

What's Wrong With SUPERMARKETS

Unpacking
the supermarkets'
three main claims
of: 'choice',
'convenience' and
'good value'.



This is a
summary of
*'Whats Wrong
With Supermarkets'*

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What's Wrong with Supermarkets?

Supermarkets wield immense power over the way we grow, buy and eat our food. They are shaping our environment, our health and the way we interact socially. They seem to be essential for our fast food lifestyles as we stretch our work and leisure time to the full.

Choice, Convenience and Good Value

In the UK, selecting preparing and eating food are no longer central to our daily routine. Many of us have allowed the supermarkets to shape these experiences for us.

Supermarkets say they provide what the modern consumer wants: easy access to a wide variety of food at seemingly reasonable prices.

By an extraordinary feat of logistics, they have created a system by which millions of tonnes of food are transported to their shelves every day. Through loyalty cards they have been able to profile the precise habits of their consumers.

An ever increasing array of products

and services, frequent special offers, all night opening hours, plenty of parking space and the reassurance that you'll find something for dinner all make supermarkets seem an offer that many can't refuse.

The leading supermarkets in the UK are some of the most influential companies in the world. **US company, Wal-Mart, which owns Asda, has just overtaken Exxon Mobil as the largest company in the world.** Wal-Mart can take a billion dollars on a good day's trading. Tesco is a multinational, currently opening stores across Eastern Europe and Asia. French multinational, Carrefour, is the largest supermarket chain in Europe and also

operates worldwide.

Supermarkets' interests are well represented in Government, from Lord Sainsbury, the Parliamentary Undersecretary for Science and Innovation, to Archie Norman, a former chief exec of Asda and now a Tory MP.

Lets examine the supermarkets' three main claims of 'choice', 'convenience' and 'good value':



Choice?

(and destruction of the local economy)

We may be able to buy a myriad of plastic-wrapped ready-meals or twenty varieties of frozen oven chips at six in the morning but as supermarkets take over from the high street, we increasingly have no choice who we give our money to.

Over the last fifteen years, eight small retailers a day have gone out of business but the number of supermarkets over 25,000 sq. ft has tripled. Losing a range of independent butchers, bakers, grocers and pharmacies from the high street has punctured the heart of many local communities. Whilst many supermarkets offer deli-style counters, shopping in the high street is much more than a consumer experience, it binds people and communities together.

...every time a large supermarket opens, on average 276 jobs are lost.

Furthermore, money spent in a supermarket is spirited away to directors, shareholders and management staff, rather than circulating locally and boosting the local economy.

US supermarket giant, Wal-Mart has made a deliberate strategy in the USA of building out of town superstores and putting all other local retailers out of business through rock-bottom prices.

They now own Asda and are engaged in price wars with other UK supermarkets that undoubtedly affect smaller retailers.

A job in an independent store cannot simply be replaced by one job at a new supermarket development.

Unskilled labour is dispensable and supermarkets have no attachment to place.

The British Retail Planning Forum (1990) embarrassingly financed by the supermarkets themselves, found that every time a large supermarket opens, on average 276 jobs are lost: new out of centre stores affect employment up to 15 miles away.

The Competition Commission enquiry into Supermarkets (2000) claimed that supermarkets did not have a monopoly in grocery retailing. Critics claim that they were asking the wrong questions. Many supermarkets have local monopolies with over 50% of the market share in some areas of Britain.



Good Value?

(and all the hidden costs)

Supermarkets are definitely good value for their shareholders; with Tesco announcing profits of around £1.4 billion in 2002. But the 'cheap food' supermarkets peddle comes at a very high cost for consumers, farmers, small manufacturers, the environment, local communities and taxpayers.

Are supermarkets good value for CONSUMERS?

Loss leaders make supermarkets seem 'cheap'. Through cross subsidies, bulk buying and oversupply, they can sell bread at 17p, milk at 35p a litre and baked beans (that famous indicator) for sometimes as little as 7p. This doesn't mean to say that all their products are cheap. A simple comparison of fresh produce shows you can often get it cheaper at a local independent store.

Have you ever wondered why you always end up buying more than you need? Supermarket selling and pricing techniques are a 'spectacular black art'. From ensuring that the store layout leads you past expensive and 'fresh' items first, to making price comparisons difficult, the supermarkets know how to fleece you.

UNSAFWAYS

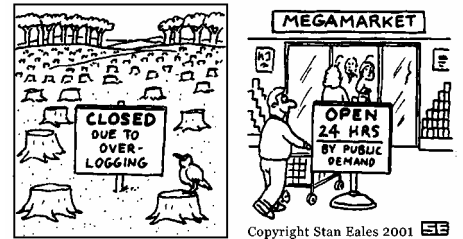
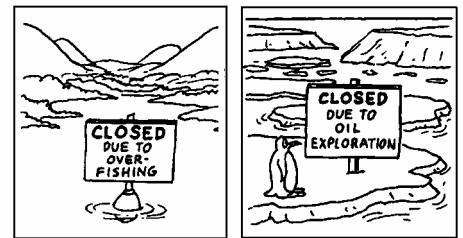
Selling farmers short

As there are so few supermarket chains and so many food producers, the supermarkets mercilessly exploit their power in the food chain.

This especially hits small farmers whose position is highly precarious. Without contracts, they are at the whim of constantly changing packaging and quality demands. They are often forced to subsidise special offers or pay for better in-store positioning. They risk bankruptcy if the supermarkets cancel their orders or blacklist them.

Supermarkets sometimes do not even cover the farmers' cost of production: its no wonder they intensify production and cut environmental and animal welfare corners to get more out of their land and animals. It is the taxpayer that has to pick up the bill for removing agricultural pollution from the water system.

As many as 50,000 'undocumented' immigrants may work on arable, fruit and vegetable farms and packing houses in Britain. In 2001, Panorama exposed the 'employment agencies' that smuggle in immigrants mainly from Eastern Europe. In constant fear of being deported and unable to speak English, they make a compliant workforce, forced to accept very low wages and poor working and living conditions. The same racial exploitation is rife in industrial agriculture worldwide, especially in the USA where the exploitation of 'illegal' Mexican farm labour is another cost of 'cheap food'.



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And those special offers? The supermarket chains always seem to be in trouble with the Advertising Standards Authority. They have been found guilty of subsidising 'price cuts' by raising prices elsewhere in the store. They have also raised the price of goods just before a big publicised price cut to make the cuts seem more dramatic. Its almost impossible to tell whether you've actually saved money overall.

Many of the cheapest convenience items on offer in supermarkets: chocolate bars, chips, crisps, fried vegetable or chicken nuggets etc are full of saturated fat, salt, sugar and are low in fibre. A diet based on these products causes **cardiovascular disease, diet-related cancers and obesity**. The bill to the NHS and the taxpayer for these products is something like 10 billion pounds a year.

Yes we deserve affordable food, but we also deserve healthy food, healthy communities, thriving small businesses, a healthy countryside and a fair wage for producers.

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