

**Is Wal-Mart Ethical? Debate**  
**Mesa Community College**  
**November 24, 2009**

Welcome everyone, and thank you for coming. My name is Dr. Dave Yount and I teach philosophy here at MCC. My debating partner for tonight's event is Mr. Preston Cameron, who teaches in our Business department. I would like to thank Preston, as well as the Philosophy Club members who helped put this event on this evening.

We are taping this event tonight, we have a microphone for those in the audience who would like to make a comment or ask a question later. This debate will proceed as follows: We will play the 20 minute, short version of the movie that is in the bonus features of the DVD entitled, "Wal-Mart: The High Cost of Low Price". We will then play the scene [called "The Earth Pays, Wal-Mart Profits"] concerning the Environment from the DVD. After the movie, we will begin our comments. We will each have roughly 10-15 minutes to present our arguments, leaving us with a lengthy Q&A and comment session afterwards. We will have the option of rebutting each other's charges once our arguments are presented. We agreed earlier that I will make my comments first.

Please note: If you are watching this on a DVD or on TV, you will not see any parts of the movie, as this violates the copyright laws. However, I have been told that it is available on YouTube or Google Video.

[SHOW THE MOVIE]

Before proceeding with my argument, I have four brief introductory points to make:

First, I would like to make a very important logical, argumentative point for tonight's debate. I will not be telling you if I have ever or will ever shop at Wal-Mart. The reason for this is that it is a fallacy, or an unsound argument, to claim that, for instance, since I shop at Wal-Mart, Wal-Mart is therefore ethical and I cannot argue that it is an immoral company. All I need to grant for tonight's debate – whether or not I shop at Wal-Mart – is that I am not a perfect person. Consider it done! That leaves us to discuss the issue of whether or not Wal-Mart is an ethical business. If I am successful in showing that Wal-Mart is unethical, we can then ask the next question: Should anyone ever shop there again? I'm not addressing that question initially.

Second, this debate is not about whether other businesses or perhaps all businesses are ethical or not. If you can point out that, say, Target does many of the same things as Wal-Mart does, I will make the argument that that business is unethical as well! The question on the floor tonight is simply whether a case can be made that Wal-Mart is unethical.

Third, I would like to point out that I will be leveling many charges against Wal-Mart tonight that were made via the movie and throughout other research that I've recently completed. If any of these charges are unanswerable by my opponent, I, for one, shall at least *believe* that I have won the debate. Think of it this way: If you ask all my students, co-workers, and me about whether I'm ethical in general, and believe that I am such, after these interviews, but I murder my wife, I'm still quite arguably an immoral person. So my Wal-Mart defender has a tall order this evening, and I pity him with his position. So if you hate Wal-Mart, please go easy on him; we're just debating some points!

Fourth, I will be posting these brief comments on my website ([www.mesacc.edu/~yount/text/walmart-short.pdf](http://www.mesacc.edu/~yount/text/walmart-short.pdf)), so you will be able to read them again in the future. Once you're at my site, check under "Dr. Y's Internet Writings." I will also post a much longer document that contains more supporting evidence for each claim I'm about to make ([www.mesacc.edu/~yount/text/walmart-long.pdf](http://www.mesacc.edu/~yount/text/walmart-long.pdf)).

And now for my argument: It is possible to show, I think, that Wal-Mart has acted in an unethical way toward its employees, its suppliers (and their employees), its community, its competitors, its customers, and our country. Other than that, it's very ethical. There are so many charges, that I can only briefly summarize them for now. However, if you wish for me to lay any one of them in more detail, I will be able to do that in the Q&A session that follows. Now, let me lay out the charges very briefly in turn:

Wal-Mart ethically mistreats its **employees** in six ways: (1) Their executives have failed to pay workers overtime, and admitted to being trained and told by their superiors to do so; (2) They have (at least 80) lawsuits concerning wage and hour violations, for telling their workers to take two hour breaks on the last day of the pay period, for instance, after having them work through breaks for the week, and having them punched out when they're really working, and so on; (3) They are not paying a living wage, by paying 26-37% less than the national average for the same jobs in the retail industry, paying full-time workers less than the poverty level, and not providing adequate health insurance so the government needs to do that; (4) They discriminate against women and African-Americans by not paying the same wage for the same job (women earn up to 37 cents/hr less than male hourly, and \$5000 less than male supervisors), and by not promoting them to upper management in remotely proportional numbers; (5) They abuse employees who are minors, by having them work too late on school nights, working through meal times, and using dangerous machinery; and (6) They have abused undocumented workers by locking them in stores overnight and not allowing them to leave until morning.

