

BARGAINING BRIEFING



KEY POINTS:

Introduction

16th Feb - 1st March is [Fair Pay Fortnight](#). This Briefing sets out the facts about the state of pay. And using testimony gathered through UNISON Scotland Surveys, outline the impact this is having on peoples lives.

The conclusion is inescapable - Scotland needs a pay rise.

Pay isn't fair

Wages in Scotland, and throughout the UK, have been stagnating in recent years. Wages have been virtually static with inflation usually, and sometimes considerably higher. This has meant a significant drop in living standards for many. Dropping wages mean one in eight Housing Benefit claimants in Scotland are now in work, but failing to earn enough to pay the rent.

- Years of below inflation pay rises have left many people in work struggling to make ends meet.
- Nearly one in five workers in Scotland is paid less than the Living Wage
- The real level of inflation experienced by the low paid is higher than official figures suggest. At the same time Executive pay and wealth at the top have surged ahead.
- A pay rise for the low paid makes economic sense as it would cut the welfare bill and provide a boost to local economies.
- The Scottish Government must take steps to put the pledges on extending the Living Wage through the public procurement into action.



FAIR PAY FORTNIGHT

Prices have risen 20% since 2010

Public sector wages have risen 3%

Austerity doesn't work

UNISON Scotland

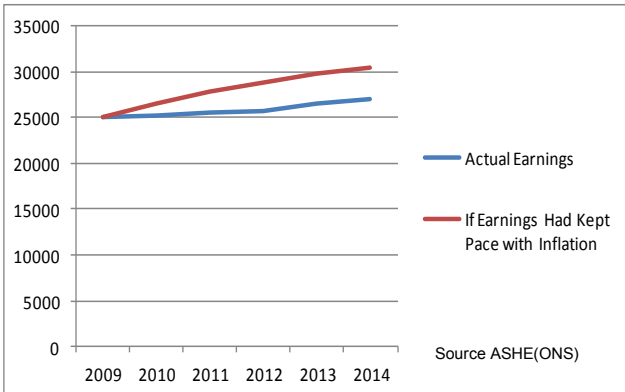
UNISON Scotland Voices on low pay

I worry every month about how the bills are going to be paid, and am constantly in my overdraft – College Cleaner



Drop in real wages

Figure 2 Average Full Time Earnings 2009 – 2014



The cumulative impact of the failure of wages to match inflation over recent years is considerable. Latest figures for average (median) full time earnings in Scotland are £27 045 – but if this figure had risen in line with the Retail Price Index since 2009 it would be £30 479. A difference of £3434.

This failure of wages to match prices in general has been compounded for those on low incomes by the way many essentials have increased in price faster than indexed inflation (see figure 2) UNISON Scotland's [The Price of Everything and the Value of Wages](#)

Figure 3—Price of essentials 2009-2014

AVERAGE PRICES ROSE

20%



FOOD ROSE

30%



FUEL ROSE

60%



Source *Poverty and the cost of Living* Joseph Rowntree Foundation (2014)

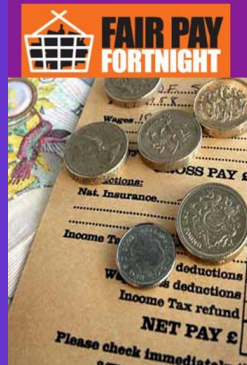
UNISON Scotland Voices on low pay

Utilities prices are so bad I keep my heating off for 6 months of the year - Housing Officer

39 000 workers employed on public sector contracts in Scotland earn less than the Living Wage

(Source; Scottish Parliament)

13 000 workers in Scotland are paid less than the minimum wage



The average public sector worker has lost £3,400 in wages since 2010

Austerity doesn't work

UNISON Scotland

Living Wage, Minimum Wage and Zero Hours Contracts

We have an increasingly low pay economy in Scotland and throughout the UK as a whole.

It is estimated by the Scottish Government that there are 427,000 people earning less than the living wage in Scotland. This is just over 18% of the entire workforce. This is an increase of around 32,000 on 2013.

There are currently estimated to be 69,000 people in Scotland earning the minimum wage or less which accounts for three per cent of the workforce.

In April 2014, 0.9% of employees in the UK, around 236,000 people, were paid less than the NMW. The situation in Scotland is slightly better but we still have, 0.5% or around 13,000 employees being paid below the minimum wage.

The STUC estimates that there are now 84,000 people on zero hours contracts in Scotland

**427 000 workers
in Scotland earn
less than
Living Wage**

“There’s no money” - ayey, right



**Super rich continue to
see their incomes soar**

One of the excuses for pay being held down in recent years has been that “there is no money”. Meanwhile, the Sunday Times Rich List – that’s the 1000 richest people in the UK clocked up an increase in wealth of [15% last year](#). To a total of £520 Billion. So while workers have experienced the longest continuous drop in wages since the 1860’s. The rich have, quite literally, never been richer. If there is no money available for wages – that’s as a result of political choices in London and Edinburgh – not through economic necessity

UNISON Scotland Voices on low pay

It has affected me financially, to the point where I feel I need an extra job, to boost my existing NHS hours – Hospital Porter.



**We're facing the tightest
living standards squeeze
for nearly a century**



**If the wage bill
had kept up with
inflation there would
be £5bn more spending
in Scottish economy**

**Austerity
doesn't work**



UNISON Scotland Voices on low pay

I just get by. Normally I am really struggling by week three. If my bills and rent go up any more I would not be able to live. Family holidays never happen – Hospital Cleaner

Wage Led Growth

[Austerity economics don't add up.](#) If we want to boost the economy we need to invest in public services and put demand back into economies using wage led growth. Across the UK as a whole the pay freeze has slowed the economy down to the tune of some £33bn

Both procurement of public services and the subsequent spending of wages by the public service workforce boost local economies – far more effectively than tax cuts or freezes. We need a different approach from Government in Westminster and the Scottish Government to be using the full range of revenue raising powers at its disposal. Welcome promises made in Holyrood on making the Living Wage a greater part of public procurement need to be turned into concrete action.

Higher paid workers buy more goods, pay more tax and help get the economy moving. Stagnating pay on the other hand, is bad for workers, bad for their families and as is becoming increasingly obvious bad for the economy. Better pay, and tackling poverty pay in particular would put demand into the economy and speed recovery. Better wages aren't the solution to all of our problems – but they can't be tackled without it.

Scotland needs a pay rise.

Useful Links

[UNISON Scotland—Wages & Prices](#)

[Fair Pay Fortnight](#)



Better Wages ARE Best Value

Various estimates by the TUC and the Association for Public Service Excellence have estimated that of every £1 spent on wages for public service workers anything between 50p and 70p will be spent locally – lower paid workers both tend to spend their money and aren't using off shore tax havens.

A report by Landsman Economics commissioned by UNISON estimated that for every 1% increase in public sector pay across the UK – an extra £710- 820m would be collected in tax, substantially offsetting any cost.



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UNISON Scotland's
key campaigns

[Public Works](#)

[UNISON Scotland website](#)