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Opponents of Wal-Mart to Coordinate Efforts

By STEVEN GREENHOUSE

Wal-Mart's longtime opponents in organized labor, a new coalition of about 50 groups - including environmentalists, community organizations, state lawmakers and academics - is planning the first coordinated assault intended to press the company to change the way it does business.

In the next few months, those critics will speak with one voice in print advertising, videos and books attacking the company, they say. They also plan to put forward an association of disenchanting Wal-Mart employees, current and former, to complain about what they call poverty-level wages and stingy benefits.

The critics have already begun lobbying in 26 states for legislation intended to embarrass Wal-Mart by disclosing how many thousands of its employees do not receive company health insurance and turn to taxpayer-financed Medicaid.

"We recognize that we are much more likely to win the battle against a giant like Wal-Mart if we act on multiple fronts," said Carl Pope, president of the Sierra Club, which has joined the coalition. "You don't want to challenge Wal-Mart just on health care or just on the environment or just on sex discrimination. You want to pressure them on all three. This is an assault on a business model. We're not trying to shut Wal-Mart down."

Wal-Mart, the nation's largest company, is in turn mounting a huge counteroffensive. Last week, it took out an advertisement across two pages in *The New York Review of Books* in which it defended its business practices and accused its union detractors of being selfish. It is spending millions of dollars on television advertisements in which blacks, Hispanics and women say that Wal-Mart is an excellent place

to work. It has invited 100 journalists to its Arkansas headquarters to hear its case this Tuesday.

"When critics pervert the facts to serve their financial and potential interests, it's our duty to speak up," Lee Scott, the company's chief executive, wrote in the New York Review of Books advertisement. "Chief among these myths is that Wal-Mart's wages and benefits have some kind of negative impact on wages across the board. That's just plain wrong."

Mr. Scott cited studies estimating that Wal-Mart saves American consumers \$100 billion a year and saves the average family \$600 a year, giving "them a raise every time they shop with us." Saying that Wal-Mart's wages average around \$10 an hour, nearly twice the federal minimum wage, he added that the company offered "good jobs at fair wages and benefits with unparalleled opportunities for growth."

Like John D. Rockefeller's Standard Oil of old, Wal-Mart has become a target because of its extraordinary size and power. It has 1.2 million workers in the United States, and its 3,600 stores sell more than one-quarter of the shampoo, disposable diapers and toothpaste bought nationwide.

The new offensive by Wal-Mart's detractors is far bigger than earlier efforts. Previously, the company's main antagonist was the United Food and Commercial Workers Union, which sought, without much success, to unionize Wal-Mart workers. That union, along with the A.F.L.-C.I.O. and the Service Employees International Union, has formed a new coalition that includes student groups, antisprawl groups and antisweatshop groups.

Showing the breadth of the new coalition, senior officials from Common Cause and the National Partnership for Women and Families have agreed to serve on the board of a new group that will coordinate the efforts. The executive director of the coordinating group is Andy Grossman, who was executive director for the Democratic Senatorial Campaign Committee.

"We're focusing on Wal-Mart because of the huge impact it has on each of the different parts of American life it touches," said Mr. Grossman, whose coordinating group is called the Center for Community and Corporate Ethics. "They do provide goods at the lowest price, but that sometimes comes at a high cost to society."

As part of this new wave of activity, unions are working closely with the attorneys general of several states to determine whether Wal-Mart is violating laws barring child labor, off-the-clock work and false advertising. The United Food and Commercial Workers said it would announce this month a new Web site that would seek to enlist Wal-Mart critics nationwide in the pressure campaign.

Wal-Mart seems to be matching its critics punch for punch. On April 1, it ran for the first time Asian-language advertisements on Chinese, Vietnamese and Filipino television stations to help burnish its image. In January, it ran full-page advertisements in 100 newspapers accusing its critics of distorting Wal-Mart's image. The company has hired consultants to interview detractors to learn more about their complaints.

"We think that many people haven't heard the case from our point of view," said Mona Williams, Wal-Mart's vice president for corporate communications. "They have only heard our critics' propaganda. We're convinced that when open-minded people look at the big picture, they will see that Wal-Mart's critics are mostly off base."

Mr. Scott, the company's chief executive, accused the United Food and Commercial Workers of acting selfishly, criticizing in particular its effort to block several Wal-Marts planned for California that he said would lower grocery prices in that state. In the New York Review of Books advertisement, he wrote that for the sake of 250,000 grocery store clerks and baggers, 35 million other Californians are being asked to pay billions of dollars more than they should for the necessities of life.

"Wal-Mart is nothing remotely like the horror story out of Dickens that critics are peddling," Mr. Scott wrote.

In an unusual move, the United Food and Commercial Workers said that it would suspend its strategy of seeking to unionize Wal-Mart workers store by store.

"When you're dealing with a company that's so big and ruthless, you can't get enough leverage going store by store," said Paul Blank, the union's Wal-Mart campaign director. "Even when you win an organizing drive, you lose because the company will simply shut down a store."

Even as they gear up for an expanded advertising campaign, Wal-Mart and its adversaries seem at times to offer olive branches.

Ms. Williams, of Wal-Mart, said, "We have a lot of common interests, such as affordable health care, and ideally we could use our collective clout to partner and make this country a better place."

Mr. Grossman said, "We want to help them make more money, but responsibly."

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