

to learn the rhetorical skills that will enable them to translate for the lay public the results of, for example, their complex regression analyses. Equally important, they must accept the task of educating citizens to question those quantitative results, perhaps by ensuring that the relevant counter-data are made available for public consumption as well.

This view expressed by Danziger sees the analyst as a potential neutral party in that he or she can reveal the hidden assumptions, ideologies, and values in data collection, problem definition, criteria establishment, and consequently in policies considered and not considered. In this view, then, being neutral does not mean being uninvolved. We will state explicitly what Danziger states implicitly: policy experts (including front-line public servants) have knowledge and expertise that they are morally bound to share. Education has often been termed a privilege, and privileges create responsibilities. Indeed, if you are not committed to making a difference, you should reconsider your choice to be a public administrator, social worker, policy analyst, probation officer, or the like.

Within this framework, then, the most important goal for the analyst is to gather input from as many stakeholders as possible, given limited time frames. Realize that policy decisions will frequently favor some groups and individuals over others and that policymaking is always based, consciously or not, on some theory of power and government. The analyst should provide his or her policy decisions to elected officials honestly and perhaps should use persuasion to convince the elected officials to adopt policies that favor a wide cross-section of the society. Ultimately, policy adoption is the job of the elected official, but the policy analyst can play a crucial role in framing the debate.

The case study that concludes this chapter—"Big-Mart: Cheap Goods at What Price?"—will draw you into the world of the policy analyst, forcing you to review, and employ, the major concepts covered in the chapter and encourages you to honestly consider the philosophical base from which you operate. It is also a story that has played out in one form or another across the United States and in countries around the globe, including as part of globalization and economic development, so you may have had a hometown experience similar to it.

### Glossary Terms

"green" card (p. 35)	normative (p. 19)	triggering event (p. 8)
Hobson's choice (p. 6)	paternalistic (p. 27)	win-win policy (p. 7)
interest groups (p. 15)	propaganda (p. 38)	

## Case Study: Big-Mart: Cheap Goods at What Price?

### Stakeholders and Storytellers: Playing Politics and the Policy Process

Coauthored by Elise M. Yablonsky

#### The Case

All communities hope for economic vitality, but many are being cautious about what types of growth they encourage. As a result, economic development policy is full of value conflict, and it raises questions about what the public interest is and whose interests are, and are not, being served by different policies. New economic development projects are increasingly examined by concerned members of communities who ask: What is the cost of growth? Many local citizens and small-business owners have protested the development of big-box

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chain stores in their communities. For these citizens, not all kinds of economic growth are desirable; nor are they convinced this type of development will improve the economic health of the community. The motivations behind objections range from fears of the loss of good jobs to perceived threats to the local community's character. Battles have been fought to stop the development of big-box chain stores in many states across the country; some have succeeded and some have failed.

Read and ponder the following reality-based fictional case study, and then consider the questions posed at the end of the case. Also, as you read, keep the following questions in mind: How does the chapter you just read help you understand what is going on? (For example, who are the stakeholders in this case?) What can we learn about public policy and public policy analysis from the battles described? Which of the arguments made by those involved best resonate with you? Why?

### Background

After a failed effort 10 years ago, Big-Mart is once again hoping to open a store in VanWood. VanWood Heights is not the same place it once was. It is in decline and has an aging, shrinking population. It has been hemorrhaging jobs, and, consequently, tax revenue is decreasing. The closing of an automobile plant five years ago led to significant unemployment, scarring many families. The abandoned factory complex has left an unsightly mark on the city's landscape.

Currently, VanWood Heights has strict land-use zoning laws that discourage big-box stores like Big-Mart. The zoning restrictions were imposed after the previous, failed attempt by Big-Mart to open a store in VanWood. Before building, Big-Mart needs a change in the zoning requirement for the site they would like to build on. To complicate matters further, the proposed site is a largely undeveloped, wooded area. It has served various community purposes, including fields that have long served as home to youth soccer and Little League baseball games, and as the site of the town picnic since the founding of the town in 1909.

