

Submission to the Low Pay Commission on the Minimum Wage

- 1.1 The Minimum Wage is despicably low and as a result is costing the taxpayer a large amount of money in welfare benefits. It has been estimated that the Treasury could save between £3.6 and £6bn if every private sector employer increased their minimum wage salaries by 20%.
- 1.2 The economy is growing and this is proof that the Government's austerity measures are beginning to take effect but employees on the minimum wage will be left behind, even with the proposed increase in October 2014 to £6.50 per hour and they will be effectively worse off.
- 1.3 Employers and policymakers, regardless of political affiliations, need to take action to alleviate the strain on the lowest paid.
- 1.4 Studies have shown that the lowest paid workers are the most likely to spend the money they do receive, thus funnelling cash back into the economy and increasing the prospects of further growth.
- 1.5 It is a complete fallacy that businesses can get ahead by paying the minimum wage. Employers that pay above the minimum wage are seeing higher staff morale, lower staff turnover and most importantly increased productivity.
- 2.1 Britain's low pay mentality goes back to the days of the Industrial Revolution (1760-1833) which was the transition to new manufacturing processes and the creation of the "factory" and a capitalist economy.
- 2.2 Living standards should have improved but in practice they did not do so because wages did not keep up with prices resulting in hunger, disease, malnutrition and disgusting living and sanitary conditions.
- 2.3 Those at the bottom of the social ladder, comprising the bulk of the population, suffered swingeing reductions in their living standards.
- 2.4 Not everyone suffered these indignities, the factory owners lived in splendour, rivalling the aristocracy, but the lower classes were condemned to poverty under often unscrupulous factory owners.
- 2.5 Thus the class system evolved in the UK and socialism emerged with the formation of trade unions along with associated strike action against low wages.
- 3.1 We should not allow this enormous divide between the rich and the poor to be accepted as normal in this country.
- 3.2 It is not acceptable that the underprivileged should stay underprivileged whilst the rich get richer.
- 3.3 One reason for the riots of 2010 was that people were not paid enough.
- 3.4 There is nothing wrong with taxing the rich.

- 3.5 The minimum wage should be increased to a level that takes people out of poverty.
- 3.6 I suggest that the minimum wage should be increased to £10.00 per hour.
- 3.7 This may be done over time in stages.

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25th September 2014