

# Introduction to special feature

## 'The "Wal-Mart-ing" of the world? The neoliberal city in North America'

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Insofar as urbanists concern themselves with corporations like Wal-Mart it is usually on aesthetic grounds, to deride the huge, ugly box-shaped buildings, or on very practical matters of zoning for such large land-users. Several years ago in my home town of Vancouver, when Wal-Mart had purchased land and was seeking permission to build one of its typical mega-stores, progressive planners debated whether this was good or bad on grounds (good) that it provided cheap goods for poor folks versus (bad) that it put smaller businesses out of competition. In this Introduction to our special feature on 'The neoliberal city in North America: resistances and alternatives', I want to suggest Wal-Mart as an altogether more scary beast than that timid debate indicated, and also as a metaphor for developments in neoliberal city regions.

In the spring of 2004 an academic conference was held at the University of California, Santa Barbara, devoted entirely to the topic of Wal-Mart, *Fortune's* 'most admired company' of 2003. With its 1.4 million employees worldwide, Wal-Mart's workforce is now larger than that of GM, Ford, GE and IBM combined. Its \$258 billion in annual revenues in 2003 was 2% of US GDP, giving Wal-Mart number one ranking in the world among corporations, when measured by revenues (Head, 2004, p. 80). The impact of this corporation on everything from the transfer of goods from third-world sweatshops to suburban shopping malls in the

USA, to its impact on local communities where its stores are located, to its impact on employment practices, makes Wal-Mart a subject begging for attention from critical urbanists.

Let me suggest four reasons why we might think of Wal-Mart also as a metaphor for what is happening in neoliberal cities, especially since 9/11 in North America.

### *First Wal-Mart-ing metaphor: wages*

The average pay-check of a sales clerk is \$8.50 an hour, or \$14,000 a year, which is \$1000 below the government's definition of the poverty level for a family of three. Fewer than half of its employees can afford even the least-expensive health care benefits offered by the company (Head, 2004, p. 81). In other words, the single most important factor in Wal-Mart's astonishing productivity record is the way it has been able to keep wages and benefits down in order to maintain its profit margin, which has been the dominant pattern for US corporations for the past decade.

How does this relate to the neoliberal city? Segue to Matti Siemiatycki's article in this issue, the focus of which is the trend to public-private partnership models for the provision of urban infrastructure in Canadian cities, and specifically in the province of British Columbia. In his case study of the recent decision to adopt this model for a transportation megaproject in Vancouver,

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Siemiatycki explores the implications of public-private partnerships on the types of projects that get funded, the balancing of risk between the private sector and the public sector, (lack of) democratic accountability throughout the decision process, and the (lack of) attention to sustainability principles. Once we get into the details concerning the confidence of this particular public-private partnership (a company called RAVCO) about bringing the project in on time and on budget, Siemiatycki reveals (based on an interview with the Chief Executive Officer) that their prime strategy is wage cuts!

##### *Second Wal-Mart-ing metaphor: intimidation around attempts to unionize the workplace*

Unions are needed at Wal-Mart for the same reasons they have always been needed (Turner with Sandercock 1983), they were needed at Ford and GM in the 1930s, and always will be: to prevent the grossest forms of exploitation of workers. But Wal-Mart is an anti-union workplace, and aggressively so. The Union of Food and Commercial Workers (UFCW) has yet to succeed in organizing a Wal-Mart store. Every store manager at Wal-Mart is issued a 'Manager's Toolbox to Remaining Union Free', which warns managers to be alert to such signs of union activity as 'frequent meetings at associates' homes' or 'associates who are never seen together ... talking or associating with each other' (Head, 2004, p. 88). This 'toolbox' provides managers with a hotline to Wal-Mart's Arkansas headquarters, where a union-busting team will be immediately dispatched by corporate jet to the offending store, followed by days of compulsory anti-union meetings for all employees (Head, 2004). In the one known case of a union success at a Wal-Mart store (in a meat-cutting department of a Texas outlet), a week after the workers had voted to join the UFCW the corporation closed down the meat-cutting department in that store and fired the offending employees (Head, 2004).

How does this relate to the neoliberal city? Segue to Gerda Wekerle and Paul Jackson's essay in this issue on the general intimidation of progressive social movements in the USA since 9/11. Replete with numerous concrete examples, Wekerle and Jackson show us how state repression of progressive movements has been normalized by the anti-terrorist re-framing of virtually every realm of public policy. They detail the generalized chill on dissent, which extends from the anti-globalization movement to eco-activism, and how most of the activities of these social movements have been conveniently reframed as anti-patriotic, at the same time as right-wing movements have been able to consolidate their power, and often funding. Thanks to the hegemonic politics of fear, already existing neoliberal policies focused on law and order, surveillance, and exclusion, have been readily adapted and expanded to address national security concerns. Noting, with many examples, how the new global geopolitics has been insinuating itself into the spaces of everyday life in American cities, Wekerle and Jackson conclude that 'These shifts have not been addressed by the critical urban literature, yet the emergence and diverse forms of the neoliberal militarized city need to be addressed in both urban theory and empirical research'.

