The Wal-Martization of America

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The 70,000 grocery workers on strike in Southern California are the front line in a battle to prevent middle-class service jobs from turning into poverty-level ones. The supermarkets say they are forced to lower their labor costs to compete with Wal-Mart, a nonunion, low-wage employer aggressively moving into the grocery business. Everyone should be concerned about this fight. It is, at bottom, about the ability of retail workers to earn wages that keep their families out of poverty.

Grocery stores in Southern California are bracing for the arrival, in February, of the first of 40 Wal-Mart grocery supercenters. Wal-Mart's prices are about 14 percent lower than other groceries' because the company is aggressive about squeezing costs, including labor costs. Its workers earn a third less than unionized grocery workers, and pay for much of their health insurance. Wal-Mart uses hardball tactics to ward off unions. Since 1995, the government has issued at least 60 complaints alleging illegal anti-union activities.

Southern California's supermarket chains have reacted by demanding a two-year freeze on current workers' salaries and lower pay for newly hired workers, and they want employees to pay more for health insurance. The union counters that if the supermarkets match Wal-Mart, their workers will be pushed out of the middle class. Those workers are already only a step — or a second family income — from poverty, with wages of roughly $18,000 a year. Wal-Mart sales clerks make about $14,000 a year, below the $15,060 poverty line for a family of three.

Wal-Mart may also be driving down costs by using undocumented immigrants. Last month, federal agents raided Wal-Marts in 21 states. Wal-Mart is facing a grand jury investigation, and a civil racketeering class-action filed by cleaners who say they were underpaid when working for contractors hired by Wal-Mart. Wal-Mart insists that it was unaware of its contractors' practices. But aware or not, it may have helped to deprive legally employable janitors of jobs and adequate pay.

This Wal-Martization of the work force, to which other low-cost, low-pay stores also contribute,
threatens to push many Americans into poverty. The first step in countering it is to enforce the law. The government must act more vigorously, and more quickly, when Wal-Mart uses illegal tactics to block union organizing. And Wal-Mart must be made to pay if it exploits undocumented workers.

Unions understand that the quickest way to win this war is to organize Wal-Mart workers. And Wal-Mart's competitors have to strive for Wal-Mart's efficiency without making workers bear the brunt. Consumers can also play a part. Wal-Mart likes to wrap itself in American values. It should be reminded that one of those is paying workers enough to give their families a decent life.