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Wal-Mart: anatomy of a takedown

How activists kept controversial big-box store from entering Rego Park—for now

BY TOMMY FERNANDEZ

IN DECEMBER, LOBBYIST RICHARD Lipsky read the newspaper headlines about Wal-Mart's plans to enter Queens and exclaimed, "We're ready for this fight!"

In this case, "we" included community activists, labor leaders and members of the Neighborhood Retail Alliance, a citywide coalition of small-store owners. The day he read the news, Mr. Lipsky called his compatriots to set an anti-Wal-Mart effort in motion.

To their delight, Mr. Lipsky and his fellow activists found no shortage of supporters.

"If you are an immigrant advocate, a member of the clergy, a labor leader or an elected official, then you have something to worry about from Wal-Mart," says Brian McLaughlin, a state assemblyman and the president of the New York City Central Labor Council.

Stuart Appelbaum, president of the 100,000-member Retail, Wholesale & Department Store Union, says he was repulsed by the thought of a Wal-Mart in Queens. He worried about allegations—denied by Wal-Mart—that the company pays ultralow wages and has violated labor laws nationally.

"There was no question," says Mr. Appelbaum, "that we had to do something as soon as possible."



BIG BOX, NOT BIG BUCKS: Some say Wal-Mart helps those in poorer areas.

Bricks and mortar fire

Within days, the activists held news conferences at the proposed Rego Park construction site, owned by Vornado Realty Trust, as well as at City Hall. They next met with all 51 members of the City Council to press their cause; this step was especially critical because major commercial development in the city requires the blessing of the council's Land Use committee.

Organizers then raced to recruit as many different interest groups as possible to oppose the big-box retailer. The diverse coalition helped the campaign resonate with a greater variety of Queens residents.

Explains Mr. McLaughlin, "The labor board felt strongly that the Wal-Mart fight shouldn't have solely a labor face to it."

The organizers also sought out small-business leaders and activists working on behalf of immigrant shop owners, who feared that they could not compete with the retailing giant. They brought in residents who worried that a Wal-Mart would worsen the borough's notorious traffic problems. They called on environmentalists who

were concerned about the impact of the development itself.

Taking it to the streets

This broad-based coalition offered the activists not only diversity, but also manpower for grassroots campaigning. Anti-Wal-Mart crusaders were dispatched to schools and churches to preach the negatives of the big-box chain.

I Wal-Mart didn't just sit back and take its lumps, of course; it aggressively defended itself. Corporate Affairs Director Mia Masten says that a Wal-Mart would have brought 300 jobs to the borough, and disputes allegations that the chain offers low-paying jobs with few benefits. She adds that Wal-Marts in metropolitan areas pay associates an average hourly wage of \$10.38 and that the company pays for two-thirds of employees' health benefits.

"We wouldn't have been able to grow the way that we have," Ms. Masten says, "if we weren't providing decent jobs, fair wages and good benefits."

Nevertheless, on Feb. 23, the anti-Wal-Mart campaign succeeded—at least for now. Vornado withdrew its application to house Wal-Mart in its shopping center. The real estate firm declines to comment on the matter.

None of the activists believes that Wal-Mart has given up its quest to open in Queens. Says Mr. McLaughlin, "This is just the beginning of a long campaign."

Wal-Mart's first-round defeat did not please everyone. According to Steve Malanga, a senior fellow at the Manhattan Institute, many Queens shoppers who are looking for low prices and wide assortments head for big-box stores in Nassau County and New Jersey. A Wal-Mart in Queens, he says, would keep these consumers' dollars in the borough.

Mr. Malanga also argues that low-income residents suffer the most from the absence of big chains, adding that access to a Wal-Mart would allow them to save as much as 20% on many items.

"Prices in New York's poor neighborhoods," he says, "are unusually high on many basic goods." ■