

No sympathy for the devil

Though shot out of Downtown Crossing, Wal-Mart will keep trying to weasel its way into Boston

By Deirdre Fulton. *The Boston Phoenix*
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If it were a nation, its GNP would rank 33rd in the world. It's the biggest private employer in North America, and yet provides health insurance to less than half its employees. It refused to carry Jon Stewart's *America: The Book*, as well as *Redbook* and *Maxim* magazines. It has a pharmacy but won't sell emergency contraception. That's just some of the bad news.

The good news is that Wal-Mart is not coming to Boston. At least for the time being.

That should ease the fears of a loose coalition of progressive activists, community leaders, and union workers who raised hell about a month ago, when the world's largest retailer expressed interest in moving into the Downtown Crossing location soon to be vacated by Filene's. As in other urban areas across the country (New York City and Chicago are just two cities currently involved in Wal-Mart wars), Boston residents and officials who decry the city's creeping homogenization are making it clear that their city won't be Wal-Mart's next colonial outpost.

Last week, mayoral spokesman Seth Gitell bluntly laid out Mayor Thomas Menino's position: "The mayor doesn't like Wal-Mart, period."

And neither do the neighborhood and union groups that have banded together to block any further forays by Wal-Mart into the area. "I think it was a trial balloon," says Greater Boston Labor Council executive secretary-treasurer Rich Rogers, of the retail behemoth's lunge at Downtown Crossing. "I still think they're going to show up somewhere."

Wal-Mart itself is staying mum. "We're not interested in that site," says the company's regional spokesman Philip Serghini, of the Washington Street location that will soon be empty now that

the parent companies of Macy's and Filene's have merged. He offered no comment when asked if the corporation is looking into other Boston locations. (In September he told the *Boston Globe* , "In the long term, we will be looking at Boston. We see no reason why our customers in Boston should be denied access to our low-priced goods.")

So while they wait for the other shoe to drop, "We're going to try to be telling everybody and educating folks," says Maude Hurd, a Boston resident and the national president of ACORN, a neighborhood-based national social-justice network for low- and moderate-income families.

It's a difficult task, because Wal-Mart's low prices are seductive to anyone who needs to stretch a dollar. "A lot of people don't understand," Hurd admits. "They do market themselves pretty good. You can go there and buy things at a cheaper rate, and you can go there and get everything in one stop. We just don't like the way they treat their staff, we don't like their practices."

SPURNING SATAN

Typically associated with slaughtering the main streets of rural America, Wal-Mart has spent 2005 looking to move on to the big city. In February, the chain was turned away from a coveted location in Queens, New York. Two months later, citizens of Englewood, California, voted against allowing Wal-Mart into their town. A month after that, however, the chain won permission to build a 150,000-square-foot store on the west side of Chicago. So in its urban thrust, Wal-Mart has so far had mixed results.

The chain is also trying to garner more street cred. It recently announced a deal with Black Entertainment Television (BET) to market "BET official" brand two-pack DVDs with "urban" (code word: black) content. And last week, the chain launched "Metro 7," an "urban" clothing line that seeks to rival Target's hip brands while helping shoppers feel better when people ask, "You buy your clothes at Wal-Mart?"

But if you live in Boston, the only way to pick up some fine Metro 7 is to go to Quincy, the area's closest store.

On that store's exterior, big red letters spell out we sell for less. And it's true - the cost-cutting starts before you even get through the door, at outdoor soda machines where you can purchase a Sam's American Choice (Wal-Mart brand) soda for just 30 cents, or upgrade to a Coca-Cola for 20 cents more.

Inside, you can buy DVDs for less than \$10, CDs (ones they actually let in their stores) for under \$15, and a one-gallon jug of Hawaiian Punch for \$1.97 (at Shaw's, the same item sells for \$3.19).

"The prices are better than the supermarket," says Cheryl Scibilio, a 32-year-old stay-at-home mom who shops at Wal-Mart frequently, especially because "they have food now."

Scibilio's tale of shifting consumer loyalties is of a type that's highlighted by Wal-Mart's proponents and detractors alike.

Indeed, it's hard to resist low prices if you're a young mother, a college student, or a retired worker living on meager Social Security payments. But when you buy the cheap Kool-Aid, what are you really paying for?

- **Discrimination.** Wal-Mart is currently involved in the largest class-action lawsuit in history, brought on behalf of more than one million current and former female Wal-Mart employees who claim that the corporation discriminates against women in its wage and promotion policies. Wal-Mart contends that because each store makes its own hiring and promotion decisions, widespread allegations should not be combined in a single lawsuit. Lawyers argued both sides at the San Francisco-based Ninth US Circuit Court of Appeals in September; a decision should come this fall.

