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ON THE CONTRARY; Why Chain Stores Aren't the Big Bad Wolf

By DANIEL AKST JUNE 3, 2001

ARE chain stores evil? I know people who think shopping at Home Depot is immoral, that Barnes & Noble is a blight. As for myself, don't get me started on Wal-Mart; every time I go to one, stocking up on stuff for my family at the lowest imaginable prices, I feel a pang of guilt.

The basis of these feelings, of course, is the idea that chain stores represent the triumph of corporate capitalism over the little people, the doughty yeomen in white aprons who once toiled behind the counters of neighborhood shops. The more I think about this, though, the more my guilt seems a symptom of bourgeoisie aestheticism, not a concern for the downtrodden.

For one thing, the critique of chains underestimates the importance of low prices. By charging less -- and I mean a lot less -- the chains do more to help the poor than most of the rest of us do. As Barbara Ehrenreich vividly demonstrates in her new book, "Nickel and Dimed" (Metropolitan Books), living on a wage of \$7 an hour is murder in this country, even if you don't have children. Not only do chain stores tend to have cheap prices, but they also force other stores to lower their prices, a state of affairs that does the most good for the least affluent. Until society decides to do more to help the working poor, the chains at least provide low-skill jobs and low-cost goods.

The low prices are especially overlooked in the debate over chain bookstores, which have been elbowing aside the quirky independents. The cover price of most

new hardcover books is prohibitively expensive for many Americans -- even for me, a relatively prosperous guy who happens to write books. Borders Books and other chains make books more affordable by selling some at a discount. How can that be bad?

But whatever they sell, chains are stifling small businesses, right? On the contrary, small business is thriving; companies with fewer than 500 employees generate 75 percent of the new jobs in this country, according to the Small Business Administration, and the number of companies with fewer than 100 employees grew by a total of 15 percent from 1991 to 1999.

Of course, the chains do take business from neighborhood hardware stores and the like, but I think it is a mistake to elevate the sale of pipe elbows and duct tape to the level of a sacrament. There are some things that big stores do better. There is also the dirty little secret that some local stores have never lived up to their image, instead providing a unique combination of high prices and poor service sustained only by the local monopolies that they enjoyed before the advent of the chains.

Finally, it is worth noting that roughly half of American households own stock, often through mutual funds and pension plans whose portfolios are studded with chain-store shares. Home Depot, for instance, is 57 percent owned by institutions. At Barnes & Noble, the figure is 63 percent, and at Target, a remarkable 82 percent. Institutions even own 35 percent of Wal-Mart, although the founder's descendants still control 38 percent. Many shoppers at these stores thus benefit twice: once by paying low prices for products, and again by gaining some of the resulting profit as investors.

The real objection to giant chain stores is aesthetic, not moral. These stores cater to the masses, surround themselves with vast moats of parking and occupy the vanguard of automotive-oriented sprawl. Like an especially diabolical species of locusts, they appear to have a talent for sniffing out the most pastoral stretches of farmland for their charmless concrete structures. Nor do they appear in isolation; they arrive in armadas, surrounded by squadrons of buzzing fast-food restaurants. Everywhere they go, they create more traffic.

I hate all of that, but I have a sneaking suspicion that most people like this

kind of development, which is encouraged by American patterns of local governance and land use. Someday -- may it please come soon -- this could change. As land prices rise near populous areas, for instance, cavernous stores may not be as viable. For now, at least we all know where the bargains are. See you at the strip mall.

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