

Six million UK workers on low pay

Barry Mason
9 March 2019

Pay for workers in the UK has declined precipitously over the last decade following the 2008 global financial crash. Successive Labour and Conservative-led governments made the working class pay for the hundreds of billions of pounds handed out to prop up the banks and the super-rich.

A new report issued by the Living Wage Foundation (LWF) shows that more than 6 million workers, including 1.2 million public sector workers, are on low pay. They earn less than the Real Living Wage—a rate set by the Living Wage Foundation and independently assessed to determine the amount people need just to get by.

The low Real Living Wage figure is set higher than the government's National Living Wage, which establishes the statutory minimum wage rates. The Real Living Wage is currently set at £10.55 an hour in London and £9 in the rest of the UK. The Real Living Wage rate is not legally enforceable and for many workers may as well not exist. Just 4,700 employers, covering 180,000 workers, are signed up to it nationally.

The legally enforceable National Living Wage is £7.38 for under 25s and £7.83 for those older. Those under 21 get paid even less, with apprentices on a minimum rate of £3.70, under 18s on £4.20 and under 21s on £5.90. There is no weighting due to the extra cost of living in London, with a workforce in the capital of over 5.8 million. From April, the national living wage increases to just £7.70 for under 25s and £8.21 for over 25s.

The Living Wage Foundation report notes, “There are around 6 million UK jobs that pay below the Real Living Wage and more than 20 percent of those work in the public sector. According to earlier research conducted by Survation, over a third of working parents on low incomes have regularly skipped meals due to a lack of money, and almost half have fallen behind on

household bills.”

The 1.2 million public sector workers on low pay include nearly two-thirds employed in local government, with nearly 400,000 employed directly rather than through subcontractors and agencies. A third of a million National Health Service (NHS) employees are low paid, with around 200,000 directly employed by the NHS.

The LWF report included comments from a public sector cleaner who said, “Life below the Real Living Wage means every month is a struggle to survive. I can't afford the basics like the internet or a smart phone.”

LWF Campaigns and Communications Manager Lola McEvoy said, “It's simply wrong that our teaching assistants, cleaners, carers and catering staff—paid on public money—are struggling to keep their heads above water on wages that don't meet basic living costs.”

Despite the Tory government's perpetual rhetoric that “work pays,” reality shows being in work is no guarantee of escaping poverty. With nearly half a million workers entering the labour market last year, the number in employment is at a record level of 32.6 million. However, many of these newly added jobs offer no security or job satisfaction.

A Resolution Foundation report issued in January posed the question “has the increase in job quantity come at the cost of job quality? The answer is ‘yes’, particularly in the jobs boom's initial phase. Two-thirds of the growth in employment since 2008 has been in ‘atypical’ roles such as self-employment, zero-hours contracts or agency work.”

Adam Corlett of the Resolution Foundation said, “The deeper income squeeze for poorer households has been driven by government policy. ... Low income households in particular have borne the brunt of a renewed living standards squeeze, driven by the freeze in the value of working-age benefits.”

Another study on poverty, issued last December by the Joseph Rowntree Foundation, noted, “In-work poverty is higher than at any time in the last 20 years. The employment rate is at a record high, but this has not delivered lower poverty. The rate of poverty among workers has been rising for five years, having already risen significantly over the previous decade. Since 2004/05 the number of workers in poverty has increased at a faster rate than the total number of people in employment. This has resulted in workers being increasingly likely to find themselves in poverty. There are now almost 4 million workers in poverty in the UK, a rise of over half a million compared with five years ago.”

Holding down wages for most workers has helped fuel growing inequality. An Office for National Statistics report release last month noted, “Income inequality increased slightly in financial year ending ... 2018 from 31.4 percent to 32.5 percent, based on estimates from our Living Costs and Food Survey.”

The ONS showed that the incomes of the top 20 percent increased by 4.7 percent, while the bottom 20 percent saw their income fall by 1.6 percent.

Commenting on the LRW study in a *Guardian* article February 28, Christina McAnea, assistant general secretary of the Unison trade union, noted, “Hundreds of thousands of workers delivering essential public services are on poverty pay. Many have second and even third jobs just to keep the wolf from the door.”

The trade unions are responsible for this dire situation thanks to their suppression of every struggle by the working class.

Research published by the Trades Union Congress (TUC) last December showed the average worker had lost £11,800 in real earnings since 2008. The UK and Italy are the only two advanced economies in which real wages are still below their 2008 level. Average wages will not get back to their 2008 level until 2024. This would mean a 16-year-long period of declining pay. The previous longest period of decline in wages was the 24 years from 1798 to 1822, covering the Napoleonic wars and the aftermath and giving rise to a protracted period of political radicalisation of the working class, including the subsequent birth of Chartism.

With around 3.6 million public sector workers in trade unions, the sector has a union density of just over

50 percent—compared to 2.7 million members in the private sector and a union density of around 14 percent.

McAnea’s own union, Unison, the largest public sector union with over a million members, has played a crucial role in enforcing low-pay wage settlements. Last March, Unison was among 13 trade unions out of 14 that agreed to a sell-out pay deal of 6.5 percent for the public sector over three years. This was after health workers suffered a 14 percent pay cut over the last eight years under the austerity measures of Tory-led governments. Retail Price Index inflation over the next three years was estimated at 9.6 percent, meaning the deal was in fact a cut in real wages.

The de facto pay cut was sold “as the best deal in eight years” by the unions. But when workers checked their pay packets, they discovered pay “rises” as low as 12 pence. Many received a meagre increase of 1.5 percent, not even the 3 percent promised, with the rest of the first year increase delayed until after the annual incremental date.

This sparked a rebellion among health workers that led to them tabling a vote of no confidence in and removing the leadership of the Royal College of Nursing union.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact