Nakea Augustine

INTRODUCTION: BLACK FRIDAY, 2008

Wal-Mart shoppers charge security guards at the fatal Black Friday incident at Green Acres Mall, Long Island, November 2008.

They emerged from the darkness and gathered like pilgrims, lining up beneath floodlights in the parking lot. Well before midnight, the first shoppers had already settled into chairs and under blankets for the long, cold vigil that was being staged outside nearly every major discount outlet across America.

But only one mall would be remembered in the years to come. By 1:00 a.m., hundreds had gathered in front of the Wal-Mart at Long Island's Green Acres Mall. All were there with a singular purpose. They had come for $9 DVDs and $5 Hannah Montana dolls that Wal-Mart had advertised in local flyers; others wanted the $25 microwaves and, most of all, 42-inch LCD televisions that had been marked down to $598. Everyone had a game plan for the store's 5:00 a.m. opening, because when big-box stores open on the first Friday after American Thanksgiving, shopping becomes a competitive sport. Above the crowd of shoppers, in five-foot-high letters, was the promise emblazoned on nearly every Wal-Mart in the world: *Satisfaction*

Guaranteed. As in previous years, most retailers opened for only a brief period during the early morning and offered only limited supplies of aggressively discounted products, so shoppers had come to expect lineups.

This morning was different. As Nakea Augustine recounted, when she arrived at Green Acres Mall at 2:00 a.m., the line was already two thousand people long. Having studied Wal-Mart's flyer, she was keen on the Hot Wheels Barbie Jeep advertised at more than 50 percent off. As she and a friend discussed shopping strategy, there was a violent surge from behind. "It got scary out of nowhere," says Augustine. "The crowd in the back just pushed." Someone grabbed her pocketbook off her shoulder, ripping her coat open. Others were punched and pushed to the ground; scuffles broke out.

Above the growing melee, someone had posted a handwritten sign: *Blitz Line Starts Here*. As the rowdy crowd counted down to five o'clock, the fights and pushing continued. Some shoppers, already injured, left the scene. There were broken arms, bruises, and head injuries. Inside, the eight security guards assigned to the front door began to worry.

On that morning of November 28, 2008, bargain-hungry crowds were staring down guards and doormen across America. Gunshots were fired at a Toys "R" Us store in Palm Desert, California, and two people were killed. Reports of fighting, damaged property, and vandalism filtered through the news. "They're more aggressive," one seasoned Wal-Mart shopper told the *New York Times*. "I've never seen anybody fight like this. This is crazy."

Facing a deep recession, record numbers of shoppers turned out at ungodly early hours to save a few dollars on Christmas toys for their kids, stock up on necessities, or score a luxury television or stereo before things got worse. In the end, an estimated 172 million people – just over half of North America's total population – would go shopping that Black Friday weekend.

If people had any chance of maintaining their standard of living and enjoying the consumer riches they had become accustomed to in previous years, they would need bargains – and lots of them. Retailers did not disappoint. With offers of up to 70 percent off – virtually giving products away in a calculated effort to bring in traffic – Black Friday 2008 marked the very pinnacle of discounting, one of the greatest consumer payoffs of all time.

"Five, four, three, two, one!" Beneath the blue and white Wal-Mart sign at Green Acres, the entrance doors opened a crack. The crowd surged forward with a force that knocked one of the doors off its hinges. One security guard used it as a shield against the torrent of people that streamed into the store. The door crumpled, its glass smashed, and people and workers began to fall inside Wal-Mart's foyer as more than two thousand manic shoppers rushed in. There were screams and panic as people poured over several fallen shoppers, security guards, and broken glass.

Eyewitnesses in the crowd would later recall that security guard Jdimytai Damour, thirty-four, was one of the first ones trampled to the floor. The temp worker had been recruited for door duty on Black Friday, along with several other workers who were employed by a service contractor that Wal-Mart had outsourced. Damour had already been working at the store for about a week in maintenance; like most others on duty that morning, he had no training in security or crowd control. He was built like a linebacker – six-foot-five, 270 pounds – but when the doors opened, he was quickly overrun after attempting to push people back. He had been protecting a young woman, Leana Lockley, who had also fallen. "I was screaming that I was pregnant, I am sure he heard that. . . . He was trying to block the people from pushing me down to the ground and trampling me," the nursing student recounted. "Mr. Damour was to the right of me, he was on his knees. I could look at him eye to eye, and he was trying to push them back, and the crowd pushed him down, and he fell on top of me."

