

Is there room for this big box?

Specialists gather to argue for and against a Wal-Mart on Victoria

By [Saundra Sorenson](#) 04/20/2006

As a nationwide public relations backlash against Wal-Mart divides local opinion, the Ventura Economic Club decided to facilitate a public conversation about the proposed new store location in Ventura.

“We don’t have a dog in this fight,” says Ventura City Councilman and debate facilitator Neal Andrews, “but we do believe that the public should have a fair and balanced discussion of the pros and cons of an issue before [being asked] to make up their minds.”

According to Andrews, Wal-Mart has filed an application for occupancy of the sight where Kmart currently sits on Victoria Ave., but it’s on hold because the City Council adopted a moratorium on big-box store development along Victoria for one year. “The reason for the moratorium is so the city staff could prepare regulations that they thought were appropriate for new commercial operations on the Victoria Avenue corridor,” explains Andrews. “The whole point of having this debate is that we’ve got 10 months left.”

Both sides of the issue will be strongly represented at next Thursday’s debate. Arguing for the benefits of a local Wal-Mart will be Kevin McCall of Wal-Mart’s public relations department. Voicing concerns about the store’s possible economic impact will be Nelson Lichtenstein, a professor of History at University of California, Santa Barbara and editor of *Wal Mart: the Face of 21st Century Capitalism*, and Tracy Gray-Barkan, a senior research analyst at the Los Angeles Alliance for New Economy and co-leader of the successful public campaign to prevent the establishment of a Wal-Mart in Inglewood, California.

Lichtenstein argues that Wal-Mart has a socially dysfunctional system of employment that generates very high rates of turnover, sub-par wages and sub-par health benefits. “I’ve been studying very closely the incentives that Wal-Mart puts in front of its store managers,” explains Lichtenstein, “and they end up generating a system whereby Wal-Mart sort of systematically violates the law, the wage and hour laws. There are, today, 44 or maybe 43 class action suits

[against Wal-Mart] for violation of labor laws. There are zero suits against Kmart and Target.”

“City councils of course can only deal with certain questions like zoning and traffic and things like that,” he adds, “but my argument is that it’s appropriate for cities to say, ‘We welcome you, but only under certain conditions.’ ”

Another common criticism of Wal-Mart is that its retail success drives out other “mom and pop” establishments that cannot carry the volume of products, or offer the discounts, that Wal-Mart can.

McCall sees it differently. “Having a Wal-Mart within a community certainly provides a certain amount of synergy to a development: People want to come and they want to have a choice of shopping. We’ve obviously been very committed to prices that are very competitive, we believe in an opportunity to have a competitive environment where we believe we can do very well.”

Addressing the aesthetic concerns that big box stores raise within a city, McCall presents the idea of “a store of the community,” wherein products and services have a look and feel that is unique to every community. “The company has made an effort not to have just a one-size-fits-all product set,” says McCall, explaining that a new location in Beaumont, Texas, serves local clientele with options like fresh lobster and crab, organic fabric baby clothes, and up-market sheets.

Given the chance, Lichtenstein will most likely introduce another controversial issue into the debate: company-provided health care. “There was a study at Berkeley which used fairly sophisticated techniques to try to figure out how much Wal-Mart was costing the state,” he says. “Eighty six million it cost the state to subsidize, in effect, the employees of Wal-Mart and their children who don’t get health insurance. They go to the California state programs for children in particular.”

When asked about the supposedly low rate of Wal-Mart employees’ health care coverage, McCall explains that many Wal-Mart “employees are students, covered through family, [retirees] who already have health coverage and choose not to have it, or people that have second incomes, a spouse who’s working. Certainly it’s an issue that as a country needs to be dealt with, not just on a company specifically, but across the industry.”

He offers, “There will be some announcements in changes in our health care, expanded opportunities. As a company we take that very seriously.”

“Hopefully this will be a definitive debate,” says Andrews.

http://www.vcreporter.com/cms/story/detail/is_there_room_for_this_big_box/3283/