

# **The Human Tragedies of Global Supply Chain: How Multinational Corporations Exploit their Market-Power by Inflicting Harm Upon the Most Vulnerable Populace in Emerging Economies – The Case of Wal-Mart**

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*Abstract:* In the last 3+ years, Wal-Mart has been embroiled in incidents of public scandals. In part, they pertain to Wal-Mart's global strategy of growth and expansion, where the company's senior managers have been implicated in using illegal bribery and corruption to secure business, and, to conceal this information from regulatory authorities. Another issue has been the incidents of fire and resulting deaths and injuries of hundreds of people, most notably in Bangladesh, but also in other countries where low-skill, low-wage manufacturing predominates, and where foreign multinationals have been accused of condoning and profiting from sweatshop-like exploitation of workers. We use Wal-Mart as a microcosm of corporate conduct which provides a prism through which to examine the exploitation of negative externalities, i.e., engaging in illegal and unethical behavior by using their bargaining power and market control. We contend that Wal-Mart's unique business model, which focuses on (a) Everyday Low Price (EDLP), (b) absolute growth and market share expansion by any means possible, and, (c) Everyday Low Cost (EDLC), has led to the company's enormous success since its founding and has made it one the world's largest corporations by revenue. Finally, we also examine in some detail the large gap that exists between Wal-Mart's pronouncements of the company's commitment to ethical and socially responsible conduct and its actual business practices.

*Keywords:* Wal-Mart, Global supply chain, Sweatshops, Bribery & corruption.