Lockley was pulled to safety by her husband. Damour did not get up as more shoppers streamed over him. Other witnesses reported that he was gasping for air as people stampeded forward. Incoming crowds stepped on and knocked against police as they attempted to perform CPR on an unresponsive Damour. By the time paramedics arrived on the scene, most of the first wave of shoppers had passed through the entrance and filled the store. Inside, shoppers guarded the televisions; others swarmed the toy section. Damour died on the concrete floor between two vending machines, just inside Wal-Mart's entrance and only a few feet from where the greeters usually stand. While a small crowd had gathered around the horrible scene, many continued to shop. The store itself did not close until well after the paramedics had given up their attempts to revive Damour and police had begun to investigate the circumstances of his death. Nassau Police later described it as "utter chaos" and estimated that Damour had been "literally stepped on by dozens, if not a hundred, people." Damour's co-workers stood and said a prayer for him.

A full two hours after the opening rush, and an hour after Damour had been declared dead, shoppers were told that there had been a fatality and that the store was closing. Many refused to leave. One witness told the New York *Daily News* that shoppers acted like "savages." "When they were saying they had to leave, that an employee got killed, people were yelling, 'I've been in line since Friday morning!' " said Kimberly Cribbs. "They kept shopping."

Four shoppers were also injured; Wal-Mart would later pay nearly $2 million in damages. "They took the doors off the hinges," said Wal-Mart worker Jimmy Overby, still in shock. "He was trampled and killed in front of me. . . . I didn't know if I was going to live through it. I literally had to fight people off my back."

For better and for worse, ours is the age of the bargaineers – the engineers of bargains – whose factories extend from rice paddies to suburban basements everywhere. Each year we are drawn to their doors by the millions. And if it's not Wal-Mart that reels us in, then it's its big-box brethren – Costco, Home Depot, Best Buy, IKEA, Tesco – or smaller fish like the local dollar store. There are never single, isolated bargains. Most of us stalk value on a serial basis, sometimes in full contravention of common sense. Row upon row, aisle upon aisle, this realm of affordability, selection, and discount is a dominant force in today's world.

When we buy at our local dollar store or big-box mall, we embrace revolution: the most advanced logistics, marketing, and manufacturing network ever invented. Nearly everything from clothing to electronics miraculously decreased in price between 1990 and 2010. At one time our most expensive commodities – oil, diamonds, metals – were the core business of the planet's largest and most powerful corporations. Now snack food, paper goods, and pet supplies are the world's best-selling products. And by 2008 Wal-Mart's $405 billion in annual revenue surpassed the gross domestic product of Saudi Arabia, underlining the degree to which affordable consumerism has come to dominate global trade.

It's all part of a global shopping marathon that helped turn the world's developed nations into consumer economies. By the time Wal-Mart became the world's largest company in 2002, consumer spending comprised roughly 70 percent of all employment and economic activity within developed nations. Economists call this the service economy, and it is anchored largely by economic activity in finance, technology, and retail and wholesale trade, as well as all the other non-manufacturing business in media, entertainment, airlines, hotels, and restaurants. Personal savings were all but eliminated in the process, and by 2006 the average American household spent more than it earned – the lowest savings rate in seventy-three years, equalled only during the Great Depression, when nearly one in four adults were unemployed. By 2009, America's personal savings rate had barely budged at 3.6 per cent, reflecting a deeply overspent economy that was having trouble sustaining recovery, while China's stayed high at 38 per cent, reflecting its status as an emerging world power.

Here's the dangerous truth. Western economies are now as dependent on consumer spending as they are reliant on crude oil. If either shoppers or crude oil suddenly stopped moving the economy along, the result would be the same: sudden crisis that would affect our ability to access affordable food, fuel, and consumer goods.

With uncertain futures for both global finance and everyday shoppers, some are now even predicting a third depression, a period of economic failure deeper and more troubling than anything anyone has seen since the 1930s. "Unemployment – especially long-term unemployment – remains at levels that would have been considered catastrophic not long ago, and shows no sign of coming down rapidly," wrote economist Paul Krugman in June 2010. And it has much to do with the reality of millions of troubled households, and major governments who have become massively overspent and can no longer easily maintain the equilibrium of economies driven by consumption.

