

# Presentation

## Attac Anti-Lidl-Campaign

January 5th, 2006



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Edited by the Attac Lidl-Campaign-Team

## The Anti- Lidl Campaign, europe-wide!

Since the middle of August Attac Germany's Anti- Lidl-Campaign has gained increasing public attention. Attac started this campaign under the banner of '**Global Social Rights**'. With these demands we globalisation opponents want to focus on the links between various social (resistance) battles across the world and give our actions and demands an explicitly international flavour of solidarity. The following text attempts to show how a country specific anti- Lidl campaign can be built up and be linked to existing (trading) corporation critical campaigns.

The **discounter Lidl** is under Attack, a company that stands like no other across Europe for environmental, social, and price dumping practices. Lidl is known for its aggressive low-price-strategy, and hides its true corporate structure behind a network of some 600 trusts and limited companies. Lidl is expanding massively in 15 european countries, and - according to experts - has already left its biggest competitor Aldi way behind. Through its mixture of dominance in the market place and ruthless cost cutting Lidl has become *the* negative-trendsetter for the retail sector.<sup>1</sup>

The Attack against Lidl is supported by a variety of organisations:

- With its own 'Black Book Lidl' at the end of 2004 the largest German Union Ver.di criticised the unacceptable working practices and conditions in Lidl outlets. Since then Ver.di has run a campaign demanding workers' rights and the introduction of workers councils<sup>2</sup>.
- Agricultural organisations such as the Farmers for Agriculture (Arbeitsgemeinschaft bäuerliche Landwirtschaft, AbL) have called for protests against Lidl and other discounters since the beginning of 2004. The discounted price for milk is for example below the cost production and is undermining the existence of dairy farmers.
- Development organisations (WEED, Germanwatch) and groups for Fair Trade have shown in reports and studies the link between bargain prices in the North and poverty, the lack of human rights and environmental damage in the South..

According to our information in many European countries groups and residents are already mobilising against Lidl. For the Czech Republic, Poland, Hungary and Romania an activist has prepared an unofficial dossier about the respective accusations against the corporation. In Sweden and Switzerland many local areas are actively trying to stop the opening of Lidl supermarkets, so as not to get caught up in their price dumping policies.

With this campaign **Attac criticises** the causes and disastrous consequences of this form of 'Globalisation in the shopping trolley'. We are acting against corporations because we believe that it's politically reasonable to stress a concrete phenomenon that can be experienced in everybody's daily life. With this campaign, we are criticising globalisation and consumerism in a way that – this shows us our experiences - is understood by the people easily. Therefore we have formulated demands that are aimed directly at the corporation Lidl, but still leave room for further considerations on a political level:

<sup>1</sup> In this respect we see many parallels with the WakeUpWalmart campaign in America, Tescopoly in the UK and Peuples Solidaires in France.

<sup>2</sup> To date there are workers councils in 8 out of 2600 outlets. Initiatives for workers councils are opposed by Lidl.



- **Fair prices for bananas, water and milk!** This is a demand that is most easily understood. We've chosen products for which we've got well-founded informations about the mechanisms of price dumping and for which we have good partners for this battle. With these examples we can easily arouse interest in the pedestrian precincts and in front of the stores.
- **Social rights for all – here and across the world!** We want to bridge the working conditions of the Lidl workers, its suppliers and producers. We have solidarity with the people that are suffering under Lidl's price dumping policies.
- **Allow democratic controls!** Here we are Attacking a basic principle of Lidl's corporate practice. The corporation must open itself to our criticism and be prepared to discuss our demands. With the second and third points, we are furthermore supporting Ver.di's campaign.
- **Cards on the table, let's see where the products come from!** This takes up the demands of transparency and democratic control and combines them with fair prices. We want to increase the power and awaken the conscience of consumers and we think that Lidl has a duty to provide the information to enable consumers to make their own choices. This should be a matter of course within the international chain of value creation.

Our **campaign slogan** is: “Lidl ist nicht zu billigen!” (Lidl is unacceptable)<sup>3</sup>.

The **Attac Lidl Campaign** is a decentralised campaign organised from the grass roots. Dozens of regional Attac groups, co-ordinated from a nationally operating Campaign Team, are running information events and protests. In this sense networking is very important for us, and on a local as well as national level we are co-operating with a variety of organisations and associations: Unions, Green, Agricultural, and Fair Trade groups and leftist political parties.

