



# Lidl-Kampagne



## Background Information "Black Book on Lidl in Europe"

Berlin, 27.06.2006. **One and a half year after the presentation of the German Black Book on Lidl the United Service Union ver.di publishes further hot facts about Lidl and the Schwarz Group. For the Black Book on Lidl in Europe, published on June 27<sup>th</sup> 2006, author Andreas Hamann and his international research team have compiled information how this aggressively expanding discounter acts in European countries.**

### Agressive Expansion

In 23 European countries the Schwarz Group is present with its Lidl and Kaufland stores. The number of stores has increased in 2005 about 600 to nearly 7400, 50% of its 40 billion Euro turnover is made abroad. With it the Schwarz Group has extended its lead for competitor Aldi. Most stores outside Germany Lidl runs in France (1250), followed by Spain (390), Great Britain (385) and Italy (320). Compared to the size of the country Lidl is also present all over the country in Belgium (240) and the Netherlands (210). In Poland Lidl had run at the beginning of this year 150 stores, additional 50 stores are planned to open until the end 2006.

With its expansion Lidl is not only exporting the uniform design of the Lidl stores. Numerous reports of employees from packing staff to management make it clear that Lidl also wants to establish its company culture in the new markets. Merciless work pressure, permanent shortage of staff, small wages, enormous general pressure and unfair checks, that's what employees experience daily also abroad from Finland to Italy, from Portugal to Poland.

### Lidl: Accepting rules, but play on even little scope

Lidl seems to adapt to the prevailing legal and economic standards of each country. Where trade unions naturally belong to the political culture and are not only occasional negotiation partners – for instance in Norway, Denmark or Belgium – Lidl usually keeps the rules of the game, accepts co-determination bodies and signs collective agreements with trade union representatives. But when it sees the chance to downgrade standards, Lidl is grasping this opportunity. So in Belgium where Lidl management refers to "hardly any margin" for additional collective benefits – for Frank de Vos from the Belgian trade union LBC-NVK this behaviour is owed to the competition with Aldi as well as to strict orders from the German head quarter.

### Central directives from Neckarsulm

All directives strictly come from Neckarsulm – although Lidl always pretends that foreign stores are not part of the German parent company. However, the management staff is centrally recruited in Germany – also for the european affiliates. Moreover, employees in several countries refer in their reports to regular "visits" from Germany and that in their lead up the stores regularly have to be cleaned to high gloss.

### Kampagnenbüro

Agnes Schreieder  
Nadine Telemann  
Nicole Heroven  
Daniela Boltres

Paula-Thiede-Ufer 10  
D-10179 Berlin

T: +49-30-6956-2736  
F: +49-30-6956-3872

[lidl-aktion@verdi.de](mailto:lidl-aktion@verdi.de)

<http://www.lidl.verdi.de/>

## **Lidl avails of tight job market – Severe violations of labour laws**

Where the unemployment rate is high and thus workers do not dare to criticise or to demand their rights Lidl has a walk-over. In Poland inspectors of the state labour authorities registered numerous deficiencies and breaches of law. Nearly all over the country they detected violations of the compulsory rest periods – one Kaufland worker reported a 25,5 hours non-stop work shift. Extra hours are hardly ever paid and working time is only imprecisely registered, safety at work and health protection step behind profit.

## **Resistance is possible: Workers unionise**

Workers are able to resist if they stand up for their rights together with their union. This exemplify workers in Italian and French Lidl stores. In both countries workers improved their working conditions by strikes and widely based solidarity. In Italy the protest against controls and monitoring helped to close the workers' ranks: Finally they achieved quite positive results in difficult collective bargaining.

In France the longest strike in the history of retail trade has emerged out of Lidl's practice to get rid of inconvenient employees with the help of constructed accusations of theft. The employees' success was owed to their persistence and the great solidarity they experienced. Not only the dismissals of the accused workers were cancelled but also negotiations for wage increases and better working conditions had been started. But most important: the respect of human dignity and the right to unionise was codified for the first time.

In Scandinavia where workers traditionally are well organised and trade unions have a strong position it is much more difficult for Lidl to breach collective agreements and safety-at-work rules. Attention is too high, violations are, like in Denmark, promptly avenged.

