



**National Union of Rail, Maritime &
Transport Workers**

**Low Pay Commission
Inquiry 2014**

The National Union of Rail, Maritime and Transport Workers (RMT) welcome the opportunity to submit our views as part of the Low Pay Commission's 2014 inquiry.

The RMT is the largest of the rail unions and the only union that represents all grades of rail workers. We organise 80,000 workers who are employed across all sectors of the transport industry, rail, maritime, bus and road transport, with the exception of aviation. We negotiate on behalf of our members with over 150 employers.

1. What are your views on the outlook for the UK economy, including employment and unemployment levels, from now through to September 2016?

Growth has been ½ per cent or more per quarter for six consecutive quarters, nearly twice the rate of the 2010–12 periods. The UK economy has finally recovered its pre-crisis size just over six years after the onset of the downturn.

Yet this is all 'feel good' mood music for the election; GDP is still significantly below what would have been expected from the pre-crisis productivity trend, a deviation unprecedented in recent economic history. Per capita GDP is still more than 4.5 per cent below its pre-recession level (2007Q4), and this level will not be recovered until 2017/18. The current improvement in UK GDP is from a re-inflating of the housing bubble in London and the South East. Specifically, the rise in consumer spending that this "paper" property wealth has fuelled, is precarious and temporary and will inevitably lead to a renewed downturn in due course. Household savings are the other major source driving the recovery and equally, cannot be sustained indefinitely.

Unemployment has for some time been at, and remains still at, unacceptably high levels – especially for young people. With the failure of both government and business to invest significant sums in sustainable and meaningful economic growth, there is little prospect of this situation being reversed and therefore a likelihood of more of the same.

That is our understanding of the reality of the economy – and the key point is that pay for those in work has fallen well behind both productivity and the cost of living.¹ There has therefore been a huge increase in the number of working people dependent on benefits to top up their earnings in order to meet their basic needs.

But for the top executives there has been no wage cuts and they are now paid around 130 times their average employee, according to analysis released in August by the High Pay Centre think-tank². What their research shows is a dramatic rise in inequality measured by executive pay in relation to most UK workers over the past three decades. RMT believes it is essential for the UK to cut the growing pay gap.

As the OECD, ILO and World Bank report at the G20 in Australia on the 10/11 September 2014 stated "Reducing inequality requires both improving the distribution of income and creating more and better jobs"³. While increased productivity from new technologies, better work organisation, capital deepening and skills upgrading is desirable for improving living standards, a broad sharing of the

¹ TUC: "Four year real wage fall will cost average worker £6,000"
<http://www.tuc.org.uk/economy/tuc-21819-f0.cfm>

² <http://highpaycentre.org/blog/ftse-100-bosses-now-paid-an-average-143-times-as-much-as-their-employees>

³ *Global Wage Report 2014/5*, ILO forthcoming but quoted in <http://www.oecd.org/g20/topics/employment-and-social-policy/G20-labour-markets-outlook-key-challenges-and-policy-responses.pdf>

gains from productivity growth across the population is essential for reducing inequality. Disparities in income will not be reduced if the benefits of economic growth continue to accrue mainly to holders of capital and those at the top end of the income distribution”.

Creating quality jobs is vitally important in reducing poverty. World Bank research concludes that “more and better-paying jobs were the key factors behind poverty reduction over the past decade.”⁴ The Bank’s 2013 *World Development Report* argues that jobs are the key drivers of development because they improve living standards, raise productivity and foster social cohesion⁵.

Unemployment has decreased in the UK due to the spectacular rise in self-employment and ONS has recently published figures which show weekly self-employment incomes are not only very low, but that they are falling year after year.

