

# ACTIVISTS, CATEGORIES, AND MARKETS: RACIAL DIVERSITY AND PROTESTS AGAINST WALMART STORE OPENINGS IN AMERICA

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## ABSTRACT

*Identity movements rely on a shared “we-feeling” among a community of participants. In turn, such shared identities are possible when movement participants can self-categorize themselves as belonging to one group. We address a debate as to whether community diversity enhances or impedes such protests, and investigate the role of racial diversity since it is a simple, accessible, and visible basis of community diversity and social categorization. We focus on American communities’ protests against Walmart’s entry from 1998 until 2005 and ask whether racial diversity affects protests after accounting for a community’s sense of pride and attachment to their town. We use distance from historical monuments as a proxy of a community’s pride and attachment, and after controlling for it,*

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*we find that community's racial homogeneity significantly increases protests against Walmart.*

A basic proposition in the literature on social movements is that collective action is more likely when members share common collective identities – a “we-feeling” sustained through interactions among movement participants, and expressed through cultural materials such as names, narratives, symbols, and rituals (Taylor & Whittier, 1992). The premise is that identification with a group helps group members overcome the collective action dilemma (Klandermans, 2002), and that identification is possible when individuals self-categorize themselves as belonging to the same group and stereotype themselves and others as similar (Tajfel & Turner, 1979).

Strikingly, however, it is only recently that social movement researchers have devoted attention to the linkage among a community's demographic characteristics, shared identity, and the incidence of protests. A number of sociologists have argued that there is a link between a community's sociodemographic structure and collective action (Molotch, Freudenberg, & Paulsen, 2000; Sampson, McAdam, MacIndoe, & Simon Weffer-Elizondo, 2005) – the basic intuition is that potential identities are inherent in the sociodemographic characteristics of a focal community and becoming activated, and thereby, embodied in collective action. However, there is a debate as to how sociodemographic structure evokes identity.

One view is that homogeneity makes it easier for activists to mobilize collective action. Tilly (1973) argued that a community that consists of homogenous groups would generally be mobilized at lower cost than a heterogeneous community. In a recent review, Costa and Kahn (2003) show that 15 papers show that heterogeneity reduces solidarity, and therefore, civic engagement to produce public goods. In their study of social protest against chain stores, Ingram and Rao (2004) reported that states in which independent businesses were concentrated in a retail segment were able to more easily mobilize to protest against chain stores than states where retail businesses spanned many segments. Miguel and Gugerty (2005) reviewed a number of studies which suggested that ethnic diversity in communities impeded collective action.

A rival argument is that sociodemographic diversity fosters collective action. Hardin (1982) reasoned that heterogeneous groups are more likely to contain interested and resourceful members who may provide collective goods. Diversity makes it possible for activists to mobilize different

constituencies (Oberschall, 1973; McAdam, 1982). Kocak and Carroll (2007) found that the arrival of new immigrant groups with different religious backgrounds activated the identities of existing groups in a community and increased church attendance. Okamoto (2003) observed that segregation of Asian Americans as a group fostered collective action. Greve, Pozner, and Rao (2006) also found that educational diversity powered the formation of low-power FM radio stations.

We focus on the role of racial diversity since it is a simple, accessible, and visible dimension of diversity and categorization. We ask if the racial diversity of a community increases or reduces against protests against Walmart's entry into a community during the period starting from 1998 and ending in 2005. Critically, the participants in social movements that target organizations are different than those that target states. Most obviously, they need to overcome the dearth of a cohesive identity. Those who stand against the state may be united under the umbrella of "citizens" but what of those who oppose Walmart? All social movements must have the bases of collective action, but the problem is heightened in this case because the anti-Walmart forces do not represent any natural group or category that might be referenced to evoke recognition of shared interests.

