Corporations Contribute To Social Progress

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Abstract
Using the research of Joan Ferrante (2014) as well as various, reliable, and studious website articles, observing whether or not corporations contribute to social progress was able to happen. The research has been done in order to consider the outcomes, based on the progression of a society, by putting a multinational corporation into a country. Research involving numerous articles available on the internet, as well as Seeing Sociology: Core Modules written by Joan Ferrante (2014), concluded that multinational corporations, mainly top global corporations such as Walmart and McDonalds, contribute to social progress world-wide. For further study, research involving the social impact, government regulations, and taxation of multinational corporations, mainly global corporations, using any wanted city, country, or continent around the world is recommended in order to conclude more business concerns.

*Keywords: multinational corporation, global corporation, McDonaldization*
Introduction

Multinational corporations run the world’s society by providing us with the resources and necessities the are potentially needed in order to survive in the modern day. Multinational corporations are enterprises that own licensed facilities in countries that do not house the original headquarters. According to Ferrante (2014), table 5.9a explains that Walmart is the world’s largest multinational corporation and is often referred to as a global corporation along with McDonalds (Ferrante, 2014). A global corporation can be defined as the largest multinational corporations that exist today. Global corporations have a facility in almost every country and run today’s economy. The largest global corporation, Walmart, along with one of the largest corporations, McDonalds, are two examples of corporations that contribute to social progress around the world. These corporations significantly contribute to society by helping to create jobs and providing money in low income countries around the world, such as Niger, Africa; along with creating a role model figure and giving support to entrepreneurial seekers by opening new and successful facilities.

Walmart Contribution

Walmart recently arrived in twelve sub-Saharan countries contributing 340 stores to Africa according to Matt Mossman, an editor for *African Arguments*, between 2011 and 2012 by spending $4,200,000,000 in order to purchase 51% of Africa’s sub-Saharan Massmart (Mossman, 2013). “In August 2012, the company announced a $313mn expansion plan in Africa that will add 40 stores on the continent by the end of 2013,” Matt explained (Mossman, 2013). This increase brought large amounts of revenue and tax money into the country which greatly helped to increase government spending on citizens, i.e. building new roads and houses. The increase also creates numerous jobs for African citizens that would otherwise live without a job, impacting the society on a large scale. The increase of money to the continents countries is also
supported from the need of supplies for the Walmart franchises. Mossman writes, “Walmart has pledged to use local products where it can, but Africa’s small manufacturing capacity suggests an increased reliance on imports, and therefore higher demand at African ports,” (Mossman, 2013). An increase in African ports would bring a large amount of revenue to African countries because of the increase of imports and exports that can be taxed. The increase of tax money from supplies sold in the store, the revenue brought in from the store, and an increase of imports and exports to and from the country are all key contributors to building up the African low-income society. These large and very important increases cannot be done without government regulation intervening first. Walmart states, “In addition, since we are a global company, all political contributors must comply with the Foreign Corrupt Practice Act and all other applicable laws and regulations in the jurisdiction in which the contributions are made while being in adherence with the Walmart Global Ethics Policy,” (n.a., n.d.). While complying with the “Foreign Corrupt Practice Act” as well as the “Walmart Global Ethics Policy,” the stores treat the employees, customers, and environment with care and creativity. The compliance creates a fair environment for the world’s leading global corporation, Walmart, to contribute to any given sub-Saharan, low-income, African countries’ society as a whole.

**McDonalds Contribution**

McDonalds, the world’s largest fast food franchise, has 18,710 stores world-wide and makes a huge social impact on their hosting country. The franchise is known for changing the menu, varying from country to country, and has become even more successful by doing so. Because of their success, McDonalds has become a global corporation. Since the demand for McDonald’s fast food is so high, and rapidly increasing every day, the company has been able to make a social impact on the lives of the people, as well as the society, in the hosting country.
CORPORATIONS CONTRIBUTE TO SOCIAL PROGRESS

They are able to do so through creating a role model figure for entrepreneur seekers, giving support to soon-to-be franchise owners in low-income countries, and by creating jobs and public assistance for citizens. Barry Ritholtz states in his article *How McDonalds and Wal-Mart Became Welfare Queens*, “…fast food workers receive more than $7 billion dollars in public assistance,” (Ritholtz, 2013). The public assistance given to the workers, who make small amounts of money, helps them to survive in the very demanding society that they live in. Since McDonalds starts their employees at the minimum wage, they realize that the employs have issues “making ends meet.” In order to keep their employees happy, McDonalds created the McResource. Ritholtz defines McResource in his article as a “line that helps employees and their families enroll in various state and local assistance programs,” (Ritholtz, 2013). With the given resources, the societies of low-income families has become more bear-able.

