

Transforming the Big Box Economy

Consensus Standards for Retailers and Action Steps for Governments and Citizens

(June 3, 2008) Our goal is to create a “Moral Economy.” To accomplish this, we must hold corporations to the highest ethical standards. Their privilege to exist, after all, has been granted by the people for the purpose of creating social wealth. Big box retailers have a special responsibility because their unprecedented control over their supply chains allows them to influence the behavior of tens of thousands of supplier companies around the globe.

This document lays out 20 standards that we believe distinguish a high road company in a moral economy. These principles apply not only to big box retailers, but to their suppliers as well. They represent the consensus of 35 labor, community, human rights, environmental, religious, and many other organizations.

We also recognize that governments at all levels have a responsibility to set rules and incentives that encourage firms to promote dignified work, a clean environment, and healthy communities. And as citizens and consumers, we can all exercise our power to influence public policies and corporate practices.

Thus, in addition to identifying big box retail standards, the document also identifies some key steps that governments and citizens can take to eliminate incentives for socially and environmentally irresponsible corporate behavior and set high standards that would lead to the transformation of the retail economy.

I. What Big Box Retailers Should Do

WORKER RIGHTS AND STANDARDS

1. **Respect basic labor rights**, including the rights to freedom of association and collective bargaining and protections against illegal firings, off-the-clock wage violations, intimidation, sexual harassment, health and safety hazards, and discrimination of any sort.
2. **Require that all suppliers adhere to the highest internationally recognized labor and human rights standards**, as well as national labor laws, to be verified by independent third parties.
3. **Pay livable wages and reasonable benefits** such that employees are able to afford food, clothing, shelter, and healthcare without government support.

ENVIRONMENTAL RIGHTS AND STANDARDS

4. **Provide clear and accurate information to the public** about company products and services. This includes information on the nature and source of ingredients (including chemicals), potential health hazards, as well as materials and

processes used to produce products and their risks to health and the environment.

5. **Require suppliers to phase out the use of all chemicals** that are linked to cancer, birth defects, brain damage, or other health problems in humans and animals, beginning with the most dangerous. Phase out chemicals that persist in the environment or bioaccumulate through the food system. Clean up all toxic waste on its sites and require suppliers to do the same.
6. **Reduce waste by** requiring suppliers to minimize packaging, eliminate non-recyclable materials, maximize the use of recycled materials, and take back their products free of charge at the end of their life. Provide recycling education and incentives, such as container deposits.
7. **Prevent further sprawl**, unnecessary consumption of land, and excessive automobile traffic by building on "infill" sites (vacant or under-utilized property in already built up areas) or restoring old commercial sites instead of developing "greenfields" projects on previously undeveloped land. Promote smart growth by choosing sites near public transportation and providing a safe pedestrian and biking environment.
8. **Reduce negative impacts of stores on water, air, and land** by opting for underground or rooftop parking, smaller store footprints, multi-story buildings, healthy and green building materials, and other green building designs.

PURCHASING PRACTICES

9. **Give preference to sustainably sourced products** that are independently certified by credible third parties recognized by the labor and NGO community as being environmentally and socially responsible. These include local, union made, organic, and fair trade products.
10. **Reform pricing practices** to ensure that the prices negotiated with suppliers are not so low that they severely undermine the ability of these firms to meet the labor, human rights and environmental standards delineated herein.
11. **Eliminate illegal products** that have been sourced in violation of a foreign country's law by setting a blanket policy to that effect and actively enforcing it in every product line with a transparent and independently verified system.

COMMUNITY AND CULTURAL RIGHTS

12. **Recognize the rights of communities** to determine which companies may do business within their jurisdictions and to establish their own economic, social, environmental, and planning policies and standards for retail operations. End corporate interference in community decisions over zoning laws and seizures of private property.
13. **Support independent impact analysis** by underwriting the cost of studies on traffic, economic, and environmental impacts of proposed stores, conducted by consultants chosen by local communities.

