Tesco Should Sign L.A.’s Community Benefits Agreement

Selection: A shopper looks at the makeup at a Tesco in the United Kingdom. The chain is about to open new stores in Los Angeles, and activists are demanding that Tesco sign a Community Benefits Agreement.

Los Angeles Business Journal 67
Tesco presented itself to L.A.’s politicians and community groups as a worker-friendly unionized employer in Britain, but they’ve been unwilling even to meet with the United Food and Commercial Workers union that represents employees of major supermarkets. In fact, Tesco plans to mostly hire part-time workers for its U.S. stores, hardly middle-class jobs.

Similarly, Tesco wants consumers to trust that its local stores will be a model of environmental responsibility; but an independent report released in Britain reveals that the firm’s “carbon footprint” — its use of energy resources — may be twelve times higher than what Tesco acknowledges.

According to a recent Occidental College report, Tesco’s centralized distribution system will result in more trucks and pollution emissions in this region.

Safe and healthy
Tesco also claims that its Fresh & Easy markets will provide safe and healthy food, but British health inspectors recently found that more than 45 percent of its produce tested positive for pesticides and insecticides — including some baby food.

Tesco has refused to make any firm commitments about its business practices.

So a broad coalition of over 25 community, faith, labor, environmental, and consumer groups — the Alliance for Healthy and Responsible Grocery Stores — is demanding that Tesco sign a “community benefits agreement” to ensure that it will live up to its promises.

Such agreements, called CBAs, are enforceable contracts signed by community organizations and corporations. They set forth specific benefits the corporation will provide in exchange for the community’s support.

They are not new to Los Angeles. Several community groups and grassroots coalitions have already persuaded several giant corporations — including developers of the Staples Center expansion, AEG; the LAX modernization plan; and the Hollywood and Vine mixed-use hotel, entertainment, and retail project — to participate in such compacts. Typically, they include things like local-hiring programs, environmental mitigations, affordable housing, living wage provisions, and “right to organize” guarantees.

Los Angeles has been a pioneer in this movement, but the idea has spread across the country. CBAs give all stakeholders a voice in development and help ensure that projects meet the real needs of communities. As a practical matter, CBAs help companies avoid costly litigation and delays, while securing a positive image and broad public support for their projects.

Tesco isn’t trying to win approvals for one mega-development and then leave town. It wants to establish a permanent presence in Southern California and win the ongoing loyalty of communities and consumers. Tesco surely doesn’t want to engage in local brushfire battles each time it tries to open a new store here. Accordingly, the company would be wise to avoid regular clashes with L.A.’s spirited and effective community groups.

Although contentious, the past decade’s David vs. Goliath frays have made Los Angeles a better city to live and work. In the process, L.A. is on the cutting edge of refining what we mean by a “healthy business climate” — a city with good-paying jobs, a clean environment, and housing affordable to employees with a range of incomes.

The burgeoning coalition of neighborhood and community groups, environmental and public health activists, and unions and faith-based institutions wants the private sector to invest and thrive in the city, but they are insisting that the ground rules be up-front, transparent, and sealed by binding agreements that guarantee a creative balance between social responsibility and private profit. As Tesco seeks a foothold in Southern California, its relationship with the Alliance for Healthy and Responsible Grocery Stores will be an important test of this new way of doing business.

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