

Opinion

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If we'd rather get fleeced than lose face, who is to blame for our cost of living?

Brenda Power



We will stump up for the expensive pints and groceries, but never admit we're a bit skint

Just to remind her fellow Americans that they were not the only ones feeling the pain of price hikes from her grandfather's tariffs, last week 18-year-old Kai Trump posted a YouTube video titled: "I tried the world's most expensive grocery store." She had originally called it "I brought my secret service to Erewhon", the name of said Los Angeles grocery store, but somehow that didn't quite strike the right note of shared hardship with the coupon-clipping classes of the Rust Belt.

In the video, which has the same sort of rubber-necking fascination that regularly causes tailbacks on the M50, Kai strolls the aisles exclaiming over the prices of the goods on offer. There didn't seem to be much in the line of washing powder or toilet roll on Kai's shopping list, or indeed on display, but the shelves were groaning with "wellness", organic and artisanal fare. At one point she picked up a large glass jar of whole fresh dates and goggled at the price: \$13, or around €11.

She moved on to the display of fancy collagen supplements, where single sachets sold for \$3 apiece and large tubs were \$38, or about €33. At the sushi counter, a tray of eight generous pieces of tuna and salmon sushi was \$19 (€16), and a half-litre of lavender lemonade was \$10 (€8.70).

At the hot food counter, a plate of organic turkey with two sides was \$25 a pound, so an average portion would cost about half that.

Exiting the store with a \$233 receipt for her basket of items, Kai announced that if she shopped regularly in Erewhon, "I'd have to file for bankruptcy". Given that her grandfather has done so six times, that's a bit of a family tradition, although I couldn't help thinking that she should take a trot through any of the upmarket supermarkets around Dublin 4 and 6. She would be making her Chapter 11 declaration within a week, and hurrying back to Erewhon for the bargains.

I'm lucky enough to live within walking distance of five major supermarkets, including both German discounters, as well as a couple of eye-wateringly expensive designer foodstores. In one such outlet, a

homemade apple tart will set you back €35, a tin of tuna is about €12, and a jar of fresh dates for €11 would have to be on special offer. And yet it's always busy while, literally around the corner, there's both an Aldi and a Lidl with a bakery, where an apple tart costs €6.

I'm always astonished to see that those stores struggle to rise above a combined market share of 25pc, even during the cost-of-living crisis, while Dunnes, Tesco and SuperValu are on almost 70pc between them.

There's clearly a snobbishness about shopping in the cheaper stores — at the checkout in Aldi a while ago, the Ross O'Carroll-Kelly type in front of me answered his phone with: "I'm in SuperValu right now." But the persistent loyalty to their pricier rivals suggests that, like Mrs Doyle in *Father Ted*, maybe we like the misery.

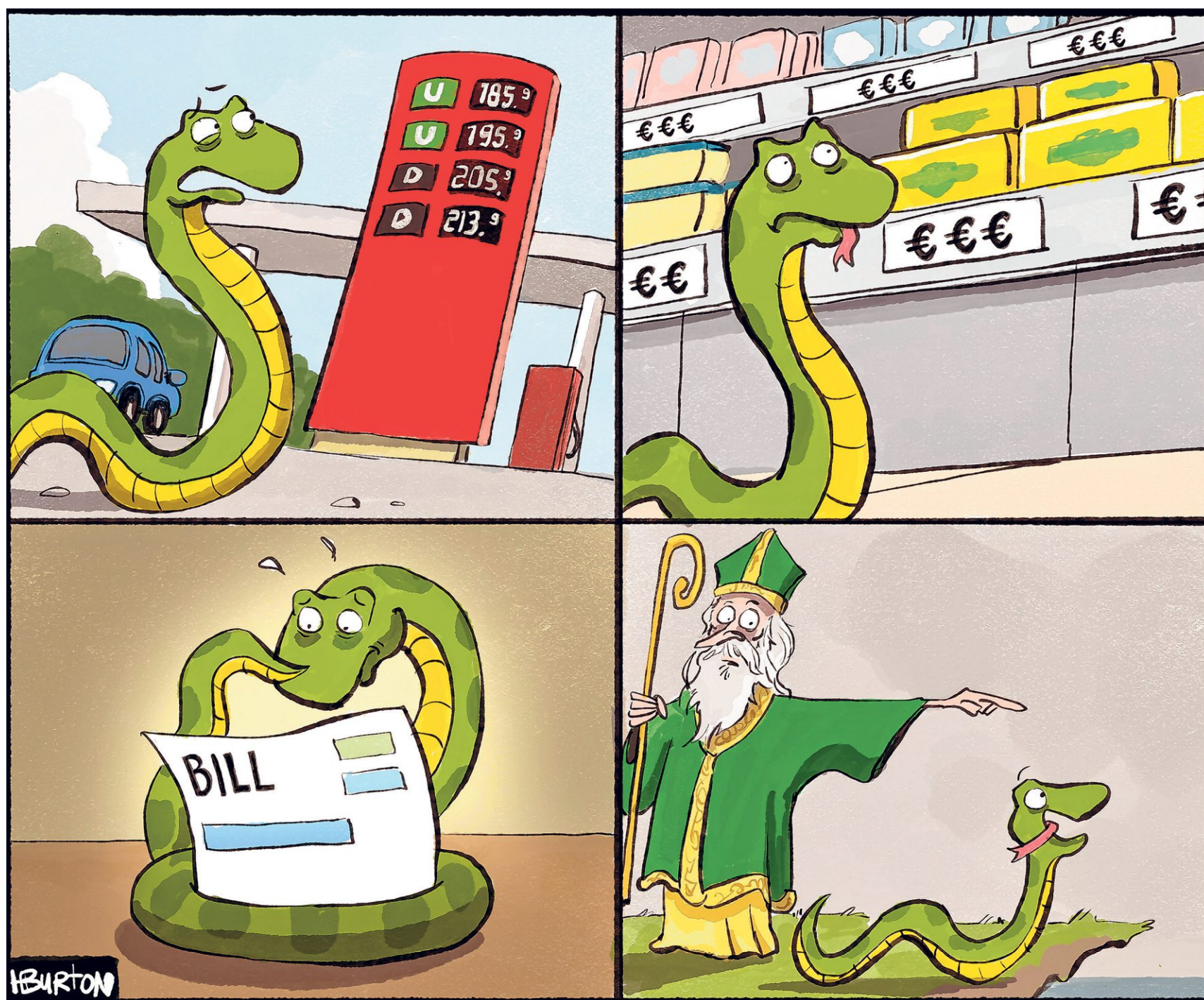
My own theory as to why we're so tolerant of high prices in this country, and so reluctant to resist them, is that we share a residual DNA-level memory of poverty and want — so long a reality in Ireland — and a resultant fear of appearing poor. My long-dead granny's idea of a compliment was to tell you that you looked fat, because looking thin meant you didn't have enough to eat.