Seven years ago, Big-Mart attempted to sidestep the city council and work with the mayor, Maria Thomas, to change the zoning requirements and secure the store site. The story was leaked to the public and was met with such fierce opposition that it was dropped. Now, Big-Mart has altered its proposal, including the use of building materials and architecture that would attempt to match the historic flavor of VanWood Heights. It also plans to open a health clinic in the store that would offer affordable health care to those in VanWood without health insurance, or with minimal coverage.

Despite VanWood's recent decline, many citizens reject the new proposal from Big-Mart. These citizens feel that Big-Mart came far too close to being allowed to proceed the first time. Many residents of "the Heights" take pride in the quaint, almost small-town feel of their community and fear that a large chain store would threaten the already depressed local economy. The Lindser family led the opposition 10 years ago and has joined many small-business owners in the area to fight against the Big-Mart proposal. The Linders have owned and operated VanWood Treasures, a toyshop on Main Street, for four generations. Other prominent VanWood business owners joined the fight, including Mary Kay and Tom Davidson, owners of a small coffee shop and restaurant on Main Street; Zach Kovitz, owner and operator of a local hardware store; Joanne Harris, the President of the local VanWood Heights Bank (who is married into the Lindser family); and Christopher Flannan, owner of a small chain of local grocery stores. Of course, Big-Mart also had its supporters the first time, including a few power players and an undetermined, but not inconsequential, number of average citizens.

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When the bid was announced, the opposition immediately began working again. The Big-Mart opposition group, The Coalition to Save VanWood Heights, organized information nights for the citizens of VanWood and led protests on the streets. The Davidson, Flannan, and Lindsey families organized, and continue to lead, the group, with funding help from other local business owners. They are infuriated by the town's offer to freeze property taxes on the development site for 20 years, a common development tool known as tax increment financing. The coalition also finds fault with the recently passed state law that allows national chains to shelter all or part of their income from state corporate income taxes.

Moreover, the coalition has cited studies that found regions do not have any employment gain when big-box retailers, like Big-Mart, move into a region. Their primary source is an article by Stacey Mitchell that cites studies by Kenneth Stone, a professor of economics from Iowa State. These studies have shown that regions lose as many jobs as they gain with big-box chains. Mitchell also writes that the new jobs are worse-paying jobs than the ones lost. Also, his work shows that the cities lose property sales tax revenue (net). According to these studies, big-box stores also hurt the local economy by decreasing the need for local goods and services (Mitchell, 2005).

The coalition has branched out to work with members of other opposing groups, including the local labor union, the local growers' association, and regional environmentalists. Labor unions have battled with Big-Mart across the nation in opposition to their anti-union stance. Local growers, feeling threatened by the sale of cheap organic food and groceries, have already started a petition for a resolution that would limit the sale of groceries in Big-Mart to protect local produce production. Environmentalists have joined the opposition, claiming that VanWood Heights is losing many of the green spaces that distinguish it. They also are critical of the proposal because of the increased traffic and pollution they claim it will bring to the city.

To counter the negative publicity, Big-Mart began running local ads giving their side of the story. They have also conducted their own information nights to "set the record straight" in the community. Their literature claims that they represent the interests of average citizens who are politically inactive, namely, the working poor. Big-Mart says that its low prices and increased access to cheap health care helps poor families, and senior citizens on fixed incomes, to get by.

At their meetings they read testimonials from working families across the nation who thank Big-Mart for allowing them to feed, clothe, and care for their families by offering reasonable prices. They also passed out copies of worker testimonials that attest to the positive work environment in Big-Mart and to their employment, and advancement, opportunities. Big-Mart has also made efforts to promote itself as a good neighbor to local businesses. They have offered grants and radio advertising in stores to help local businesses, especially those located in blighted areas. Big-Mart also played its "green" card, explaining that the energy efficiency of their stores has been increasing due to the growing use of LED lights and hybrid trucks. They have also made an effort to pressure their suppliers to reduce packaging waste.

Heightening the controversy, there are rumors that Big-Mart has two other sites in mind. Big-Mart may be willing to build on the site that was once the automobile plant, thus redeveloping an unsightly brownfield in VanWood Heights and saving the wooded park. However, the site would require costly clean-up before it could be redeveloped. The automobile plant site has neither been confirmed nor denied by city or Big-Mart representatives. The other rumor is that Big-Mart, fearing that once again its bid will be rejected by VanWood Heights' political leadership (or perhaps just seeking leverage), has also opened communication channels with the small city of Fremming. The Fremming site is 150 feet west of the VanWood Heights westernmost city limit.

