

## Decentralize Big-Retail: How to Uproot Walmart and Bring Jobs Back Home

By Tony Cartalucci Global Research, December 11, 2012 localorg.blogspot.com Region: <u>USA</u> Theme: <u>Global Economy</u>, <u>Poverty & Social</u> <u>Inequality</u>

In many towns across America, Walmart, or a similar mega-retailer, is the only option you have when you need (almost) anything. Big-retail is a monopoly in its truest form and it has become so, not through "free market" economics, technological innovation, supply and demand, or healthy competition, but rather through a combination of pro-monopoly rules and regulations, human exploitation, outsourcing labor overseas, while preventing labor domestically from unionizing for better wages, job security, and benefits.

The sub-par trinkets, poisoned food and beverages, and slave-made goods that line the corporate consumer troughs at Walmart are the result of a global network taking advantage of socioeconomic disparity, consumer ignorance, and deplorable labor conditions to bring the very lowest prices possible to consumers.



The consumers pushing their carts through the aisles

of Walmart scarcely realize the conditions within which workers overseas toil to line those aisles. They may not realize that the polo shirts they are buying came from overcrowded, deplorable factories in Bangladesh, where <u>a fire recently claimed the lives of 112 workers</u>. The doors were locked, the fire extinguishers non-functional – conditions that would not be tolerated in an American factory.

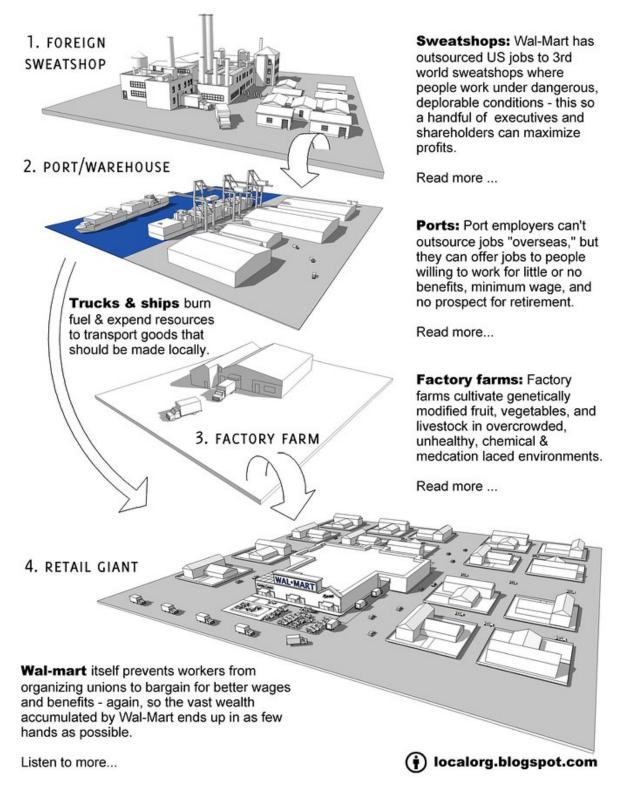
These aren't "always low prices" because Walmart has mastered supply and demand or production efficiency through innovation – these are "always low prices" because people the average Walmart customer has no idea even exist, are paying the rest of the price out of sight, out of mind.

Along every step of the Walmart's supply chain, abuses, exploitation, deceit, and harm is being done to both labor and consumers. The only benefactors are the handful of shareholders and executives that run Walmart – who live a life entirely isolated from the paradigm their spanning monopoly has created. Below, an infographic depicts this supply chain – starting at <u>overseas sweatshops</u>, brought <u>through domestic ports</u> where workers struggle for job security, fair wages, and benefits, and end up on the shelves of Walmart, where likewise, <u>labor must struggle to improve their lot</u>.

Wal-Mart Infographic:



THE WASTE OF RESOURCES, WEALTH DISPARITY, AND HUMAN RIGHTS ABUSES OF BIG-RETAILERS.



**Image**: Hover mouse over image to find links to relevant stories. Right-click and "open in new tab" to stay on this page.

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Additionally, many of the foods lining Walmart's shelves are <u>genetically modified</u>, many <u>come from factory farms</u> where crops and animals are overcrowded, laden with chemicals and medications, and end up as literally poison on your dinner table. The grocery aisles of Walmart are where big-agri converges with big-retail – again to the detriment of both labor and consumers.

It must also be remembered, that all of this exploitation and deceit takes place within a vast global supply chain that uses freighters, trains, planes, trucks, and automobiles to connect consumers with goods produced around the world – using huge quantities of energy to move goods, keep some within strict temperature requirements, and keep lights burning 24 hours a day, 7 days a week to allow consumers to come in and peruse the selection. Perishable goods that pass expiration are simply thrown out – packaging used to transport these goods around the world are likewise disposed of as waste. If not anything else, it is inefficient and wasteful.

**Activism isn't Enough**: It is important to educate people as to the real cost of their "always low prices." However, educating people alone is not a viable solution. The media industry is also an abusive, exploitative monopoly. The ills of this industry had their critics who ceaselessly promoted boycotts, but ultimately to no avail.