We note that our interest lies in understanding whether racial diversity is a causal mechanism that explains protest against Walmart and not whether it enables accurate predictions of the probability of protest against Walmart in a particular community. A previous study by Ingram, Yue, and Rao (2010) showed that community level characteristics do not allow for good predictions of protests against Walmart and suggested that Walmart faced uncertainty in predicting protests. So Walmart relies on low-cost probes that take the form of proposals to open a store, and withdraws if it faces protests that are (a) backed by a special organization opposing Walmart, or (b) occur in a community surrounded by other protesting communities, or (c) in a state where tough restrictions on the size of the store have been placed (Ingram, Yue, & Rao, 2010).

A number of scholars suggest that explanation rather than prediction ought to be a test of the causal adequacy of a theory (see Elster, 1999; Lieberman & Lynn, 2002). Scriven (1959, p. 477) opined that "Satisfactory explanation of the past is possible even when prediction of the future is impossible" (p. 477). Accordingly, we draw on data from Ingram, Yue, and Rao (2010) to understand the explanatory role of racial diversity. Of course, a causal mechanism ought to account for alternative mechanisms or causes of the outcome (Elster, 1999). Accordingly, in our case, we account for a community's pride and attachment to the place that might underlie its

propensity against a Walmart store. We use distance from historical monuments as a proxy – communities with such a monument or close to it are likely to have attachment when compared to communities far away from such monuments. We ask if racial diversity has a causal role despite accounting for a community's pride and attachment to a place. We recognize that protests against Walmart stores are only possible if Walmart proposes to open a store in the community in the first place – so there is a selection bias. We use a two-stage Heckman procedure to account for selection to understand the effect of racial diversity on protests against Walmart.

### **RACIAL DIVERSITY, SHARED IDENTITY, AND PROTEST**

Social identification theory and its successor, self-categorization theory, rely on the notion of psychological groups. Turner (1984, p. 530) defined a psychological group as “a collection of people who share the same social identification or define themselves in terms of the same social category membership.” Thus, members of a psychological group do not need to interact with or like other members, or be in turn, be liked and accepted by them. Thus, psychological groups can comprise of anonymous individuals. By contrast, social groups require interaction and liking for cohesion to ensue. A number of studies have shown that minimal group structure is enough to trigger self-categorization as a member of a psychological group; simply assigning an individual to a group is sufficient to generate in-group favoritism (Abrams & Hogg, 2004).

Race is one of the “big three” categories in person perception – the other two being sex and age (Fiske & Neuberg, 1990). A number of studies show that race categories are chronically accessible to anyone in America (e.g., Dovidio, Kawakami, Johnson, Johnson, & Howard, 1997; Fazio, Jackson, Dunton, & Williams, 1995). Race is simple, accessible, and a visible basis of categorizing oneself as a member of a psychological group. Typically, race-based categories enable individuals to construct a clear group prototype and also to assess their own self-prototypicality, and thereby, reduce uncertainty (Hogg & Abrams, 1993). Self-categorization *depersonalizes* perception and conduct such that members, including oneself, are not processed as complex, multidimensional whole persons but rather as embodiments of the contextually salient group prototype (Hogg & Hains, 1996, p. 295).

From the perspective of the members of a collectivity, individuals are more likely to identify with others that are similar to themselves. As a result, cohesion is especially strong within a homogeneous group, and members are also more likely to identify themselves with a cohesive group that conveys conformity rewards from other members. In a homogeneous community, the barriers of collective action can be overcome, and community members can be more easily mobilized to defend their common interests (Yue, Luo, & Ingram, 2009). Thus, we expect that communities with high levels of racial homogeneity are more likely to mobilize protests against Walmart.

The rival argument is that racial diversity fosters collective action because heterogeneous groups are more likely to contain resourceful members who may provide collective goods (Hardin, 1982) and mobilize different constituencies (Oberschall, 1973; McAdam, 1982). So here the prediction is that racial diversity is likely to increase protests against Walmart.