ONS (CPI) inflation-adjusted figures, in 2012/13 prices, give an estimate of £207 per week in 2012/13 as a cash figure for self-employed earnings. Comparing this with Table 5 of the 2013 provisional Annual Survey of Hours and Earnings (ASHE) release, median gross weekly earnings in 2013 were £518, up from £506 in 2012. So self-employment earnings are running at around 40 per cent of employee earnings and the ratio of self-employed incomes to employee’s earnings has fallen from 57 per cent to the above level over the last ten years.

RMT therefore sees the UK overall continuing as a low wage, low productivity economy with ongoing high levels of unemployment.

2. What has been your experience of wage growth in the UK during the last year and what do you forecast for the next twelve to eighteen months?

Whilst RMT will continue to represent and fight for decent wage increases for all members, average wage increases in the whole economy have been consistently disappointing. The current slack in the labour market continues to confuse all the pundits, not least the Bank of England Monetary Policy Committee (which is desperate to start inflationary interest rate rises). With wage increases well below even CPI inflation, and average household incomes being down 8.5% in real terms since 2009/10, it is little wonder that there is a huge increase of in-work and other benefits as the problem of ensuring people are able to have a minimum standard of living has been massively externalised to the state. Even the Bank of England indicated that the squeeze on households will last until the year end as it halved its wage growth estimate for 2014 to 1.25%, below an inflation rate currently running at 2.4% (in RPI), but forecast to be 3.4% by December 2015⁶.

The rise in jobs in low paying sectors, excessive use of zero hours contracts or part time work in general, further explains the consistently high level of vacancies that continue to exist in the labour market. The failure to fill many of the vacancies is simply because the rates of pay on offer are no longer at a level that people can afford to work for, workers are constantly moving jobs due to victimisation at work or are being forced into self-employment.

The Bank of England knows full well why the recovery is not showing up in the wage packet. After all, the stagnating wage economy is the result of the policies of Mark Carney’s employers, who have been triumphant in portraying Britain as a low-wage, low-tax economy suitable for (foreign) investors. This has been made possible by the suppression of the trade union movement and by the continuation of the minimum wage at such a low level – a de facto benchmark for all wages (but not

⁴ *Is Labor Income Responsible for Poverty Reduction? A Decomposition Approach*, Azevedo, J.P., Inchauste, G., Olivieri, S., Saavedra, J. & Winkler, H., World Bank Policy Research Working Paper 6414, 2013

⁵ *World Development Report 2013: Jobs*, World Bank 2013.

⁶ IDS pay report August 2014

“salaries”). Employers and business owners can comfortably factor in the “race to the bottom” of the cost of wages because the minimum wage rate is so low, as the LPC itself recognises in ‘The Future Path of the Minimum Wage’.

It is hard to avoid the suspicion that the Bank of England interest rate rise (now indexed to pay after having exhausted all the other conditions) is a delaying tactic to mask the effects of the dogmas of outsourcing. Inevitably some of the slack will disappear in the economy and as inflation creeps upwards (fuelled by interest rate rises) there will be some further small increase in pay settlements. Overall the economic pressure is one of a continuing ‘race to the bottom’ for wages and ever increasing income inequality in society and this could lead to the end of the whole concept of steady overall pay increases for generations to come.

The RMT notes with real concern that ‘Severe Income Inequality’ - “widening gaps between the richest and poorest citizens threaten social and political stability as well as economic development”, has been recognised as the number one global risk by the World Economic forum for the last three years running.⁷

3. What has been the impact of the National Minimum Wage (for example on employment hours and profits) over the last 12 months?

Although the National Minimum Wage has had some positive impact on the lowest paid workers, it is set too low to transform workers’ position overall. Recent indications of cross-party political support for a significant rise in the National Minimum Wage, reflect the failure of the National Minimum Wage (at the current level at which it is set) to meaningfully impact on average earnings. In light of the recent Equality and Human Rights Commission (EHRC) Report, The Invisible Workforce: Employment Practices in the Cleaning Sector⁸, RMT is calling on all purchasers of cleaning services to stop the ‘Race to the Bottom’, which does result in barely livable wages and unsatisfactory working conditions for the majority of those employed in that sector.

