

In the Kingdom of the Shopping Trolley

Across the river from the seventh century Bradwell chapel and the adjacent nuclear power station is the Revd Sam Norton's parish. Sam has been offering a Saturday seminar to his parishioners about the imminent reduction in the supply of oil and even the national press has been getting excited. He's doing it because his parish is being targeted by plans to build a new supermarket – and he's angry. So what's the connection?

Sam shares the facts about oil with his parishioners at the Saturday seminar: "the good news is that we are not going to run out of oil, but the bad news is that we won't be able to afford it!" His PowerPoint screen shows the evidence that the major oil fields have reached their peak performance and from now on will begin to run down – so each year the UK will be able to afford a little less. This is why the government is turning its attention to nuclear power once again – so just as the neighbouring Bradwell power station is being decommissioned, the possibility of its reinstatement could be on the table. And all this because the government recognises that our present national infrastructure is based on oil and gas. The Hirsch Report* tells us that previous energy transitions, for example from wood to coal and coal to oil were gradual processes but this is going to be abrupt, and it may well hit us in only a few years time! But what's all this got to do with the supermarket?

As Sam's presentation continues so the connection becomes obvious. The supermarket giants are able to offer their knock-down prices only because untaxed transportation fuel currently costs less than bottled water. This allows them to transport cheaper commodities across the world and to deliver them by the container load to our out of town stores, and we are all prepared to get into our gas-guzzlers to go to purchase them. By the time the oil price makes all this impossible, says Sam, "Tesco will have hollowed out the life of our town, forcing the local businesses to fail – and then we will be a ghost town."

Just why is it that these giants are prospering? Surely because we consumers want clean, efficient, fast, cheap food at our convenience, and the supermarkets undoubtedly offer this service very well. But it seems we may be eating ourselves into our early demise. The UK food market is probably the most competitive in the world, but more than £62 billion annually is shared by the big four, dominated by Tesco and Asda who major on value and price and upon M&S and Waitrose who talk up quality and service. Between them they control no less than 75% of the market! We have become used to spending less of our disposable income on food than the average EU citizen, but this cheap food is provided at the cost of intensive farming, rigorous cost controls at the farm-gate and economies of scale.

So our convenience only comes at huge hidden costs – so much so that the Office of Fair Trading have now decided that they must turn their attention once again to the trade dominance of the supermarkets. The Office was singing their praises just five years ago, telling us how we should thank them for providing convenience, choice and low prices. At that, the big four took the opportunity to forge ahead at breakneck speed, overwhelming the independent sector with their increasingly monopolistic competition. The stores changed their trading habits – ripping out storage space and turning every square inch into retail space relying instead on intensive road haulage for daily supplies from distant storage centres. In Manningtree the twice-weekly delivery to the original One Stop Shop was replaced by the new Tesco's six giant trucks a day!

Farmers are complaining too. They find that they can suffer from non cost-related discounts, sometimes even imposed retrospectively, and others squeak at the sudden changes to their contractual arrangements. When the Competition Commission investigated they found that some 27 such practices by the (then) five major players were being operated against the public interest in their view, and for that reason recommended a Code of Practice.

But farmers have always made it clear that they are running a substantial British industry so they must not be surprised if they are now falling subject to the forces of globalisation just as our other industries have experienced. Given the availability of cheap oil, the big players will go to the cheapest global supplier – so our average vegetable travels 600 miles from farm to trolley, and New Zealand lamb will journey no less than 11,404 miles to arrive on our plate on Sunday. Our own farmers can't compete with that. They will have to wait until the cheap oil gives out – by which time they may have gone to the wall.

And it's not only food that we should be concerned about. Tesco were recently selling 30,000 pairs of jeans per week at £4 per pair and still making a profit. Little chance that those who make them are living on wages that can sustain an acceptable standard of living. Those who believe that the market place is today's ultimate harbinger of progress will be happy to accept what seems to many of us to be rank injustice, and will also point to the fact that the supermarkets employ no less than 610K people in the UK, often giving work to those who live in socially deprived areas. And most of us are glad to benefit from what the supermarkets are offering – we want to have our cake and eat it.

The new concern on the block is to do with the way supermarkets buy their way into communities which don't want them. For although nationally a chain may have only 20% of the market, at local level they know how to muscle in on 50%! This crowds out the small local stores. Many local authorities can see no other way to attract investment than to allow supermarkets in, but the strong may turn down a planning application only to find that they are taken to appeal and the cost of fighting it is prohibitive. The public, on the other hand, are not allowed to appeal against planning applications once granted. Some supermarkets are brazen enough to build beyond their permissions anyway! Tesco has been known to cordon off that part of their store which is actually illegal space, and they get away with it! The Tescopoly website (<http://www.tescopoly.org>) is very informative about such sharp practices.

Meanwhile the local high street suffers and, against such competition, seven out of ten English villages now have no shops at all. So all this impacts on the high street, on local communities and on roads - and that's where Sam Norton comes in. Sam is raising the awareness of his parishioners by predicting the future in order to see what must be done now – very much what prophecy is all about. He is looking to the vision of an alternative 'Kingdom' way of life which has a sustainable future, not based – like so much of our present fragile civilisation – upon the illusion of future oil abundance.

The Church of England holds a variety of investments in the food retailing sector to the tune of nearly £60 million. In May our Ethical Investment Advisory Group will be considering this investment. Will it be a choice between prophecy and profit?

* The text of the Hirsch Report to the US Senate is available at http://www.netl.doe.gov/otiic/World_Oil_Issues/Oil_Peaking_NETL.pdf

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