### **WALMART: GROWTH, DOMAIN CONSENSUS, AND SOCIAL PROTEST**

Walmart is the largest company in the world. In 2008, its sales reached 401 billion dollars, and it operated 7,873 stores and hired more than 2 million people worldwide. Walmart is also a fast-growing company. Its origins can be traced back to a discount store that Sam Walton established in 1962. Walmart's growth strategy is strikingly different from many other big box retailers. Instead of establishing stores near major urban centers where the population concentrates, Walmart expands from its Arkansas base by constructing new stores that are strategically located near distribution centers and in smaller towns. Walmart's discount stores were located in towns with populations of 5,000 to 25,000 and sought to draw customers from a large radius offering a wide variety of name-brand goods at discounted prices. Meanwhile, Walmart has constantly been experimenting new store forms. In 1988, Walmart introduced the supercenters – stores with 150,000–250,000 square feet of space. The supercenter is a regular discount store plus a full line of grocery and other arrays of products, and is designed to promote one-stop shopping. The supercenter has been Walmart's major growth engine in the United States since the 1990s, and by the end of 2008 there were 2,612 supercenters in the United States versus only 891 discount stores. After 2000, Walmart invested more resources in expanding the

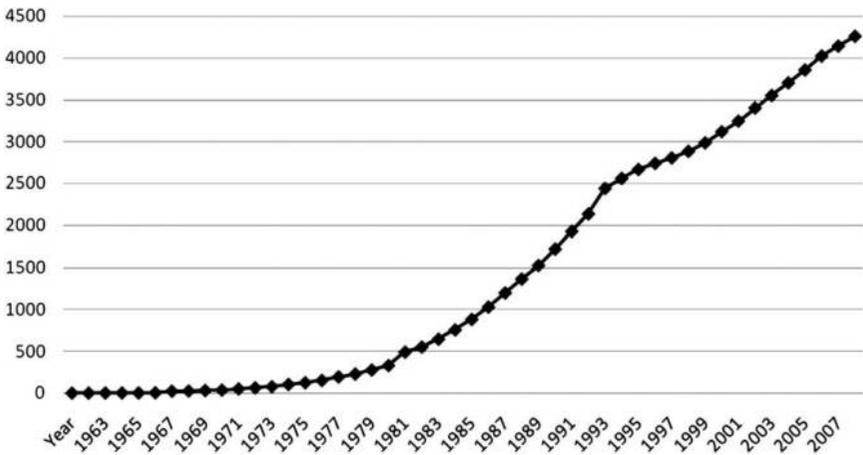


Fig. 1. The Number of Walmart Stores in the United States, 1962–2008.

Source: Walmart Annual Reports.

neighborhood markets – 40,000 square foot grocery markets to penetrate into small towns that could not sustain supercenters or urban areas that could not satisfy the demand of the space of a supercenter. By the end of 2008, there were 153 neighborhood markets in the United States. Fig. 1 describes the total number of Walmart stores in the United States from 1962 to 2008.

In its early days, Walmart expanded mainly in the South. But since the middle 1990s as the market in the south increasingly saturated, Walmart has actively sought growth opportunities in the Northeast and the West, where it encountered strong resistance from local communities. Walmart's expansion agitates fierce debates by the public. Critics blame Walmart's unprecedented scale of operation for undermining communities. They argue that Walmart drives out mom-and-pop stores and thus erases the characteristics of local communities and destroys an epicenter of an organic community life. They further argue that Walmart's low-price policy has put up a high social cost, as its wage level lowers the living standard of the working class and its reliance on cheap imports from overseas causes the loss of jobs in American communities. By contrast supporters perceive Walmart's economies of scale as a source of efficiency and economic gains. They argue that Walmart's replacement of other stores is a typical instance of creative disruption in which inefficient business models are selected out by competition. They further argue that Walmart's low-price policy is not

a peril but a boon to the working class, as it enhances the purchase power of the poor and affords them more economic freedom.

