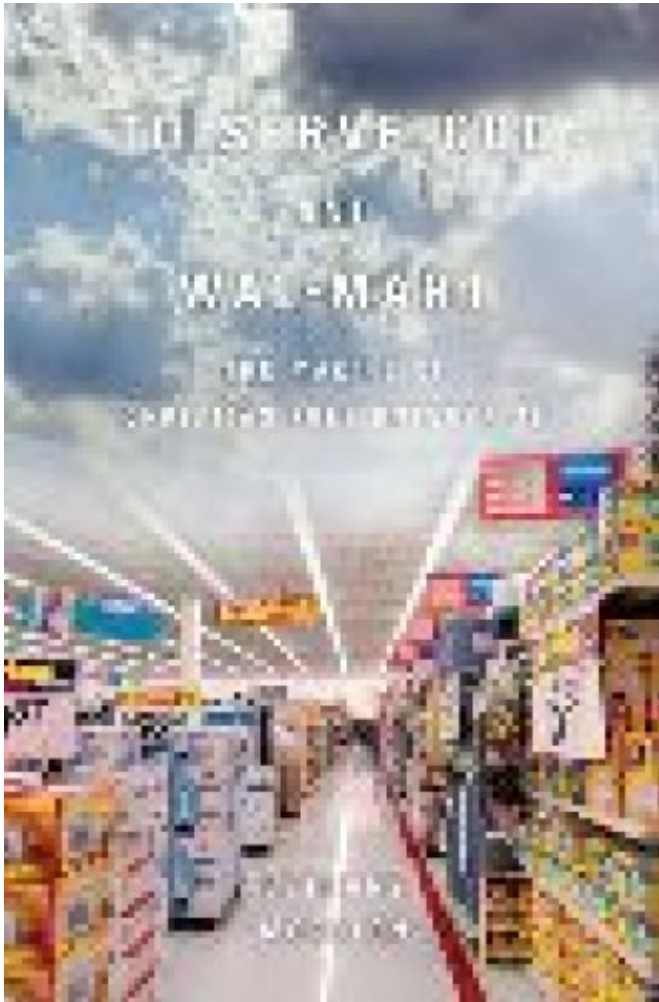


# Big-box values

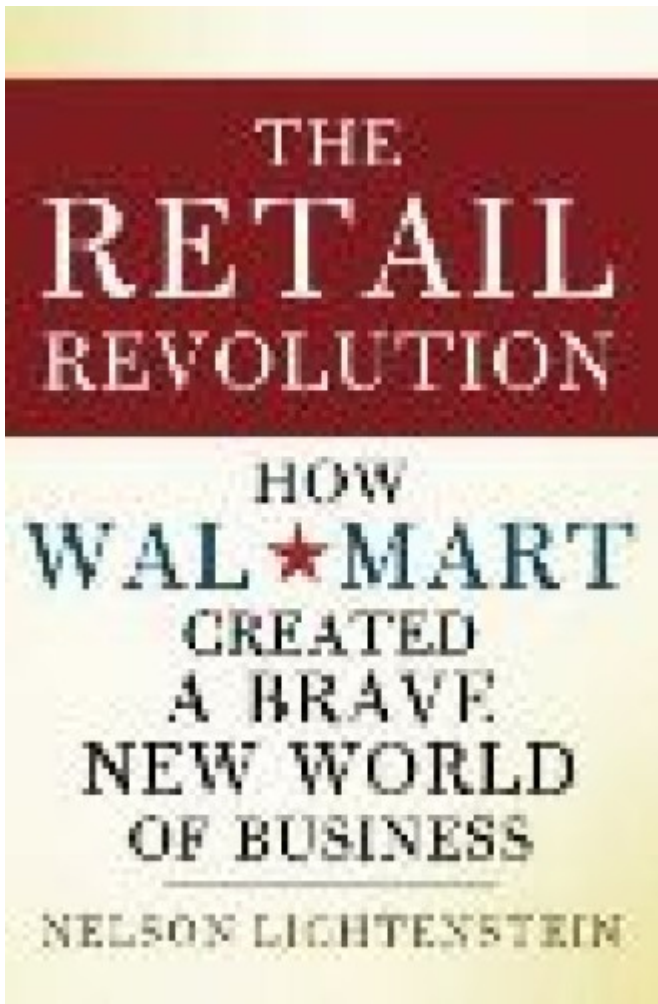
By [Timothy Mark Renick](#) in the [October 20, 2009](#) issue

## In Review



### **To Serve God and Wal-Mart: The Making of Christian Free Enterprise**

Bethany Moreton  
Harvard University Press



## **The Retail Revolution: How Wal-Mart Created a Brave New World of Business**

Nelson Lichtenstein  
Metropolitan

The question of the relationship between religion and economics has long fascinated—and divided—scholars.