This is further emphasised in the findings of a report also published recently by Child Poverty Action Group (CPAG⁹) which showed that families in which all parents work full time on the national minimum wage are still 18 per cent short of the basic amount needed to provide a minimum standard of living. As the RMT has argued previously, wages at the lowest end of the labour market are simply insufficient to meet the rising costs of living.

4. Has this impact varied by sector, and if so how?

Maritime Sector

Insufficient legal certainty and weak enforcement continue to facilitate poor practice in the shipping sector and the impact of the National Minimum Wage has been markedly more limited than initially promised. For example, some employers continue to flout the spirit and possibly the letter of the law. A case of particular concern to RMT are the rates paid by Condor Ferries (reportedly as low as £2.35 per hour) to non-EEA seafarers on lifeline ferry services between Poole and Weymouth and the Channel Islands

⁷ <http://reports.weforum.org/global-risks-2014/>

⁸ <http://www.equalityhumanrights.com/about-us/our-work/key-projects/invisible-workforce-employment-practices-cleaning-sector>

⁹ <http://www.cpag.org.uk/content/cost-of-a-child-2014>

RMT also regard the accommodation offset in the National Minimum Wage Act 1998 as a tax on the lowest paid UK seafarers working in the maritime sector, as well as corporate welfare for the shipping industry at the expense of seafarers on the NMW.

We believe that the accommodation offset could act as a deterrent to people wishing to start work as a Merchant Navy rating and could be contributing to the static rate of recruitment of UK seafarers to the industry.

The accommodation offset condones and promotes a culture of low pay and social dumping in the UK maritime sector.

The Low Pay Commission should publish or commission research indicating what impact the accommodation offset has on employment rates for UK seafarers.

RMT oppose the continued existence of the accommodation offset in the National Minimum Wage Act 1998. We would like to see the Low Pay Commission recommend that it be removed from the NMW legislation, in order to end the practice of employers in the shipping industry deducting accommodation costs from employees' wages. The law permits seafarer employees' hourly pay rate to fall (as of 1 October 2014) below the NMW for over 21s of £6.50 per hour and is the only legal benefit in kind that employers can legitimately deduct from a worker's pay packet.

From 1 October 2014, the accommodation offset is £5.08 per day, a 3.4% increase on the 2013 daily rate of £4.91.

In support of our position we again explore the details of the cases the RMT brought in 2010 for two members against their employer, Clyde Marine Recruitment Ltd. The members were recruited by Guernsey Crewing Services Ltd to work for Clyde Marine on a temporary basis on the P&O European Ferries ship the Pride of Bilbao which operated out of Portsmouth under the Bahamian flag. Their hourly rate of pay was £5.42, 38p per hour below the National Minimum Wage for 2009-10 (which was £5.80 per hour).

The deductions from our members' wage packets amounted to £31.57 per week and this shortfall was, after a number of enquiries with the employer, described to the members as an 'accommodation offset'. Although legal under the National Minimum Wage Act 1998, there was no mention of what this deduction was for on the members' wage slips and it had not been mentioned to them by either the employment agency or the employer, before or after they started these jobs. In both cases, the employer settled with the claimants out of court.

It is worth noting that the pay of Clyde Marine staff engaged as permanent P&O employees is not subject to the accommodation offset. We support the continuation of that arrangement but would point out that this further illustrates our point that the accommodation offset is a licence for shipping companies to exploit the lowest paid and, therefore, most vulnerable staff.

The number of UK seafarers, ratings and officers, has fallen dramatically over recent decades. For example, in 1980 there were 30,000 Merchant Navy ratings at sea. In 2013, that number had fallen to 8,590¹⁰.

