

# Tesco and the five kinds of localism

*David Boyle argues that localism is critical to improving our quality of life*

I never quite expected them to, but the last two years have drawn me into the debate about supermarkets so much that - practically every week - I find myself writing, speaking or broadcasting about them.

The work arises out of research at the New Economics Foundation following its report *Clone Town Britain* into the real economic effect of supermarket development. It shows that, not always but often, new supermarkets corrode social networks, increase crime and impoverish the local economy. They make places poorer.

Similar research in the USA shows that the places with a Wal-Mart store have lower turn-outs for elections, but that's another story.

Whenever I make this argument in public meetings, there is seems to be an overwhelming sense around the room that, at last, someone is saying what people have suspected for some time. But there are always those who don't agree.

These fall into two categories. One set of people say that modern supermarket shopping is overwhelmingly better than the corner shops of the 1950s. This is, of course, true - though I notice that most people who say this had been brought up in the dour world of de Valera's Ireland. I can only assume that shops were very serious drab there.

The other set say that I am ignoring the fact that Tesco customers, for example, have clearly chosen them fairly and squarely in the free market, rather than the small high street shops - a few of which still hang on by their fingernails.

This one puzzles me, because it is true in a sense. Why do people hanker for small shops when they actually shop elsewhere?

It wasn't until I read the fascinating book *Tescopoly* (Andrew Simms, Constable & Robinson) that I realised the real truth - which is this: the Big Four supermarkets now have such a stranglehold over their suppliers - and this is prima facie evidence of monopoly - that they can force them to accept payment in 90

## ***'We slowly become supplicants to centralised corporate monopolies'***

days, rather than the usual 30 days accepted by their smaller competitors.

Tesco therefore has an absolutely enormous advantage over those who still stand against them, even more than the subsidies they get from local and regional government. They have what is, in effect, a permanent rolling interest-free loan equal to two-month's stock - about £2 billion.

You wonder, in those circumstances, why there are any competitors left.

What does this have to do with the green agenda?

The answer is traffic. On average, we now clock up a thousand miles by car every year just to do the shopping. Every local shop that shuts means we have to travel further - if we have a car at all.

Tesco is currently trying to persuade the Competition Commission to change the definition of 'local shop' from a 15 minute drive away by car to 30 minutes by car - a ludicrous idea which would make the shops in Liverpool 'local' to people living in Manchester.

There is also the problem of trucking food backwards and forwards. The tiny proportion of local food stocked in UK supermarkets normally has to go all the way to their UK depot, and then all the way back again.

Add to that the apples flown in from the USA while we grub up our own orchards and you can see the problem.

This is the problem with monopoly. When it is allowed to take root, it means other shopping formats become unviable. It means that only the most technocratic and centralised systems are economically possible.

It means there is less choice, less



*If Tesco has its way, its Liverpool store will be defined as 'local' to people living in Manchester*

## LOCALISM MUST BE MORE THAN JUST LOCAL DECISION-MAKING

*Liberal Democrats tend to define localism as devolving power from Whitehall to local Councils*



innovation, and it means we slowly become supplicants to centralised corporate monopolies - just as we have become supplicants to centralised government.

Monopoly and its eradication used to be a core principle of the Liberal platform up until the 1960s, but this particular issue has been allowed to wither. The results are all too obvious: our choices about where we buy our groceries or books are dwindling every week, and our choices about the way we buy them too.

That's what happens when political parties take their eye off the ball. It means the slow destruction of UK agriculture and the miserable impoverishment of local enterprise - and all, so often, subsidised in the name of regeneration.

The Local Sustainability Bill, which passed its Commons second reading in the spring - and which has the support of so many Liberal Democrats - will provide some levers to local people and neighbourhoods to claw back some of this power.

But we are going to have to be vigilant to make sure this sees the light of day after the committee stage - and you can be sure that the Big Four are lobbying heavily against it.

But there is another lesson for us in this, apart from the urgent importance of dusting down our old policies against monopoly. It is that we also need to make our ideas of localism more sophisticated.

Localism is the flavour of the moment. The new Labour administration, with its 'double devolution' jargon, has been promising to row back on

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centralisation (though there's little sign of this).

The Conservatives have been perfecting their rhetoric, though - judging by the recent series of articles in the *Daily Telegraph* - Cameron-style localism is a complex business involving school vouchers.

Liberal Democrats will be debating an innovative new policy on the future of local government at Brighton this year, but we shouldn't rest on our laurels.

The truth is that, in many ways, Liberal Democrat localism is even narrower than that of our rivals. It is all about devolving Whitehall power to local government, and occasionally to other locally-elected bodies. Liberal Democrats rarely seem to discuss any other aspects of local control, and this is a pity.

Devolving to local decision-making is important, but it is less than half the story - certainly if localism is ever to do what it promises: to make things work, to humanise systems and make them greener and more effective.

There are at least five kinds of localism, and they are all vital to a

broader idea of what green Liberal Democracy is all about.

**1. Decentralising to locally elected bodies:** to local authorities but also to parishes and other local mutuals which can run public services, whether they are health or parks.

**2. Decentralising to frontline staff:** we have constrained frontline staff with inflexible targets for too long, and we need to be able to set them free to build relationships with people and take what action they need to make things happen.

**3. Decentralising to public service clients** (the so-called co-production agenda): Labour public services prefer recipients to be passive and grateful, but that is wasting the very real skills, time and ability to care that people have to offer. We need to make public service institutions - schools or surgeries - into engines of local renewal.

**4. Tackling giantism:** giant factory schools and hospitals mean more mistakes, more alienation, less flexibility and less opportunity for change. Why should people have to travel 50 miles to the nearest hospital or courts?

**5. Tackling monopoly:** centralised corporate power is as insidious and alienating as centralised government power, and far more impoverishing. We need effective competition policies that can unleash the innovative power of small business.

Separately, these are all interesting but unconnected policies, none of which - by themselves - seem to tackle the central issues of the age. Taken together, they are a radical recipe for a greener, more Liberal, Britain.

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