How did this happen? Unlike the Great Depression, the erosion of household fortunes and the massive accumulation of personal debt weren't merely a symptom of economic crisis but an integral part of growth itself. In this economy, one dominated by retailers, financial services, and offshore manufacture, the overextension of shoppers fuelled broad-based prosperity – not just in America but around the world. Leveraged on inflated housing prices and generous credit card limits, this unprecedented bonanza of consumer liquidity hit like a gusher of oil. As shipping traffic and trade deficits boomed, American retail spending increased 43 percent per capita between 1992 and 2005. Other Western nations followed suit with service-dominated economies that long ago eclipsed traditional industry and agriculture – including Canada, which saw a 50 percent increase in retail sales between 1994 and 2007. Americans haven't been the only ones spending their way to prosperity: during the early 2000s, countries such as Italy, Britain, Canada, and France actually outpaced the United States in growth of consumer debt.

The shift from production to consumption during the late twentieth century represents a transformation in consumerism, trade, and society not seen in several generations. Where Henry Ford changed history with the invention of the assembly line in 1913, the quest for cheap reworked everything from global commerce to local economies in order to squeeze out untapped resources and savings.

The global financial crisis of 2008 was the first large-scale acknowledgement that unsustainable consumer debt lies at the core of Western economies. And with empty malls and bankrupt retailers piling up at the end of the millennium's first decade, it's clear that, in an age of climate change and energy anxiety, consumers themselves are a diminishing resource. After they posted the weakest holiday sales in more than forty years, big-box stalwarts such as Linens 'n Things and Circuit City were brought down by bankruptcies in 2008, and double-digit sales declines and profit losses continued to erode businesses and governments worldwide. By the end of 2008, the wave of retail store closures across the United States had reached 6,100, according to the International Council of Shopping Centers (ICSC), with a fifth of all enclosed malls failing. By early 2009 *Newsweek* reported that an estimated 150,000 retail outlets were expected to close, and by 2010, mall vacancy rates were still averaging among the highest levels in thirty years, with no immediate signs of relief. Only Wal-Mart, and a few other discounters and dollar-store chains, managed consistent, improved growth.

The thronging crowds that return to Black Friday each year haven't saved the economy, not because too few returned to keep shopping – in fact, 2009's Black Friday saw an impressive 192 million browsing stores and websites, hungry for deals. But everyone is buying less, a trend reflected in continued store closures, home foreclosures, and sagging consumer confidence. As shoppers continued to demand deals from their favorite big-box stores, America's trade imbalance grew in 2010, suggesting that dependence on globalization was increasing, not decreasing. For example: outgoing empty shipping containers at the Port of Los Angeles – the most literal representation of America's trade imbalance with China – increased an amazing 57 per cent between 2008 and 2009, with stable growth in empty outgoing containers into 2010. "In an economy like this one, every retailer wants to be a discounter," said Tracy Mullin of the National Retail Federation.

Discounting as a future model for progress poses serious long-term challenges. Nations that cannot create value within their own economies inevitably run into trouble. Global discounting as pioneered by Wal-Mart is a force of value destruction that has been eroding the solvency of the modern consumer economy; oil dependence and its many consequences is another source of value destruction; China's withering commitment to subsidizing our world with cheap labour is yet another. In fact, Wal-Mart itself doesn't see its own future in the West. It is looking abroad: in 2010, 60 per cent of all new square footage will be opened by Wal-Mart International, the company announced at its annual investor conference in October 2009, "particularly in growth markets such as China and Brazil."

It's more than just big-box anarchy on Black Friday, although that fateful day in 2008 marked a turning point. After the wild-eyed hordes had hauled off their Samsung TVs, after the garbage, blood, and glass were cleaned up, and after all the recrimination and blame for the senseless death of Jdimytai Damour had passed, certain facts remained.

First, the golden age of affordable consumerism was short and poignant in its brilliance. We will very likely never shop this hard again.

And second, our whole system of cheap, from shipping to consumer credit, is leveraged in ways we are only just beginning to understand – and broken in ways that may not be easily fixed.

The glorious thing about the previous decade was that we rarely had to think too hard about where our stuff came from. It just arrived, and stores became bigger, prices decreased, and the depth and selection of goods increased. Banks and credit card companies made it easy to buy more. Developing nations like China supplied abundant labour. Why question a good thing?

In hindsight, it appears that globalization itself has become entangled in growth cycles that could turn out to be too good to be true. Our bargain-addicted consumer economy is dangerously leveraged on a series of innovations and inventions not built to last. Specifically, the fundamentals of growth – cheap credit, offshore labour, affordable energy, and transport – will be depleted or become unavailable during the twenty-first century. This web of interdependence will not unravel itself gracefully: there is no going back to normal, no rewind or reboot on global trade. Lack of access to affordable petrochemicals and fossil fuels, for example, could progressively disable whole segments of our economy. Offshore labour, available credit, and affordable transport are massive productivity and income subsidies that most consumers unwittingly depend upon. Factors such as climate change and chronic poverty impose additional threats to our supply chains, since globalized trade requires stability, not hurricanes and food riots.

