

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?

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