

Labor-market effects

[Finance](#), [Market](#)



Furthermore, with regards to the total costs, after the years of operation of Wal-mart its total costs has been increasing due to the number of facilities and stores that they are establishing not only in the U. S. but also to other countries for the past decades. Just in 2006, Wal-mart spent millions of dollars in redesigning their stores in order to cope up with the type of lifestyle and tastes of their new target market- ‘ Blacks’, Hipics, Suburbanites and rural residents (Jones 1-3).

This required Wal-mart to change some of the machineries that they are conventionally using and change it with something that are according to the tastes of their new target market. In the long run, this total cost of Wal-mart will continue to increase as long as there are available business ventures for Wal-mart Company. Analysis Wal-mart helps the economy by providing jobs. Supplying enough demand for the labor force of our market helps our economy to have higher wage rate. If Wal-mart do not exists in the economy, there would be a surplus of workers in the market which give force for the wage rate to decrease.

In other words, the existence of Wal-mart helps the labor market to have a stable wage rate. Moreover, aside from providing jobs to the economy, Wal-mart also helps the economy by giving chances to the household to savemoneyby providing cheaper products as compared to other retailer stores in the market. The money that consumers saved from buying products to Wal-mart could still be used to buy other needs of the households and this is how basically Wal-mart alleviates the welfare of the consumer group.

Another benefit would be, most of the investors are investing to Wal-mart due to its profitability and these help our economy by keeping the
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investments of these investors to the U. S. economy. There is a great possibility that investors might pull out their investments and put it to other countries if companies in this market are not profitable. Conclusion Based from the above arguments and facts that constitutes to the microeconomic contribution of Wal-mart to our economy, I could say that they may be some flaws in the existence of Wal-mart but at the end of the day, we will all agree that its existence is beneficial to the consumers.

Above all other reasons, the fact that Wal-mart provides cheaper goods and jobs to the economy would be enough to benefit the economy. It may not be good for their competitors but the thing is that is what market competitions are for. They must live by the fact that there is this Giant retailer among them and strive hard to have enough market influence to compete in par with Wal-mart. Wal-mart may be a monopolists in nature but some of its effects, especially to the consumer group, is the opposite of what should a monopolists must impose to the consumers.

The superb managerial and strategies of Wal-mart executives made them into the top of their success and out performed their competitors in the market. The only problem for them now is on how they will able to maintain the current market position they have or on how to improve their market status in the economy.

Works Cited

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