In addition, we want to **escalate the Campaign internationally** and believe that international co-operation is especially important:

- Pressure should come from many sides and not be predictable for Lidl. By this means the Campaign will appear uncontrollable and should force a reaction. Besides that, Attacks from many quarters – let it be country, topic, or product related issues - will have an exponential effect on public attention.
- International networking strengthens international co-operation and brings us closer to the aim of being a globally active anti-globalisation movement.
- Criticism of specific companies make the complex relationships of globalisation issues concrete, interesting and easier to understand. Criticism of the corporate politic of discounters refers to the vicious circle of social decline and economic cost-reduction strategies. International networking will make it easier for Attac to make these relationships vividly and believably clear to a wider audience.

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<sup>3</sup> Translators note: this is an untranslatable play on words. In the original it is 'Lidl ist nicht zu billigen' whereby 'billigen' means to accept, and 'billig' means cheap. Literally, Lidl is not acceptable, and too cheap, but the joke only works in German!

We encourage all initiatives and organisations who are working now or in future against Lidl, or similar corporations, to contact us for buiding up an international information network and developing a common strategy. Please contact us as below.

Translation: Alec Goodall, [coorditrad@attac.org](mailto:coorditrad@attac.org)



## State of Affairs

- The Campaign got its start within the framework of the Attac Germany Summer Academy on August 12th 2005 in Göttingen. More than 100 activists took part in the opening events, including street theatre and a 'roof occupation'.
- To date, groups from more than 30 cities have joined the campaign and organized local events such as information stands and discussion forums, as well as media-compatible demonstrations, performances, and roof occupations. In addition, dozens of smaller events have been organized, broadly inspired by our 'fake Lidl advert' campaign.
- We have a variety of material for the campaign. Currently, we have our Campaign reader (which is available for download), informational leaflets, a signature list and protest postcards. We also introduced Lidl-critical shopping trolley tokens (of which we've already delivered 12.000 pieces) and protest stickers, as well as a fake advertisement in Lidl-like style. The fake advertisement has already been distributed 40.000 times. It was included in an Attac circular mailing and thus reached quite a few interested people. You will find the campaign material on our home page <http://www.attac.de/lidl-kampagne/index.php?id=22>
- Individual groups can borrow material such as banners, capes and tablecloths. There's quite a demand for this stuff, and it's always in use. Some local groups have made their own material, which is usually also available for other initiatives.
- Via our mailing list, we've already sent 10 newsletters on the campaign's development to anyone interested. Our list of activists allows discussion and cooperation between local groups. The central information source, however, is our website [www.attac.de/lidl-kampagne](http://www.attac.de/lidl-kampagne), which we update regularly in order to quickly broadcast events and successes concerning the campaign. On our website we've also introduced an automatic 'Mail-o-mat,' through which more than 4.500 protest mails have already been sent.
- On November 17th, 2005, we helped launch a major event in front of the corporate headquarters in Neckarsulm, organised by Attac, AbL (a farmer's union) and BanaFair. We presented our political demands and asked for talks with the management.
- At the beginning of December 2005, we were visited by Mr Gehrig, the official boss of the Lidl corporation, and two other Lidl managers. We consider this one of our our campaign successes. From our side, representatives from Attac, AbL and BanaFair were present. During the discussion, Lidl stated that concerning issues of transparency and rights for the staff, they were not prepared to allow any improvements, although they hinted at changes in milk and banana production.
- Lidl is now pursuing, in the face of massive criticism from various parties, a strategy of supposed openness and goodwill, which has so far included restructuring management and introducing a public spokesperson. In addition, the company is experimenting with fairly traded and organically grown produce – although only for special weekly sales.
- The cooperation with our campaign partners is working very well. We plan to continue to work together on anti- Lidl campaigns and discussions.
- Parallel to our public relations work, we are working on developing an international cooperative network for anti-discount-store campaigns. We are planning a new 'positive' campaign leaflet, further talks with the Lidl management and a campaign week in March, during which we will hand over our protest postcards and signature lists.

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Contact: Lidl-Kampagne, Attac-Bundesbüro, Münchener Straße 48, 60329 Frankfurt am Main, Germany, Tel.: (0049 +69) 900 281-82, Fax: (0049 +69) 900 281-99, E-Mail: [stop-lidl@attac.de](mailto:stop-lidl@attac.de)

## **The ABC's of Lidl-Bashing or A Guide to Critical Consumption in a Time of Price Wars**

### **I. In Attac's opinion, what should Lidl's boss, Mr. Schwarz, do?**

Dieter Schwarz's Lidl discount stores are the most aggressive price dumpers on the market, and they're forcing others to follow suit. It's time to put a stop to the price wars!