In the early 20th century, Max Weber helped to found the modern field of sociology with his theories on religion and capitalism. Faced with an economic mystery with profound practical implications—by the late 1800s, the nations of northern Europe, such as England, Scotland, Germany and Holland, enjoyed booming economies, while the countries of southern Europe, such as Italy and Spain, lagged behind—the scholars of Weber's day struggled for an explanation. Were the hotter climates of the south a deterrent to the hard work and industriousness demanded by

capitalism? Were the parliaments and political bodies of the north more amenable to a free-market model?

In the face of such arguments, Weber posited a radical alternative theory. In his seminal work *The Protestant Ethic and the Spirit of Capitalism* (1905), Weber suggested that the difference between north and south rested not in climates—either literal or political—but in convictions. The countries of northern Europe had embraced Protestantism, and Calvinism in particular; southern Europe remained staunchly Catholic. Weber suggested that therein rested the roots of their divergent economic fortunes.

According to Weber, with the rise of Protestantism came a set of doctrines and beliefs that had profound, if unintended, economic implications. By promoting an austere lifestyle that shunned ostentatious displays—whether in the building of churches or in the dress, possessions and actions of individual believers—Protestantism preserved precious economic resources that could then be funneled into savings and investments. By promoting a notion of a Christian spiritual calling that was world-engaged rather than focused on the ideal of monastic withdrawal, Reformed theology reversed the otherworldliness that had ruled in medieval times. By positing the doctrine of predestination—the notion that God determined before the beginning of time which individuals would ultimately be saved—Calvinism all but compelled believers to seek the self-confirmation that they were among God’s elect, thus promoting an early-to-bed-and-early-to-rise personal ethic and an aversion to self-indulgence and excess.

Many of the particulars of Weber’s thesis have been rejected by contemporary sociologists. Nevertheless, his argument signaled an important change in scholars’ understanding of the factors that impact economic reality. It suggested, quite simply, that religion matters. For good or for ill (and often for both), religion shapes the economic world.

It is in the shadow of Weber’s thesis that two fascinating new books attempt to come to grips with a perplexing economic mystery of our own day: the rapid rise and startling success of megaretailer Wal-Mart. Bethany Moreton’s *To Serve God and Wal-Mart* and Nelson Lichtenstein’s *The Retail Revolution* come at the topic from markedly different perspectives. Moreton is a professor of women’s studies at the University of Georgia; Lichtenstein directs the Center for the Study of Work, Labor and Democracy at the University of California–Santa Barbara. But they are united by

an attempt to answer a question every bit as intriguing as the one that challenged Weber and his contemporaries. In a business world supposedly dominated by the corporate trends and the great fiscal minds of New York, London and Tokyo, how did a small, family-owned and -run company from the Ozarks come to outpace GM, GE, Microsoft and Exxon Mobil to become the most successful corporation in the world?

The details of Wal-Mart's success story are staggering. As Lichtenstein points out, Wal-Mart is "the largest private-sector employer in the world, with nearly 2 million workers, 1.4 million of whom are in the United States." Another way of putting this: about one out of every 200 Americans is employed by Wal-Mart. It has about 20 times the number of workers on its payroll as does Exxon Mobil, the number two company on the Fortune 500 list. The 6,000-plus Wal-Mart stores gross more than all Home Depot, Sears, Target, Safeway and Kroger stores combined. The company's total sales on any given day exceed the gross domestic product of three-dozen nations. Wal-Mart imports more goods from China than does Russia or England.

Part of the fun of reading Lichtenstein's and Moreton's books is in learning one surprising fact after another about Wal-Mart's retail dominance. Add to these facts the detail that the company was founded less than 50 years ago by Sam Walton and his brother Bud with capital consisting of a single five-and-dime store in Bentonville, Arkansas—a town where, to this day, one cannot purchase a beer—and one begins to appreciate the depth of the mystery. What can explain a success so implausible and yet so absolute?

