

Media



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Since my industry is retail, I decided to examine three different articles about Wal-Mart, and its effect on prices and so forth in the retail sector- two that were generally opinion pieces by authors on the opposite ends of the political spectrum, conservative Republican Steve Forbes, and liberal democrat Robert Reich. Also examined was an article in a peer reviewed journal that did a scientific study on Wal-Mart's impact on retail prices in cities and towns with a Wal-Mart, in comparison to cities and towns without a Wal-Mart.

In doing the research, I hit upon two different opinion articles on Wal-Mart, one by Steve Forbes on Forbes.com and one by Robert Reich on NYTimes.com. Steve Forbes is a well-respected president and CEO of Forbes magazine, a business journal that is highly regarded in the business sector. He was also a Republican candidate in 1996 and 2000, putting forth such conservative ideas as the flat tax, a rehaul of Social Security, school choice and a strong national defense. (Forbes.com). While I respect Mr. Forbes, in that he is very accomplished and obviously very learned, I do not agree with his fundamental values, as I consider myself to be more of a Democrat than a Republican. That said, there is no denying that Mr. Forbes is a well-respected man within his field. However, because I do not agree with him on his fundamental values, it is difficult to not have a jaundiced eye on his editorials.

Then, after reading just a few paragraphs, my eye was jaundiced to him even more - he derisively quotes Robert Reich in his article "Isnt Capitalism Brutal?", stating that Reich, expressing the view that Wal-Mart crushes retailers, "complained that the retailing giant has turned main streets into ghost towns by sucking business away from small retailers." (Forbes, 2009).

Then, I actually found the article to which he was speaking, and it turns out that Robert Reich did state the above quote, but that he was stating that this is what Wal-Mart detractors say about Wal-Mart. The article actually defends Wal-Mart's practices overall. (Reich, 2005). In other words, Forbes took Reich's words completely out of context. If you read Forbes' article, you would assume that Reich actually believes that Wal-Mart is bad and turns towns into ghost towns, but when you read the actual article, you realize that Reich is stating just the opposite. I am not sure why Forbes did this - Reich was labor secretary from 1993 to 1997 - in other words, he was President Clinton's labor secretary - and he did write a book called "Reason: Why Liberals Will Win the Battle for America" (Reich, 2005), so Forbes probably holds Reich up to be a liberal. Therefore, he might assume that Reich would be against Wal-Mart. At any rate, Forbes either didn't read Reich's article, or he deliberately quoted him out of context. Either way, the article that Forbes wrote lost credibility instantly with me because of that one gaffe.

The other article I examined was written by Emek Basker and was published in the Journal of Urban Economics. (Basker, 2005, pp. 203-229). In researching more about this particular journal, I hit upon the Impact Factor that is composed by the Institute for Scientific Information (ISI) and the Thomas Reuters Corporation. These organizations rank economic journals for their impact on the scientific debate, by their number of citations in other articles, and by their influence on the industry. (Social Capital Gateway). According to this, the Journal of Urban Economics ranks around the middle of the pack of 100 journals reviewed, with an average ranking of about 55 for the three factors. (Social Capital Gateway). That said, this article is in a peer-reviewed journal and actually involved a scientific study, whereby the retail

prices for 10 specific goods were evaluated around the country to determine if these goods prices were lowered when a Wal-Mart entered the market, and a determination was found that stores prices in Wal-Mart towns actually were lower than towns and cities that did not have a Wal-Mart. (Basker, 2005, pp. 28-29).

Because Baskers article actually involved a scientific study and statistics to back up the impact that Wal-Mart has on other retail stores that compete directly with Wal-Mart, and Forbes article not only quoted Robert Reich out of context, but cited two studies that were evidently hand-picked to support his thesis - that Wal-Mart does not hurt small businesses - while there are probably many other studies that undermine this thesis that, of course, were not quoted by Forbes, I found the article by Basker more credible than the article by Forbes. Forbes is a conservative, pro-business guy, therefore, in his articles, he probably tends to cherry pick studies that fit his agenda. Not to fault him for that, probably every opinion article writer does the same thing, but that is really the problem with op-ed pieces in general. You are getting only one side of the story. Whereas with Baskers article, there apparently was not an agenda, but a dispassionate scientific inquiry that is reported with equal dispassion. He conducted the study himself, not rely upon others, as Forbes does in his article. For these reasons, I found Basker more credible than Forbes.

#### Sources Used

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