

# The Walmart Economy: Everyday Low Prices That We Can't Afford to Pay

Sachin Persaud; AP/POLS 3140, Faculty of Liberal Arts and Professional Studies, York University

## Research Question

Does Wal-Mart provide a net benefit to the Canadian and American economies?

## Methodology

- Survey of the academic literature focused on the socio-economic effects of Walmart
- Academic articles and news media reports were located using online databases
- News media reports were useful in uncovering personalized stories not found in academic literature
- Books were located using the Scott Library database

## The Canadian Context

- Walmart expanded into Canada in 1994
- It did so by buying over 122 Woolco stores in nine provinces



[https://upload.wikimedia.org/wikipedia/commons/thumb/4/4c/Woolco\\_Logo.svg/200px-Woolco\\_Logo.svg.png](https://upload.wikimedia.org/wikipedia/commons/thumb/4/4c/Woolco_Logo.svg/200px-Woolco_Logo.svg.png)

- Walmart in Canada has been vehemently anti-union

## Findings

- Job Displacement
  - For every job Walmart creates, it displaces 1.5 jobs
  - These displaced jobs were typically better-paying with better benefits



<http://www.gannett-cdn.com/-mm-/668a463f64f05bd2a4c9e97b28299828a8426b32/c=82-0-1991-1435&r=x513&c=680x510/local/-/media/2015/02/19/USATODAY/USATODAY/635599512231118625-walmartxDSKx007.jpg>

- Poverty
  - A 2006 study found that the presence of Walmart is correlated with increased poverty rates
  - US taxpayers subsidize Walmart \$2103 per employee in the form of food stamps, housing assistance, Medicaid, etc.
- Crime
  - A 2014 study found higher crime rates in US counties that contained at least one Walmart relative to counties without a Walmart
- Space
  - Walmart vacates 30 million square feet of retail space per year
  - This doesn't include the thousands of acres of unused parking lots

## Costco



- 85% of Costco employees have health insurance coverage
- Half of each store's workers are required to be full-time

## Conclusions

- Walmart does not provide a net benefit to the Canadian and American economies
- Walmart's poor labour practices act as a drag on the overall economy
- The achievements of Costco prove that immense success in the business world does not necessitate immoral business practices