

Free wal-mart: the high cost of low price research paper sample

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The film, *Walmart: The High Cost of Low Price* is a documentary that was filmed in the year 2005. It paints a picture of negative business practices perpetrated by Wal-Mart. The film is a compilation of interviews conducted with former employees, the company's executives and other small business owners. The film was directed by film director named Robert Greenwald. It was produced by Brave New Films. The director makes use of statistics as well as footages containing interviews so as to avail an objective analysis of the impact that Wal-Mart has had on both individuals and the larger community through its business practices. The premise of the film is to uncover the retail's giant assault on both families and American values (Fishman, 2006).

In the film, there is an archival footage that shows the CEO of Wal-Mart by the name Lee Scott, lavishing encomiums on the corporation at a convention interspersed with other interviews that are designed to minimize the impact of the statements. The film also encompasses advertisements by Wal-Mart that are high-spirited but which seem unintelligible when mixed with other materials that are presented in the film. The crux of the argument or claims by the film is that Wal-Mart as a corporation underpays its workers. The film further supports this argument by indicating that the corporation paid an annual average salary of \$17, 000 to its workers in the year 2005. Further, interviews of workers at Wal-Mart depicts that the pay in 2005 was barely adequate to cover the health insurance accorded by the corporation.

Consequently, the management of Wal-Mart advises its workers to apply for government programs that include the Medicaid. In addition, the director of the movie shows that Wal-Mart hires undocumented workers in a number of

jobs such as clean up and pays them a wage that is below the statutory minimum and escapes other obligations arising therein.

The director of the movie lays out a scathing attack on the retailing behemoth by aid of non-original newspaper style headlines that appears and disappears suddenly. It also uses voices that are supposed to be those of actual newscasters, but which are clearly fabricated by the filmmaker (Greenwald, 2005). It is the case that the director, Greenwald, does interview ex-employees of the retail giant and their unhappy testimony of the conditions of work when in the employment form the kernel of the movie. Interviews from former store managers show that the retailing giant used stifle employees out of their overtime pay and broke up attempts of workers to be presented by labor unions and movements. The interviews also reveal that Wal-Mart pushed poor families in the community to be given public assistance. One of the key standings points in the film is the story of how a Missouri family that had struggled to build up a grocery store through an epoch of three generations witnessed the store go out of business owing to the opening up of the gigantic facilities of the corporation in the town (Greenwald, 2005).

Towards the last quarter of the film, there is evidence of the fact that there is increasing resistance towards Wal-Mart. It consisted of a movement made up of community organizers, employees, the clergy and some wealthy homeowners who did not want the crowding of the poor people in their neighborhood. The strand that runs throughout the movies is that Wal-Mart does depress wages, property values and the general quality and standard of life. Other business practices of the retail giant that are not in sync with

ethical business practice and that had a negative impact on individuals, and the larger community is its environmental policies. The environmental policies of Wal-Mart are inadequate and have a poor record of the fight for workers rights both on national and international scale (Fishman, 2006). In support of this claim, there are scenes depicted in the film showing worker in Bangladesh and China creating goods for Wal-Mart for as low as 18 cents for an hour. In particular, a veteran of 9 years admitted that he was moved to tears upon viewing the conditions under which the clothing manufacturing facilities of the retail giant in Latin America worked. The veteran further makes the claim that he reported the abuses that were perpetrated to the company, but it took no action. Other issues highlighted by the documentary film include the fact that the parking bays of Wal-Mart are replete with unusually high crime rates (Greenwald, 2005). This situation could be ameliorated if the company was willing fix the cameras outside the stores. Just near the end of the film, there is a part where the director of the film makes a documentary of the several efforts by various communities of preventing Wal-Mart from opening up in their vicinities and towns and makes the suggestion that other communities should follow suit.

Without a doubt, the setting shop of Wal-Mart and the subsequent commission of its unethical practices had had a negative impact on small town communities. Indeed, a study conducted on the impact of the corporation's supercentres in rural communities was to the finding that the small towns lost up to 47 percent of their trade in retailing within 10 years after entry of Wal-Mart (Greenwald, 2005). Wal-Mart is affecting the taxpayers in a negative way as it is able to escape a huge tax liability by

having the bulk of its goods manufactured in Third World countries where it incurs less cost due to cheap labor and low taxation rates. At the same time, the retail corporation makes use of crews who are undocumented as clean-up workers so as to pay them minimum wage and avoid incurring the taxation that comes with it. The upshot of this is reduced tax base for the government and the fact that taxpayers get a raw deal from the organization while it rakes in billions in profits.

