

Neighborhood Retail Alliance

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Memorandum

From: Dr. Richard Lipsky

To: Concerned Retailers and Wholesalers

Subject: Anti-Wal-Mart (Big Box Store) Coalition

Date: 1/10/05

The threat of the proliferation of Wal-Mart box stores (as well as its hybrid stepchildren), is manifest. The company's own spokeswoman describes New York City as "the last frontier" in its octopus-like expansion all over the country and the world. That being said, the entry of Wal-Mart into New York City can be successfully fought. This may not mean completely eliminating the possibility of any of its stores within city limits (although that should be the Coalition goal), but it does mean that we can severely limit Wal-Mart's penetration into New York's retail market.

In order to be able to achieve this goal any anti-Wal-Mart organization needs to be able to aggressively mobilize a diverse network of constituencies and, once this is done, be able to utilize the mobilized resources in a broad-based campaign that attacks Wal-Mart on a multitude of fronts. As we have outlined previously the coalition must be able to transcend the "parochial" concerns of food retailers, wholesalers and the unionized workers that represent these business interests.

This means that all or most of organized labor must be brought under the anti-Wal-Mart umbrella. This task has already begun and has immediately reaped a number of dividends. The enlistment of Brian McLaughlin, president of the New York City Central Labor Council (CLC) has generated a great deal of initial attention and support. With our effort to hold City Council box store hearings already secured, McLaughlin latched on to the event and, through his efforts, transformed it into a media happening.

The hearing, and the press conference that preceded it, was covered by a wide range of radio, TV and print media. Joining McLaughlin at the press conference was Randi Weingarten, the president of the United Federation of Teachers. Weingarten gave a rousing speech that basically labeled Wal-Mart “persona non grata” in New York City. With McLaughlin and Weingarten on board, we have made tremendous headway in uniting the entire labor movement against Wal-Mart.

The foundation of the initial labor component of our coalition has been led by the United Food and Commercial Workers and the Retail, Wholesale and Department Store Union. These sister unions represent 55,000 New York City supermarket workers and provide the kind of passionate base that is necessary for successful grassroots organizing.

In addition to labor, our early effort has been joined by two important groups. The National Supermarket Association (NSA), represents around four hundred independently owned neighborhood supermarkets. More importantly, as Hispanic immigrant entrepreneurs, the NSA appeals to the largest and fastest growing minority group in the city, one that now represents about 30% of the overall city-wide vote.

The second group, the Korean-American Small Business Service Center, is led by Sung Soo Kim. KASBC represents around 3,000 green grocers and an additional 3,000 fish stores,

nail salons and other neighborhood retailers. Mr. Kim's importance, however, transcends his ethnic base. He is the underlying force in the reformation of the Small Business Congress.

The SBC is seeking to reinvigorate its representation of the 185,000 mom-and-pop retailers that it successfully was able to do in helping to defeat Mayor Giuliani's 1996 megastore plan. We will look for the SBC to mobilize the various neighborhood merchants and trade organizations that exist throughout the city. A leading spokesman for the original SBC effort, Mr. Steve Barrison, was present at the press conference and hearing and is extremely effective at articulating small business concerns. We saw this is some of the media portrayal of the hearing as small business driven.

Expanding the Coalition

As good as the group we have assembled is, it is not nearly as large, diverse or comprehensive as it needs to be. We have already outlined previously a number of potential additional stakeholders. This is the work that needs to begin right away. Most important are the grassroots, city-based groups such as Acorn, Jobs with Justice and City Action of New York. In addition, neighborhood civic groups concerned with the traffic and transiency impact of box store development need to be cultivated, beginning with those neighborhoods that are closest to the prospective Wal-Mart sites. We also need to reach out to women's and environmental groups.

What Needs to be Done

- 1) *Expand the Coalition*
- 2) *Political Outreach*

As we expand the coalition we need to begin to cultivate political support for our anti-Wal-Mart position. This should start with our local elected officials and, as the success of our first event indicates, the process is well underway. McLaughlin is serious about making an anti-Wal-Mart position the basis for support of the labor movement.

This should obviously be the position of the entire coalition and our target should be the upcoming City Council races. We should remember that a new Speaker will be elected next year and that labor will play a key role in the process. The more we can coordinate labor, business and community interests, the stronger our position will be in the legislative body.

It goes without saying that we will look to inject the Wal-Mart issue into the mayoral campaign. Some of the prospective candidates (Weiner and Miller for instance), have already taken a stand and the mayor seems to have staked out a pro-Wal-Mart position that, if we do what we need to do, could increase the vulnerability of his political position. That means, however, that we need to develop our own sophisticated public outreach and education strategy;

3) *Public Education*

This also must flow from our coalition-building efforts. The Coalition needs to develop an understandable message as to why Wal-Mart would be a terrible fit for New York City. Since that theme must have a labor, small business, environmental, gender and community components, it should be clear why the organizing activity must come first. This will give us the constituencies who will be able to genuinely articulate the various aspects of our message.

Once this theme is developed, we need to come up with a multi-faceted strategy to dramatize it effectively. This will involve grassroots outreach activities, press conferences, public hearings and rallies. It may also involve an advertising campaign that will seek to demonize the “Merchant of Shame.” It may also become feasible, once our Coalition has grown, to look to the possibility of putting some anti-box store referendum on the ballot (possible in 2006).

4) *Raising Funds*

In order to be successful it will be necessary to raise a significant amount of money from business and labor stakeholders. This doesn't have to be in lump sums but can be predicated on a monthly commitment. The key areas the funds will be used for are the following:

- a. *Overhead* – The Coalition needs an office and a small staff. It should be a modest facility located in one of the boroughs;
- b. *Lobbying* – At least two or possibly three lobbyists need to be heavily involved;
- c. *Public Relations*- Media outreach is crucial since the battle will be won at least partially at the level of public opinion. The right firm needs to be chosen, one that is aggressive and innovative at developing unique media hooks;
- d. *Grassroots Organizing* – Two organizers would be needed. One that focuses primarily on community outreach while the other looks to mobilize small business and ethnic interests. It may be possible to find someone who can do both kinds of organizing;

We should try to identify stakeholders as soon as possible so we can gauge the kind of financial backing we can expect. It's important to do this as quickly as possible before our activities take off and give some folks a sense that we might be able to successfully accomplish our goals without their help.