

# Positive and negative effects of tesco

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Positive and Negative Impacts of Tesco Tesco was founded by Jack Cohen in 1919, and grew at a mind-blowing pace, by 1939 there were 100 stores located across the country; since 1990 Tesco has expanded its store locations, and selling varieties. Nowadays Tesco is one of the leading grocery and general merchandise retailer chain in the world. Covering 14 countries in Asia, Europe and America. It has a market share of 30% in the UK, and is considered as a monopoly; this has brought negative impacts and positive impacts to society. Negative Impacts Tesco fails to pay farmers adequate share of retail price. It benefits from financial economies of scale, therefore they are able to negotiate unfair conditions to pay farmers at a very low price for supplies. According to Competition Commission, Tesco pays farmers 4% less than the average price of other retailers, because of this thousands of farmers and workers are forced to leave the industry every year. " I get 378 Rand [£32. 50] pay every two weeks. I can't afford school fees for my daughter or go to school functions or buy school uniforms" says Tawana Fraser. Tesco suppliers employs millions of worker worldwide. Using their enormous buying power, Tesco forces factories located in poor countries to lower their price and deliver goods at a faster speed and rate. This demand pressure will then be passed onto factories workers in forms of harsh working conditions (working in hazardous gas etc. ), extremely long working hours and wage cuts. This will inevitably result in more workers like Fraser, struggling to maintain a reasonable standard of life. Homeworkers are also large victims of wage cuts, as their wages are often paid below the national minimum wage. A research done by Clean Clothes Campaign show serious worker's right violation done by Tesco to garment suppliers outside of UK. " I

worry about my security. I don't have job security because we are subcontracted. I am always afraid that I will have no money to pay in a month" says a Tesco supplier. Tesco uses subcontracts to restrain workers from forming unions to complain and reveal Tesco's nasty ways of treating poorer workers. Tesco has a big influence in the behaviors of consumers. Shoppers were encouraged to travel by car, because of this 1/10 journeys in the UK are to buy food. This brings more than 3.5 billion pounds of traffic emission cost. It also encourages buyers to buy unhealthy food. A survey from Consumer Focus showed that only 14% promotion were vegetables, whereas 35% promotion for fatty and sugary products; 1/3 of the products had misleading or complicated food labeling. Small local stores are struggling to compete with Tesco, due to unfair competition. From 1998 to 2002, 50 specialist stores closed down. In 2005 there was a loss of 2157 independent convenience retailers. Positive impacts As a multinational firm, Tesco employs 472,000 workers world wide. Tesco not only employs large amounts of lower-class uneducated people; they also employ highly skilled workers. Since it's such a large store there will be more opportunities for job development, such as large amounts interactions with others. They also offer graduate programs for college graduates, this will decrease the time for college graduate to find jobs in society. As well as that, young potentials are being discovered, graduates are trained to become leaders. Resulting in an increase in society efficiency. A large firm like Tesco influences consumers greatly, they've used this power to promote positive thoughts, events and charities. Tesco is currently working with Cancer Research UK to help find

cures for cancer; it's also promoting a greener environment by giving out tips to customers on how to become greener.