Echoing the divide in public opinion, academic research on the effects of Walmart stores shows that they have mixed effects on the communities in which they are located. For example, retail employment declines as a result of Walmart entry (Basker, 2005a; Dube, Lester, & Eidlin, 2007), but consumers benefit from 3% overall price declines in competing stores, and in the case of some items, the declines are as high as 13% (Basker, 2005b; Hausman & Leibtag, 2005). Regarding the impact on other retailers, some scholars find that Walmart has negative effects on local retailers (Irwin & Clark, 2006; Jia, 2008), and supercenters undermine grocery stores and other retailers. But others find that Walmart has no harmful impact on small retailers and self-employment (Sobel & Dean, 2008). Some even further find that small stores that locate close to Walmart but have a low degree of product overlap with Walmart benefit from Walmart's entry (Zhu, Singh, & Manuszak, 2009).

The mixed effects paint a clouded picture about whether a community will protest Walmart's entry and highlight the necessity to understand the factors that underlies the mobilization of communities. Anti-Walmart protests have a historical antecedent in a social movement in the first half of the twentieth century that aimed to limit the growth of the chain form of organizations (White, 1983; Ingram & Rao, 2004). In the 1920s and 1930s, antichain contention was based on an ideology of localism (or alternatively, anticorporatism) that saw chains and economic concentration more generally as a threat to autonomous and self-sustaining communities, and therefore to opportunity, progress, and democracy itself. The antichain movement manifested most strongly in the retail industry and the banking industry. In the retail industry, dozens of states enacted the discriminative tax laws against chains or directly limited the number of stores that a chain was allowed to operate. In the banking industry, interstate branching was strictly prohibited till the late 1970s and limited intrastate branching was allowed only in a small number of states. The antichain sentiment reflects the American ideology of anticentralization and the political wills of local communities, no matter how small, to maintain economic independence (Tocqueville, 1966 [1840]; Hamilton & Sutton, 1989; Dobbin, 1994; Dobbin & Sutton, 1998). As Louis Brandeis summarized, "the chain store, by furthering the concentration of wealth and of power and of promoting absentee ownership, is thwarting American ideals; that it is making impossible equality of opportunity; that it is converting independent tradesmen into clerks; and that it is sapping the resources, the vigor and

the hope of the smaller cities and towns” (Liggett, 288 U.S., pp. 568–569, quoted in Schragger, 2005).

The ideological underpinnings of the earlier antichain contention and the contemporary protests against Walmart are different. Schragger (2005) summarized the difference as a transition “from localism to liberalism.” The early antichain movements were characterized as “Wall Street invading Main Street” and the typical plot was that the agricultural interests in the South resisted the economic hegemony from the industrial interests in the North. Walmart, however, began in the rural south and has experienced protest as it expands to more urbanized locations in the Northeast and West. As the location of contention has changed, so has its content. The contemporary critics of Walmart are more focused on the wage and benefits it offered to its workers, its policy against labor unions, free-trade, and anti-sprawl issues.

## DATA AND METHODS

Our dependent variable is the incidence of protest against Walmart’s proposal to open a new store. We investigated the effect of racial diversity on protests using a dataset of all the places where Walmart proposed to open new stores from 1998 to 2005.<sup>1</sup> Our unit of analysis is place, which refers to a city, town, village, or unincorporated census area. Place is generally a smaller unit than county and there were 25,375 places in the United States in 2000.

We compiled the dataset from three different sources. First, we used a list of all Walmart store openings from 1962 to 2005.<sup>2</sup> We estimated the proposal time for each of the opened stores as 789 days before the opening, a figure that represents the average time between proposal and opening for stores where both dates are available. Second, we collected protest data from Sprawl-Busters, an anti-Walmart organization that has been collecting the news about anti-big-box store protests from various sources since 1998.<sup>3</sup> From the Sprawl-Busters database, we selected all the protests that targeted at Walmart’s store proposals from 1998 to 2005. We also collected reports of protests from other activists’ web sites. A protest against a proposed Walmart store can be reported multiple times, and we coded the multiple reports as one protest as long as they were targeted at the same store proposal. Third, we conducted a media search for reports about Walmart’s store proposals and protests from 1998 to 2005 using the Lexis Nexis and the America’s News database. Finally, we matched the data of proposed

stores and protests obtained from the three sources and dropped the duplicated cases. In total, Walmart made 1,599 new store proposals in 1,207 places, 563 of which saw protests, and 1,040 ultimately resulted in store openings.

