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Book review of Walmart in China

Singapore Management University, Singapore John A. Donaldson

WALMART IN CHINA. Edited by Anita Chan. Ithaca; London: ILR Press, 2011. vii, 294 pp. (Tables, figures.) US\$24.95, paper. ISBN 978-0-8014-7731-7.

Anita Chan assembles a diverse and uniquely qualified contingent of China hands to produce an edited volume that takes a 360-degree look at Walmart's impact on Chinese society. This is no trivial issue. One of the world's largest companies, Walmart sources 70 percent of its products from China, and became in 2004 China's sixth-largest export market (4). Given that Walmart's influence rivals that of even large nations, this account is timely and even overdue. By examining a range of Walmart business practices—production, retail and unionization each command several chapters—the authors compile a detailed and persuasive account of Walmart's mainly negative effects on China.

Four chapters depict and compare conditions in factories in southeast China that supply Walmart. In his incisive overview of the dramatic shift of Walmart's manufacturing to China, Nelson Lichtenstein argues convincingly that Walmart's manufacturing system has harmed workers and others in both China and the US, as well as jeopardized the economic futures of both countries. Xue Hong leverages impressive access to Chinese factories to document how Walmart's pressure to slash prices gets passed on to Chinese manufacturers and ultimately to ordinary workers. The network of formal and informal subcontractors engaged in the production process creates a system that is difficult to penetrate and monitor. Yu Xiaomin and Pun Ngai compare two toy factories that manufacture for Walmart, concluding that the self-policing and punishment-based monitoring systems established in the first factory proved ineffective. Ironically, the second factory, smaller and unmonitored, offered better conditions in order to attract workers. Anita Chan and Kaxton Siu, themselves endure grueling conditions to interview factory workers in garment and toy factories. They document unexpected and even irrational outcomes that emerge in part from differing compensation systems, such as the fact that higher-skilled garment workers experience worse conditions and receive lower pay than their lower-skill counterparts in toy factories, and that overtime hours are generally compensated with lower hourly wages.

Four chapters focus on Walmart retail stores. David J. Davies provides an overview, concluding that the centralized procedures within the company create structures that restrict local managers' discretion and overall role, creating relationships between store managers and workers that are more complex than exploiter versus exploited. Further, he draws parallels between Walmart's corporate culture as it is literally and figuratively translated to stores in China, and distinctively Chinese, and even Maoist-style, motifs.

Two chapters, one by David J. Davies and Taylor Seeman, and one by Scott E. Myers and Anita Chan, contextualize translated substantial excerpts from a higher-level store manager's diary and a lower-level

manager's blog, respectively. Together, they form a nuanced description of different layers of management in Walmart stores. In perhaps the most theoretically grounded chapter, Eileen M. Otis' Chinese research assistant embeds herself as a cashier in a Kunming-based Walmart store. Contrary to the expectations of most researchers who focus on affective control of service workers, Otis concludes that technology and Walmart customers themselves are used to control and discipline workers like cashiers. Further, the primarily rural workers that serve as outsourced sales staff on this store's floor enjoyed more autonomy and better earning potentials than even the primarily urban-based cashiers, not to mention their counterparts toiling in Walmart factories.

In the first of three chapters on the unionization of Walmart stores in China, Anita Chan focuses on why and how the All-China Federation of Trade Unions (ACFTU), China's peak association for labour, demanded that Walmart stores unionize, and why Walmart, which has fiercely resisted unionization throughout the world, capitulated. In some ways, this is not especially puzzling: China's leaders fear organizations outside its control, and Walmart, despite its power, needs China more than China needs the company. Despite this, Chan demonstrated that Walmart was able to subvert the ACFTU's victories to its own needs. While the ACFTU resorts to the long disused tactic of grassroots organizing, it soon shifts to a top-down process that is easily coopted by Walmart's managers. Moreover, the collective agreement signed centrally both heavily favours Walmart's interests and undermines local efforts to organize meaningfully. While some of Chan's evidence suggests that these victories might strengthen reformers within the ACFTU, the preponderance of it appears to support more pessimistic conclusions.

Jonathan Unger, Diana Beaumont, and Anita Chan's comparisons between unions in stores in Shenzhen and Beijing provide further reason to doubt the unions' ability to defend workers' rights. Despite unionization, stores in Shenzhen set a base pay that is lower than China's legally mandated minimum, pressure workers to volunteer for unpaid overtime, and extensively employ non-unionized casual workers. Moreover, despite being organized around rhetorical support for workers rights, unions in Walmart superstores in Beijing ultimately played a role limited primarily to organizing social activities. Even here, the company often grabs the credit. Katie Quan, in the final chapter, compares organized resistance to Walmart in the US and China. She offers informed advice for resistance movements in both countries and calls for more research from Chinese academics. Overall, while she echoes other collaborators in striking a hopeful tone, Quan's observations about organized resistance to Walmart in China are also largely discouraging.

While there is some overlap and repetition between chapters (perhaps necessary if parts of the book are to be used independently for teaching), the volume as a whole is remarkably well edited, and lacks the unevenness that sometimes plagues edited volumes. Somewhat more worryingly, the lack of access researchers faced (despite their Herculean efforts) particularly to Walmart factories constrains their ability to obtain large samples, which could cast some doubt on sometimes starkly phrased conclusions. That said, if Walmart management feels misrepresented by this volume, it might have only itself to blame—providing more genuine access would almost certainly help ensure that its point of view is considered. These minor issues aside, this remarkable volume will be of interest to a range of professionals—from China hands to labour relations experts, from academics to activists—and will also be useful in whole or in part to teaching university students at all levels.