- Lidl must become more transparent. Being able to trace a product from the supermarket shelf back to its point of origin is crucial to making informed purchases. Product labels that include the name and the location of the manufacturer would enable consumers to shop responsibly.
- As a first step towards a globally responsible corporate policy, Mr. Schwarz should stop selling bananas at dumping prices. Cheap bananas around the corner mean starvation wages, inadequate protection from pesticides, and lack of job security for banana plantation workers around the world.
- Lidl should work together with farmers to establish realistic prices for agricultural and dairy products. Price wars drive farmers and, ultimately, the retailers who rely on them, to ruin.

### **II. Why go to Lidl and Mr. Schwarz? Shouldn't we talk to the politicians instead?**

A justified question. Our goal is to attain "social justice worldwide," and although this is a task for everyone, it is something that we especially have to work on at the political level.

The Attac Lidl campaign, instead of going to the politicians, wants to work at the grassroots level. We have chosen to critically examine a discount store known by most and frequented by many in the hopes that this will spark a larger debate, one that may also have political ramifications. Lidl's dumping practices, which are an example for the neo-liberal practices of the entire retail sector, make it an appropriate place to start. Attac's decentralized structure, as well as the fact that there are over 2,600 Lidl stores in Germany alone (and just as many scattered all over Europe— quite enough to go around), are further arguments for placing Lidl at the heart of our campaign.

Dieter Schwarz rarely breaks existing laws, making it clear that politicians have to alter our trade regulations. These are also aspects of our campaign, but not its central theme:

- In the GATS negotiations, the EU/Germany shouldn't force other nations to open their markets. This would make weaker countries helpless in the face of large corporations that may not have their best interests in mind.
- The rollback of workers' rights in every form must be stopped, whether it be forced overtime, repressive surveillance, or union breaking.
- There should be legally binding standards of production for food, clothing, and household products. Product quality should not have to fall victim to price dumping.
- Transparency must be legally binding, not only for corporations (such as Mr. Schwarz's 600 subsidiaries), but also for products they sell.

### **III. To summarize: Why Lidl and not ALDI, Schlecker, Penny or Plus?**

We are taking on Lidl and its business practices, not only because Lidl is representative of the entire discount branch, but because it is also one its most aggressive members in terms of:

- Wage dumping against producers and its own sales staff,
- Hidden corporate structures and supply chains, and
- massive expansion ( Lidl markets can now be found in 15 European countries).

Lidl's role as a corporate trendsetter in the negative sense should be emphasized. Downward competition– whether for the lowest corporate taxation, the most lawless free trade zones, or the lowest retail dumping price– tends to become quick and ruthless when it's allowed to begin. Whenever Lidl appears on the scene, this downward competition begins; for individual retailers it is a fight for survival, even– especially!– for those who respect the rights of their workers and their suppliers.

By criticizing Lidl, we're joining the chorus of those who have been doing so for a while now, loudly and in public: we are currently cooperating with the union ver.di, with farmers, and with partners of banana producers, among others.

### **IV. What do you say to people living on Hartz IV that have to buy inexpensive products?**

First and most of all, we do not condemn the people who can't afford to shop anywhere else. We aren't calling for a boycott of Lidl, rather, we want to reach and rely on critical consumers. Anyone and everyone should tell Dieter Schwarz:

Your policies have gone too far! Quit tightening those thumbscrews – you are pushing down wages and worsening working conditions, not only in your stores but in the entire retail market. Why should working people and the environment have to pay the price for your price dumping?

Hartz IV and Lidl's unfairly low prices are two sides of the same coin. Lidl's dumping policies cause unemployment – for one job at Lidl, three are lost in the rest of the retail trade. Increasingly, workers at Lidl are paid such low wages that they remain below the poverty level despite working long hours. If we don't break this vicious circle, things will only get worse. With our campaign, we hope to enable a broad discussion of these issues.

### **V. Won't your demands lead to more expensive groceries? What will happen to the poor?**

You won't find the true costs of dumping on any store price tag. Its social and environmental consequences always hit the poorest hardest. Those living in poverty often have to drink polluted water because they can't afford water filters. At discount shops, workers are forced to work excessive overtime hours, exchanging their quality of life for a pittance. This has to change! The Attac Lidl campaign is based on the broad demand for more social justice. We need better safeguards, better ways to meet everyone's basic material and social needs. Then it will be understood as a matter of course that all jobs have to be fairly paid– and that a product's price tag should reflect the social and environmental costs of its making. This is not impossible, and there's no better time to act!





