

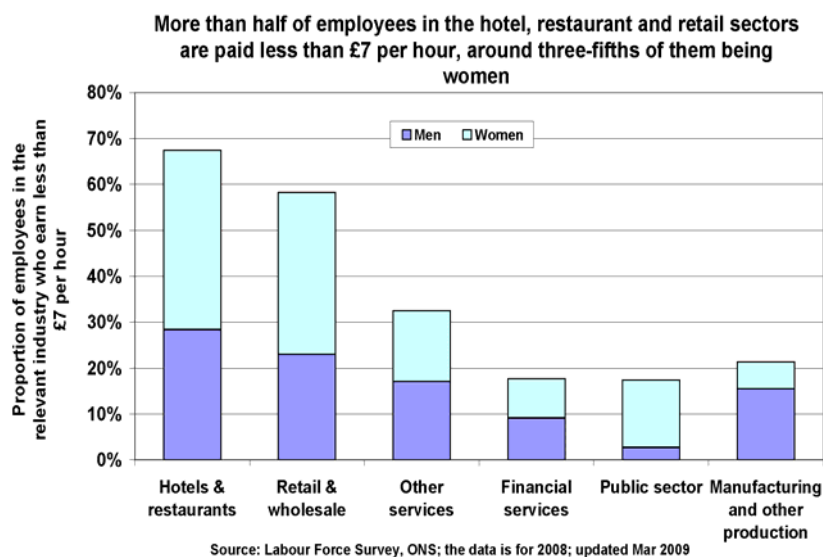


Beyond the minimum: A Briefing from the Scottish Living Wage Campaign

Low pay remains a very real problem for around 700,000 workers across Scotland. The national minimum wage has helped outlaw blatant exploitation and the tax credit system has helped boost the pay of thousands of low paid workers. Nevertheless the most recent statistics for 2008 show:

- Around 70% of workers in the hotel and restaurant sector earns less than £7.00 per hour. Three fifths of these are women.
- Almost 60% of workers in the retail and wholesale sector earns less than £7.00 per hour. Again three fifths are women.
- 20% of directly employed staff in the public sector earns less than £7.00 per hour with over three quarters of these being women. No figures exist for the proportion of contracted staff earning less than £7.00 but it is expected to be significant.¹

The table below shows the proportion of low pay by industry



¹ Labour Force Survey ONS 2008

Whilst the Government insists that work is the quickest way out of poverty the number of low income households with at least one person in work has grown from 6% in 1994/95 to 9% in 2008. Half of all children in poverty live in a household with someone in work.² The current recession places greater burdens on low income households in particular as already tight budgets are squeezed and spending cut back further.

Why a living wage?

Whilst low pay remains a persistent feature of the Scottish and UK economy, wealth and income inequalities have increased. A recent report highlighted that over the last 20 years incomes in the UK have become increasingly polarised. Some do not see this as a problem, as long as poverty is being tackled. However there is increasing evidence that greater levels of income inequality are harmful to society in general. Ensuring that more workers receive a living wage will not end income inequality, but it will provide some justice for those who work in essential jobs, ones that everyone relies on, but which few people value.

Employers in the private and public sectors who pay a Scottish Living Wage will help lift the pay of thousands of low paid workers and, as evidence shows³, increase an employer's productivity, reduce staff turnover and absenteeism, meet Corporate Social Responsibility standards and contribute to boosting the economy more generally.

How much is a Living Wage?

One of the main aspects of a living wage is that it is intended to provide an adequate level of pay that allows workers to provide for themselves and their families, meet their basic needs and avoid poverty and social exclusion. The Scottish Living Wage has been set at £7.00. This follows extensive research and collaboration with the Joseph Rowntree Foundation (JRF). The Scottish Living Wage figure is based on the JRF Minimum Income Standard (MIS). A living wage of £7.00 would bring 70% of single adults, currently living below the MIS, up to that standard and would also cover 75-80% of couples with 2 children currently living below the MIS.

What do We Want to See?

The Scottish Living Wage Campaign wants to see all employers in the public, private and voluntary sectors pay their workers no less than the Scottish Living Wage of £7.00 per hour. In London, the London Living Wage Campaign

² Eradicating Child Poverty the role of key policy areas: Addressing in-work Poverty JRF2008

³ The Business Case for the Living Wage: the story of the cleaning service at Queen Mary University of London (jan09)

has been successful in persuading an increasing number of employers across sectors that paying a living wage not only benefits workers but is:

- good for business in terms of productivity, absenteeism, staff turnover and morale.
- Good for relations with the community where business takes place.
- Good for the economy as a whole with more money in the pockets of workers.

The Scottish Living Wage Campaign will work with local communities and communities of interest to support living wage campaigning activity, will seek out opportunities to promote the living wage to employers and decision makers at the Scottish and UK levels, will recognise those employers who adopt the living wage and will ensure that the living wage is updated on an annual basis.

It is important to get an in-depth picture of the extent and impact of low pay on individuals, communities, business and the economy and to understand how low pay acts as a barrier to achieving government targets to eradicate child poverty. The Scottish Living Wage Campaign will work with communities, government, trade unions and business to achieve this

Getting involved in the Living Wage Campaign

The Scottish Living Wage campaign welcomes support for their work from across society. The campaign is currently supported by the STUC, Faith in Communities Scotland, the Poverty Alliance and Unison. To find out more about the campaign, to get involved or register your support contact:

Eddie Follan
The Poverty Alliance
0141 353 0440
eddie.follan@povertyalliance.org