An Anarchist's Cookbook

a blog about food & lifestyles outside 'consumer society'

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As an 'indulgence' (which today has the opposite sense' to its original meaning), coffee is a great indicator of food culture. If we pick the economics of that apart we can see how the debate about coffee, and who benefits from it, doesn't reflect its exploitative economics'; and so perpetuates those trends.

In my home town, Banbury, coffee is in your blood – whether you drink it or not. Since the 1960s it has been home? to the largest instant coffee plant? in Europe. They roast coffee beans, make coffee, then spray-dry it to create instant coffee. The town often drips with the smell of coffee, and the river ran brown with its effluent.

All that changed in the 1990s. The economics of coffee retailing shifted, and as a result, people developed a taste – or should that be, 'habit'9 – for 'fresh' coffee. New coffee shops sprang-up, with industrial coffee machines that could pumpout exotic coffees on demand. 'Choice' became the cult selling point, a 'narcissism of small differences' 10, to the point where ordering a round of coffees became a memory test challenge.

The modern cult of coffee, and its place in an increasingly unequal, polarised world, and its use within food culture as a measure of acceptable affluence, needs to be exposed!

Food banks versus coffee shops

I know it's <u>fashionable to use</u>¹¹ the metric of McDonald's stores (1,300) versus <u>food banks</u>¹² (>2,500). Why not compare to the <u>number of Greggs</u>¹³ (~2,200), given those shops are more ubiquitous in High Streets and shopping centres?

In practise, both Greggs and McDonald's sell basic, low cost, hence low quality food that is affordable to most people. From the perspective of

Part 6: 'The Great Coffee Economy Con'

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With the current rail strikes – and before that, lockdown – the media have developed a habit of interviewing coffee shop proprietors to ask their views. Presumably because, for alleged 'balance', it's a great way of securing a negative response to the industrial action that the Government's agenda demands. But are the views of coffee shop owners truly representative?

I love coffee, but I can't afford High Street coffee any more. In contrast, the media's obsession with coffee, and its cost, has become emblematic of the affluent middle class lifestyle of the media itself – akin to its origins in the coffee shop culture of 370 years ago² in the Seventeenth Century.

In this post I'm going to update some work3 I did prepandemic, to look at how the modern obsession with coffee reflects the deeper dominant ideology4 of our times.

food inequality, coffee shops are a critical choice because they sell a culturally refined, artificially inflated product, outside the price-range of many people — again, highlighting the media's myopia over the growing 'underclass' divide in society.

In 2021, in terms of the expensive branded coffee chains, there were over 9,500 outlets 14 — almost four times more than the number of food banks. Collectively the major chains turned over £4.4 billion in 2021, recovering most of their pandemic losses. Even though, as a result of various factors, the prices for coffee 15 are now in the range of £3 to £4.

ONS data shows 16 in 2021 the richest 10% spent twice as much on food and non-alcoholic drinks as the poorest 10% – reflecting the higher price paid not simply the volume consumed.

Recently the Trussell Trust announced a rise of 14%¹⁷ in the number of food parcels given out compared to before the pandemic – 2.1 million per year, or one every 13 seconds¹⁸. Across the population one-in-six¹⁹ are now using food banks.

FareShare²⁰, a larger organisation collecting rejected food to distribute to community-based social projects, supplied 132 million meals²¹ for the year up to March 2021; in the year to March 2022 it grew even further, and they were moving four meals every second²².

OK. That's a lot of statistics. What has growing food bank use got to do with coffee shops?

Coffee shops represent neoliberal values in action: Concentrated ownership (3 chains – Costa, Starbucks & Caffé Nero – make-up half of all outlets); transnational exploitation (the system reduces tax liabilities by moving income off-shore); and outsourcing liabilities (most shops are franchises operating under 'feudal' contract management/supply).

The economics of 'Own Made' coffee

The simple alternative to 'shop bought' coffee is to 'do-it-yourself'. This creates a problem: Coffee doesn't grow on trees – not in temperate climates!

It's really difficult to buy raw (yellow/green) beans and roast them yourself²3. That market is almost exclusively a commercial one. The few providers offering raw beans tend to charge a premium, as it's a niche market aimed at coffee obsessives. And the mechanics of trying to import your own beans, direct from growers, tangles you in the stark reality of how 'unfair' trade really is, because it is skewed towards the needs of the bulk commodity system. E.g., it'd only really be 'economic' to import a 20-tonne container-full.

For those who like their drugs to be 'ethical'²⁴, that usually adds around 20% to the cost of beans or ready-ground bags. Even then, there are issues over how fair 'fair trade' is, as the processing and packaging plant is usually not based in the country of origin; meaning that most of the 'surplus value'²⁵ doesn't flow to the producing nation.

Buying ready-roasted whole beans saves a small amount – usually no more than 15% to 25%. Again, though, often there is no saving as it's a market directed towards people with expensive coffee machines, or who obsessively grind their own. It also assumes that you have the ability to easily grind them yourself; though the positive aspect of 'grind-it-yourself' is that the beans give more of a flavourful hit, as the volatile oils do not evaporate as easily from beans as they do from the ready-ground coffee.

For the average person, though, buying ready-ground coffee is going to be the simplest option. Here the market has standardised around roughly quarter-pound/227 gram bags. The only practical option for bulk buying is to wait for a special offer in the supermarket, then buy a huge amount in a single purchase – stockpiling the bags until the next special offer comes along (that's often cheaper than buying on-line).