It wasn't until a technologically derived alternative, peer-to-peer (P2P) file sharing, came along that people in large numbers began to undermine the media industry – <u>to the tune of billions</u>. People with no political opinion or awareness at all regarding the music industry, for example, simply wanted their music for cheaper (or free). Little argument was necessary to convince people of the merits of sharing digitally.



The media industry <u>lashed out (and still is</u>), with draconian exercises of its incestuous relationship with government – the supposed representatives of the people – with rules and regulations to reassert their monopolizing paradigm. However, like the British Empire losing its gripe <u>on the increasingly self-sufficient</u>, <u>independent American colonies</u>, the media industry is losing to this revolution.

The lashing out turned many otherwise apathetic people, simply enjoying cheaper/free media in the emerging digital paradigm, into activists, and better yet, producers of content, and patrons of open-content to completely escape the media industry's reach. The result is an alternative, parallel digital media paradigm that is increasingly taking a larger piece of

the market, while media monopolies shrink. The wealth to be made in media is being distributed over a larger community of producers and artists – not through wages or populist handouts, but through entrepreneurship and collaboration.

Similarly, we must look for such a solution versus all industry monopolies – including bigretail, where nearly all of these monopolies seem to converge.

## A Local Alternative

It was innovative uses of new technology that eventually began the decentralizing of the media monopolies. It will be innovative uses of new technology that likewise begin the decentralizing of big-retail.

Imagine, a city block, or several blocks, all within walking distance, where you could obtain everything you needed, produced and made available locally. Imagine if everything was made either on demand, or made with an intimate understanding of the local community's needs in small runs. Imagine if the quality was better, the price cheaper, the experience more satisfying, and with nearly everyone in the community being self-employed. This is a paradigm that is emerging – with options and lifestyles that will be so appealing, apolitical people simply seeking the path of least resistance will not need to be convinced to join in – just like with P2P, the benefits will be self-evident.

The answer to Walmart, a place where you can buy (almost) anything – is a place where you can make (almost) anything. Such a place was imagined by MIT Professor Neil Gershenfeld. Called <u>a FabLab</u> (Fabrication Laboratory), it serves as the setting for a course literally titled, <u>MAS 863 How To Make (almost) Anything</u>. In it is a collection of modern manufacturing machines – from computer controlled mills and laser cutters, to 3D scanners, electronics production equipment, and 3D printers – where students are taught interdisciplinary skills ranging from engineering and programming, to designing and art.

The machines found in the MIT FabLab are expensive, but many are not beyond the reach of aspiring, local entrepreneurs. Increasingly, many of these machines are becoming small enough and affordable enough to fit on the average person's desktop.

Professor Gershenfeld's class expanded into a global network of FabLabs focusing on education, local manufacturing, and turning the world's population from consumerist "sinks" into productive "sources." The concept of shedding our centralized consumerist paradigm for one of localized production has expanded beyond the growing FabLab network and made its way into the "maker community."

Locally organized spaces where a similar collection of tools and interests converge to accomplish many of the same goals as MIT's FabLab are called "hackerspaces" or "makerspaces." These are not standardized, and each one is as unique as the community within which they spring up. Experimenting, education, research, and development take place at hackerspaces, and occasionally an entire business model may result. Community projects have also been undertaken by these emerging local institutions.

The "maker" mentality has also translated into the world of heavier industry – including car manufacturing. Crowd-sourced car manufacturing serves as the basis of America's Local <u>Motors</u>, while local race car design, development, and manufacturing constitutes Thailand's <u>999 Motorsport's</u> business model. The world of biology is also being transformed by this

emerging paradigm – with local community "<u>DIYbio</u>" labs giving people a safe and secure place to study and develop local biotechnology.

Agriculture as well is being "re-localized" by community gardens around the world, both by necessity and as a political statement. Growing Power operates an urban agricultural operation, producing crops and fish, while helping others replicate their business model around the world. Other city dwellers are taking advantage of under utilized rooftops, planting gardens to produce fresh, organic vegetables. An emerging trend is for restaurants to grow at least some of their ingredients on their rooftops in a phenomenon known as "roof to table dining." Food waste doesn't go into the trash, but rather into the compost bin to be reused in the growing process.

Now imagine all of these ideas, along with <u>localized education</u>, <u>communication</u> <u>infrastructure</u>, farmers' markets (and maybe maker's markets or a combination of the two), locally sourced water (<u>atmospheric water generators</u>) and many other ideas all combined within the confines of a single block or village. You now have a living breathing, self-contained, semi-insulated localized version of everything Walmart offers, minus the sweatshops, cheap labor, wasteful global logistics networks, and all the instability that comes with a globally interdependent socioeconomic paradigm.

### A Local Alternative Infographic:

# A Local Alternative:



**Image**: Hover mouse over image to find links to relevant stories. Right-click and "open in new tab" to stay on this page.

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**Decentralizing Department-by-Department:** The answer to a global monopoly that sells (almost) anything – a local institution that makes (almost) anything. <u>FabLab Amsterdam</u>

leverages manufacturing technology and decentralizes big-retail's monopoly, department by department. It's customized, it's exactly the quality and configuration one desires, to fulfill exactly the needs required - in the localized-maker paradigm, you don't settle for what Walmart sources from cheap, foreign labor, you make exactly what you want:





furniture clothing accessories

localized: music instruments electronics stationary shoes jewlery



*Image*: Hover mouse over image to find links to relevant stories. Right-click and "open in new tab" to stay on this page.

