

# Stirlingretail

Comments on retail issues from Leigh Sparks, the Institute for Retail Studies, University of Stirling

## **What Should We Value about Retailing and Towns and What Should We Do About Them?**

<https://stirlingretail.com/2020/04/29/what-should-we-value-about-retailing-and-towns-and-what-should-we-do-about-them/>

Posted on April 29, 2020

Apologies, this took a little longer and got a bit lengthier than I originally intended.

*“If they look beyond heroic individualism and accept that individuals exist in a network of social bonds and obligations, we might just see a real realignment”*

(James Kirkup, Why did Boris Johnson survive? [Unherd](#), 15th April 2020)

Ok, the quote above is taken from a very different context and meant in a different political way, but it sums up some of my views about what we are seeing in retailing and the evidence over the recent weeks that place has become more important to more people than ever before. Can we really be satisfied with the retailing system and the towns (high streets, town centres) we have, once the dust sort of settles from the pandemic? I hope not.

The retail system in the UK is broken in many ways. It works for quite a lot of people most of the time, but mainly the affluent and the car-borne, though not for all and when it works, it does so at the expense of both society and local economies. It is not sustainable in the broadest sense and does not meet the obligations we must now accept for rebuilding our future. Our towns, places and high streets are broken. We have accepted the ways things have been for many years, in the pursuit of low prices and the often false god of economic productivity. Our retailers have become dis-associated from their local markets, consumers and places and even more distant from many of the suppliers on which they rely. This has recently been seen to be especially so in terms of food retailing and the clothing and fashion sector, though in different ways, but it is true across the sector and the country.

COVID-19 must alter our perceptions and challenge our willingness to accept this ‘bargain’. We deserve better in so many ways.

Now, this is not to say that multiple and large scale retailing does not have its place; it does. Nor is it to argue that the just-in-time supply system in food failed under the weight of binge-buying ahead of lockdown. The response from many such retailers, producers and supply systems has been impressive and the recovery effective. Consumers have gained and do gain benefit from the operation of large retailers. But

do they pay their way and should they be more responsible (to producers, consumers, suppliers, places, communities) in their dealings? More fundamentally should we engineer more of a balance in the system in order to provide properly for more of our population? This is also not just about providing economically, but also socially (the network of social bonds that retailing should be part of).

So, what might we want our retail sector to look like?

1. It needs to be a system that works for all of our population and not just for some. Food banks are not an acceptable component of any advanced economic system and the presence of so much food poverty is a national scandal. We need an enhanced local focus, reducing dependency on long, complex, supply chains. The pandemic has highlighted the inequality we knew was there, but we kept wanting to forget about.
2. Local has to be a major focus of our system. This is about local neighbourhoods and places as well as the local supply chains and assets that are required to break our over-dependence on international and distant supply. A renewed focus on community, support and place has been demonstrable in recent weeks and we need to build on this. The plight of many artisan and local producers, unable to supply their normal markets of food service and restaurants, should be a wake up call. We have great local producers and products across the UK, and we should be seeking to support them by opening up local markets and encouraging the focus on local consumers. This is true of food and also non-food producers. We must connect better our producers and our consumers, and this is best done in towns and town centres.
3. This implies a rebalanced sector with switches from national multiple chains to local and independent operations; from physical to digital taxation and from a reliance on the car and out-of-town stores to in-town and neighbourhood stores and markets. It suggests a new relationship with quality and sourcing (and in food, our diet) and an underpinning need to enable people to access this physically and economically.

We have proven through the last six weeks or so, that previously impossible solutions, are not that, and that we can rethink our approach and systems. We can not go back to what has been failing us generally; we need to be bold and rethink these relationships and redefine what is acceptable.

My focus above has been mainly on food retailing, but the issue is broader than that. If we are serious about supporting “the high street” and town centres, as so many claim, then this is the opportunity to rebalance to focus on what we value and thus what we should be active in encouraging and discouraging; one or the other is not an option.