For an answer, both Moreton and Liechtenstein turn, at least in part, to religion. Neither author claims that the divine hand of God guided a Christian company to near otherworldly levels of success, as is sometimes claimed by Wal-Mart boosters; nor does either accept the popular tale that Sam Walton was a devout Christian and that Wal-Mart is a reflection of the founder's personal beliefs. As Lichtenstein writes, "Actually, Walton took his Presbyterian identity rather lightly . . . [and] thought that profit-sharing schemes and Ozark picnics were more central to the Wal-Mart ethos" than was Christianity. Walton's own pastor once commented wryly, "When it's not bird hunting season and he's in South Texas, every Sunday Sam Walton is in church."

No, Moreton's and Lichtenstein's accounts are more nuanced in their depiction of the role of religion. As Weber taught, the economic effects of religion can be unforeseen and unintended. Moreton and Lichtenstein agree that despite the

personal convictions of its founder, Wal-Mart exists within and because of a cultural universe that is evangelical Christian.

According to Moreton, we glimpse this in the products Wal-Mart sells, as well as in those it does not. In the early 1990s, Wal-Mart made a conscious effort to market “the whole family values thing,” as one religious publisher explains. Products included not merely themed Bibles linked to events such as births, weddings and deaths but also Christian popular music, T-shirts and novelty items. Today, Wal-Mart sells over a billion dollars of Christian-themed merchandise every year, making it the number-one merchandiser in the category worldwide (it has put many independent Christian bookstores out of business). Wal-Mart also steadfastly refuses to stock books, music and DVDs that are deemed offensive to a family audience. Not only *Playboy*, but periodicals such as *Rolling Stone* and *Maxim* have been banned from the shelves of all Wal-Mart stores.

We also can glimpse Wal-Mart’s link to evangelical Christianity in the type of customers it attracts. Ralph Reed, former executive director of the Christian Coalition, once commented, “If you want to reach [the Christian] population on Saturday, you do it in Wal-Mart.” Wal-Mart customers skew older, whiter, poorer and far more evangelical than those of rival chains, such as Target. For many of these customers, especially in small towns across America where Wal-Mart is often the only retailer left standing, Wal-Mart is more than just a store; it is a place of social gathering, of congregation, that literally has replaced Main Street.

For Moreton, though, the real breakthrough of Wal-Mart as a Christian phenomenon is found in its success in removing the very guilt about consumption that Weber argues so often accompanies Protestantism. She explains: “Unlike earlier department stores, Wal-Mart did not promote self-indulgent luxury. It did not encourage shoppers to imagine themselves as European aristocrats, recipients of fawning personal attention to their comfort.” Rather, with its gridlike aisles, warehouse ambiance, and employees who stock rather than serve, Wal-Mart has made the shopping experience something different: a utilitarian act of service to one’s family. With Wal-Mart, Moreton writes, “mass buying could mean procuring humble products ‘for the family.’ . . . Consumer capitalism could be born again.” It is not surprising, then, that a high percentage of Wal-Mart shoppers are not only women but mothers; at Wal-Mart shopping is presented as a way to serve the needs of one’s husband and children, and hence to fulfill one’s spiritual calling in the world.

The notion of Christian service is also promoted by Wal-Mart to its employees. Both Lichtenstein and Moreton explain the process by which the company recruits its future managers—almost exclusively male and Christian—mostly from among business students at small, denominationally linked schools in Arkansas, Texas, Missouri and Oklahoma. Wal-Mart frowns upon hiring Wharton or Harvard business grads. The reason is, at least in part, religious. In the early 1990s, company annual reports listed Wal-Mart directors under the heading “Board of Servant Leaders.” The 1993 *Wal-Mart Associate Handbook* instructed: “Wal-Mart believes that we should provide leadership that serves each associate. Your Coach is there to guide, support, encourage and provide opportunity for every associate to be successful. These principles are known as Servant Leadership.” According to Lichtenstein, this model of servant leadership has a darker side: under the rubric of moral sacrifice, managers are paid substandard wages and asked to work large amounts of overtime—often 60-hour work weeks—without additional compensation.

