Further materials, links and references


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Introduction and background

The notion of a living wage is not new, but UK campaigns emerged in the early 2000s when the Telecommunications Industry Living Wage (TILCW) and other of the UK’s largest trade unions, UNI/Siege, began advocating a living wage some 50% higher than the National Minimum Wage (NMW) to ensure that relatively full-time work fell below the poverty line (Tomlinson 2002, Cherry and Greaves 2005). The TILCW defined the living wage as “a wage that provides a low cost but acceptable budget on everything housing, child care, transport, savings, and other essentials, and provides enough money to save for holiday and retirement” (Tomlinson 2002). Despite the levels of criticism and attack from some sectors, including TILCW’s initial employers, the living wage movement has grown to include over 600 employers in the UK and over 50 in the United States. (Tomlinson 2002).

Following a three-year pay freeze between 2010 and 2013, many local authorities and the UK’s largest trade unions are considering increasing pay to the living wage. The average increase in the real terms value of public sector base rates and the NMW, 2004 – 2014 (deflated to 2014 prices) was 1.8% (Grimshaw et al. 2013). In 2012/13, the living wage is estimated to be £9.15 and £7.85 respectively (http://www.livingwage.org.uk). It is estimated that over 1 million UK workers earn less than the living wage, and workers in some sectors, particularly low-skilled and part-time, may earn considerably less. Unsurprisingly, people working in the public sector are more likely to earn the living wage (Kirsch and Cullinane 2013). For example, the Living Wage Foundation (LWF) monitors and promotes the living wage in contracts with public and private sector employers and uses procurement law as a way of demonstrating transparency and good practice. As of November 2014 there were almost 1,000 employers accredited with the living wage, 40 of which were in the public sector (http://www.livingwage.org.uk). This number is expected to continue growing, with a number of public and independent sector employers working towards accreditation, and monitoring processes and the commitment to uplifting the lowest paid workers. It is estimated that over 5 million UK workers earn less than the living wage in contracts with public and private sector employers and use procurement law as a way of demonstrating transparency and good practice. This number is expected to continue growing, with a number of public and independent sector employers working towards accreditation, and monitoring processes and the commitment to uplifting the lowest paid workers. It is estimated that over 5 million UK workers earn less than the living wage.

The research

In the UK, living wages are paid in a number of public sector authorities including the National Health Service, local government authorities, police authorities, and further/higher education and social care authorities. In 2012/13, the living wage was £7.00 an hour, lower than the health service or local government sector where hourly rates start at just £7.50 than the health service or local government sector and £8.50 in the police sector. In order to achieve pay parity with the public sector, the police sector seeks to provide a pay agreement that addresses pay compression. This type of egalitarian wage policy goes against the traditional approach to increasing pay but the employer faces a problem if they are willing to bear the cost of increasing pay. The research identified that a pay agreement reached locally creates a pay strategy may come up against parallel processes to downsize the workforce and cuts costs. Following a three-year pay freeze and two years of emergency pay and grade freezes, employers are seeking to increase pay to address excessive wage compression. There is no statutory underpinning to the living wage in the NHS which was introduced in 2006 with an expectation of being fully implemented by 2009 (Milligan et al. 2013). The NHS has a sector-wide collective bargaining agreement (Grimshaw et al. 2013). In 2012/13, the living wage is estimated to be £9.15 and £7.85 respectively (http://www.livingwage.org.uk). It is estimated that over 1 million UK workers earn less than the living wage, and workers in some sectors, particularly low-skilled and part-time, may earn considerably less. Unsurprisingly, people working in the public sector are more likely to earn the living wage (Kirsch and Cullinane 2013). For example, the Living Wage Foundation (LWF) monitors and promotes the living wage in contracts with public and private sector employers and uses procurement law as a way of demonstrating transparency and good practice. As of November 2014 there were almost 1,000 employers accredited with the living wage, 40 of which were in the public sector (http://www.livingwage.org.uk). This number is expected to continue growing, with a number of public and independent sector employers working towards accreditation, and monitoring processes and the commitment to uplifting the lowest paid workers. It is estimated that over 5 million UK workers earn less than the living wage.

The research continued

Permanence

When the living wage is not felt to be affordable, or the employer does not want to pay the higher rate, there are two options: to pay the NMW or a comparable rate to the NMW or a comparable rate to the living wage. For example, an employer might pay the NMW plus 50p per hour to the lowest paid workers. In 2012/13, the living wage was £7.00 an hour, lower than the health service or local government sector where hourly rates start at just £7.50 than the health service or local government sector and £8.50 in the police sector. In order to achieve pay parity with the public sector, the police sector seeks to provide a pay agreement that addresses pay compression. This type of egalitarian wage policy goes against the traditional approach to increasing pay but the employer faces a problem if they are willing to bear the cost of increasing pay. The research identified that a pay agreement reached locally creates a pay strategy may come up against parallel processes to downsize the workforce and cuts costs. Following a three-year pay freeze and two years of emergency pay and grade freezes, employers are seeking to increase pay to address excessive wage compression. There is no statutory underpinning to the living wage in the NHS which was introduced in 2006 with an expectation of being fully implemented by 2009 (Milligan et al. 2013). The NHS has a sector-wide collective bargaining agreement (Grimshaw et al. 2013). In 2012/13, the living wage is estimated to be £9.15 and £7.85 respectively (http://www.livingwage.org.uk). It is estimated that over 1 million UK workers earn less than the living wage, and workers in some sectors, particularly low-skilled and part-time, may earn considerably less. Unsurprisingly, people working in the public sector are more likely to earn the living wage (Kirsch and Cullinane 2013). For example, the Living Wage Foundation (LWF) monitors and promotes the living wage in contracts with public and private sector employers and uses procurement law as a way of demonstrating transparency and good practice. As of November 2014 there were almost 1,000 employers accredited with the living wage, 40 of which were in the public sector (http://www.livingwage.org.uk). This number is expected to continue growing, with a number of public and independent sector employers working towards accreditation, and monitoring processes and the commitment to uplifting the lowest paid workers. It is estimated that over 5 million UK workers earn less than the living wage.

Contracted staff

The field of research is that of public procurement to leverage higher wage rates among contractors. Councils may be expected to add an additional wage to living wages and long-term contracts, particularly in low paying sectors such as cleaning, social care and school catering. Local authorities may be tempted to act decisively to improve wages for lower paid workers in the public sector. However, the contract law and procurement law as a way of demonstrating transparency and good practice. As of November 2014 there were almost 1,000 employers accredited with the living wage, 40 of which were in the public sector (http://www.livingwage.org.uk). This number is expected to continue growing, with a number of public and independent sector employers working towards accreditation, and monitoring processes and the commitment to uplifting the lowest paid workers. It is estimated that over 5 million UK workers earn less than the living wage.