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Speech in the Scottish Parliament

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Living Wage

The debate is important. It is not just about the mechanics of the living wage in isolation but about the bigger picture of social justice, fighting inequality, tackling low pay and the basic concept of liberty that is embedded in the Beveridge report and the Attlee Government's creation of the welfare state.

Of course, no one suggests that the living wage is a magical golden bullet that will solve all Scotland's most intractable social inequalities at a stroke, but I strongly support the work of the Scottish living wage campaign and of organisations such as the Poverty Alliance.

Some might say, "Doesn't the minimum wage already look after low-paid workers?"

The minimum wage was a major achievement by the Labour Government in 1998 and of course it addressed extreme low pay.

I remember leaving the Commons bleary-eyed at 9 am after 28 divisions in an all-night sitting before the National Minimum Wage Bill was finally passed.

I felt proud—not in a self-serving sense—that politics could make a difference for the thousands of low-paid staff in the Highlands and Islands and throughout the UK who received an immediate boost, such as bar staff in Aviemore, catering workers in Fort William and shop assistants in Inverness.

The minimum wage worked for extreme low pay, but a living wage is another tool to tackle the plight of low-waged workers in Scotland.

We do not need a crystal ball or to search for the ancient predictions of the Brahan seer to work out whether the living wage will work.

We have only to examine the experience in London, Oxford and Glasgow or, on the international stage, in Calgary, Los Angeles, Maryland, San Francisco or the 120 other cities throughout the United States and Canada that have a living wage policy.

In Calgary, economic analysis after the introduction of the living wage reported increased income for lower-paid staff; improved health and quality of life; and reduced dependency on Government assistance.

The study showed that Calgary was able to attract better workers and improve productivity.

The results were consistent with many of the other living wage cities in the US and Canada.

To come back to the Scottish context, where did the £7 an hour figure come from?

Patrick Harvie covered that.

Work by the Joseph Rowntree Foundation found that a single adult working full time needs more than £7 an hour to reach a minimum socially accepted quality of life.

What is the scale of the problem? Frank McAveety referred to that in our previous debate on the matter, but the figures vary according to which survey is used.

The Scottish living wage campaign quotes the figure of 700,000 low-paid workers in Scotland, based on labour force survey data.

The Scottish Government—as I hope the minister will testify later—uses the annual survey of hours and earnings, and the most up-to-date figure from that survey that I could find from the Scottish Parliament information centre yesterday was 386,000 low-paid workers.

Let us consider snapshots in other sectors: there are about 5,000 low-paid workers in the NHS.

Figures that I got from written answers show that, in my region, there are 869 in the Highland Council area, 407 in Moray, 631 in Argyll and Bute, 360 in Orkney and, interestingly, none in Shetland.

What about the effect on business?

Private sector suppliers to local government, the NHS and the Scottish Government should be encouraged to build a living wage into contracts.

A Scottish living wage employer award should be developed to encourage uptake by employers in the public, private and voluntary sectors.

Guy Stullard, a director from KPMG Europe, is quoted by the Fair Pay Network as saying:

"We have found that paying the Living Wage is a smart business move as increasing wages has reduced staff turnover and absenteeism, whilst productivity and professionalism has subsequently increased."

A number of organisations have incorporated that into their procurement policies.

Poverty wages are bad for business and communities and have no place in Scottish society, which is part of the sixth-biggest economy in the world.

Making work pay is the route out of poverty.

My experience on the doorsteps is that people want a hand up not a handout. It is about fairness and equality. More than 60 per cent of low wage workers in Scotland are women.

Finally, Presiding Officer, as I am running out of time—

The Presiding Officer: Very briefly, please.

David Stewart: The living wage provides a virtuous circle, using the multiplier effect. We estimate that between—

The Presiding Officer: I am sorry, but I have to move on.