A further illustration of this maritime recruitment crisis is provided by the crewing of vessels in the UK Government's Tonnage Tax scheme which provides qualifying companies a significant tax break in return for training UK officer cadets. Tonnage Tax was introduced in 2000-01 and in the last decade the proportion of UK ratings employed on vessels in the scheme has fallen from 31% to a paltry 17%

¹⁰ DfT 2013 Seafarer Statistics, 29th January 2014

whilst the proportion of UK officers working on ships in the Tonnage Tax has fallen from 57% to 30%¹¹ over the same period.

Obviously there are a number of other disincentives to taking up a career as a seafarer, including the offer of low pay rates at or just above the National Minimum Wage but the accommodation offset is an exploitative mechanism which allows employers to legally claw back the cost of accommodation from the lowest paid members of staff. That this accommodation has to be provided is not in doubt, otherwise employers would clearly be transgressing employment as well as health and safety law.

As part of their tour, a seafarer is required to remain on board 24 hours for either 7 or 14 days continuously. He or she cannot leave the vessel when the shift finishes, even if they are not on duty for another 12 hours. This is because the seafarer remains part of the crew, on the muster list and is therefore still on-call to react to emergencies. Reacting to emergencies would involve any number of safety critical interventions, such as launching lifeboats, distributing life jackets, assisting passenger evacuation and even firefighting using breathing apparatus and operating other specialist equipment. We hope that this clearly demonstrates that seafarers do not have any choice to leave the vessel at the end of their shift and to return at the start of the next shift. They are entirely reliant upon the employer to provide on-board accommodation and this provision is essential to the employer satisfying stringent safety standards in the event of an emergency on ship.

It is our view, therefore, that the shipping industry should be prevented from using the accommodation offset to claw back the costs of accommodation for the lowest paid workers and the Low Pay Commission should issue a recommendation for the accommodation offset to be scrapped.

Domestic law and international shipping conventions are awash with legal loopholes which permit a wide range of discriminatory employment practices. We have seen this most recently in the reported payment of £2.35 per hour by Condor Ferries to Ukrainian seafarers working on passenger and freight routes from the south of England to the Channel Islands.¹² This case of exploitation of legal loopholes to pay non-UK seafarers well below the NMW is an enduring one and looks set to continue in light of the company's current efforts to extend their operator licence for the ferry services in question by another 10 years.

The LPC should note that wherever possible, non-EEA seafarers are readily recruited by the UK shipping industry so that they can be paid below the national minimum wage, including on UK flagged vessels. We regard the accommodation offset as an extension of this culture of exploitation and pay discrimination.

We believe that this practice of deducting accommodation costs from seafarers' wage packets continues to affect both full-time and temporary employees working in the UK shipping and offshore sectors, particularly those on the lowest, i.e. NMW, rates of pay.

RMT call on the LPC to provide an in-depth, independent analysis of the impact of the accommodation offset on seafarers' employment opportunities and wages in the sector.

Cleaning Sector

In the cleaning sector in an unequal society, and especially one suffering an economic crisis, the sellers of labour will always be disadvantaged and made to suffer.

For the cleaning sector employers, with their eyes firmly fixed on the bottom line and determined to maintain profits, dividends and bonuses, fight to increase the advantages they already have. And they

¹¹ Source: Maritime Educational Foundation

¹² <http://www.bbc.co.uk/news/uk-england-28306798>

fight any proposals that reduces employer advantage like trade union rights or laws that endeavor to create a fairer working environment.

Add to this the huge growth of non-standard labour, of men and women employed on a casual basis or on zero hours contracts and this “casualisation” of the workforce is another way employers cut costs, since such workers are deemed to be self employed and they have to make their own arrangements regarding pensions, insurance and other benefits.

The result is the systematic degradation of the human, leaving many in such jobs feeling vulnerable without respect and disregarded as the lowest of the low in society.

