



**PUBLIC PETITION NO.**

**PE01467**

**Name of petitioner**

Andrew McGowan MSYP on behalf of Scottish Youth Parliament

**Petition title**

Scottish Living Wage Recognition Scheme

**Petition summary**

Calling on the Scottish Parliament to urge the Scottish Government to set up a recognition scheme to recognise employers that pay a Scottish Living Wage.

**Action taken to resolve issues of concern before submitting the petition**

This petition emerged as part of the Scottish Youth Parliament (SYP)'s Youth Manifesto consultation in 2011. The manifesto, 'Change the Picture' (<http://www.syp.org.uk/our-manifesto-W21page-82-/>) was shaped by 42,804 responses from young people, the largest youth consultation of its type in Scotland. 76% of respondents agreed with the statement "To tackle in-work poverty, the Scottish Government should set up a recognition scheme for employers that pay a Scottish Living Wage of at least £7 per hour to all employees, which is regularly reviewed to make sure it is meeting minimum income standards", with just 10% disagreeing. Based on this strong support, the statement is included in the manifesto, which shapes the basis of the SYP's policy and campaigning work for the 2011-16 Parliamentary term.

*[N.B. The figure of £7 per hour was consistent with the Living Wage at the time the consultation was conducted and was included for illustrative purposes. The SYP supports the Living Wage, as calculated by the Centre for Research in Social Policy ([http://www.crsp.ac.uk/projects/living\\_wage.htm](http://www.crsp.ac.uk/projects/living_wage.htm))]*

The decision to campaign for the Living Wage as a national priority was taken following a vote of SYP's full membership at our AGM in June 2012. Our campaign, 'One Fair Wage' was launched in September 2012. Whilst our ultimate aspiration is a Scotland where everyone, no matter how old they are, earns a Scottish Living Wage that's based on how much it costs to live, we recognise that minimum wage legislation is a matter reserved to the UK Parliament and is not on the political agenda in the short term. Our aims for the short and medium term build on the already strong support from MSPs and Councils to move to persuade businesses to become Living Wage employers, and to campaign for a Scottish Government recognition scheme for Living Wage employers.

Since the launch of One Fair Wage, our MSYPs have secured pledges of support from over 50 Councillors; 25 MSPs and MPs including all Scottish Green Party elected officials; Save the Children and UNISON; and local businesses such as Govan Law Centre and Money Matters Advice Centre. With several other meetings planned in the near future we are confident our list of supporters will continue to grow, and businesses will be persuaded to become Living Wage employers. In addition, since the launch of

the campaign, several local authorities have committed to becoming Living Wage employers, and following COSLA's recent proposal to increase the basic rate of pay for local government staff (<http://www.cosla.gov.uk/news/2012/11/scottish-councils-end-pay-freeze>), it is looking increasingly likely that by the start of the 2013-14 financial year, all public sector employees in Scotland will be paid at least a fair, equal Living Wage.

SYP submitted organisational responses to the Scottish Government's Procurement Reform Bill consultation ([http://www.syp.org.uk/img/consultations/Procurement%20Reform%20Bill\\_SYP%20Response.pdf](http://www.syp.org.uk/img/consultations/Procurement%20Reform%20Bill_SYP%20Response.pdf)) and John Park MSP's Living Wage (Scotland) Bill consultation ([http://www.syp.org.uk/img/consultations/Living%20Wage%20Bill\\_SYP%20Response.pdf](http://www.syp.org.uk/img/consultations/Living%20Wage%20Bill_SYP%20Response.pdf)) recommending in both that the Scottish Government establish a Scottish Living Wage recognition scheme as part of efforts to increase the number of employers paying a Living Wage.

The Scottish Youth Parliament is submitting this petition as the next stage in our One Fair Wage campaign.

## Petition background information

The Living Wage is an hourly rate calculated according to the cost of living and presents the minimum pay rate required for a worker to provide themselves and their family with the life essentials. These are usually taken to include housing and utilities, food, and health care as well as transport and recreation.

The Centre for Research in Social Policy calculates the Living Wage figure for the UK outside London. This figure is recognised as a Scottish Living Wage figure by the Scottish Living Wage Campaign, the Scottish Government as well as Living Wage employers in Scotland. This is updated every November, and the current level is £7.45 per hour, significantly higher than the National Minimum Wage. They also conduct research into a Minimum Income Standard (<http://www.minimumincomestandard.org/>) for different groups of people (e.g. young people, single people, couples with children etc.) based in part of the public's perceptions of what are considered essentials to everyday life. This is used in the calculation of the Living Wage figure.