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In an early poll, conducted before all the meetings began, the residents of VanWood Heights showed that they are fairly evenly split between Big-Mart opposition and support. The poll had a  $\pm 3$  percent margin of error, and found 45 percent favored the new store, 42 percent were opposed, and 13 percent were unsure. The local Chamber of Commerce has been pushing the planning commission and city council to allow for the revision of the zoning ordinance and allow Big-Mart to begin construction. Big-Mart's new bid comes at election time for the city council, but the issue has been largely unaddressed by council representatives (most of whom seem to fear making enemies no matter what they do).

Meanwhile, Mayor Thomas has only said that she believes Big-Mart and Vanwood Heights "can do business together profitably and work together to improve our great city." Nonetheless, under pressure from the local media to set up a town meeting, the city council set aside time at the end of their regular Monday night session to allow the citizens to express their concerns. Larry McGee, the long-time council member who is thought to be the least sympathetic to Big-Mart and the most likely to run for mayor two years from now, served as moderator. Speaking slowly, he pronounced the discussion of the Big-Mart issue to be crucial, and he asked everyone to be civil and to keep their comments brief.

#### *The Meeting*

Mike Zander, a local farmer, was the first person McGee called on. He said: "Big-Mart would be a drag on our local economy, especially our local farming initiatives. Big-Mart provides its produce at extraordinarily low prices, but we have to ask ourselves—at what cost? When you support local farmers' markets, you support your community, your neighbor, your friend. When you support local farmers and local grocers, those dollars are returned to you in the form of not only taxes, but also returned investment in the community. When you buy a bushel of tomatoes from Big-Mart, you support a faceless conglomerate and foreign farmers who don't have to play by our tax, environmental, and labor rules." Councilman McGee nodded his head in agreement and then called on the next speaker.

Katie Schnitz, a teacher at the local school and single mother of two, argued: "I support a Big-Mart coming to town. Even though I work full-time teaching your children, some days I can barely afford to buy food for my family, let alone healthy, nutritious food. With the low prices Big-Mart provides, I can afford to buy my children school supplies, give them fresh fruits and vegetables, and even afford to give them health care. I know some people say shopping or supporting Big-Mart is immoral . . . but I can't afford to be moral. It's all well and good that you politicians and businessmen don't need the low prices of Big-Mart and you surely get along fine without them . . . Well, I can't. Many people in this town have fallen on hard times lately. Big-Mart would be the answer to their prayers. After attending a Big-Mart information night, I believe that many, probably most, of the arguments against them are unfounded."

The councilman next called on Leah Lindser, owner of VanWood Treasures and a leader of the Coalition to Save VanWood Heights: "My toystore has been operated by my family for generations, and was one of the first businesses in VanWood Heights. VanWood Treasures, and the other shops, boutiques, and restaurants that make Main Street what it is, would be crippled by the presence of a Big-Mart. More people would make the one-stop-shopping trip to Big-Mart than would support local Main Street businesses, like Zach Kovitz's hardware store. As Mike said, we are your neighbors, we care about the neighborhood, and we reinvest in the community. Big-Mart will only suck the resources out of VanWood and pay low wages with few benefits. We cannot compete with Big-Mart and still offer living wages to our employees and high-quality products. We surely need a way to revitalize our town, but Big-Mart is not the solution. The tax incentives being offered to Big-Mart would rob the

community of the tax dollars needed to maintain our city, and it would disadvantage local merchants.”

McGee then recognized another critic, the president of the local chapter of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), Andrew Amers: “Big-Mart’s consistent anti-union stance should raise serious questions in our community. Our unions have had a successful history in VanWood. We have worked hard to ensure better working conditions, better wages, and a better life for the workers of this community. Without union representation, Big-Mart employees will have no one to fight for their rights as employees to a living wage, to benefits, and to fair and safe employer practices. These guys will hire illegal immigrants, lock them in the store at night, and cheat employees out of overtime. They discriminate against those who are not willing to work around the clock in their 24-hour stores. Although they didn’t fire them like Circuit City did, there are wage-caps on their employees in an effort to reduce long-term employment. And, they have a record of discrimination against both women and minorities in terms of promotions and pay. This is not the type of corporate neighbor that we want in VanWood. Big-Mart has been fined for violations of labor laws, including forcing workers to work during rest breaks and off the clock. They are a symbol of what has gone wrong with the relationship between people and business.”