RMT fully agrees with ‘G’ the 60 year old train station cleaner quoted in the Equality and Human Rights Commission report. G articulates with a raw honesty our view that cleaners should be valued, given respect and properly rewarded for the important and vital role they play. G states: “Cleaning job, the people should be considered as most important people because the whole dirt, filth and everything is being done by us, but the salary is not good. We are being squeezed all the time... but without us people cannot survive, there’d be a lot of sickness in the street... So a cleaning job, as I can say, is the important job in the whole world”.¹³

5. Has this impact varied by the type and size of business, and if so how?

RMT has found that whilst abuse can take place in all sizes of business, it is ongoing erosion of collective bargaining that has created an economic disaster causing misery for millions of workers.

It has led to a decline in the share of national wealth being paid in wages and an increase in national wealth being hoarded by the rich.

It has also led to huge inequality and the emergence of a two-tier workforce in which those in the bottom tier exist in poverty, in a world of plenty. The latest mutation of the low pay trap are zero hours contracts but the bottom line is still low pay which makes it impossible to exist without resorting to several part-time jobs to make ends meet. Such workers are just surviving, not living.

RMT believes there are economic and social consequences for this great historic shift in the workplace, there are also legal consequences, and a legal imperative that underpins the economic and social case to rewind the erosion of collective bargaining.

Whether the government likes it or not, the UK has an obligation under international law to promote collective bargaining, a commitment reinforced by various treaties that have been signed by both Labour and Tory ministers since the end of the Second World War.

Without recognition of that fact companies will continue to flout their responsibilities and unions will be shackled from helping protect the most vulnerable in sectors like cleaning, plagued by a race to the bottom.

6. Has this impact varied by groups of workers (including women, ethnic minorities, migrant workers, disabled people, older workers and those who are unqualified) and if so how?

On the day before he died on 4 April 1968, Dr Martin Luther King addressed the sanitation workers of Memphis and famously said:

¹³ http://www.equalityhumanrights.com/sites/default/files/publication_pdf/RR95%20Coming%20clean%20-%20experience%20of%20cleaning%20operatives%2012-08-14.pdf

"You are demanding that this city will respect the dignity of labour. So often we overlook the work and the significance of those who are not in professional jobs, of those who are not in the so-called big jobs. But let me say to you tonight that whenever you are engaged in work that serves humanity and is for the building of humanity, it has dignity and it has worth."

Respect at work and dignity in their treatment does not reflect the reality of many cleaners lives especially for our members in the groups listed above. RMT members echo the EHRC report referred to earlier¹⁴ when it stated "Fairness, dignity and respect are values we all share. Yet, a lack of these values being reflected in the treatment of workers was an underlying theme running through much of our evidence. Workers reported taking great pride in their work, but did not always feel they were afforded the same dignity and respect shown to others in the workplace".

Ethnic minority, migrant workers, disabled and unqualified workers are much more likely to work in the low paid sectors. A National Minimum Wage that is set far too low therefore has a disproportionately negative impact on those groups. RMT represents nearly 3,000 cleaners working in the transport sector and our experience shows that, even for cleaners based in London, some employers treat the National Minimum Wage as a maximum wage.

In the shipping sector, there is also evidence to suggest that the National Minimum Wage is not being fully complied with. For example, some employers continue to flout the spirit and possibly the letter of the law. As highlighted in our response to Question 4, a case of particular concern to RMT are the rates paid by Condor Ferries (as little as £2.35 per hour) to non-EEA seafarers on lifeline ferry services between Poole and Weymouth and the Channel Islands. Insufficient legal certainty and poor enforcement continue to facilitate poor practice in the shipping sector. This obviously impacts upon migrant workers most severely.

7. What do you estimate will be the impact of the 3 per cent increase in the adult rate of the NMW and 2% increase in the youth and apprentice rates in October 2014?

We are continuing to press for there to be only one National Minimum Wage and for it to be set at two thirds the male median wage. In the year to April 2013 the male full-time median hourly wage was £13.90¹⁵. (Therefore two thirds' male full-time hourly median wage in the year to April 2013 would have been £9.26). The impact of the planned increase on the ability of those confined to a minimum wage is negligible given the rate of real inflation in the economy.