##### *Third Wal-Mart-ing metaphor: surveillance*

Pervasive understaffing at Wal-Mart has given rise to one of the most common employee 'sins' at the company: 'time theft'. When Barbara Ehrenreich worked at a Minneapolis Wal-Mart to get the 'inside story' for her book on low-wage work, *Nickel and Dimed*, she was told by her boss that 'time theft' in the form of associates standing around talking to one another was his 'pet peeve'. Ehrenreich (2004) found that her boss and his fellow management spies were a hovering presence in the store, always on the lookout for these time thieves.

How does this relate to the neoliberal city? Many authors have noted increases in

surveillance in the neoliberal city over the past decade, and this has taken many forms, from the patrolling of public and semi-public spaces to cleanse them of the homeless and panhandlers, to bylaws forbidding skateboarding, or even the presence of youth in the city (Sandercock, 2003; Gordon, 2005). In this issue, Liette Gilbert talks about the journey from immigrant to citizen in North American cities through the lens of the Montreal film, *Tar Angel* (2001). She demonstrates the pervasiveness of neoliberal politics in the lives of immigrants in the three largest cities in Canada (Toronto, Montreal and Vancouver, where 60% of immigrants settle) and in New York City, Los Angeles County and Miami Dade County (where 28% of US immigrants settle). The likelihood of certain immigrants being racially profiled circumscribes their movements in the city and makes the journey from immigrant to citizen a precarious one, pervaded by fear of expulsion simply for looking a certain way and/or being in the wrong place at the wrong time. The new domestic politics of anti-terrorism, eagerly embraced by neoliberal urban regimes, creates tensions between parents and children as well as between newcomers and members of the host society. There are also very material effects on immigrants of the neoliberal agenda of privatization and service cutbacks, which have affected settlement processes and services.

Roger Keil and Julie-Anne Boudreau also note in this issue that municipal governance has become more disciplinary and controlling of urban populations as competitive urban regulation dovetails with the carceral city. And Wekerle and Jackson describe how increased state vigilance is affecting urban places and urban politics.

*Fourth Wal-Mart-ing metaphor (and related to the third): there is no space for non-conformists in the company, or the city*

All prospective Wal-Mart employees must take an aptitude test that is intended to weed

out troublemakers. After Barbara Ehrenreich took the test, she was told that she had given two wrong answers. One was when she agreed 'strongly' with the proposition that 'rules have to be followed to the letter at all times'. The correct answer was 'very strongly'. Likewise, the only correct answer to the proposition that 'there is room in every corporation for a non-conformist' was 'totally disagree' (Head, 2004, p. 86).

How does this relate to the neoliberal city? As Gilbert demonstrates, it is dangerous for immigrants to step out of line, to protest about anything or draw attention to themselves. The plot of the movie *Tar Angel* revolves in part around the tension between a father anxiously awaiting formal acceptance as a refugee, and his son who is already an activist for social justice and is thus seen by the father as threatening the family's chances of being accepted into the country. And as Wekerle and Jackson demonstrate, the crack-down on social movements in the USA since 9/11 has been normalized by an anti-terrorist framing of all public policy discourse.

### Hopes for resistance

Is there, then, any hope for resistance, for alternatives, for 'planning in the face of neoliberalism' (Goonewardena, 2003)? Is there an actually existing resistance to the neoliberal city? That was one question this issue set out to explore, and each of the authors comes at the question in a different way, pointing up different contradictions, different political opportunity structures, diverse responses of accommodation and resistance in different urban regions to each new wave of urban neoliberalization. Wekerle and Jackson's research finds, above all, evidence of repression of 'use value mobilizations', but also interesting examples of adaptation, including what they call the 'hitchhiking' on to the anti-terrorist discourse by some movements, like the food security movement, or the Smart Growth movement. Still, their findings are not encouraging. Similarly, Keil and Boudreau

note the demise of leftist regulatory schemes since the advent of a more regionalist view of municipal regulation and the suburbanization of metropolitan politics. Nevertheless, they observe that the restructuring-generated crisis that has produced the neoliberal city has also spurred social resistance and civil society mobilization, with an interesting new face: the emergence of pan-Canadian and pan-North American urban coalitions. With the re-scaling of urban governance, they rightly point to the need for urban social and environmental movements to likewise re-scale their own organizations, particularly in the fields of competitiveness, transportation and the environment.

