store managers removed posters promoting it, and chastised workers for not using “proper channels.” Those “proper channels” involve speaking to a personnel committee which is supposed to supervise the management team. However, one worker told me, no one knows who is on the personnel committee – the only way to find out is to dig through meeting minutes. And at any rate, the committee cannot be nominated from the floor at membership meetings, and is therefore effectively hand-picked by management and the board, in a “closed loop.”

Celia, who was fired from the upstate New York coop, tried to use the store’s in-house “grievance process,” which involves a 12-person “staff advisory board” and allows workers to appeal management discipline. In the end, however, she found allegedly neutral third parties like HR representatives uncritically parroting management’s line (again, no evidence was ever provided that a customer had complained about her), and had to move on from the lengthy process and find another job to pay her bills.

Jake says that last year, some workers at the coop in central New York – some trained as lawyers and in finance — drafted an

alternative budget that would allow for wage increases. The coop ignored their proposal for six months, then finally flatly responded there was no room for raises. This year, with the same raise request from workers on the table, the coop invited workers to come to budget meetings. But, Jake says, “they haven’t given us any sign they’re willing to take things [we put forward] into consideration... It’s just the most recent empty democratic thing.”

Other examples of empty democratic inclusion include staff representation on the board, which has proven ineffective (nonetheless, the board recently voted to cap the number of staff that can serve on the board at two), and “all-staff meetings” that workers are actively discouraged from attending (“We’re told the staffing needs of the department don’t allow it,” Jake says). There also used to be staff representation on the “personnel committee,” which outlines employee standards and store policies, but Jake notes the board will simply override the committee’s suggestions and implement employee manuals from an outside party (presumably CDS).

At PCC Community Markets in the Seattle area, the union (UFCW) sent a delegation of workers to the most recent annual members’ meeting. As members of the coop, the workers were certainly entitled to attend. But when they tried to raise issues of concern to workers, the CEO became “very upset,” according to Dan, a deli worker, and the board voted to adjourn the meeting early.

Coops’ hostility to worker demands and to unions seems to go well beyond concerns about financial stability. It is a deeply ingrained, uncritical chauvinism about coops and their validity.

Valerie’s troubles with her coop extended well beyond giving up and leaving the store. “They kept saying, ‘We wish we could pay people more, and we know that you’re worth more.’ So the only thing I asked when I left was that someone write a letter to that effect, because now I’m at a disadvantage on the job market with this lower pay that I had been getting. They said they would do that. Instead, my manager wrote a letter that said ‘Valerie believed she should be getting paid more for this position.’ Which actually makes *me* look bad.” Valerie says she and her former coworker, who also left, have since been having more trouble finding a job

than they ever have before, and they suspect the manager is bad-mouthing them to potential employers.

A worker at the D.C.-area coop, still working in the store, sums it up. "This is a capitalist hellhole."

*Not their real name