



The UK Living Wage

An idea whose time has come

10 years ago

- ▶ People from faith, community and labour organizations came together to discuss what was happening to their families
- ▶ Parents had no time to spend with their children, community centres were empty, families struggled to make ends meet.

The group identified low pay as the root cause, living wage as the solution.



Working poverty

- ▶ In Canada 35% of poor children have at least one parent working full time, full year.
- ▶ In the UK two-thirds of low income households have someone in work and 60% of all poor children live in working households
- ▶ In New Zealand real median household incomes fell by 2.7 percent between 2010 and 2011 and income inequality grew
- ▶ Two out of five poor children come from families with at least one adult in full-time work.

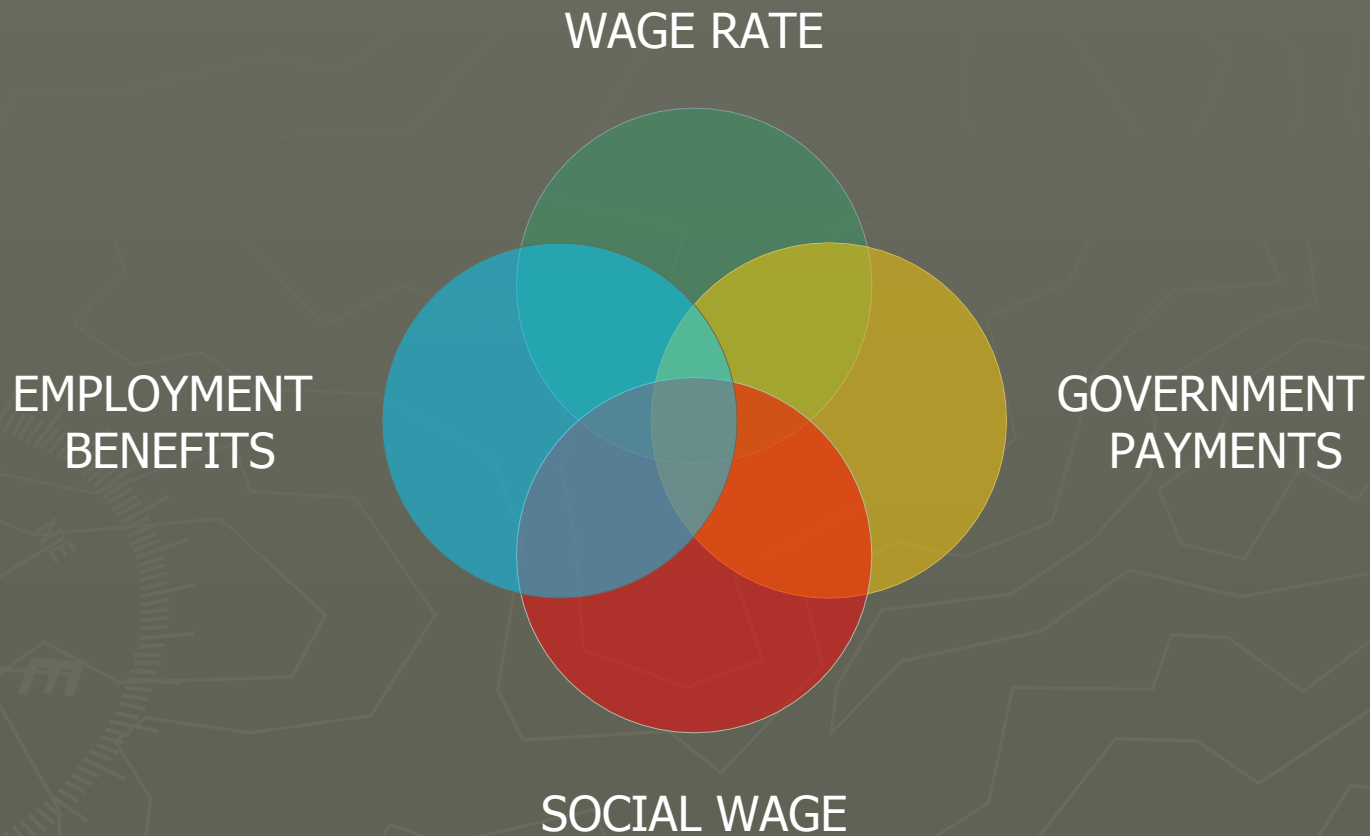
Who pays for low pay?



Stands to reason...

