Subject: Wal-Mart Abandons Germany
Posted by Manualblock on Fri, 28 Jul 2006 13:05:03 GMT
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Yep; the German people required the company be responsible corporate citizens. I guess they didn't like the fact that they couldn't run over the people like they do here. So they have announced they will not be serving Germans anymore. The German people are very wounded by that loss.

Subject: Re: Wal-Mart Abandons Germany
Posted by wunhuanglo on Sat, 29 Jul 2006 14:18:06 GMT
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To be fair, Germany is one of the toughest places in the world to operate a profitable business that is not actively engaged in warfare.Many others besides Walmart have failed to succeed under German law and those who do thrive cater to the super-premium market, which clearly isn't Walmart's niche.

Subject: Re: Wal-Mart Abandons Germany
Posted by Manualblock on Sat, 29 Jul 2006 15:41:43 GMT
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Yep thats a fact; a higher placed product line actually bought out all the Wal-Mart stores. But part of it is still their predatory marketting and operating practices. Anyone who is interested enough to investigate them will be appalled; appalled I say. The best part is their insistance that they provide jobs when the truth is they destroy the job markett in rural areas.

Subject: Re: Wal-Mart Abandons Germany
Posted by akhilesh on Mon, 31 Jul 2006 13:19:23 GMT
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Don't they add value to their consumers? and shareholders? legally?-akhilesh

Subject: Re: Wal-Mart Abandons Germany

Posted by Manualblock on Mon, 31 Jul 2006 17:45:28 GMT
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Well are their consumers also taxpayers and citizens? If so then the answer is no. Yes they add value to their shareholders but at the cost they project onto the community; as a value-added construct it would depend on each individual shareholder.

Subject: Re: Wal-Mart Abandons Germany
Posted by akhilesh on Tue, 01 Aug 2006 17:16:25 GMT
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Could you elaborate why they don't add value to society? They have a very efficient supply chain, and are attracting lots of customers becuase of their price (value). So are all these customers wrong?How exactly are they taking value away from society? surely if they were not adding value, people would not be thrionging at their store. what do you think?

Subject: Re: Wal-Mart Abandons Germany
Posted by Manualblock on Tue, 01 Aug 2006 18:13:23 GMT
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Why they don't add value to society.Their predatory supply model. Forcing competitors to underbid each other until through monopolistic practice the buyer determines the value; not the manufacturer. If the manufacturer cannot comply with the monopolistic pricing they are effectively driven out of business.They demand tax incentives as a reward for establishing a position in the community; then abandon that structure as it ages and becomes a community liability.They drive existing businesses out of the area through monopolistic pricing; then drive wages down and force the existing social structures to provide health care and schooling and sanitation etc; all for nothing since they were already awarded tax relief and as such don't pay.Thats the big three; they are able to use to destroy competition through laws that are compromised by legislative action favoring large contributors to PACS and because they are central to the Republican push to destroy labor unions and allow illegal labor to undercut wages. If the legal system was properly enforced regarding labor rules and environmental laws and laws abridging monopolistic practice by our current government they would be forced to compete fairly and as such would have to end their predatory business model.

Subject: Re: Wal-Mart Abandons Germany
Posted by FredT on Thu, 03 Aug 2006 08:39:05 GMT
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Wal Mart is a fascinating example of corporate greed. They probably aren't doing anything that at least one other megacorporation is doing too, but more than any company I know, including the major oil company I used to work for, they always seem to choose the low road in defining their obilgations to their stockholders versus their responsibility to their employees and to society. One organizations that's dedicated to changing Wal Mart is linked below.
WakeupWalMart

Subject: Re: Wal-Mart Abandons Germany
Posted by Manualblock on Thu, 03 Aug 2006 14:40:10 GMT
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Thanks Fred. There was a thorough and balanced article in The Atlantic Monthly two issues ago where they describe the theory of the "Monopsony" and how the Wal-Mart exect's have created their success based on this business theory. Not only are their practices insidious and supported by current administration positions but they are seeking to advance this model throughout the NAFTA nations. This is fully supported by current immigration policy. People really should wake up.

