Subject: Re: Wal-Mart Abandons Germany
Posted by Manualblock on Thu, 10 Aug 2006 14:51:31 GMT
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Actually according to what is defined as a "Monopsony" their pricing structure is predatory. You are confused as to exactly how this kind of pricing structure works. By forcing manufacturers to cut their cost to the bone they underbid existing business structures who are abiding by the environmental rules; providing decent wages and health care for their employees. Rather than bore the heck out of everyone lets look at one aspect of this model. How about the definition of Monopoly?"A situation in which a single company owns all or nearly all of the markett for a given type of product or service. This would occur in the case where there is a barrier to entry into the industry that allows the single company to operate without competttition,(for example vast economies of scale; barriers to entry or governmental regulation.) In such an industry structure the producer will often produce a volume that is less than the amount that would maximise social welfare."Thats the economists definition of Monopoly; which by the way I never said Wal-Mart was; I said it utilised monopolistic practice to shut down other suppliers.But actually it is the real definition of a "Monopsony". You can look that up if you want to know something about this subject.As to your last statement I would suggest you do the research as this looks like you are completely in the dark regarding basic economics.