

WAL★MART'S TRUE NATURE

Is the retail giant turning over a new leaf? BY KERA ABRAHAM

For every acre paved, another will be saved. It sounds like a mantra for green business, a lullaby for the shopper with a troubled conscience. For the first time, a mammoth corporation has pledged to conserve wildlife habitat equivalent to the acreage it develops.

But the company launching the program isn't Patagonia or Greater Goods. It's Wal-Mart.

On April 12, 2005 — a week before Earth Day — Wal-Mart ads in at least 20 major American newspapers trumpeted the dawn of a new conservation program called Acres for America. The idea is that for every U.S. acre that Wal-Mart Inc. has developed or will develop over the next 10 years, the company will conserve an acre of high-priority wildlife habitat through its partnership with the nonprofit National Fish and Wildlife Foundation. Wal-Mart has pledged \$35 million for the program and promised to conserve at least 138,000 acres, its estimated domestic "footprint." But the five signature projects announced on April 12 more than double that amount, allotting \$8.8 million in Wal-Mart funds to conserve 321,000 acres.

The campaign has the federal government ga-ga with praise. NFWF chairman Max Chapman gushes that Wal-Mart is "raising the bar on conservation," and Secretary of the Interior Gale Norton calls Acres for America a model for other companies to emulate. Wal-Mart CEO Lee Scott enthuses, "Protecting the environment is simply the right thing to do."

But some environmentalists are suspicious of the company's motives. An April 12 Sierra Club press release noted that in recent years, Wal-Mart has agreed to pay \$8.6 million in civil penalties to settle lawsuits over the company's alleged Clean Water Act violations. In addition, Sierra Club notes, Wal-Mart often paves over large open spaces and contributes to urban sprawl. "Wal-Mart thinks it can paint over its record with a nice shade of green, but that won't hide its true colors," says Sierra Club anti-sprawl campaign manager Eric Olson.

Wal-Mart spokeswoman Tara Stewart says that Acres for America is the company's gift to future generations. Skeptics say the campaign is nothing more than a public relations ploy to spruce up the company's tarnished public image.



Greenwashing

Wal-Mart is the world's largest corporation, with a 2004 revenue of more than \$288 billion, according to *Fortune* magazine. By comparison, Target had a 2004 revenue of about \$50 billion; Costco, \$48 billion; and Safeway, \$36 billion. If Wal-Mart were a country, it would be the 29th richest in the world, topping Saudi Arabia, Colombia and Switzerland.

But the company's profits are starting to wilt just a little. In the past, Wal-Mart has actually benefitted during economic recessions by drawing cash-strapped Americans to its discount stores. Now, the company seems to have fallen off the gravy train. Wal-Mart's first-quarter report for 2005 shows profits up 14 percent, but its sales growth fell short of expectations by two cents per share, and the company warned that profits might miss forecasts for the second quarter as well. In late April, Wal-Mart stock hit a 4.5-year low.

That was enough to put financial analysts in a tizzy. As John Dicker writes in his 2005 book, *The United States of Wal-Mart*, the company's monthly sales figures are now "an economic barometer unto themselves." A.G. Edwards retail analyst Robert Buchanan attributed the Wal-Mart sag, in part, to low

company morale ("Consumers Still King, Wal-Mart Slipping?" *CNN Money*, 5/25). Other analysts blamed cluttered stores, uncool merchandise, poor service and a bad public image after years of negative publicity from labor and community activists.

The company has gotten the most media flak for its union-busting labor practices, gender discrimination and sweatshop suppliers, but it's also under fire for its environmental impacts. Not helping matters for the company are investigative documentaries like Frontline's "Is Wal-Mart Good for America?" and "Wal-Mart: The High Cost of Low Price," to be released by muckraking filmmaker Robert Greenwald on Nov. 13.

Bob Bussel, director of the UO Labor Education and Research Center, recently did a little test: He asked a UO class of about 30 students whether any of them avoided Wal-Mart because of its unethical practices. Six students raised their hands. If the class is any indication of the population at large, Wal-Mart's bad behavior could be costing it 20 percent of its potential customers.

Cue Acres for America. The campaign uses images of cute, fuzzy creatures to send a clear message to would-be Wal-Mart shoppers with

Case in Point

One of Acres for America's signature projects is the conservation of 1,120 acres of wildlife habitat along Squaw Creek, a tributary of the Deschutes River in central Oregon. The Deschutes Basin Land Trust will use funds from the NFWF and Wal-Mart to purchase a conservation easement on a private ranch, which will conserve fish and wildlife habitat while allowing ranch operations to continue. The easement is a part of the land trust's Back to Home Waters program, which aims to re-introduce salmon and steelhead runs to streams they've been absent from since the construction of dams on the Deschutes 40 years ago. Wal-Mart's share of the \$1.35 million easement is \$400,000.

Bend resident Michael Funke says that the Squaw Creek conservation project sounds great, but the timing is suspect. Hundreds of Bend-area locals have been organizing for months against a proposed Wal-Mart Supercenter in north Bend that would sit smack

between two existing Wal-Marts in south Bend and Redmond. Funke leads a citizen-powered movement called Our Community First, founded in February to oppose the proposed Supercenter.

Funke points to a 2004 study released by Congressman George Miller (D-Calif.) that finds that the average Wal-Mart store employing 200 people costs taxpayers more than \$420,000 a year in the form of state and federal assistance for low-wage workers — welfare, housing assistance, Medicaid and food stamps. By Funke's calculations, Wal-Mart's \$400,000 share in the Squaw Creek easement comes up short of the estimated \$840,000 tax burden of the existing and proposed Bend stores. "They still owe us more money!" he says.

Money is not all he thinks Wal-Mart owes the people of Central Oregon, where the unofficial slogan is "Poverty with a View." "If you really want to help our community," Funke says, hypothetically addressing the Wal-Mart upper management, "raise wages. Channel your money back to our community rather than to [company headquarters in] Arkansas or suppliers in China."

In Funke's opinion, the Acres for America program is a welcome gesture, but it's not indicative of an environmentally conscious corporation. "I don't think we should get caught up in the idea that Wal-Mart is all of a sudden interested in the environment," he says. "What it's interested in is its reputation."



Michael Funke



**Not Another
Wal-Mart!**

www.notanotherwalmart.org