The multiple sources of our data, including the representations of Walmart, protestors, and the media, mitigate the concern about selection bias that would loom large if we relied on only one source. Confirming the comprehensiveness of coverage, we find that over 90% of proposed stores either result in actual openings or appear in at least two sources we used. Moreover, our results remain substantially the same if we drop the proposals without multisource confirmation.

### *Dependent Variable and Estimation*

*Protests* happened in a variety of forms, including rally and demonstration, requiring public hearings, collecting citizens' signatures to initiate petition, requiring studies of Walmart's impact on local businesses, traffic and environment, highlighting environmental hazards, deploying zoning restrictions, lobbying for store-size cap legislations, and filing lawsuits against Walmart or local government.

In estimating the factors that influence the incidence of protests, we faced a sample selection problem because protests can only be observed in places where Walmart proposed to open new stores. It is unlikely that Walmart randomly chooses to propose. Instead, Walmart is likely to consider the size of local market, economic conditions, transportation costs, even potential resistance. Thus, naïve estimation without correcting the potential sample selection problem may create estimation bias. To address the concern, we adopted the Heckman two-stage probit model that accounts for the sample selection problem through estimating a selection effect coefficient (called the inverse Mills ratio) in a first-stage probit model and then adding the coefficient as a control to a second-stage model. The Heckman probit model is a variation of the original Heckman selection model (Heckman, 1979) to analyze binary dependent variables. To conduct the first-stage probit model, we collected additional data from 1998 to 2005 about all American places where Walmart could have made store proposals. We predicted the likelihood that Walmart actually proposed to open a store in a place in a year by using the place's natural-log-transformed population, median household income, and distance to the nearest Walmart's distribution center, the percentage of union membership in the private employment

sector in the state, and calendar year as explaining variables. In the second stage, we estimated a Probit model of protests by controlling the sample selection coefficient, including all independent and control variables, and reporting geographically clustered robust standard errors.

### *Independent and Control Variables*

To test the effect of racial diversity, we measured *racial homogeneity* using a Herfindahl index for each place  $i$ :  $\sum_i (\text{population}_{ij} / \text{population}_i)^2$ , where  $j$  represents either of the following six race groups, White, Black, Hispanics, Asian, Native Indian, and others. The data of racial composition in each place was collected from the 2000 Population Census.

To test the effect of historical monuments, we created a variable that measures *the log-transformed geographical distance to the closest historical landmark*. We first obtained a list of national historical landmarks from the web site of the National Park Service (<http://www.nps.gov/nhl/>). We then obtained the longitude and latitude of these landmarks from the web site of Wikipedia. For those the latitude and longitude of which are not listed on Wikipedia, we used the coordinate of the center of their location place from the Census of 2000. We then calculated the distance using the following formula:

$$\begin{aligned} \text{Distance} = & 3437 \times \text{acos}(\sin(\text{latA}) \times \sin(\text{latB}) \\ & + \cos(\text{latA}) \times \cos(\text{latB}) \times \cos(\text{longA} - \text{longB})) \end{aligned}$$

where A refers to a place and B refers to a historical landmark. The unit of the distance is one mile.

We used a number of controls. We first controlled *the population size, unemployment rate, income per capita, and the percentage of urban population* in a place. We controlled the *migration* level in a place by including the percentage of a county's population over 5 years old in 2000 that had a residence in a different county five years ago. All these data were collected from the 2000 Population Census.

We measured a place's *Pro Democrat* political orientation using the county-level vote margins of those supporting Democrat presidential candidate over those supporting Republican candidate during the nearest past presidential election. We included a variable to control the *hazard of institutional escalation* by including a dummy variable that indicates whether an enacted legislation that restrains store size exists elsewhere within the

same state in the prior year. We collected the data about the municipal-level store-size legislation from the Institute for Local Self-Reliance.