We'll keep bidding on overpriced properties and pay more than we believe they're worth, according to a recent survey, rather than concede they are out of our reach. And I blame the "round" system on our dread of seeming unable to afford a drink for everyone. That's why our more socially confident continental neighbours let us at it, with delighted bemusement, while we argue over who gets to buy them their beer. In my native area of Kilkenny, "hungry" is a synonym for thrifty.

And it may explain why we are so readily fleeced and gouged by hoteliers over special events, for example, or fuel retailers at the very first whiff of a crisis — because we'll grumble, and our Government will wring its hands, and order a review, and we'll ring *Liveline* to outdo each other with examples of highway robbery, but we'll still pay up rather than haggle, cancel or shop around.

It emerged last week that Irish consumers faced the largest increase in home-heating oil prices in the EU in the wake of the outbreak of war in the Middle East. The cost of heating your home soared by eight times the average across the 27 member states within hours of the first strikes on Iran. While the rest of Europe saw the cost of home-heating oil rise by 3.3pc, here the increase was 27.3pc.

Given that none of this stock had to pass through the Strait of Hormuz in the past two weeks, this looks a lot like pure opportunistic pricing. The retailers hit back by pointing out that we're outliers in Europe, being singularly reliant on more expensive kero-



Having installed these expensive systems designed to save them money, they just turn up their thermostats

sene rather than diesel, but without explaining how Irish householders got sold that particular pig in a poke.

They also argue that if they don't raise prices now they may be unable to pay for supplies in future, plus the Government is creaming off 65pc of these increases in revenue, so essentially they've got the State's tacit backing to make hay while the sun doesn't shine.

Meanwhile, the standard official response to this argument is that if the Government did actually reduce its tax take, the greedy retailers would simply increase their prices and profits to maintain the levels the customer is already paying. Either way, in a nutshell, you're going to be screwed.

The consumer's principal tool to

resist price gouging is a refusal to transact, but that's easier said than done when essentials like fuel and basic foodstuffs are involved. But the second, and more realistic weapon, is to reduce consumption.

A US economist told BBC's *Today* programme last week that he doubted oil prices would go above \$150 a barrel because when they start to climb, people start to modify their behaviour. They turn down the thermostats and they don't make unnecessary journeys — always good advice, whatever the weather.

That's Americans, though: how likely are we to take such measures to save on fuel costs?

Not very, according to an ESRI report published last week. It found that

energy-saving measures such as deep retrofits and heat pump installations are not delivering the carbon savings predicted by theoretical models.

The reason is that householders get used to "higher comfort levels", or warmer homes for the same fuel cost — having installed these expensive systems designed to save them money, they just turn up their thermostats. Rather than shivering in itchy layers of geansais like their grandparents, they wear T-shirts in mid-winter and feel like Californians all year round.

Kai Trump would be horrified at such profligacy, although given the extent to which we persistently and enthusiastically collude in our own fleecing, Erewhon's first Irish store can't be far away.