

## **WORKERS GET SNAPPY NEW UNIFORMS, AND HAVE TO PAY FOR THEM**

### **Why Wal-Mart is still one down and dirty corporation**

**YOU KNOW THAT OUR WORLD** has turned totally topsy-turvy when Wal-Mart--the low-price, bare-knuckle retailing behemoth known far and wide as the Bully of Bentonville for its ruthless corporate practices--is suddenly putting on airs and positioning itself as (dare I say it?) metrosexual.

Yes, the world's largest and meanest merchandiser--stung in the last few years by a grassroots rebellion of employees, small businesses, unions, neighborhood groups, environmentalists, and others that it has been so arrogantly stifling--is now straining to project a kinder and gentler image: urbane, upscale, green, socially responsible... even sensitive, for goodness sake. The image spiff-up comes as Wal-Mart executives have made a marketing decision to move from their suburban/rural base into cities, reaching out to a clientele that wants finer goods... and a more refined company.



But has the beast really changed? Inside the stores, and you can see a Nouveau Wal-Martique emerging. To appeal to more affluent customers (this advanced Wally-World calls them "selective shoppers"), Wal-Mart is upgrading its merchandise to include \$500 bottles of wine, organic foods, \$2,000 plasma TVs, 400-thread-count sheets, imported balsamic vinegar, organic-cotton baby clothes, microbrewed beers, and a new "Metro 7" line of designer fashions. Never mind that the average Wal-Mart shopper lives in the suburbs, is female, stands 5-foot-2, wears a size 14, and is looking for sensible skirts and durable go-to-work clothing--the reinvented retailing giant is proffering skinny-legged, fur-trimmed jeans for the stylish set. It has even run an 8-page fashion spread in Vogue magazine.

Last March, this high-toned Wal-Martique opened a model store in the well-to-do corporate haven of Plano, Texas. No downscale blue-and-gray, concrete-block facade for this baby. It features two tone brick walls, wood floors, wide aisles, uncluttered shelves with cherry finish, halogen lights, and discrete fitting rooms for a hoity toity clientele. Also, forget the usual in-store McDonald's. There's an espresso bar with free wi-fi and--Holy Sam Walton!--a sushi bar to enhance what cosmopolitan retail consultants call "the shopping experience."

In addition, you might note what's not there. No more layaway plans, for example. No shotguns and hunting gear, either. Also, far less in the way of automotive tools and supplies. As the model store's project manager explains, "This customer is telling us they're not doing it themselves. They don't change their own oil."

Naturally, an upwardly mobile Wal-Mart cannot have its workers-- excuse me, "associates," as they are called in Wal-Mart speak-- garbed in those dowdy blue vests with "How May I Help You?" emblazoned on the back. Too, too tacky. When a corporate fashion designer was brought in, he took one look at Sam Walton's friendly vests and termed them "the lowest guppy in the pool" of retail outfits.

So Wal-Mart is giving a makeover not only to 1,800 stores, but also to clerks. A new dress code dictates a positively preppy look of khaki pants and navy-blue polo shirts, giving the place a feel described by the fashion designer as "much more business casual than working class." Yes, but should workers tuck their polos into their khakis for a sharp, snappy appearance, or leave the shirts untucked as a sign of an easygoing, fun-loving workplace? Believe it or not, the tucking question reached the top levels of HQ in Bentonville. Finally, the word came down from on high: "If they want to tuck it in they can. If not, they can leave it out."

And you thought there was no workplace democracy at Wal-Mart!

Workers, however, are less than charmed by the change in couture, for the company expects them to dig into their own pockets to buy the preppy uniforms. Perhaps these employees will find solace in the assertion by the fashion designer that the new duds "will raise the status of the 1.3 million Americans" who work there. It's entirely possible, of course, that workers would prefer to trade "status" for the genuine elevation that comes from higher paychecks and better treatment.

Beneath Wal-Mart's new cosmetic sheen lies the same old ugliness. The average employee toils for \$8.23 an hour--a poverty-level wage that amounts to about \$16,700 a year gross (in both meanings of that word). Many don't even make that, for Wal-Mart defines "fulltime" work as 36 hours a week rather than the usual 40. It's common for bosses to hold workers to under 24 hours a week, which reduces gross annual income to only about \$10,000.

Contrast this miserliness with the company's lavishing of wealth on those at the top. CEO H. Lee Scott, Jr., had a base salary of \$1.3 million in 2005, plus \$4 million in "incentive" payments, as well as stock and other compensation that raised his total haul to \$17.5 million (including more than \$100,000 for personal use of corporate jets). Also, Wal-Mart founder Sam Walton's widow and their four children, who collectively hold 40% of the corporation's stock, are living grandly. At present, they are sitting on personal nest-eggs of \$15.5 billion each, putting all five of them among America's 11 richest people.