As of 1 October 2014 the main adult rate of the National Minimum Wage is £6.50 per hour. Currently the Living Wage is £8.80 per hour in London and £7.65 per hour outside of London. The Living Wage is set to rigorous standards and is both affordable for employers and reflective of the spending commitments of some of the poorest people in the UK. RMT also endorses the campaign for the National Minimum Wage to be set, in the interim, at the level of the Living Wage.

At the TUC 2014 Congress branded "Britain needs a Pay Rise" a motion was passed calling for a Minimum Wage of £10.00 an hour.

Workers cannot wait for the next election and for manifesto commitments on implementing the Living Wage to be acted upon. The National Minimum Wage should be sharply increased immediately.

8. In our 2014 report we made an additional assessment of the future path of the NMW. This looked at what economic and business conditions needed to be in place to allow a faster increase in the minimum wage rates taking into account the implications on employment. Do

¹⁴ ibid

¹⁵ http://www.ons.gov.uk/ons/dcp171778_335027.pdf

you have any comments on that assessment? What economic and business conditions do you think you need to be in place for faster increases in the National Minimum Wage?

The NMW is a blunt tool in addressing the wider problems of low pay and working poverty.

We note the Commission comments that “emphasized the centrality of productivity to sustainable increases in the minimum wage”¹⁶ and that without such a productivity revival “an increase in the NMW such as to cause a large rise in the bite would run a high risk of adverse employment effects....that risk would be more acute if the increases were to take place very quickly”.

However we believe that the burden of addressing working poverty and reducing overall income inequality has to be urgently tackled and to be shared more fairly between tax payers and employers. We do accept this cannot be achieved overnight, as the scale of the problem in this country is such now, that only a comprehensive low pay strategy for the UK, will be able to address the issue.

We agree that means widening the remit of the Low Pay Commission to not only look at, and report on the causes and consequences of Low Pay but to take proactive measures to reduce low pay and setting the National Minimum Wage at an ‘escalator’ relative to two thirds of male median earnings over a short defined period of time. Not only would this raise the lowest wages immediately, it could encourage employers to respond by making investments to improve much needed productivity.

The RMT also wants to see a comprehensive industrial strategy for the low pay sectors, including enhanced learning opportunities and better vocational training routes, strengthened flexible working opportunities with better childcare provision, the strategic role of public procurement in meeting these aspirations as well as an examination of the impact of housing and planning policies. All these efforts should be about changing the culture and supporting employers to ‘abandon the race to the bottom and instead ‘reach for the top’.

Without immediately developing both a comprehensive strategy to reduce the share of low-wage jobs, and ensuring a continuing priority is placed on income redistribution through tax credits, the scourge of low pay and chronic working poverty is unfortunately here to stay.

9. What has been the impact of the minimum wage on young people and what effect do you think it has on their employment prospects?

In the period April to June 2014, 767,000 young people aged 16-24 were unemployed. The unemployment rate for 16-24 year olds not in full-time education was 14.5% in August 2014. 605,000 18-24 year olds are unemployed, while a shocking 1.67 million are economically inactive (not in work and not looking for work).

The reasons for the current high levels of youth unemployment are numerous but the existence of a National Minimum Wage in the UK is not a significant factor in the high level of youth unemployment the country has been experiencing.

Evidence in support of this contention is provided in the case of The Netherlands. Responding to elevated youth unemployment, the then Dutch government mandated lower minimum wage rates for young workers during the 1980s. However, the introduction of lower rates did not have a proportionally positive impact on the employment levels of young workers.¹⁷

In terms of higher rates for young workers, similar warnings were issued against introducing any National Minimum Wage at all in the UK. Specifically, it was argued by some that the introduction of a National Minimum Wage would lead to lower unemployment. This was not the case then – and there is no reason to think that it would be the case following paying young workers the adult rate.