- **Low wages and insufficient health-care benefits.** As of September 2005, there were 11,450 Wal-Mart employees in Massachusetts; about 300 of those work at the Quincy location and the rest are employed at the company's 43 other stores in the state. Their average hourly wage is \$10.87, according to Wal-Mart. But a February 2005 report from the state's Office of Health and Human Services shows that almost 3000 of those Wal-Mart employees use state public-health assistance - in other words, almost three out of 10 Wal-Mart employees in the Bay State can't afford the company's health-insurance plan or are ineligible for it because they're part-time workers. So who pays for their health insurance? You do. "In some of our states, the public program may actually be a better value, with relatively high income limits to qualify and low premiums," Wal-Mart CEO Lee Scott has said. The company thumps its chest when it describes its health-insurance plan - \$40 for individuals and \$55 for a family. They don't brag

about the whopping \$1000 deductible.

"Wal-Mart's low-wage, stingy-benefits business model perpetuates a cycle of poverty that means that Wal-Mart employees can only afford to shop in their stores," says Nu Wexler, spokesman for the corporate-watchdog group Wal-Mart Watch.

- **Hostility toward unions.** Citing its open lines of communication, Wal-Mart asserts on its Web site, "we feel that there is no need for third-party representation in the form of a Wal-Mart labor union." Those lines of communication must have had a faulty connection during the years that some Wal-Mart employees asked for meal breaks during their shifts. On September 19, opening arguments began in Oakland, California's Alameda County Superior Court in a suit that pits more than 100,000 Wal-Mart workers against their employers, who they say forced employees to work through breaks.

In the meantime, organizations throughout the country, such as the Florida-based Wal-Mart Alliance for Reform Now (WARN), are trying to give Wal-Mart employees a unified voice.

- **Killing community business.** It's rumored that before a new store opens, Wal-Mart representatives will do price checks at stores within a 30-mile radius, then undersell the competition. When the big-box Godzilla enters a community, it generally decimates smaller stores that can't afford to offer prices as low as Wal-Mart's.

"The rule of thumb is that if a Wal-Mart Supercenter opens, two grocery stores will close," says Al Norman, of Greenfield, who founded the anti-big-box consulting firm Sprawl-busters after successfully stopping a Wal-Mart from coming into his own Western Massachusetts town.

- **Conservative values and philanthropy.** When Hurricane Katrina hit the Gulf Coast, Wal-Mart led an effective corporate response - and garnered well-deserved praise from even its staunchest opponents - by donating truckloads of merchandise and more than \$17 million in cash assistance. But a report issued last week by the National Committee for Responsive Philanthropy (NCRP) sheds a less-palatable light on the corporation's altruism.

The Walton Family Foundation and the Wal-Mart Foundation are two of the largest foundations in the world. Sam Walton, who founded Wal-Mart in 1962, died in 1992; his wife and children share a combined fortune of about \$90 million. Yet a good part of their philanthropic grant-making - which has soared in recent years - is both ineffective and hypocritical, says NCRP deputy director Jeff Krehely. According to the report, Wal-Mart supports politicians (the Wal-Mart Political Action Committee gave 80 percent of its 2004 contributions to Republicans) and policies (such as school-voucher programs) that mostly work against the low-income communities it serves.

That's just a taste. Throw in a lively history of product censorship and you have a lot of baggage that comes with that \$1.97 bottle of Hawaiian Punch.

ON GUARD

Boston is safe for now. There's no word yet on what may move into Downtown Crossing, but Target, Home Depot, Kohls, and Jordan's Furniture have all been mentioned as possibilities. Because Wal-Mart is so much bigger than any of those corporations (Target is about one-sixth the size of Wal-Mart), it's hard to offer comparisons, Wexler says.

But it's practically impossible to stop the big-box trend, says Harris Gruman, executive director of Neighbor to Neighbor Massachusetts, which advocates for low-income workers in the state. And while Wal-Mart is today's perfect example of corporate irresponsibility, there will be others - unless politicians and activists change the way businesses do business.

"Keeping them out becomes a superficial attempt to suppress a very virulent predator," Gruman says, suggesting that the Massachusetts legislature look instead toward closing corporate tax loopholes (so big companies don't get "sweetheart deals" and pay proportionately lower taxes than smaller businesses), raising the minimum wage, and making employers pay for health care. "If Massachusetts is going to be an alternative to Bush's America, that's where we have to do it. We have to show that there's a better way of life here for working people."

From November 13 to 19, Wal-Mart Watch will hold its Higher Expectations Week, a national campaign to call attention to issues of corporate responsibility and economic justice - and Wal-Mart's seeming ignorance of both. At house parties that week, activists will screen a new

investigative documentary by Robert Greenwald (of 2004's Outfoxed): Wal-Mart: The High Cost of Low Prices
walmartwatch.com for more info. . Go to

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