Even the relatively more expensive 'bag' option shows just how much money is extracted from the public via coffee shops when we do the sums:

| | DIY (£4.50 | Shop- |
|---------------------------------|--------------|---------------|
| | 250g bag) | bought |
| Average cost per gram of coffee | 1.8p | |
| Ground coffee used per litre | 3 <i>5</i> g | |
| Water and power, per litre | 1 <i>5</i> p | |
| Average per-350ml in shops | | 3 <i>5</i> op |
| Total cost per litre | 7 8p | 1000p |

In summary then, shop-bought coffee is twelve times more expensive than you might reasonably pay for a good 'DIY' brew. If you were to buy a stainless-steel Thermos and carry it with you, you'd pay for the flask with the money saved the second time you filled it!

"Follow the money"

The popular debate over the price of a cup of coffee has become an exercise in <u>virtue</u> signalling²⁶; it has little to do with the politics and economics at the root of the issue.

To date, much of the debate about overpriced coffee has related to the money that the coffee growers²⁷ receive. This is, clearly, an important issue about exploitation and trade. The problem is, in restricting the debate to the exploitation of poor farmers, or the ethical performance²⁸ of retail chains on issues like single-use waste, it ignores where most of the money²⁹ is going — and how that reinforces inequality and poverty in Britain too.

Britain has some of the most concentrated, long-term land ownership³⁰ in the world. Much of it is rural, but a significant concentration exists within certain urban land-uses – predominately housing and retail property.

Early economists were pretty scathing of "rent seeking" activity 31 in the economy. It levies a charge on the economy to use assets, while often doing little to create new economic value in return for that 'unearned' wealth.

The price of coffee shows how neoliberal economics dominate society, and how that economic debate steers towards certain consumer issues, and away from the structural inequality it creates within national economies.

At the global level33 economics has become – through institutions like the World Bank, IMF and WTO – a new form of colonialism34 based around the monopoly control of key commodities; like oil, wheat, or coffee. Instead of a 'physical' colonialism, imposed by a particular nation, it is an ideological form of colonialism, where a set of ideas and values dominate through an economic lobby irrespective of nationality or state.

If we look at the corporate structures surrounding expensive coffee shops, they reflect the deepest values of neoliberalism35: Of unfair trade practices, both nationally and globally; authoritarian practices in the operation of those businesses — such as off-shoring or their opposition to unionisation36; and by extension, pushing those values out into the wider world through unfair contracting, franchising, and political lobbying practices.

Figures from the British Property Federation³⁷ (for 2017) show that just over half of commercial property in Britain is owned by investment companies; and of that £486 billion of investment property almost a third, £183 billion, is owned by off-shore investment companies.

The results of a 2019 survey³² (adapted for 2022 prices) of a £3.50 High Street cup of coffee — and where those costs may go



That means it's not just the profits from selling the coffee32 itself that are spirited away38, off-shore, by some of the39 leading coffee chains. The profits from the property they operate within are just as likely to be sent off-shore, untaxed, through the operation of physical- or intellectual property-holding companies40 in tax havens. And while the media have occasionally mention the 35p (10%) that may be going off-shore from the coffee chain, they do not mention the up to £1 or more (35%) that might be off-shored by the retail property owner (see chart above).

How can you expect to defeat the these practices when those same principles⁴² are at work in our daily life? The price of that cup of coffee is emblematic because it 'normalises' practices such as exploitative franchising contracts, the zero hours employment culture, the oligopoly of corporations who control of retail property, and the exploitative international commodity trading system.

Expensive coffee from coffee chains internalises the core values of neoliberalism: Through the direct exploitation of workers in the supply chain; more widely, through the social effects⁴¹ of their low-pay/tax-avoiding business, creating poverty across the nation; and the political culture normalised by these practices.

It is that culture⁴³, that took hold in Britain forty years ago, which has directly created food poverty⁴⁴ and the rising demand for food banks.

"Just give me the coffee!!"

I know: All you desperately need is coffee so that you can minimally function in this mad mad world. I too can empathise with that! So why am I trying to complicate your caffeine habit with insights into neoliberal economics?

Apart from Tory MPs, it is difficult to think of anyone who thinks food banks are a good idea. Yes, they are objectively 'good' compared to allowing 3 million people to starve; but the fact is they shouldn't need to exist in a country as rich as ours. The reason they do exist is because of the economic dogma that all major political parties worship, and how that has progressively impoverished people across Britain.

If you want to break that then you have to act; and a cost-effective way to exclude the most rapacious business practices which extort money from the public is to boycott the expensive chain coffee shops. This trade is 'unfair' not just because of the exploitation of coffee growers. Both the purchaser and the farmer are being conned by that same neoliberal economic system — and unless you recognise that you won't change it.

Right now, led by Britain and the US, the right-ward shift in national politics — assisted by the economic disruption wrought by the libertarian billionaires of Silicon Valley — is driving a new wave of extreme neoliberal economics. Some actually label this, 'neofeudalism' 45, due to the level of economic power taken from average person and given to corporations and billionaires.

This new authoritarian neoliberalism is not a departure from the policies of Reagan and Thatcher forty years ago. It is actually more in line with the 'pure' neoliberal theory that was first dreamt of by right-wing think-tanks in the Sixties and Seventies. Though its political supporters rhetorically speak of 'free markets', instead this new right-wing orthodoxy seeks to reorganise society in a coercive, non-democratic, and unequal way: From cutting red tape to removing protest rights, this is the goal of the political Right.

The true economic divide is not between consumers in the 'developed world' and poor farmers in the 'developing world'. The divide is between those who must work (coffee shop owners included!), and taking 'unearned' profits from assets which should be co-operatively owned by society.

Households are central to the resistance to neoliberalism, and to the neoliberal world-view in general. Resistance doesn't begin with throwing bricks; it begins when you refuse to live as directed by this economic scam. To make a start, just brew your own coffee! After that, everything else is negotiable.

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An Anarchist's Cookbook, Part 6: 'The Great Coffee Economy Con'

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