We controlled the contagion effect of *protests in nearby communities* by including the count of prior protests weighted by geographical distance. Besides, we tried a variety of other variables to define protests in nearby communities, like protests within the same SMA area, within 100 miles, or within 200 miles. We also tried to weight these variables by the effect of time decay (i.e., decay by days or only count those protests within the past 365 days). All these variables are highly correlated and generate similar results. Thus, we report only the result of the prior protests weighted by geographical distance.

We created a dummy variable to indicate if a place is enrolled with the *Main Street Program* in a year. The Main Street Program is a national nonprofit organization that aims at organizing the community-based training, and providing guidance and support to revitalize the traditional commercial district. The program was initially developed by the National Trust in the late 1970s and has since then developed into a national program enrolling more than 1,200 communities in 35 states. We obtained the data about the Main Street Program's local branches from its membership directories and the state-level Main Street Program offices.

A set of variables about a place's retail economy are also included. We measured the percentage of civil labor force employed in *the retail sector* using the data from the Census of 2000. We also controlled the state-level count of stores that are affiliated with *Walmart's two major competitors*, Target and K-Mart, lagged by one year. The data were collected from Target and K-Mart's annual reports as well as K-Mart store closing lists before and after its bankruptcy.

We controlled two other variables that are possibly related to the organization of protests. The first is the density of *union* measured by the percentage of workers that are union members in a state's private sectors in the previous year. The union data were obtained from the Current Population Survey. The second is the number of *churches per capita* in a county in 2000, collected from the Association of Religion Data Archives.

We created two variables to control the characteristics of local governments. One is the *government's debt per capita*, measured by the total outstanding debt of a county government divided by the county's population. The data were collected from Census of Government in 1997 and 2002. The other is the structure of local government. We created a dummy variable, *city manager*, to indicate whether a local government adopts the council-manager form of government (for contrast is the

**Table 1.** Descriptive Statistics of Protest Incidence ( $N = 1599$ ).

Variable	Mean	Standard Deviation	Minimum	Maximum
Population (100,000)	1.490	3.923	0.001	81.782
Unemployment (%)	0.059	0.031	0	0.417
Urban (%)	0.946	0.179	0	1
Income per capita (\$1,000)	20.739	6.278	5.377	109.219
Walmart's competitors (100)	1.204	1.053	0	4.4
Migration (%)	0.224	0.074	0.065	0.540
Union density	0.126	0.060	0.028	0.269
Church per capita (%)	0.093	0.058	0.035	0.449
Retail worker (%)	0.117	0.023	0.034	0.283
Government's debt per capita	3.320	3.935	0.112	112.383
Main Street Program	0.126	0.332	0	1
Editorial	4.271	0.815	3.497	5.765
Unfavorable editorial (%)	0.435	0.081	0.351	0.619
Year	2001.712	2.330	1998	2005
City manager	0.568	0.495	0	1
Pro-Democrat	-0.044	0.224	-0.744	0.798
Race homogeneity	0.683	0.193	0.230	0.998
Distance weighted success	2.086	1.658	0.000	9.469
Protest	0.352	0.478	0	1
Political hazard	0.316	0.465	0	1
Log distance to historical monument	2.17	1.12	-4.42	4.80

mayor-council form of government). The data were collected from the Municipal Yearbook and local governments' web sites.

We controlled the influence of *media's attention* on anti-Walmart protests using two variables. One is the ln-transformed annual count of editorials with "Walmart" as a keyword, lagged by one year.<sup>4</sup> The other is the annual percentage of editorials discussing *unfavorable topics* about Walmart.<sup>5</sup> The data were collected from the America's News database. Finally, we controlled the year of a proposal. Table 1 provides the descriptive statistics.