- ▶ If the whole community pays for low pay, the whole community benefits from the living wage
- ▶ UK living wage campaigns based on bringing together diverse community actors – using costs of low pay to identify allies
- ▶ Building alliances in each workplace and city
- ▶ Campaigning around concrete, achievable goals
- ▶ Holding politicians and employers to account
- ▶ Working with them to find solutions

Elements of a living wage



In 2004
UNISON
members in
4 East
London
health trusts
campaigned
for – and
won – a
living wage
– with the
support of
the wider
community



In December 2007, London Citizens bridged the divide between rich and poor represented in Doris Salcedo's installation Shibboleth in the Turbine Hall at Tate Modern demanding that in-house and contracted staff get the living wage.



On June 20th 2011, 150 shoppers took over a Tesco supermarket singing, dancing and calling for CEO Philip Clarke to pay its cleaners a Living Wage.





- ▶ Schools from across east London gathered outside a meeting of the International Olympic Committee to celebrate the 'People's Promises' from London 2012. The pledge for a living wage Olympics was won by London Citizens in 2004.
- ▶ Games organiser Locog reaffirmed their commitment that £700 million of contracts would be awarded on condition that firms pay the London Living Wage – currently £8.55 per hour – to all 130,00 staff recruited to work on the games.

For employers low pay does not pay

- ▶ Low productivity
- ▶ High turnover
- ▶ High absenteeism
- ▶ Poor quality
- ▶ Damage to reputation
- ▶ Industrial relations problems
- ▶ Impoverished local economies



The business case

- ▶ “Fair pay means motivated staff who stay working at Barclays longer. Improving people’s standard of living makes business sense.”

-- *Karen Pleva –
Barclays Chief of Staff
(Global Operations)*

- ▶ “Since the introduction of the Living Wage in 2006 staff turnover of contracted staff has reduced from 4% to 1%.”

-- *Steve Sherwood,
head of business
services Price
Waterhouse Coopers*



"Paying the London Living Wage is not only morally right, but makes good business sense too. What may appear to be an unaffordable cost in a highly competitive market should more often be viewed as a sound investment decision."

---London Mayor Boris Johnson



Who gains?



A recent UK report concluded that –

"the main beneficiary of the living wage is the Treasury. It collects more than half of the financial gains from the living wage in higher income tax payments, higher national insurance contributions and reduced spending on in-work benefits."

Progress on the living wage: London



The **Olympics**, 2 **Westfield** Shopping Centres, Holiday Inn hotel chain

4 **hospitals**, 2 **museums**, 13 **universities**, 4 **central govt** contracts, over 100 **private and voluntary organisations**, including **major banking, legal, finance and retail firms**

London Councils:

Lewisham, Islington, Tower Hamlets, Camden, Greenwich, Ealing, Waltham Forest, Hackney, Haringey, Hounslow, London Councils

GLA family: Transport for London, London Fire and Emergency Planning Authority, London Development Agency, Metropolitan Police Authority and the Metropolitan Police Service

Progress on the living wage: UK-wide



Scottish National
Health Service

A map of the United Kingdom is shown with Scotland highlighted in red. The rest of the UK is in black. A white text box is overlaid on the red area of Scotland.

20% of local authorities across
the UK have adopted Living Wage
policies

From marginal to mainstream

- ▶ In eleven years the living wage has gone from 'unrealistic' to an idea whose 'time has come'
- ▶ Over 100 employers have agreed to pay
- ▶ £100m more in workers' pockets
- ▶ Serious public and private sector champions
- ▶ Living wage forum accrediting employers



Real acceptance across the political spectrum



**Conservatives, Labour, Green Party and
Scottish Nationalists have all endorsed the
living wage.**

Campaigning – what have we learned?

- ▶ Make the primary employer responsible to the community
- ▶ Chose locally focused, achievable goals
- ▶ Focus on the value of the living wage to the community
- ▶ **Coalition is crucial**

Implementation by the city

- ▶ Procurement policy, not legislation
- ▶ Create a framework of legitimacy -- the city is both allowed, and duty bound, to employ contractors who maintain civic values.
- ▶ Include it with non-discrimination clauses, green procurement clauses
- ▶ Roll it out one layer at a time
- ▶ Build a group of employers who see the value of implementing the Living Wage policy

More than pay

- ▶ Involve low-paid workers in their own struggles for better pay
- ▶ Harness the power of social norms, and concerns about “what kind of community we want to live in”.
- ▶ Bottom-up, community organising approach, building alliances around the interests of diverse communities.

Living wage puts families first!



Campaigning for living wage in the public and private sectors



Building alliances with faith and immigrant groups