14. **Solicit community input** in all stages of store development by setting up listening sessions and advisory groups to give affected people a stronger voice in the location and scale of proposed projects.
15. **Recognize that diverse retail markets** which provide a wide variety of choices are vitally important to communities and help to maintain retail diversity by developing stores that are appropriately scaled for local markets and ceasing predatory and anticompetitive practices that undermine the ability of smaller businesses to compete.
16. **Respect indigenous cultures and preserve cultural heritage** by not damaging any archaeological, sacred, burial or historical sites, traditional cultural properties, or artifacts of indigenous culture, and protecting culturally significant architecture, sculpture, or other artwork in the area in which the company is sited.

CORPORATE CITIZENSHIP, GOVERNANCE, & POLITICAL ACTIVITY

17. **Pay fair share of taxes** by forgoing subsidies and all other tax-avoidance strategies that drain vital community resources.
18. **Maintain a Board of Directors that is representative of all major stakeholders** affected by the corporation's business activities to ensure democratic governance. Maintain a full-stakeholder engagement process that is open and responsive to civil society feedback and concerns.
19. **Reform executive compensation policies to encourage** sustainable business practices, human resources development, and creation of quality jobs – not short-term shareholder returns. Shareholders should have the right to an annual vote to approve executive pay packages.
20. **End direct and indirect financial contributions to political** candidates, parties, and referenda worldwide and fully disclose all lobbying activities around the world, including through trade associations and public relations campaigns.

II. What Governments Should Do

LOCAL AND STATE GOVERNMENTS

1. **Adopt community benefits legislation** that sets high labor, environmental and social standards for all retail development.
2. **Deny all forms of public subsidies** and tax breaks to big box retailers and developers.
3. **Require consolidated ("combined") reporting** of corporate taxes to end the tax avoidance schemes used by big box retailers.

4. **Pass statewide and local zoning laws that limit the scale** of retail buildings to a size that allows for meaningful competition and supports sustainable, compact land use patterns.
5. Pass statewide and local **zoning laws that steer new growth** to infill locations and limit retail development on previously undeveloped greenfields sites.
6. Pass statewide laws that **require economic impact studies** and establish review standards similar to Vermont's Act 250 and Maine's Informed Growth Act.
7. Provide incentives to encourage neighboring towns to **collaborate on land use planning**; to develop a joint process for reviewing developments of regional impact, including large-scale retail projects; and to implement sales and property tax-base sharing.
8. **Provide access to low-cost capital** and other government incentives, as well as comprehensive training and support services, to foster the formation and expansion of cooperative and locally owned retail enterprises.
9. **Develop a long-range, comprehensive revitalization program** for traditional neighborhood and downtown business districts; ensure that transportation and infrastructure policies and expenditures support these districts; and resolve any barriers to the restoration and reuse of these districts that may be present in local and state building and safety codes.
10. **Encourage regional land use planning coalitions** and provide state and federal funds for preservation of large tracts of land for open space, similar to agricultural preservation and community preservation statutes.
11. States should encourage communities to use local aid and community development **block grants to acquire land for environmental preservation**.
12. Strengthen and enforce state laws that prohibit retailers from engaging in **predatory pricing** and below-costs sales.

FEDERAL GOVERNMENT

13. **Adopt labor reforms** necessary to remove unfair obstacles to workers attempting to assert their human right to freedom of association and collective bargaining and impose significant fines on employers that violate worker rights.
14. **Reform current trade and investment policies** that currently facilitate a global race to the bottom in wages, working conditions and environmental standards.
15. **Reject any international trade or investment treaties that impinge on the authority of cities and states** to control land use and development within their borders or that would prohibit cities and states from favoring local businesses in government contracts and purchases.
16. Dramatically increase food and consumer product **safety inspections**.

17. Reform policies that currently allow **toxic chemicals** like lead in consumer products.
18. Strengthen and substantially increase oversight and enforcement of **antitrust laws**, particularly the Robinson Patman Act, to discourage anti-competitive practices by large retailers.
19. Require large institutional investors, such as pension funds, to **disclose publicly** the extent of their investments in big box retailers.