In Afghanistan, McDonalds helped small business owner Naeem Yusofi through inspiration and hope. After McDonalds successfully opened in Afghanistan, Yusofi was inspired to open Chipsi, a fast food restaurant in Herat, Afghanistan. After the success of his first restaurant, Yusofi was driven to open a second. In the article *Expansion On The Menu for Afghan Entrepreneur*, the unknown writer states, “Yusofi now hopes to serve up to 1,000 clients per day at his two locations. To meet increased demand, he hired eight new employees, including three women,” (n.a., 2014). With having such a high demand for food at Chipsi, Yusofi was able to create jobs for eight people, who would otherwise go without work. With the inspiration of McDonalds, Yusofi created a safe environment for local citizens of Herat, Afghanistan to start a career. Just like Walmart, government regulations must intervene. The regulations that McDonalds commits to socially contributes to growth towards an ethical and truthful business conduct. McDonald’s writers explain in their *Standards of Business* article, “Inherent in each
value is our commitment to be ethical, truthful and dependable and this is reflected through our *Standards of Business Conduct* which serves as a guide to making good decisions and conduction business ethically,” (n.a., n.d.). Yet McDonalds does not only socially contribute through conducting business ethically. The corporation brings in large amounts of money to the host countries through taxes, which greatly helps to build low-income countries. According to Jamison Foser in is article *High Taxes Are Not Crushing McDonald’s Profits*, “We pay some of the highest [corporate] taxes around the world,” (Foser, 2011). With these high taxes, the corporation supplies money to the host countries.

**Creating New Opportunities for Growth**

Global corporations create opportunities for growth around the world by supplying jobs, creating new facilities, such as ports for importing and exporting, and supplying governments around the world with the money needed in order to give the citizens of given countries crucial resources, i.e. roads. Ferrante (2014) states in the book *Seeing Sociology: Core Modules*, “A multinational corporation can range in size from fewer than 10 to millions of employees,” (p. 261). The global corporations are the biggest of the multination corporations with millions of employees. Since the companies are so large, they require various positions in order to run their business effectively. With this demand of employees, millions of people around the world are able to find work with reliable social assistance. The corporations also create growth in the countries because an increase of demand for supplies in the area that the franchises and facilities open. These supplies can be gained through locally owned, small businesses that open in the area of the corporations’ facility. Some of the supplies come through local entrepreneurs, but most of the supplies that are needed are acquired at ocean ports, through importing and exporting. With an increase of imports and exports, low-income countries, as well as economically stable countries
such as South Africa, are able to create new, large amounts of revenue and tax money. The arrival of global corporations, such as Walmart and McDonalds, contributes to the society of countries, such as Niger, Africa, that would have not been able to grow in ways that they have due to the companies’ attendance and business.

Conclusion

There is not one country in the world that does not thrive without a supply of money. When Walmart and McDonalds, two of the world’s top global corporations, enters a country to create business, the business is not the only participant benefitting. Even though the corporations are making large amounts of money through entering countries with new business opportunities, the country that is entered ends up benefiting greatly through the contributions to the society brought by the corporations. The corporations benefit the society by creating jobs, creating revenue tax money, and supporting entrepreneurial seekers by creating a role model figure to base their soon-to-be business on. Through research, advanced analysis of the researched material, and examination of countries supporting global corporations, the conclusion that global corporations do contribute to social progress is considered. The researched facts from various websites and Ferrante’s book Seeing Sociology: Core Module, shows that the countries are positively impacted through social impact, government regulations, and taxation. With a positive impact, global corporations are highly recommend to open business in every country available due to the researched facts given. Walmart and McDonalds were chosen for the questioning of whether or not global corporations contribute to social progress because of the vast expansion throughout the countries around the world in the past years. With the expansion comes remarkable contributions that benefit the societies of countries world-wide that would not have been gained without the McDonaldization that spread through the hosting countries. Sociologist
George Ritzer defines McDonaldization of society in Ferrante’s (2014) book “as the process by which the principles of the fast-food industry have been applied to other sectors of American society and the world. Those principles are (1) efficiency, (2) calculability, (3) predictability, and (4) control,” (p. 258). The McDonaldization that the global corporations bring upon developing countries that host the businesses contribute to the society’s progress and has been a large factor upon the growth towards a stable and fair society.
References