Subject: Re: Wal-Mart Abandons Germany
Posted by akhilesh on Wed, 09 Aug 2006 17:31:41 GMT
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"Their predatory supply model. Forcing competitors to underbid each other until through monopolistic practice the buyer determines the value; not the manufacturer. If the manufacturer cannot comply with the monopolistic pricing they are effectively driven out of business."Umm, that would mean that they are monopolists, and they should be charging HIGHER prices than in a free mareket. I haven;t seen anyone accuse them of that. From whatI ahve seen ,they are charging the LOWEST prices. Are you saying you have some inside knowledge that they are only doing this so they can become a monopooly and THEN charge people an arm & a leg? I find that hard to believe that is their strategy. "They demand tax incentives as a reward for establishing a position in the community; then abandon that structure as it ages and becomes a community liability."MOST businesses demand tax incentives. Nothing wrong with that. I am assuming community governments CAN say no. "They drive existing businesses out of the area through monopolistic pricing; then drive wages down and force the existing social structures to provide health care and schooling and sanitation etc; all for nothing since they were already awarded tax relief and as such don't pay."OK, we have already extablished they are NOT monopolists. Otherwise they;d be charging HIGH prices, not low. AS far as I know, they do not require anyone to join them..people are free to leave them or find other jobs. IF these other jobs are ones in organizations that cannot compete with Walmart, well then maybe these folks need to learn some new skills. "Thats the big three; they are able to use to destroy competition through laws that are

compromised by legislative action favoring large contributors to PACS and because they are central to the Republican push to destroy labor unions and allow illegal labor to undercut wages. "AS far as I can see ,they are detroying competition by offering the LOWEST proces with the most eff supply chain. I did not know of ANY regulation that favors them OVER their competitors..perhaps you would like ot cite some real legisltation here. I do know that MAryland passed a law PENALIZING specifically walmart. "If the legal system was properly enforced regarding labor rules and environmental laws and laws abridging monopolistic practice by our current government they would be forced to compete fairly and as such would have to end their predatory business model."I don;t think you have stablished at all that their pricing model is predatory, in fact, based on your statements I would recommend you look up these terms in a basic economics text book. I think you are misapplying them here. -akhilesh

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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 competttion,(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.

Subject: Re: Wal-Mart Abandons Germany
Posted by Damir on Thu, 10 Aug 2006 16:09:50 GMT
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You can even find confessions of some manufacturers, where WM is the one who orders the price in a way "we can find this product in China for $1, if you want a deal, you can get $0,90". And another year - "we want you to cut your price on $0,80"...

Subject: Re: Wal-Mart Abandons Germany
Posted by akhilesh on Thu, 10 Aug 2006 17:19:40 GMT
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Monopsony: A market situation in which the product or service of several sellers is sought by only one buyer.SO on the one hand you say they do "monopolistic practioses" (ie they behave as a monopoly) and on the other hand you say they are also a monopsony. I don't see any point in continuing this dicussion, one of us lacks a knowledge of basic economic theory & how the free market works. -akhilesh

Subject: Re: Wal-Mart Abandons Germany
Posted by Manualblock on Thu, 10 Aug 2006 18:14:07 GMT
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Absolutely; I admire your honesty.

Subject: Re: Wal-Mart Abandons Germany
Posted by Manualblock on Thu, 10 Aug 2006 18:15:51 GMT
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There are literally hundreds of examples of this; bordering on flagrant violations of trade laws. Do they have the Wal by you?

Subject: Re: Wal-Mart Abandons Germany
Posted by Damir on Fri, 11 Aug 2006 11:51:12 GMT
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No, but many domestic and large EU companies opened their halls on literally "every" village here... Say, the town of 30-50000 people without any industry (and money:-)), but with 10 big shopping halls with big parking lots...and many small shops in almost every street, without plans and order...destroying every small shop business of ordinary people. Tons of "Made in China" garbage...and food of "suspicious" quality and origin, sometimes...Yeah, even I bought a DVD player yesterday for $38...not bad, if you know that tax on every goods are 22%...