Meanwhile, fewer than half of Wal-Mart's employees get any healthcare benefits at all--and those who do must pay 41% of the cost for a lousy plan that carries a \$3,000 deductible per family plus a \$300 pharmacy deductible and a \$1,000 in-patient hospital deductible. Honchos at headquarters keep insisting that the health benefits they offer are "competitive" with other retailers. But look no further than Costco, where a good plan covers 80% of employees and the company pays 90% of the premiums.

The richest corporation in retailing, with \$312 billion in sales (more than the next five biggest retailers combined), pushes the bulk of its workers onto public-assistance programs, even telling employees how to sign up for government help in a company bulletin called "Instructions for Associates." In all 23 states that have released data on their state-funded health-care programs, Wal-Mart is the corporation with the most employees and dependents enrolled. Also, in a 2005 internal memo, the company's head of benefits conceded that "46% of associates' children are either on Medicaid or uninsured."

Last February, during an online "chat" on an internal web site where Lee Scott and corporate managers occasionally exchange niceties, one uppity manager dared to ask Lee why "the largest company on the planet cannot offer some type of medical retirement benefits." Lee snapped back, "If you feel that way, then you as a manager should look for a company where you can do those kinds of things."

Such a snarly corporate attitude expresses itself daily throughout Wal-Mart's empire, where workers are squeezed for every last ounce of labor at the cheapest possible cost and then discarded at the whim of those at the top. It's not by accident that this mingy corporation faces the largest employment-discrimination class-action suit in American history, involving 1.6 million women who've been unfairly denied promotion and equal pay. It's also not by accident that Wal-Mart has been caught again and again using child labor, knowingly exploiting illegal workers, getting its products from grim sweatshops, forcing employees to work off the clock (i.e., without pay), and even denying employees their 30-minute, unpaid lunch breaks.

Lest you think that such disrespect comes only from the old-style Wal-Mart, check out the brand-new workplace policy now being imposed from Bentonville. Launched three months ago, it caps the wages of rank-and-file employees, doubles the number of part-time workers, cracks down on "unexcused" days off (such as having to tend to a sick child), and requires workers to be available for duty 24 hours a day, seven days a week, with no fixed schedules. The new policy is widely perceived as a crude attempt to convince longtime employees to quit so they can be replaced by even lower-wage, nobenefit part-timers.

Especially grievous is the insistence that workers make themselves available around the clock. "It makes it hard," says a former worker in a Yakima store. "If you have a function with your child or you want to go to church on Sunday, you don't want to miss those things." This abusive claim on every hour of a worker's time is exacerbated by other unsubtle prods to drive established workers out the door. In Florida, for example, several stores have abruptly banned the use of stools by cashiers and other floor workers who have back or leg problems.

Such nastiness has led to some of the first-ever public protests by employees. Once again, though, the metrosexual Wal-Mart has risen to the fore, offering a compassionate new program named "Associates Out Front" to show a little corporate love to the worker bees. Are the harsh workplace rules to be softened? Of course not! But how about this? Every week, ten employees in each store are to be allowed to meet with the manager!

If you think that's thrilling, imagine how excited workers were when they learned that an employee reward program is also being instituted. Cash? No. Time off? No. What? Close your eyes and hold your breath, for here it comes: Workers with 20 years or more service to Wal-Mart are to be presented with a special polo shirt with their years of service stitched right on front! And the honorees will not even have their pay docked to recover the \$15 cost of the shirt!

## **The Smoke Machine**

Whether it's Wal-Mart or Wal-Martique, this is a corporation that, as a matter of policy, flat runs over people in its reckless pursuit of another penny increase in profit. Abusing workers, riding roughshod over neighborhoods, squeezing out small business, roughing up suppliers, busting unions, ripping off taxpayers--all this and more are an integral part of the corporation's business plan.

When any of these corporate uglies bubble to the surface, as so frequently happens, Wal-Mart's executive culture of dishonesty and deception automatically kicks in. Rather than alter any of its practices, the bosses roll out their extensive, richly funded, well-oiled smoke machine, spewing a dense cloud of gimmicks, attacks, stunts, deceptions, and plain old hokum to try to cover up. Some examples:

**THE WAR ROOM.** On the second floor of the mother ship in Bentonville, Wal-Mart executives have set up a war room, modeled on political campaigns. As in the world of roughhouse politics, the corporate war room exists to attack opponents, plant puff pieces in the media, generate fake "third party" groups that give a false sense of public support for the company, etc.

