

## WALMART CORPORATION RESORTS TO UNETHICAL PRACTICES TO EXPAND

**We** often hear the slogans like “corporate ethics”, “corporate social responsibility” in the corporate propaganda as the fine virtues of corporate managements. All these lofty slogans are nothing but slogans intended to make believe the people that transnational corporations of big-capital and their practices and managements are just, virtuous and friendly to the people who happen to be the consumers of their products and services.

But in practice these corporations resort to every possible unethical practice in their pursuit in earning super profits.

Walmart one of the giant corporations of the world is such a corporation. It not only exploits the labour power of its workers in various methods, deceives its suppliers in different countries by paying them the lowest prices, charges the consumers with higher prices to its products but also bribes and influences the government officers in various countries and obtains permissions for its activities (sales, purchase of local commodities, hiring workmen etc) in various unethical methods.

Its methods of bribery and how it obtains permissions from governments through middlemen is revealed recently.

For more than a decade Walmart used middleman to make dubious payments to governments around the globe in order to open new locations.

Inside the Walmarts corporate office in Brazil one local contact was known as the “sorceress” for the ability to obtain government permits quickly.

In China money was funnelled to a local land-lord in the name of “for government relationship consulting services”.

In Mexico cars and computers were donated to governments in communities where Walmart was planning to build new stores.

In India concerns about bribery were met with a “wink and nod”. These bribes were recorded in India joint venture’s books and records with vague descriptions like “miscellaneous”, “professional fees”, “incidental” and “government fee”.

In 2012 ‘The Newyork times’ revealed that Walmart had made suspicious payments to officials in Mexico and then tried to coceal them from top executives at the company’s head quarters.

Over this revelation the Department of Justice and the Securities and Exchange commission of USA started investigation.

During fiscal year of 2018 Walmart generated a profit of about \$ 7 billion with such unethical methods of international expansion.

In the investigation it was proved that Walmart is guilty of civil and criminal charges.

But Walmart denying the allegations and in a bid to bolster that it has been properly working in compliance with law (of USA) had spent roughly \$ 900 million on lawyers and other such activities.

Walmart in its drive to grow quickly and of its “low-cost philosophy” has adopted these unethical methods of bribery and corruption.

This shows how on one hand it is claiming that “Walmart is committed to doing business the right way and that means acting ethically every where it operates” on the other it had resorted to such practices of corruption and made super-profits with a such means.

At last lacking no option Walmart pleaded guilty of civil and criminal charges of bribing and reached in to a settlement agreement, agreeing to pay \$ 282 million, since otherwise it has to pay \$ 600 million as fine.

This case highlights the perils of American corporations seeking to increase profits by expanding to countries with different legal systems and political cultures.

Whatever may be the high sounding claims of capitalist system, all the vices are inherent in that system that deceive and exploit the mankind unethically, the class-nature of capitalism being exploitation!

\*\*\*\*