Subject: Re: Wal-Mart Abandons Germany
Posted by Manualblock on Fri, 11 Aug 2006 14:01:10 GMT
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Exactly!! They ply the stiffs with toys and trinkets while stealing the very economy from under us. Hey I get a cheap DVD; but there are thirty guys out of work becuase of it; and now I pay twice what I would in taxes to make up the shortfall. Not a good trade in my book; I'd rather pay 100$ for the dvd and save a thousand on my taxes.Thats Wal-Mart in it's pure essence.

Subject: Economic Theory
Posted by FredT on Sat, 12 Aug 2006 13:44:52 GMT
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I don't believe either of you lacks an understanding of basic economic theory and how the free market works. In a free market, competition among the providers of goods and services forces each provider to sell at prices that their customers perceive as the best price/quality combination. Otherwise, their customers will buy from a competitor. The benefits of this system versus a state-run monopoly are clear.But in the case of Wal Mart we are witnessing a new paradigm - a monopoly (or monopsony) that is able to provide the lowest prices by bullying their providers (suppliers, communities, employees, etc.) to sell their goods and services for less. There's no question that Wal Mart customers appreciate their low prices, and that these low prices benefit society by forcing Wal Mart's competitors to lower prices, enbaling people to have more for less.The problem with the power of Wal Mart and other mega corporatins is that there's an enormous hidden cost. Their suppliers, required to lower prices year after year, are forced to move their manufacturing facilities overseas to comply, thus jobs are lost. Of course they could just say no, but Wal Mart is so big that they can't afford to not be a supplier and remain in business. Communities, desparate for new businesses to generate jobs, are forced to provide tax incentives to attract Wal Mart stores. Then when Wal Mart opens a store small competitors in the community go under - notice the closed and boarded businesses on the main street of any small town that has a Wal Mart. Local people desperate for employment accept Wal Mart jobs because there are no other options, and are forced to work for wages that don't permit them to buy medical insurance, forcing the State to assume the cost of medical treatment for the uninsured. It goes on and on. Wal Mart isn't unique, but by virtue of its enormous size and clout it is able to do these things more effectively than competitors.As a conservative/moderate type I would prefer to ignore these adverse effects. I like low prices. I'm not a Wal Mart supplier, I can afford medical insurance, I'm retired so it's unlikely my job will be exported to China, etc. But as the number of people effected by this phenomenon grows, it becomes impossible to have any social conscience and not be concerned about it. I don't know the answer, but I know it isn't simple. I suppose it rests in legislators' and regulators' ability and willingness to view Wal Mart and other mega corporations as monopolistic in their dealings with suppliers, customers, and communities, and to enact regulations that limit its power. Not likely, because these mega corporations now fund elections through their PAC's.
Wake Up Wal Mart Blog

Subject: Re: Economic Theory
Posted by Manualblock on Sat, 12 Aug 2006 17:10:54 GMT
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Thanks Fred; I could not have said it better myself. In my ramblings I may have been slightly crude but you summed the situation up nicely. Akhilesh exhibits the real issue I tried to illuminate; the fact that people are oblivious to the ramifications of Wal-Marts effect on society. One of the points you make I would elaborate on is the lop-sided legal structure that enables them to operate in this fashion without consequences. If there were a Union inplace they would have to play by the rules to a greater extant; which is why they abandoned doing business in Canada.I know unions are not a panacea; but in this case they are a necessity.

Subject: Re: Economic Theory
Posted by Wayne Parham on Sun, 13 Aug 2006 00:28:39 GMT
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I did several very large projects for Wal-Mart in the mid-1980's. One was a communications device that I designed to connect bar-code readers to Series One computers used in each of the stores. It allowed them to choose from more vendors of bar-code readers because my device supported more protocols. I made a proof-of-concept prototype, and then when the project won approval, I made thousands of these devices to put them in each of the stores. I also did similar devices for other projects, some telephony products and some general-purpose devices like a NiCad charger for the hand-held bar-code readers that reduced memory effect. That one little product saved them 11 million dollars per year in batteries.I received payments for each of my invoices in about 90 days, which I understand from other vendors was better treatment than most companies got. Some waited 120 days and more for payment. Wal-Mart wanted extremely competitive pricing, and they used vendors from around the world so they could find the lowest price possible. But I didn't blame them for any of these things - It was their right and I saw it as reasonably smart.However, I got tired of working so hard for pennies. I did earn a profit on my designs, and the quantities involved made each project fairly lucrative. But in the end, I didn't feel it was worth it. So I stopped dealing with Wal-Mart after a few projects. Seems to me everyone has the same choice. If you don't want to deal with Wal-Mart, don't.