In 2005 Wal-Mart hired Edelman, a huge PR/political firm, to run the war room, and Edelman dispatched its top Washington operatives to Bentonville. Michael Deaver, Ronald Reagan's image maker, was brought in, as were former top political henchmen of Bill Clinton and John Kerry, plus George W's 2004 political director. Staffers live in a corporate apartment near headquarters and report at 7 a.m. to the war room, known as Action Alley, where they work in tandem with Wal-Mart's director of corporate communications, a former political strategist for the Tobacco Institute.

**WORKING FAMILIES FOR WAL-MART.** WFWM is a PR front created by Edelman and funded by Wal-Mart in December 2005 to project an image of 1.3 million happy employees rallying behind their beleaguered and beloved mega-corp. Alas, WFWM, run by the former spokesman for the Republican National Committee, has been able to get fewer than 10% of Wal-Mart's "happy" workers to sign up. It also has produced more bad publicity than good.

Last February, the front group landed what it thought would be a big showfish when it signed on Andy Young as its chief spokesman. In turn, the former civil-rights leader's company was awarded a consulting contract with WFWM. The deal went bad six months later when Young told an interviewer that, yes indeedly, Wal-Mart does drive out small businesses. But that's OK, he explained, since the little stores are owned by Jews, Koreans, and Arabs who, he glibly claimed, rip off urban communities. Only hours later, Young apologized and resigned from WFWM.

**TRAVELS WITH LAURA AND JIM.** In September, a folksy blog was launched detailing the joyous experience of two average Americans traversing the continent in an RV. Each evening they pulled into a different Wal-Mart parking lot and interviewed workers and customers. And, golly, every single person interviewed absolutely gushed with love for the company--no one had a disparaging word. The blog, jauntily titled "Wal-Marting Across America," read like an ad. It was. Though the couple did not mention any financial arrangement with the company, they were "sponsored" by WFWM. BusinessWeek magazine learned that this Wal-Mart front group had flown these happy travelers from their home in Washington, D.C., to Las Vegas to begin their cross-country trip. A mint-green RV awaited them, paid for by WFWM, which also paid for the gas, set up Laura's blog site, and paid her a freelance fee.

## **Battling the beast**

So many uglies, so little space! The so-called "new" Wal-Mart is the same heavy-handed profiteer it's been since Ol' Sam Walton passed on.

***High fashion or not,** it remains the biggest buyer of sweatshop products in the world. Look at two major exposés last year. First, Wal-Mart was caught charging \$30 for slacks which Nicaraguan sweatshop workers had been paid 12 cents to make. Workers endured unprotected exposure to toxic chemicals, 24-hour "shifts" with no overtime pay, and deductions of \$1.50 from their \$2-a-day wages for lunch and the bus ride to the factory. Meanwhile, in Bangladesh, Wal-Mart was buying clothing from a child-labor factory that employed 200 children. Aged 11 to 14 years old, they worked grueling shifts of up to 20 hours a day, were paid 6 cents an hour, and were routinely beaten if they took too long in the bathroom.*

***In a hilarious ploy,** Wal-Mart made a big fuss last March about its intention to hire a "director of global ethics." The DGE would be in charge of "developing a global ethics strategy." (Here's a strategic idea: Pay decent wages!). A year later, the highly ballyhooed position remains unfilled.*

***The retail colossus plans** to be the world's largest seller of organic foods. Sounds okay... except that it has already been caught labeling (and pricing) nonorganic food as organic and selling "organic" milk that's produced on massive factory farms that violate federal organic standards. Also, the global giant plans to import much of its "organic" food from China, where there's no effective regulation of organic production (not to mention the unorganic energy waste of shipping food more than 6,000 miles).*

The bad news for Wal-Mart is that it has stomped on so many people, violated so many principles of simple justice, and thumbed its nose at so many of our society's rules of fair play that it has aroused formidable grassroots opposition. The good news for us is that these local coalitions are defeating this retailing Goliath in battle after battle from rural Vermont to the LA metropolis.

This is not only a fight against lousy wages, environmental contamination, grotesque sweatshops, and such--it's a fight to assert our democratic ideals over the autocratic, avaricious designs of a single entity seeking nothing more noble than its own profit. Who the hell elected a handful of Bentonville bullies to remake our communities (and our world) in their narrow, self-serving image?

If you want to take back America, a good way to start is by taking on Wal-Mart. Check out <http://www.hightowerlowdown.org/node/1007>...and do something!