Joe Grengs writes about how the contradictions of the neoliberal city play themselves out in the arena of mass transit, undermining traditional social equity goals for the narrower purposes of relieving traffic congestion, and in the process, worsening the divide between different transit constituencies. He sees the more recent transit goal of getting people out of their cars in order to address air pollution (what Keil and Boudreau call the new 'ecological modernization' agenda) playing itself out in the neoliberal city as an impossible trade-off (due to limited public resources) with the older equity objectives of transit. (Siemiatycki sees neither equity nor sustainability being served by the neoliberal approach to transit in Vancouver.) Still, there are social movements in the transportation arena that are fighting back, and Grengs' earlier study of the Bus Riders Union in Los Angeles is still perhaps the best example of that (Grengs, 2002). Grengs is looking for new repertoires of social contention in this new political landscape, and he finds them in both the new organizing tactics of the Bus Riders Union, and in the subsequent successful class action suit filed by that Union in 1994 claiming discrimination under the Civil Rights Act by the Los Angeles County Metropolitan Transportation Authority. Grengs argues that planners may be uniquely positioned to take action to re-shape the external political

environment in ways that benefit social equity movements, because of their interdisciplinary nature and their ability to bridge the gap between grassroots and government.

Ken Reardon's essay is the most optimistic of this group about the possibilities of resisting the neoliberal city, and he speaks from the trenches of community building. The now-legendary story that he tells of the community-university partnership that developed in the Emerson park neighbourhood of East St. Louis between 1990 and the present is arguably the single greatest success story in the past 40 years of community-building efforts in the USA, transforming the once derelict landscape of Emerson park into an attractive and vibrant residential community. The empowerment model of community planning that he describes integrates participatory action research, direct action organizing and popular education methods, and appears to be highly effective in addressing the people, place and regional dimensions of the form of highly concentrated poverty that characterizes some older industrial cities in the USA. Reardon is, however, careful not to claim the generalizability of this model to all distressed communities. Rather, he advocates a more experimental approach that is, above all, context-dependent.

### The 'Wal-Mart-ing' of the world?

This collection of six essays has no claim to comprehensiveness. Its authors span American and Canadian cities, without pausing to sketch the significant differences between the two, especially with regard to the burgeoning security-industrial complex in the USA and the politics of fear that drives everything there. Everyday life in Canada is very different, in this respect at least. There are glaring inequalities in Canadian cities, but these pale by comparison with the segregation, danger and degraded environment of American cities.

The purpose of this collection was to explore trends among neoliberal North American cities and to look for alternatives.



**Figure 1** Mural with a quote from Margaret Mead on the wall of a coffee shop and apartment building, Main Street, inner city Vancouver, January 2005. Photograph: Giovanni Attili.

With the exception of Reardon, the overall tone of these essays is deeply pessimistic about current trends in the neoliberal and militarized cities of North America. In part this reflects a current mood of helplessness in the wake of the re-election of George Bush. But perhaps the Wal-Mart metaphor can be extended to an alternative purpose at this point. A recent article in Canada's national newspaper *The Globe and Mail* (13 December 2004), titled 'A giant stumbles', revealed that 'there are troubling signs that Wal-Mart may finally have hit the wall'. This change of fortune, reflected in the worst November sales figures in 25 years, appears to be a combination of short- and longer-term strategic errors. The fear among investors is that Wal-Mart may have reached saturation point,

at least in the US market, where the company's 3600 stores reap 8% of all retail sales and one-third of industry profits. 'After dominating rural and suburban America, Wal-Mart has moved aggressively into major urban areas, where it's finding the going a lot tougher' (McKenna, 2004). One retail analyst in the business pages speculated that there may be too many Wal-Mart stores in the USA, and that the corporation's strategy of positioning large super-centres closer and closer together 'may remain an ongoing depressant to store sales growth' (McKenna, 2004). Another business pundit commented that Wal-Mart stores feel old and stale, Soviet-like in their selection and presentation of goods, compared with hipper rivals (McKenna, 2004). In addition to these

problems, Wal-Mart is facing intense efforts by organized labour to unionize the chain, as well as increasing numbers of class action suits brought against it (Head, 2004, p. 85; McKenna, 2004).

Is it just possible that what made Wal-Mart successful may become the engine of its demise? And analogously, returning to the neoliberal agenda and its effects on and in cities, perhaps neoliberalism faces similar pressures. The authors in this collection document the pernicious effects of a spreading neoliberal virus, as rights, freedoms and democratic processes are eroded and spending on a wide array of essential social programmes is slashed. But the loss of these rights and services also raises the possibility of resistance and mobilization, as people look to recapture the spaces and processes that have been eroded. When one mode of accumulation, or one empire for that matter, is so dominant, it is always hard to see alternatives. And yet, David (the Bus Riders Union) stood up to Goliath (the Los Angeles County Metropolitan Transit Authority) and won a class action suit that resulted in a significant reallocation of transit dollars towards the bus system that services the poorest residents of the city. History suggests that there is no permanence in these matters of economic and political systems, even though what comes next is usually a surprise.

For now, I am encouraged every morning as I drive past a mural in my neighbourhood that reminds passers-by that one should never underestimate the power of a few well-intentioned, thoughtful and well-organized people to change the world.

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