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Spatial Economics Research Centre

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Supermarkets and planning: Be careful what you wish for.

The "Tesco riots" in Bristol have led to yet another round of supermarket bashing.

Writing in the Guardian, [Peter Wilby](#) argues that small shops generate positive externalities on their community and that because of this politicians should adopt policies to "partially re-create, and preserve what is left of, the independent retail sector through, for example, [through] tax concessions; community right to take over or find buyers for threatened businesses; and enhanced powers for local councils to protect retail competitiveness."

Would enhanced powers for local councils help? [Research by CEP affiliate Raeffaela Sadun](#) suggests Mr Wilby might want to be careful what he wishes for. She writes: "In 1996, new regulations made it much harder for UK supermarkets and other retailers to develop new out-of-town outlets – so-called 'big boxes'. In part, these regulations were supposed to 'save the traditional British High Street' by protecting small retailers. [My research] shows that they might have actually accelerated the decline of independent stores." The problem, in short, was that restricting out of town development led to the growth of smaller store concepts ('metros', 'locals' etc) which more directly competed with independent retailers. Expect all kinds of other unintended consequences if we decided to come up with a new way of allowing local councils to 'protect' independent retailers.

Posted by [Prof Henry G. Overman](#) on [Wednesday, May 04, 2011](#)

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