## RESULTS

Table 2 displays the results of the incidence of anti-Walmart protests using the Heckman probit model. Model 1 includes only control variables. Protests are more likely to happen where the Democratic Party receives more supports ( $b = 0.467$ ,  $b < .05$ ) and where there is a high migration rate

**Table 2.** Heckman Probit Analysis on Protest Incidence.

	(1)	(2)	(3)
Population	0.008 (0.011)	0.009 (0.011)	0.009 (0.011)
Unemployment rate	0.083 (1.318)	0.864 (1.357)	0.849 (1.353)
Income per capita	0.000 (0.006)	-0.003 (0.007)	-0.004 (0.007)
Urban (%)	0.001 (0.205)	-0.044 (0.208)	-0.056 (0.208)
Migration (%)	1.867*** (0.527)	2.007*** (0.534)	2.100*** (0.537)
Retail worker (%)	-1.718 (1.565)	-2.936 (1.653)	-2.630 (1.664)
Walmart's competitors	-0.028 (0.037)	-0.005 (0.038)	0.003 (0.039)
Union member (%)	0.184 (0.674)	-0.173 (0.695)	-0.261 (0.697)
Church per capita	0.480 (0.763)	0.134 (0.782)	0.214 (0.785)
Debt per capita	-0.021 (0.014)	-0.021 (0.014)	-0.020 (0.014)
City manager	0.151** (0.070)	0.145** (0.071)	0.154** (0.071)
Total editorial	0.343*** (0.105)	0.351*** (0.106)	0.357*** (0.106)
Unfavorable editorial (%)	-0.025 (0.629)	-0.069 (0.636)	-0.027 (0.637)
Year	-0.035 (0.045)	-0.038 (0.045)	-0.031 (0.045)
Pro-Democrat	0.467** (0.184)	0.532*** (0.187)	0.505*** (0.188)
Distance weighted success	0.064 (0.033)	0.062* (0.033)	0.051 (0.034)
Main Street program	0.110 (0.101)	0.135 (0.103)	0.144 (0.103)
Political hazard	0.205** (0.081)	0.210** (0.082)	0.203** (0.082)
Race homogeneity		<b>0.698***</b> (0.269)	<b>0.737***</b> (0.271)
Distance to historical monuments			<b>-0.054**</b> (0.033)
_cons	68.102 (89.589)	72.506 (90.489)	59.442 (90.830)
N	1599	1599	1599
log lik.	-7999.687	-7996.271	-7994.908
Chi-squared	125.616	129.995	132.661

Note: Standard errors in parentheses.

\*\* $p < .05$ , \*\*\*  $p < .01$  (two-sided test for control variables and one-sided test for hypothesized variables).

of population ( $b = 1.867$ ,  $p < .01$ ) and a city-manager form of local government ( $b = 0.151$ ,  $p < .05$ ). The high hazard of institutional escalation has a significant positive effect on the incidence of protests ( $b = 0.205$ ,  $p < .05$ ). Finally, protests are also more likely to happen when the media put more scrutiny on Walmart ( $b = 0.343$ ,  $p < .01$ ).

Model 2 tests the impact of race homogeneity on the incidence of protests. We find that race homogeneity is positively related to a place's likelihood to protest ( $b = 0.689$ ,  $p < .01$ ), supporting the view that homogeneity facilitates mobilization. If a place's race homogeneity increases from the one standard deviation below the mean level to one standard deviation above, the probability of protest increases from 24% to 34% when holding every other variables at their means. Model 3 adds the log-transformed geographical distance to the closest historical monument into regression. The result shows that the further away a place from a historical monument, the lower the chance of a protest, confirming that proximity to historical sites is an important source of local pride and identity and boosts the chance of mobilization. Moreover, the positive effect of racial homogeneity remains robust after we control for the distance to historical monuments ( $b = 0.737$ ,  $p < .01$ ). Thus, the results clearly indicate that sociodemographic homogeneity than diversity is the harbinger of protest.