Wal-Mart ethically mistreats its **suppliers (and their employees)** because they contract with Chinese workers and treat them only as a means, as Immanuel Kant would say, or as slaves, making them work 7 days per week, training them to lie to auditors and inspectors about their working conditions, paying them less than China's minimum wage, and having them work with dangerous chemicals without the "right to know", as it's called in America.

Wal-Mart ethically mistreats the **communities** they're in for three reasons: (1) They have harmed the environment, which is evidenced by their being found guilty of having violated the Clean Water Act in at least 12 states to the tune of more than \$5 million. In 2004, they have the dubious honor of having received the largest fine for violating this act of any retailer in America - \$3.1 million. Also, as we just saw in the movie, Wal-Mart did not have an environmental manager on staff (and lied about it), and failed to act at the executive level even when notified that they were violating environmentally safe practices. Again, this was AFTER they claimed to care about the environment and AFTER they told government officials that they would have safe environmental practices. And (2) Since they do not pay adequately for health care (and I just recently learned from an official Wal-Mart spokesperson<sup>1</sup> that they force you to take a vacation day or a personal day on your FIRST actual sick day!), Federal, State, and local governmental health programs are having to pick up the slack. So this charge belongs in the "Wal-Mart harms the country" section below, as well.

Wal-Mart ethically mistreats its **competitors** in two ways: (1) They have received \$1 billion in subsidies to set up their shops, which small(er) businesses do not get, and that is unfair; and (hence) (2) Wal-Mart is putting small businesses out of business. The latter point becomes very important IF Wal-Mart has done (illegal and/or immoral) things in their business practices that the small businesses have not done, in order to gain the competitive advantage, which I believe can be shown.

Wal-Mart ethically mistreats its **customers** in two ways: (1) They deceive their customers in their advertising v. their practices. They have claimed for years that they always have low prices, but by the practice of loss leaders (that is, selling a product for a loss to get customers into the door) AND having other products down the aisle that are NOT the lowest price in the business, they intentionally deceive customers. It's false advertising. And (2) They fail to provide adequate security in their parking lots, despite evidence that their lots were indeed

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<sup>1</sup> Interview: ABC's *Good Morning America*, November 6, 2009.

dangerous, despite law enforcement's asking them to do so, and their assuring the community that they would have adequate security (Note that this charge may be added to the "community" harm, above).

Lastly, Wal-Mart ethically mistreats **our country** (besides making our governments pay for their employees' health care), because they are putting American workers out of business and potentially endangering American lives by importing cheap goods from overseas.

Again, briefly, if any of these charges stick (and Wal-Mart managers and supervisors themselves have admitted to committing some of these!), I claim that Wal-Mart is unethical. However, I am happy to note that my analysis can obviously not show that they cannot become ethical in the future, or that they have not addressed any of these concerns since the making of this film.

I would also like to close with my reaction to a pro-Wal-Mart article entitled "The Ultimate Pro-Wal-Mart Article"<sup>2</sup>, written by Paul Kirklin, a gentleman with a BA in economics (who is now in law school). The argument and tone was very condescending and basically said that the anti-Wal-Mart charges are from people ("fools") who distort the truth about Wal-Mart and are ignorant of economics, and that if critics just understood economics, they would understand just how great Wal-Mart really is. However, to whatever extent Wal-Mart is efficient business-wise, creates more jobs than I've claimed they're taking, and/or does provide low cost goods to customers, none of this says anything about the morality of the means with which they deliver that efficiency, those jobs, or the low prices. I could sell you my car for \$1, but if I obtained the car by beating my slave until he stole it from someone else, I'm hoping that everyone agrees that I am not providing that car in an ethical way. That is precisely what must be defended, and Mr. Kirklin did not do that in his article. Note that this is not necessarily a criticism of Mr. Cameron's stance here tonight, as I have not heard his defense yet.

I look forward to your questions and comments, and thanks again for coming tonight.

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<sup>2</sup> See <http://mises.org/story/2219>.