## **VI. Won't consumers have to think and act differently? Don't people always want "cheap" products?**

Right now, cheap is hip, and this kind of hipness is disastrous. There are plenty of folks who are in the position to make ecologically and socially intelligent buying choices. Unfortunately, they'd rather buy from the discount shops. Over the past few years in Germany, the proportion of household spending on groceries has consistently declined. This consumer priority on cheap goods has far-reaching consequences, which must be discussed publicly. In Switzerland, the consumer mentality is quite different, and 50% of banana sales come from fair trade. Hence, it can be done!

Lidl, Saturn, Mediamarkt and the like are encouraging the "cheap is hip" mentality with their publicity and their price tags. We would like to encourage an honest discussion about how we want to live, both now and in the future, and how our consumption habits can help or hinder us. What do we really need to be able to live the "good life?" Neither this question nor the answer can be found in any catalogue.

## **VII. The Attac campaign demands that Lidl should stop its "ecological and social price dumping." That's a pretty comprehensive criticism.**

**Does that mean you are demanding social and ecological standards? What should those be? Do you support Codes of Conduct (voluntary self control), do you want legislative controls, or do you prefer honest labelling?**

Our demands reflect the aspects that have to part of any campaign that wants to stop social and ecological dumping, if that campaign is to be effective. We demand:

- fair prices for bananas, milk and water,
- respect for social justice worldwide,
- the acceptance of democratically implemented checks and regulations, and
- that true product histories be shown – Lay your cards down on the table!

We leave it up to Lidl to implement these demands and take any further action. We're here to get the discussion started, not to provide simple or ready-made answers.

But we won't accept pseudo-solutions, and unfortunately there are many in the current discussions about social and ecological standards. When a corporation takes on a code of conduct, it all too often just makes up a few rules for itself and then reports that it hasn't broken them. This is clearly unacceptable, and we therefore demand democratic control mechanisms, which would also bring citizens, unions, and tax authorities into play. When we say "social justice worldwide," we want to see binding agreements. A few small concessions are just not good enough.

We need long-term, legally binding, and enforceable rules for corporate business in order to achieve worldwide social justice. We're still a long way from having them, not the least because the corporations have themselves launched massive campaigns in order to nip any such regulations in the bud. If you look at the OECD Guidelines (which many consider to be our last great hope) you will find that neither checks nor penalties are included. The existing regulations for complaints are complicated, hard to put into practice, and lead to countless reports from the various national authorities.





Our demand – Cards on the table! Reveal product histories! – could lead to new labels and seals of quality with complete information about a product's origin and manufacture. This information is the basic pre-requisite for informed consumer choices, but doesn't replace the need for a discussion of worldwide social justice.

### VIII. What can we do as consumers?

We are often asked this question, and there are a number of answers, depending on the local conditions.

1. **The most important thing is to be a critical customer!** Consumers aren't sheep– they don't have to run with the flock. Critical citizens use their heads when making buying choices. They ask tough questions about the products, seek dialogue with the managers (not the clerks!), and ask for social justice and environmental protection. Anyone can begin organizing locally; there are enough of you about, we tend to find! The way to the local store is short, and phone calls, faxes and e-mails will not go unnoticed.

The Attac Lidl campaign acknowledges that there are many people who can't afford to shop at other stores, but nobody is forced to buy in silence! Everyone is invited to protest with us. We as consumers can make a difference, but if we don't say what we want, no one will hear us.

2. In the end, **we want fairly priced products**, goods that are produced and sold with an awareness for social and ecological issues. Under the current market conditions, the price tag is often the only criterion when purchasing a product. By purchasing goods at dumping prices, however, we tacitly signal our approval of the means of production. Shopping at other discount stores isn't really an alternative. It's encouraging to see people change their buying habits in favor of local farmer's markets, one world stores, organic shops or food cooperatives. In the case of discount chains, we should all ask ourselves how much the "good life" is worth, and whether good and fairly priced groceries are perhaps more important than questionable luxury goods. After all, not only do we Germans have some of the cheapest groceries in Western Europe, but we spend proportionally less on them than other Europeans! Isn't that something worth talking about?

Translation "State of Affairs": Alec Goodall, Alex Gorel  
Translation "ABC's of Lidl-Bashing": Alec Goodall, Alice Gorel