Subject: Re: Economic Theory
Posted by Manualblock on Sun, 13 Aug 2006 01:23:21 GMT
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Yeah; unless they suck you into a relationship then grind you down piece by piece until it's too late to adapt and bam; you're done. You were one of the lucky ones; accept that. Not to mention what do you do after they run all the other outlets out of business and you have NO choice. And you who treat your employees fairley and as such can't afford to indulge these pirates. Not to mention

what they do to the tax base in your community and the health care facilities. That is real not some dream or phantasy. try having five kids and see if your perspective changes.That was what Fred and Myself are trying so hard to point out.And there are something like 86 sites that aged out and they abandoned around the country and refuse to pay for the clean-up and address their huge law firm on retainer to fight in court any community that tries to get them to clean up their mess.So it isn't really about choice is it?

Subject: In A Pickle
Posted by FredT on Sun, 13 Aug 2006 09:49:35 GMT
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I once heard an interview of the CEO of a pickle company on the radio. He was talking about how his company began supplying pickles to Wal Mart some years back, and eventually they found Wal Mart accounted for over 75% of their business. Then Wal Mart began pressuring them to reduce their wholesale price, and they had no choice but to comply or to suffer considerable financial damage and lay off most of their workers. They chose to lower the price, which incidentally made it impossible to do anything about the already low wages paid to the migrant workers who pick the pickles.

Subject: Re: In A Pickle
Posted by Wayne Parham on Sun, 13 Aug 2006 16:22:33 GMT
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That pickle company is in a pickle, aren't they? I don't mean to sound like I was defending Wal-Mart. I just don't pay them much attention. I realized twenty years ago that they weren't good to do business with and that the lure of selling large quantities was not worth the eroded profits that it cost. As the numbers inched down, I opted out.

Subject: Re: Economic Theory
Posted by Wayne Parham on Sun, 13 Aug 2006 16:36:32 GMT
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I didn't mean to sound like I was defending Wal-Mart - I wasn't. But ultimately everyone has a choice. Some would consider painful choices to not be choices, but they are. Ultimately, the way to deal with Wal-Mart is to not deal with them, if you don't like the way they do business, don't do business with them.I think what you would like to see is legislation that makes this happen. I don't know if that's necessary or not, but I do know that I'll not do business with Wal-Mart because it isn't worth it. That's what hundreds of other suppliers have said for the past 25 years or so too.

There are other problems with how Wal-Mart enters communities and how they sometimes coerce purchaes of store properties using tactics like eminent domain. Those are all things I've heard about Wal-Mart. But I think it all still boils down to telling Wal-Mart to take a hike, and that can be done in a variety of ways.I hate being in "David and Goliath" positions; It can be so frustrating. I'm sure some of the positions individuals and small companies have found themselves in with Wal-Mart have been very uncomfortable and unfair. Some aren't as easy to do as just turning and walking away. But that is the answer for many Wal-Mart vendors.

Subject: Re: Economic Theory
Posted by Manualblock on Sun, 13 Aug 2006 21:41:39 GMT
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The problem is Wal-Mart is given unfair advantage in business through unequal labor and business law; or laws that are applied unequally or not applied at all. Whether you like Wal-Mart or not is irrelevant. The effect their business practices have on all of us is serious and detrimental to us as a society. I remind us all what Teddy Roosevelt said when J.P. Morgan threatened to shut down the railroads if his company did not get it's way. Old Teddy said"' Tell J.P. he runs those trains or I'll send the United States army to his front door."He also said "Walk Softly But Carry A Big Stick"; the best description of diplomacy ever given. I wish our current administration read history.