¹⁶ LPC (2014) The Future Path of the NMW Para 99 p.32

¹⁷ Arthur van Soest, (1994) “Youth Minimum Wage Rates: The Dutch Experience”, International Journal of Manpower, Vol. 15 Iss: 2/3, pp.100 - 117

10. What has been the impact of the Apprentice Rate of the NMW on pay, provision, take up and completion?

RMT welcomes the recent focus of political parties on increasing the incidence and take-up of apprenticeships, including in the maritime sector. However, the low level of the Apprentice Rate has led to an increase in positions which do not merit the label “apprenticeship”. Specifically, the union is concerned that some employers have labelled posts as apprenticeships in order to be able to lawfully pay younger workers reduced salaries.

11. Do you think the structure of the Apprentice Rate should change? Could it be made simpler to help improve compliance? Do you think the apprentice rate should apply to all levels of apprenticeships?

We are continuing to press for there to be only one National Minimum Wage and for it to be set at two thirds the male median wage. In the year to April 2013 the male full-time median hourly wage was £13.90¹⁸. (Therefore two thirds’ male full-time hourly median wage in the year to April 2013 would have been £9.26).

12. What do you think might help employers to comply with paying the right pay rate for apprentices?

We are continuing to press for there to be only one National Minimum Wage and for it to be set at two thirds the male median wage. In the year to April 2013 the male full-time median hourly wage was £13.90¹⁹. (Therefore two thirds’ male full-time hourly median wage in the year to April 2013 would have been £9.26).

RMT is in favour of increasing the chances of young people to secure work. However, reducing the earning potential of young people has not generated employment opportunities for that group. In fact, quite the contrary, it stigmatises the contribution of people that age profile as being of lower value. The 16-17 year old, 18-20 year old and apprentice rates should therefore be abolished in favour of a single rate at the level of the Living Wage.

However, workers cannot wait for the next election and for manifesto commitments on implementing the Living Wage to be acted upon. The National Minimum Wage should be sharply increased immediately.

13. Do you have any further comments on apprentice pay?

No comment

14 What issues are there for compliance with the NMW? Do particular groups experience problems with NMW compliance (for example, apprentices, or interns and others undertaking work experience)? Does this non-compliance have implications for the level of the NMW rates, the quality and accessibility of official guidance on the NMW, or the enforcement work of the HMRC?

No comment?

15 At what level should each of the rates of minimum wage (for adults, 16-17 year olds, 18-20 year olds, apprentices, and the accommodation offset) be set in October 2015?

RMT is in favour of increasing the chances of young people to secure work. However, reducing the earning potential of young people has not generated employment opportunities for that group. In fact,

¹⁸ http://www.ons.gov.uk/ons/dcp171778_335027.pdf

¹⁹ http://www.ons.gov.uk/ons/dcp171778_335027.pdf

quite the contrary, it stigmatises the contribution of people that age profile as being of lower value. The 16-17 year old, 18-20 year old and apprentice rates should therefore be abolished in favour of a single rate set at two thirds the male median wage. In the year to April 2013 the male full-time median hourly wage was £13.90²⁰. (Therefore two thirds' male full-time hourly median wage in the year to April 2013 would have been £9.26.)

As stated in answer to Question 4, RMT support the abolition of the accommodation offset.

16. Do you have any other views or evidence about the operation and impact of the National Minimum Wage?

Many of the individuals who are paid the minimum wage are vulnerable workers. For example, due to their immigration status or restricted ability to secure alternative work, such individuals are often not confident about challenging employers which have failed to observe the requirements of the National Minimum Wage. More frequent pro-active unannounced inspections, together with more rigorous enforcement action would help address this. We look forward to receiving evidence that the new enforcement powers in relation to the shipping sector are being used to good effect.

²⁰ Page 7 of http://www.ons.gov.uk/ons/dcp171778_286243.pdf