The global debt and financial crisis that closed the first decade of the new millennium is just one aspect of the new era. It's not just about markets anymore. To grasp what will shape economies, nations, and communities in the years to come, we must look beyond the analysis and assumptions of the financial leaders who failed to accurately predict or protect against the biggest and most damaging crisis of our time. We have to look at the world not as a growth and wealth machine governed by orderly business cycles, but as something that performs and responds more like a stressed ecosystem, something full of non-linear change that requires stewardship and attention.

Bargaineering multiplied prosperity, but our deep dependence on this system has also multiplied negative impacts, costs, and risk. It's easy to complain about Wal-Mart and its kin, but much harder to find anyone who doesn't depend on or benefit from global supply networks. The world's largest companies depend on cheap. You depend on cheap. Hundreds of millions of people around the world, rich and poor, are part of this web. And for now, goods trade still drives globalization: it has a global value of $13.6 trillion, more than four times larger than that of services such as finance, software, and travel.

The quest for cheap has already consumed much of our easiest and richest gains in energy, transport, and manufacturing. Instead of local, sustainable production, a surprising amount of our ingenuity and capital is still being reinvested in carbon-intensive transport networks and unconventional forms of crude oil extraction, as well as subsidizing market failure – including trillions in bailouts and damage control for failed financial institutions around the world. And from the tar sands of northern Alberta to the borderlands of Arizona to the factory zones of mainland China and beyond, there is unrest: in lieu of governments and business, citizens and non-profits are taking bold steps to confront neglected aspects of our social, economic, and environmental future. Navigating the future therefore won't be as easy as some might think.

For example: some economists advocate that the only way to avoid greater crisis is through further public spending to restart the economy in a Keynesian rescue gambit. The thing is, America's GDP-to-debt ratio is already nearly 100 per cent, making it a debtor nation on a massive scale. Having splurged on things like bank bailouts and wars over the last decade, America may be short on resources to address the jobless recovery that threatens a looming depression. America's estimated 1.1-trillion-dollar deficit in 2010 was deemed a "national security threat" by the Brookings Institute, yet America cannot afford to ignore unemployment further. This is the paradox: public and private insolvency, along with a national business model dependent on spending, constrain America's ability to engineer its own solutions. Yet it cannot avoid facing the unemployment that is pushing millions of people out of the economy and out of their homes. In no small way, this is how some nations, America especially, will likely lose their status and standard of living in the twenty-first century. That Canada is tied to the future of the United States through its continued and unapologetic dependence on energy and manufacturing exports (tar sands crude and automobiles) is a major liability that many Canadian leaders have chosen to ignore.

One thing is for sure: decades of easy growth are behind us. Instead, there will be fewer Wal-Marts opening in the West, and only a portion of manufacturing and service jobs previously lost to offshoring and outsourcing will return. If offshore labour costs continue to increase alongside energy prices, inflation will once again become chronic: over time, we will pay more for gasoline, shipping, food, and everything else that has a cost structure tied to energy and globalization. Conservation and efficiency will begin to drive politics and culture. Localization and thrift will become even more popular, as people are faced with inventing their own solutions in the face of lackluster policy and leadership.

Likewise, economies dependent on consumer spending will experience greater volatility, and many nations will turn protectionist as the plenitude created by global trade erodes. Even global security will be affected as trade ties falter, national agendas diverge, and *Pax Americana* fades into history. It could be the death of globalization as we know it, and its passing would deprive us of its many flawed benefits while bequeathing a global legacy of unresolved problems.

Until recently, the dominant vision of progress in today's world was rapid growth, cheap products, and shoppers flush with high credit limits – basically, the global economic bubble of the booming 2000s, except forever. In hindsight, domestic job losses and the destruction of local commerce – common complaints against the big-box revolution – may prove to be the least of our worries. Rapid deglobalization could result in failed states, growth in poverty, and the rise of far-right nativist movements, as well as decreased co-operation on reducing greenhouse gas emissions. A world that spends heavily on cheap – burning through resources and consumer credit in pursuit of illusory growth – has become unsustainable, yet globalization without an exit strategy could be even more problematic.

Most importantly, when cheap fails us, we will have to invent a new status quo, one that more accurately reflects the true cost of things. There will be unexpected progress and collapse, new kinds of risk and new kinds of reward. There will be new kinds of change.