## **Pressure, humiliation and intimidation also in management**

Style of management at Lidl and Kaufland abroad is like in Germany authoritarian and directed towards intimidation of employees to force even higher performance. A Polish shop assistant of a Lidl store described the tone of supervisors against staff as "offending and vulgar". Even in Sweden employees talk about "psychic terror" at the work place.

This apparently also applies for parts of the management: A young graduate in business studies reports in the Black Book about her experiences as a trainee manager and how she was obviously systematically humiliated. Presumably to enforce loyalty to the company and also to prepare her to treat the future subordinates in the same way. Meanwhile she has resigned.

## **Sanctimony: organic bananas, Fair-trade coffee and fascist guards.**

After some organic products had been included in the assortment in March 2006, Lidl since June also sells eight Fair-trade products – both reactions on the recent scandals on poisoned vegetables and public criticism from ver.di, Attac, Greenpeace, BanaFair and consumer organisations. Lidl seek to regain lost trust of consumers.

At the same time this efforts remain only at the surface because Lidl has not made any changes regarding social rights of its employees and also Attac has assessed this small changes in the product field as insufficient: Even with the few TransFair products their production history and origin remain in the dark. Organic and Fair-trade products only serve as a fig leaf and as image cosmetics.

Outstanding problematically Lidl acted in Spain: Until recently Lidl stores in Valencia had been guarded by a company which is unambiguously part of a fascist network. On inquiry in the headquarter in Neckarsulm company speaker Thomas Oberle expressed his consternation – he pretended that this relation had been unknown and announced that the collaboration with the security company Levantina would be cancelled this very month, June 2006. This late reaction is even more astonishing regarding the control Lidl management usually exercises even on the most distant parts of the company.

### **Expansion in East-Europe: Questionable financing**

The Schwarz Group expands fast, especially in Eastern Europe. Kaufland and Lidl stores spring up like mushrooms, displace small and medium trade and set up existential pressure on local suppliers. All the more it is astounding that since 2004 the International Finance Corporation (IFC), part of the World Bank Group, and the European Bank for Reconstruction and Development (EBRD) have financed the expansion of the Schwarz Group with hundreds of millions Euro. Criteria for credits are according to IFC own accounts “to support sustainable private investments in emerging countries to help to reduce poverty and improve life”.

The way the Schwarz Group “fights poverty” is assessed critically by experts. In particular in Poland and Czech Republic West-European retail giants like the Schwarz Group will infiltrate in rural areas step by step. This will generate enormous pressure on the existing traditional trading structures, smaller competitors will be forced out of business and concentration in retail trade will increase. The EBRD did not stop the finance of Lidl’s expansion in Poland even as the state labour authorities had detected numerous violations of safety-at-work laws and social rights and despite strong protest of the bank critical network CEE.

NGOs like Attac, Greenpeace, WEED and Terre des Hommes also have criticised the IFC practice of finance – a lot of backed projects would lead to environmental devastation, poverty and increasing social inequality.

### **Globalisation and solidarity**

The 2004 black book on Lidl which had disclosed the grievances in German Lidl stores had also met on the interest of foreign readers – amongst them numerous Lidl employees who have contacted ver.di and are interested in collaboration with their European colleagues. Also other European trade unions have reported their experiences with Lidl and have attended at the European day of action on 8<sup>th</sup> March 2006, the International Woman’s Day.

The black book Lidl is not only an inventory. Emanated from common experiences and co-operation across the borders, it is pathbreaking towards intensive and successful collaboration of employees and their trade unions in Europe.

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For further information on Lidl and the Lidl-campaign of ver.di look at <http://lidl.verdi.de> and at Lidl-weblog: <http://www.verdi-blog.de/lidl>

Schwarz-Buch Lidl Europa; Berlin 2006, German edition, ca. 140 pages.  
ver.di gmbh medien buchhandel verlag, Paula Thiede Ufer 10, D 10179 Berlin.  
9.90 Euro plus shipping, ISBN-number 3-932349-21-0 (German)

Black Book on Lidl in Europe; Berlin 2006, English edition:  
14,90 Euro plus shipping, ISBN-Nummer 3-932349-22-9 (English)

**Order:** manina.walter@verdigmbh.de, Telefon +49 (0)30 6956-1262