## DISCUSSION AND CONCLUSION

Big business organizations have become one of the most important features of American social landscape (Perrow, 2002). More and more big firms have come to constitute societies in themselves, expanding their bureaucratic and hierarchical forms to guide the patterns of social exchanges. As big business organizations penetrate and constitute the basic social fabric, they have increasingly become the targets of social movement activists who seek to address social problems (Davis, McAdam, Richard Scott, & Zald, 2005; King & Soule, 2007; Baron & Diermeier, 2008). Moreover, activists have recognized that business targets are more responsive to external pressures than political targets such as the state or legislatures. As a result, activists are quickly developing and testing their repertoires for contesting private organizations.

Our results show that the ability of activists to launch protests hinges on community identity. Communities that are composed of a racially homogeneous population and that have local pride and attachments experience a significantly higher chance of mobilization than others.

Regarding social demographic diversity, researchers have been debating whether homogeneity or heterogeneity will facilitate mobilization. The debate is centered on whether the resources associated with diversity would compensate for the loss of cohesion. In our research context, most anti-Walmart protests are small-scale local events. Most of forms of protest that local activists engaged in are generally not very resource-consuming. However, as we argued in the theory, the expansion of Walmart is highly controversial in the United States, and besides protestors, there is a substantial proportion of the population who either enthusiastically support or at least sympathize Walmart. Thus, racial diversity not only is likely to dilute the “we-feeling” but also is associated with conflicts of interests, and thus dampens the incidence of protests.

Regarding local pride and attachments, we find that communities close to historical landmarks are more successful in their mobilization efforts. The social identity literature suggests that the *uniqueness* and *positivity* of a group attract individuals to self-categorize themselves as affiliating with the group, as people gain a distinct sense of positive self-esteem from their identity groups, which furthers a sense of community and belonging (Tajfel & Turner, 1979). Historical sites are an important factor in building community identity and pride. For example, Ingram and Inman (1996) found that the battlefield of the War of 1812 was strategically employed by institutional entrepreneurs to activate the national identity of local businessmen and to motivate them to engage into collective actions. Similarly, a recent proposal by Walmart to build a store in Orange county of Virginia inspired intensive protests that drew national attention, because of its closeness to the Wilderness Battlefield of the Civil War (Yahoo, 2009).

Our results also indicate that the incidence of anti-Walmart protests shows a clear sensitivity to local political ideology and that communities where liberal ideology is prevalent are more likely to spark the protests against the entrance of big businesses. This finding is consistent with the previous work that finds that the antibusiness political ideology slowed the deregulation of interstate banking (Kroszner & Strahan, 1999). Together, these findings provide further support for social movement theorists’ proposals that external political atmospheres tip the power balance between activists and their target (McAdam, 1995) and that activists’ claims gain resonance where they are consistent with local dominant cultures and values (Bernstein, 1997).

Finally, this chapter contributes to organizational theory by showing that movement activism is an important component of organizations’ external environment. Our results as well as the findings of other recent works

suggest that activists may not work alone to exert influence but, instead, they often collaborate with the media, the legislative institutes, or other stakeholders. As social movement activists have increasingly target business organizations, a task for organizational theorists is to further explore the mechanisms that influence the interaction between social movement activists and business organizations.

## NOTES

1. New store proposals include the proposed discount stores and supercenters. A relocated store (i.e., relocating an existing store to the nearby area) is not counted as a new store. We started from the year 1998 because the Sprawl-Busters database began to collect anti-Walmart protest data from 1998. We ended our observation in 2005 because we need a time interval of at least two years to determine whether a proposed store was successfully opened.

2. This data was published by Walmart Inc. on its web site and then removed. We thank Panle Jia for generously sharing the data with us. This dataset can also be downloaded from <http://www.econ.umn.edu/~holmes/data/WalMart/index.html>.

3. Sprawl-Busters has been collecting the information of anti-big-box store protests from a variety of sources, including media reports, governments' information releases, court results, independent institutions' research reports, and the activists' self-reports.

4. We chose to use editorials rather than the total number of newspaper reports because editorials reflect media's attitude and are less likely to be a function of ongoing protests.

5. Negative events include anti-union, low wage, gender discrimination, race discrimination, poor health care plan, exploit supplier, sweat shops, destroy community, destroy local business, and destroy job.

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