If we accept that, then what measures could we take to make this happen? Some initial thoughts might include:

1. A rebalancing of taxation between digital and physical modes of retail supply. Online has expanded during this crisis and given the probable future for social distancing and other crowd based activities, many of those who have used online, may well continue to use it. This is a reflection of the changing nature of the

economy and as such we need to rebalance taxation to accept and reflect what has now changed in business operations. If we want physical stores we have to stop taxing them out of business, whilst allowing others a free pass at using, but not paying for common good (such as the roads they currently use for delivery). International tax avoidance should be stopped; behaving in that way should abrogate the right to operate in this country. This is not to try to end online, but to reflect its true costs and also the changing nature of business.

2. Immediate substantial increases in income for 'key workers' and those currently marginalised in our economy. We have demonstrated that these people and jobs have real value to the operations of our economy and society (including obviously health and care workers, but also shop workers). We should not limit our thanks to a weekly clap and forget that many are living precariously in so many cases. They require a substantial increase in living wages, linked with a more progressive taxation system (on individuals and businesses), to take people out of the current poverty cycle and to provide them the wherewithall to prosper, not simply exist.
3. Disincentivise retail components damaging the concept of place and not paying their true social and economic costs e.g. out-of-town car focused stores. The current lockdown has seen the rediscovery of local and community, often focused around place. Activities that damage place need to be challenged and refocused. Some of this can be done by fair taxation (including abolition of rates for high street independent retailers), reflecting the true economic and social cost (fresh air now there is much reduced traffic anyone?) and some might need to be by more direct challenge to their right of operation. If businesses are damaging communities in the broadest sense should they have a right to continue to operate?
4. Change the VAT system so as to reward the reuse of historical and existing buildings rather than as currently happens rewarding new build on often greenfield sites. It is crazy that we actively benefit those that destroy our built heritage, providing them with a cost and competitive advantage over existing operations and buildings.
5. Allied to this there needs to be substantial economic protection and support for independent producers and retailers so as to encourage their sustainability and growth and reduce the burden they face. If we value the local and entrepreneurial, then we need to show our support for them. We are saying that convenience stores and local independents have done a fabulous job in the pandemic; then let's show it afterwards by making the "playing field" rather more level. The proportion of their spend made in local areas is far higher; they are the glue of the social networks we claim to value (as they have shown over the last few weeks).
6. Requirements on retailers of all sizes and scale to demonstrate their 'local' credentials in terms of procurement and product and service supply. Too often local has been managed (if considered at all) by a few nods to local employment and some pictures of vaguely local producers in store. If we are willing to support local businesses through our taxation and licensing system, then we need mechanisms and measures to demonstrate that localness. This is not only in people, but in products, services, community payback and other measures of local community good that build places rather than extracting value.
7. Financial and managerial support should also be provided for local markets on a regular basis, with 'local' (and 'farmers' and "fishers" for food) being defined terms and a responsibility on local authorities to provide space and opportunity for such markets on a regular basis. Some of this would be physical as markets are

inherently social, but strong encouragement for local collective and community supply is needed, whether physical and/or virtual. This must not be a burden on local authorities that is unfunded but a funded requirement.

As I noted at the outset, none of this is to deny the important role of mass retailing and production; this is about a rebalancing, not an abolition of the approach. But the retail (and especially the food) system has failed us, and no amount of post COVID-19 'back to normal' rhetoric should be accepted. The "old normal" did not supply or nourish the nation in the way it should; we now have to be able to feed our country on a sustainable healthy basis and build a sustainable future, focused around towns and place. This will require a radical shift in thinking and operations.

These suggestions address the concept of place, the high street, and what we should be valuing about such core social and economic spaces. If we want to have flourishing towns then we need to support them, not by handouts to repair and rebuild, or exhortations to understand and manage (as important as these are), but also by demonstrating that we are serious about stopping damaging activities elsewhere and refocusing on building locations, not extracting value.

The world has changed. Ending lockdown and returning to the old ways is not an acceptable way forward. We have seen that alternative futures and ways of doing things are possible. We have to take this opportunity to change our towns and places for the better.