GOVERNMENTS AT ALL LEVELS

20. Adopt legislation that supports **full public financing of elections** to reduce the disproportionate influence of corporations, such as big box retailers, over the political process.

III. What Citizens Should Do

1. **Avoid spending their discretionary income** at retailers who refuse to live by the standards laid out in this document.
2. **Support a diverse economy** and keep money circulating in the local community by seeking out locally owned and independent businesses as well as those that employ union labor.
3. Persuade local city or town governments to adopt **zoning laws that restrict the size and location of retail stores** and that support neighborhood and downtown business districts.
4. Lobby local and state officials to **end all subsidies and tax advantages** that favor corporate retailers and create an uneven playing field for small businesses.
5. Organize **local “smart growth” action groups** to develop a “citizens comprehensive land use plan” to present to local officials for implementation.
6. Organize local **letters to the editor and study groups** to keep up a steady stream of education on the issues of smart growth and the rights of citizens to control corporate behavior.

Signed:

California Healthy Communities Network
 Campaign for Labor Rights
 Center for Health, Environment and Justice
 Committee for Asian Women
 Concerned Citizens of Livingston Parish, Louisiana
 Cornucopia Institute
 Corporate Accountability International
 Corporate Ethics International

CounterCorp
 DC Jobs with Justice
 Dogwood Alliance
 Enlace
 Environmental Health Fund
 Environmental Investigation Agency
 Fairgrounds Neighborhood Association in Clark County Washington
 ForestEthics
 Frente Civico de Mexico

Friends of the Earth US
Global Exchange
Harrington Investments
India FDI Watch
Institute for Agriculture and Trade Policy
Institute for Local Self-Reliance
Institute for Policy Studies, Global
Economy and Cities for Progress
Projects
International Labor Rights Forum

Jobs with Justice
Maine Fair Trade Campaign
Organic Consumers Association
PRODESC of Mexico
Rainforest Action Network
Responsible Endowments Coalition
SweatFree Communities
STITCH
Wal Mart Watch Dogs
Women's Voices for Earth

ABOUT THIS DOCUMENT

This document was produced by the Big Box Collaborative, with the objective of pulling together the demands of a wide range of civil society groups who are challenging the “Wal-Mart Economy.” The initial draft drew heavily from existing statements and demands developed by various environmental, anti-sweatshop, community, and other activist organizations, as well as input from a number of leading other organizations.* The Big Box Collaborative will be gathering further input on this document, with the goal of releasing a final version with endorsements for use in media, educational, and organizing campaigns.

Please direct comments, questions or strategy ideas to:
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The Big Box Collaborative brings together representatives from labor, environmental and public health groups, consumer advocates, shareholder activists, international trade and labor rights groups, faith-based organizations, communities, and others from around the world in a collaborative approach to transforming the Big Box Retail Industry.

* The foundational background documents included:

Big Box Collaborative, “Wal-Mart’s Sustainability Initiative: A Civil Society Critique” (with contributions from 23 activist groups)
Corporate Accountability International, “Standards of Political Conduct for Corporations”
Corporation 2020, “Principles for Corporate Redesign”
Institute for Local Self-Reliance and American Independent Business Alliance, “Legislative Platform to Strengthen America’s Independent Businesses”
International Labor Rights Forum, “Labor Rights in the Supply Chain Demands” (developed with input from about a dozen unions and other groups)

Wal-Mart Watch, “Handshake with Sam”
Wake Up Wal-Mart’s campaign demands
Recent Shareholder Resolutions at Wal-Mart
Friends of the Earth. “Principles for Safe, Health, Responsible and Toxic-Free Retail” (developed in consultation with a large number of environmental and labor groups)
Corporate Ethics International, “10 Commandments for Big Box Industry”
Christian Brothers Investment Services, Inc. and Domini Social Investments LLC, “Outside the Box: Guidelines for Retail Store Siting”
Manifesto of the organization of Wal-Mart workers in Mexico

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