Regardless, these notions of service and sacrifice resonate with Christian employees. One Wal-Mart manager exclaimed to his superiors at a company annual meeting, “Thank you to Jesus Christ for he is the one that gives me the Servant Leadership.” Loyalty to Christ is made manifest in loyalty to the job. Lichtenstein expresses his assessment of the situation harshly: “The servant leader idea rationalizes self-exploitation and lends a sacerdotal air to corporate hierarchy.”

Also made sacred by Wal-Mart and its corporate policies is the free market itself. Wal-Mart publications feature story after story of previously down-on-their-luck Wal-Mart associates who find redemption through capitalism and employment with the company. Wal-Mart’s staunch opposition to unionization, mandatory health care and federal minimum-wage laws is presented by the company as a necessary outgrowth of a morally grounded defense of free markets. As Lichtenstein explains, “The free market is seen as a well-designed instrument to reward Christian behavior and punish and humiliate the unrepentant.” In this schema, government regulation is unchristian. (We see much the same attitude in the passion of some evangelical Christians’ opposition to President Obama’s proposed health-care reforms.)

Women fare particularly poorly in the Wal-Mart world. They constitute not only a majority of Wal-Mart shoppers but also about 72 percent of its employees, and yet they rarely ascend the managerial ranks. Seasoned and skilled female employees often watch as newly minted male college graduates with no experience in retail are brought in as their supervisors. Considerable public attention has been cast on this

issue—in 2004, 1.6 million current and former female employees filed a class-action sex-discrimination lawsuit against the company. Lichtenstein argues that such discriminatory practices are far from accidental. He writes, “One hidden key of the Wal-Mart success story is Mr. Sam’s capacity to capitalize upon the ‘backwardness’ of his region in order to build an organization of exceptional flexibility and efficiency.” Put more bluntly, Walton found a model for securing cheap, loyal labor—mostly from rural whites and especially from women—and used it to increase the company’s profit margins.

How did he do so? By initially building stores in rural areas where the American farm was rapidly dying off as a way of life and sustenance, Walton was able to attract thousands of female employees in need of their first real paycheck. For these women, even the minimum wage was seen as a blessing, unions were a dirty word, health benefits were a foreign concept, and employment alternatives were almost nonexistent. Walton took full advantage of this situation and, according to Moreton and Lichtenstein alike, consciously transferred the structure of the traditional Christian farm family—where the man held authority—to the brightly lit retail world of Wal-Mart.

Just as male managers were urged to practice servant leadership as the heads of Wal-Mart stores, female employees were assigned the role of dutiful wives and mothers, sacrificing for the good of the Wal-Mart family. The tireless and thankless work of the mother at home became the minimum wage and unpaid overtime of the female associate at Wal-Mart. Thus, as workers, women were essential to Walton’s business model. As leaders, however, they would only disrupt the vision of traditional gender hierarchy that was familiar and comfortable to Wal-Mart employees and customers alike.

By definition, all corporate successes are a result of employing the right business model for the right time. In the early 1900s, Ford brought new assembly-line technologies and their price-lowering impact to the making of automobiles, a consumer product that had previously been seen as an unattainable luxury item by most Americans. In the years following World War II, McDonalds created a revolutionary blueprint for franchising drive-in restaurants just as America was embracing the sprawl of suburbia and consummating its love affair with the automobile.

Wal-Mart came upon an equally fortuitous and profitable business formula for its time and place. When Sam Walton began to assemble his chain of small-town five-and-dime stores in the Ozarks in the 1950s and 1960s, the family-run, self-sustaining farm, which had been the cornerstone of American rural economies since the 1600s, was on its way out. The genius of Wal-Mart is not merely its initial ability to identify a newly available population of cheap, hard-working and self-sacrificing American workers. As Moreton and Lichtenstein make clear, Wal-Mart's genius continues today in its ability to recognize, tap into and exploit the traditional Christian values of these workers—and of the customers they are asked to serve—in the products it markets and the corporate culture it promotes.

Whether or not this model can be sustained into the future remains to be seen. One thing is certain. Because of Wal-Mart, Weber's Protestant work ethic is alive and well today not merely in Bentonville, Arkansas, but in thousands of towns across America.