The movie is titled, “ High Costs of Low Prices”. One may ask what this means or is it merely a paradox. The argument in the film as understood is that the director sought to make it clear that the low costs offered by Wal-Mart to the public in prices of goods comes at a higher price to other segments of the population (Greenwald, 2005). Indeed, this is the main question that is sought to be explored in the documentary as the film makers endeavor to examine how the retailing giant is able to charge way less than its arch rivals and yet succeed. The revelation as depicted by the film is that while the retailer has been doing well and raking in tidy profits, it is the employees who have getting the shorter end of the stick, while the owners of the corporation and customers are happy (Anderson, 2005). The low prices enjoyed by customers in terms of goods come at a high price for workers who are paid poorly and work in difficult conditions with no overtime pay. For instance, by the year 2003, workers at Wal-Mart made an average of \$8. 23 for every hour which was nearly \$1, 000 below the federal poverty line for a family of three people. There are numerous lawsuits filed against the retailer concerning managers of the corporation forcing workers to work without a break, the denial of lunch breaks for associates and the tampering with time

and wage records. More so, the outsourcing of manufacturing jobs by the corporation from countries such as China leads to a decline of manufacturing jobs in the United States thus leading to increased unemployment.

There has been a statement that Wal-Mart is a monopoly. In real sense, this statement is only true on paper. In fact, Wal-Mart has several competitors. Nonetheless, the fact that wherever Wal-Mart has opened there has been a collapse of other small businesses has given currency to this view among some people. Driving around the vicinity of Wal-Mart facilities, one sees only a few couple of businesses thus indicating that it has acted to kill other businesses (Lawrenson, 2006). Another perspective thorough which we may define monopoly is when a company takes over competition and leaves consumers with no other option from which to purchase from. Wal-Mart has done this through its unusual low prices of goods compared to other competitors thus leaving consumers with no other option to purchase elsewhere. As such, it has been said to have a monopoly over mom and pop stores.

Speaking from the other end, I would also argue that Wal-Mart has not been the bad boy it has been wholly depicted to be. In fact, the corporation has provided numerous employment opportunities by virtue of the people that it employs. The approach by the director of the film, Greenwald is suspect. He includes footage of the Wal-Mart CEO, who declined to be interviewed praising the corporation and then proceeds to undercut all that he says through the interviews. I view that the film is always on the attack that traverses several areas going as far as China so as to conduct interviews with paid sweatshop workers. Though Wal-Mart may be a big importer of

manufacturing goods, it is at a unique place in the big-box industry and indeed, every Wal-Mart store engages over 300 workers. In short, Wal-Mart has been more of a job creator than a job destroyer. With respect to wages, it has been constantly thrown around that Wal-Mart pays unreasonably low wages. I am of the opinion that the wages paid by Wal-Mart are not out of sync with the standards in the industry. If anything, most of the workers are usually inexperienced and have relatively low skills that not easily non-transferable. Wal-Mart has one of the fringe benefits that are not usually in other industries or among other competitors. A good number of employees at the corporation own common stock of the company (Fishman, 2006).

The Argument Worthiness Test has four distinct stages. The first stage is a test of truthfulness whereby the reason must be true in each of its premises both explicitly and implicitly. The claim as argued by Greenwald in the film does not fully meet the test of truthfulness as illustrated above. The next stage is the test of logical strength where if a reason is true, then the claim becomes true or is probably true. The test of relevance dictates that the truth of a particular claim is predicated on the truth of reason. The last stage is that of Non-circularity that states that the truth of the reason does not depend on the truth of the claim. According to the Test, it is the case that the claim as in the film passes the test but only to a large extent. The film misses the mark by seeking to cast Wal-Mart as an exploitative corporation without any ethics (Lawrenson, 2006).

As evident from the foregoing analysis of Wal-Mart, the retail behemoth has indeed been exploiting its workers so as to afford the low prices for its goods and thus attract more customers so as to increase its profitability

(Greenwald, 2005). This connotes unethical business practices that have a negative impact on other businesses whose survival is key to economic growth. However, it is not all gloom for the retailing giant as it has had its positives in the United States economy.

References

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