Councilman McGee, smiling, looked up and saw Suzanne Sturgan, vice president of the local Chamber of Commerce ready to talk. She didn’t wait for him to call on her: “These Big-Mart battles have gotten out of control. Big-Mart has somehow become the symbol of an evil empire for the left. Local communities are asked to not support them as a stand against corporate exploitation, environmental degradation, and poverty. This is not an epic battle. This is about VanWood Heights—and we are in trouble. Big-Mart would give us the boost we need. Big-Mart has made amazing strides in the last decade to improve their labor and environmental track record. As a representative of the local Chamber of Commerce, I urge you to support Big-Mart’s proposal and to reject more unnecessary regulation of business. I would also like to introduce John Elko to speak to you all. It is my hope that he can ease the fears that some of you may have about this development.”

Big-Mart representative John Elko spoke next, calmly but assuredly: “I know that many of you have heard very negative things about Big-Mart. I want to assure you that none of those things are true. We at Big-Mart are proud of the positive impact we have had in communities since our first small stores were founded 40 years ago. We now have stores across the globe, providing people with high-quality goods at a low price. At Big-Mart we provide job opportunities and assist working families with their day-to-day lives, saving them up to \$2,500 per year. We also generate tax revenue and support thousands of local and national charities. The jobs we offer are well paid and offer opportunities for advancement. When we open our stores, there is such a large demand for our jobs that we are forced to literally turn thousands away. Tell me those citizens didn’t want us as part of their community. You all know the same thing would happen here. We also provide health care to our associates, both permanent and part-time, for as little as \$15 per month in some areas. And, our prescription drug prices forced our competitors to lower their prices to stay competitive, and ultimately that saves you money.”

He continued: “We are also trying to be globally and environmentally responsible. We have increased the amount of fair trade and organic products we buy. Some of our stores are experimenting with alternate forms of energy, including solar and wind power. We have decreased our energy use by 30 percent in the last three years alone, and are reducing our—and our suppliers’—waste.”

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"I also need to take this opportunity to respond to the recurrent criticisms about our lack of labor unions for our employees," said Elko. "We are a community at Big-Mart, and a labor union would be redundant. There are open lines of communication at all levels, and we do not need a divisive, third-party representative. Our managers are expected to take employee concerns very seriously. We, and our employees, believe that a labor union is unnecessary, due to our fair employee practices and collaborative efforts."

"Further," he concluded, "if you believe in democracy, like I do, the numbers speak for themselves. Many polls have shown that most Americans—if not most elites—like Big-Mart, plain and simple. And, they vote for us when they choose to spend their money in our stores too."

When Elko finished, McGee quickly called on Alex Stanley, the president of the Coalition to Save VanWood Heights, who spoke with passion in his rebuttal: "I was hoping for the opportunity to speak after the Big-Mart supporter and debunk his myths. I know our community has fallen on hard times, but Big-Mart is not the answer. We need to reinvest in our community, not invite a multinational corporation in to benefit from inadequately compensated labor, and to remove profits generated by our local residents, while doing nothing to support its employees or the community. While there are some big-box stores, like Big-Co, that treat their employees well, Big-Mart is not one of them. Big-Mart pays its most common employees, its sales associates and cashiers, so little that their families are living on incomes below the poverty level; making us, the taxpayers, support them while it rakes in huge profits. And, while providing these low-paying jobs, it destroys other aspects of the local economy by luring customers away from local stores."

"Also, Big-Mart will not contribute to the local tax base due to the shameless tax incentives it is being offered. Ms. Sturgan claims to be against further government intervention with business, but what about the government incentives being offered to Big-Mart in attempts to lure them here? Apparently our Chamber of Commerce believes that government should only intervene when it is on the side of multinational corporations, but not for local interests."