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Emerging local institutions aren't just producing some of the more mundane, and traditional items we require or desire, but also some of the more complex and advanced items – some of which you can't even pick up from big-retail. Hackerspaces, localized business models, and FabLabs have created electronics, 3D printers, furniture, cars, and even laboratory equipment, including an open-source (OS) <u>centrifuge</u> and an OS DNA replicator – the <u>OpenPCR system</u>:



BITS AND ATOMS Massachusetts Institute of Technology







LOCAL MOTORS





FabLab@School



**localized:** electronics furniture automobiles lab equipment

Digital Fabrication and Hands-on Learning in Education

**Image**: Hover mouse over image to find links to relevant stories. Right-click and "open in new tab" to stay on this page.

**Food, Exactly as you Want it**: Groceries – minus the additives, genetically modified poison, pesticides, herbicides, and medication laced throughout – is the result of localized

agricultural business "Growing Power." Leveraging modern technology and a combination of agricultural techniques, Growing Power has managed to take an urban setting and turn it into a cornucopia of food. It serves multiple purposes – feeding, educating, and employing the local community. It is but one of many possibilities that could be implemented in cities around the world:







localized: groceries

**Image**: Hover mouse over image to find links to relevant stories. Right-click and "open in new tab" to stay on this page.

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## **Possible Pitfalls**

Total potential wealth is not finite. It is dependent on both our ability to innovate new means of getting more from less, and making more accessible that previously was beyond our reach. This can be done by simply improving current processes, or by doing something as radical as moving off Earth to gather extraterrestrial resources, as <u>Planetary Resources</u>

plans on doing.

Corporate monopolies seek to control this pie, both as it is, and as it continues to grow, while ensuring the vast majority of humanity has access to less and less. The consumerist paradigm leaves the means of production, logistics, and retail firmly in the hands of the monopolies, while everyone else is either a consumer or an employee.

Localizing, decentralizing, and undermining these monopolies is the real revolution of our time. The "Arab Spring" was manufactured to fulfill a human need to affect change in the face of adversity. The monopolies are trying to channel the backlash to increasing global disparity, by redirecting it into a geopolitical struggle, one that in fact only widens the very disparity people are increasingly becoming angry over.

Obviously big-retail is not going to simply allow people to decentralize and replace their vast monopoly. Big-business of all sorts have assembled a multi-pronged attack including passing legislation aimed at regulating out of business small start-ups with impossible-tomeet requirements they themselves have no intention of meeting. They are also attempting to simply make "illegal" any practice that threatens their antiquated business models, e.g. SOPA, ACTA, and the war on file sharing. They have also attempted to <u>co-opt</u>, buy-off, and partner with these emerging "proto-local institutions." And for now, it may buy them time.

In the long run, Local Motors <u>partnering with DARPA</u> and other large corporations for competitions, or Growing Power accepting <u>a \$1 million dollar grant from Walmart</u>, or any number of the many hackerspaces emerging around the world <u>being co-opted</u> or shut down by the system, will not stop localization. The reason these emerging institutions became known and wildly popular in the first place, is because they satisfy a desire people have. They present a viable model of future socioeconomics – one where the pie gets bigger, and so does our access to it. If these emerging institutions falter, others will take their place.



**Image**: When local goes back to central. Local Motors crowd-sourced the design of this vehicle for a DARPA "challenge." The dangers of DARPA's "crowd sourcing" are discussed at length in, "<u>The DARPA Vacuum</u>."

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In the world of technology and innovation, it appears that revolutionary ideas aimed at challenging the system, if they become popular enough, eventually turn into the very thing they set out against. Apple and Microsoft both began as a reaction to established techgiants. They have already completed the full circle to becoming tech-giants themselves. They are now part of the elite club keeping down or co-opting young innovators.

Likewise, we will see many of localization's pioneers grow and then collapse into their own footprints – but not for long. As more people begin on this journey, and as disparity diminishes, the ability to become big enough to reach "corporate-critical mass" will likewise diminish. Walmart can shower a million dollars onto Growing Power, but not on operations like it emerging in every county of the United States.

This is not going to happen overnight. Just like P2P file sharing, the corporations will hemorrhage billions, and overtime diminish. The transition should be orderly, gradual, and allow the talent that inhabits the rank and file of the largest corporations on Earth the ability to "switch sides" and establish their own practices, firms, design houses, fabrication shops, and other enterprises locally. We will continue to build up our capacity, while we continue chipping away at big-business and its capacity. Eventually there will be a tipping point, one the monopolies will fight tooth and nail, with overt confrontation and subtle subversion to prevent from going over the edge of.

The maker, hacker, DIYbio, local growing movements will exist no matter what. Arming them with a complete picture of the true revolution they are a part in, ensures that no matter what the monopolies do, that tipping point is reached, and the monopolies soundly rolled over the edge.

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