"The studies that show positive impacts from Big-Mart have been consistently funded by money from the company. Big-Mart, despite its **propaganda**, will not be an asset to VanWood Heights. As residents with pride in our beautiful, tight-knit community, we must work together to become one of the inspiring stories of communities that have successfully stopped Big-Marts from coming to their towns. We ask the city council to recommend that the ordinance not be changed, so that Big-Mart will be unable to build. And, as citizens, we should use the ballot box, and our political contributions, to hold accountable any politician who sells us out."

Rana Sadiqah, member of the regional environmental group followed Mr. Stanley: "Thank you Councilman McGee and the rest of the council for this opportunity to address these key issues. The last speaker, Mr. Stanley, is absolutely right. I have been so impressed with the natural beauty of VanWood and with your fight to save it. You would not want to sacrifice your town for Big-Mart. They will only bring increased, 24-hour traffic and will cost you your beautiful park. I know that company executives have been making minor, but very public commitments to the environment, but this does not erase a corporate lifetime of polluting waterways, gobbling up green space and wetlands, and supporting environmentally unsound practices. Please, protect your sacred land and do not allow Big-Mart to build."

"We only have time for one more speaker," McGee said. Then he called on a citizen he didn't know, Frank Sherrle, a former employee of Hord Automotive: "Ms. Sadiqah, you are not a member of this community and do not know the hard times that we have faced. I agree with the teacher who spoke up earlier. Many members of this community are

unemployed and are struggling to get by. I represent many of those who could not be here tonight because they have to work double shifts to earn enough money to support their families. We don't have a coalition, but our voices should matter. Not only will a Big-Mart offer cheap prices, it will provide jobs to those of us who have not been able to get back on our feet since the plant closed. Families like the Lindsers and the Davidsons see Big-Mart as a threat, but the majority of the residents of VanWood welcome it with open arms."

"Plus," Sherrle said, "I would also like to speak as a representative for the growing number of senior citizens in VanWood. Many of us have to make a daily choice between food and medicine. Big-Mart offers prescription drugs for as little \$4 per month, and now they are going to be offering insurance to their customers and maybe even low-cost checking accounts. Also, there is talk of Big-Mart moving on to Fremming. If the store is coming to our area anyway, we may as well benefit from it being located in VanWood. Quit playing politics—we need Big-Mart." After the testimony of Mr. Sherrle, Councilman McGee brought the town meeting to a close. In the end, the city council and the zoning commission must decide whether or not to take the steps necessary to approve the Big-Mart proposal.

### Conclusion

Which voices do you think they will listen to? Why? How do you think this case would play out? In many ways, this case is symbolic of key contemporary social problems, including corporate responsibility, health care, the environment, and the rising income gap between the rich and the poor. In other ways, this is a particular, small-scale, local issue dealing with local problems and factors unique to this situation. The two sides give opposing "facts" and make conflicting truth claims. As a policy analyst, you will be forced to confront similar issues. It may be your job to attempt to develop policy solutions and a policy process. Nobody said it would be easy, did they?

### Questions to Consider

- MUST answer!*
1. Complete a stakeholder analysis, and identify the many interests in this case. As you work on this, note that competing interest groups and individuals frequently present alternatives in strategically convenient and often dualistic terms. How does each group define the problem? What stories are they telling? Are they offering a Hobson's choice? How do their stories reflect their values, interests, and power?
  2. Which view of power and democracy shaped your stakeholder analysis? For example, what groups did you include or exclude?
  3. What linking mechanisms are utilized by each group? Can you identify backward loops in the process?
  4. What strategies (political means) will likely be utilized by the key players?
  5. Can you create a win-win policy that would recognize the interests of all of those involved?
  6. What sort of policy process, if any, is needed next? What is your role, as a policy analyst, in that process?

### Further Reading

Students have received great value from the Big Box Store Evaluator sponsored by the Orton Family Foundation. It can be found at <http://www.bigboxevaluator.org/>. If you are interested in how box stores impact property values, please see "The NWIMBY Effect (No Walmart in My Backyard): Big Box Stores and Residential Property Values" by Daniel K.N. Johnson, Kristina M. Lybecker, Nicole Gurley, Alex Stiller-Schulman, and Stephen Fisher (2009).

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