The campaign for a Living Wage originally emerged from community activists in London after hearing from a number of citizens who were in in-work poverty. They reported that despite working full-time at the National Minimum Wage, they were forced to forego essentials, struggle to pay for food, rent and bills, or were to take on additional part-time work in addition to their full-time job to make ends meet. Calls from campaigners have grown louder as the gap between the National Minimum Wage grows – as of November 2012, a full-time worker earning the Adult National Minimum Wage (£6.19 per hour) will earn almost £2,300 less per year than someone earning the Scottish Living Wage (£7.45 per hour.)

*[Calculated on the basis of working a 35 hour week, the National Minimum Wage employee would earn £11,265.80 per year, compared with £13,559 for the same hours at Living Wage rates.]*

The substantially positive equality impact of paying the Living Wage for women, disabled people and people from BME and migrant communities has been noted in the Living Wage (Scotland) Bill consultation ([http://www.scottish.parliament.uk/S4\\_MembersBills/Living\\_Wage\\_Consultation\\_Final.pdf](http://www.scottish.parliament.uk/S4_MembersBills/Living_Wage_Consultation_Final.pdf)). Of particular significance for the Scottish Youth Parliament is the extremely beneficial effect an increase in the number of Living Wage employers is likely to have on young workers. Indeed, it is for this reason that our MSYPs voted to prioritise a national SYP campaign for a Living Wage. On the whole, young people earn far less than the rest of the population. According to the most recent Office for National Statistics figures, the median full time earnings for 16-17 year olds in the UK was £161.90 per week (about £4.63 per hour) and £277.80 for 18-21 year olds (about £7.93 per hour), compared with £406.60 for the mid-point of 22-29 year olds' earnings (£11.62 per hour) (<http://www.ons.gov.uk/ons/rel/ashe/annual-survey-of-hours-and-earnings/ashe-results->

Part of the explanation for this can be found in the jobs that young people can find. The jobs paying lowest on average are Sales and Customer Service (with almost 60% of employees earning less than £7.20 per hour) and Elementary Occupations (e.g. cleaners, labourers) where over 50% are paid less than the Living Wage figure, both sectors where a significant number of young people work, either full-time or part-time combined with studies. Of far greater significance however, is the legalised discrimination of the National Minimum Wage system.

The Scottish Youth Parliament has long called for the Minimum Wage to be equalised. The current system, consisting of a rate for those aged 21 and over, and separate, inferior rates for those aged 18-20 and those aged 16-17 is not acceptable if young people are to be valued and treated as equal members of society. It is manifestly unfair that a young person can be paid significantly less than a colleague doing exactly the same job, simply based on how old they are.

These variable rates are compounding the effect of low pay on young people. The gap between the income of a full-time worker on the 21+ Minimum Wage grows to £4,495 per year for those aged 18 to 20 and a staggering £6,861 per year for those aged 16 and 17 working full time at National Minimum Wage rates. To put this into even sharper focus, following the uprating of the Living Wage, the 16-17 Minimum Wage of £3.68 per hour is now less than half the Scottish Living Wage (£7.45 per hour).

Whilst it is the case that many young people combine part-time work with full-time education, an increase in the number of Living Wage employers would play a key role in preventing students' education being compromised in order to prevent them falling into poverty. The Cubie Report recommended that full-time students should work a maximum of 10 hours per week, but National Union of Students Scotland research suggests that 68% of students in employment work longer hours than this (<http://www.nus.org.uk/PageFiles/12238/STILL%20IN%20THE%20RED%20REPORT%20FINAL.pdf>). At the 18-20 National Minimum Wage rate, students would need to work almost 15 hours per week to make as much as they would from 10 hours at Living Wage rates.

With specific reference to what a Scottish Living Wage Recognition Scheme might look like in practice, the SYP has examined a number of similar schemes by different organisations in Scotland and the rest of the UK, recognising the Living Wage or other employment issues. These include the Living Wage Foundation's Living Wage Employer Mark (<http://www.livingwage.org.uk/employers>), Glasgow City Council's Glasgow Living Wage Employer Award (<http://www.glasgowlivingwage.co.uk/>) and Investors in People (<http://www.investorsinpeople.co.uk/Pages/Home.aspx>) amongst others. The various schemes carry different levels of legal weight and profile. In some way for example, the Scottish Youth Parliament's own One Fair Wage pledge (<http://www.syp.org.uk/one-fair-wage-W21page-345-/>) could be seen as a recognition scheme of sorts, but naturally isn't a binding commitment (any employer could sign it and say that they're a Living Wage employer when in reality they aren't) and, despite our best efforts, it couldn't be as high-profile and act as motivation for businesses, public bodies and charities as is needed for it to be effective. For these reasons, we feel that a Scottish Living Wage Employer Recognition Scheme established by the Scottish Government could make a significant contribution to increasing the number of Living Wage employers in Scotland.

Whilst the Scottish Youth Parliament's vision of any scheme is not prescriptive and could be implemented in a number of different ways, for the purposes of illustration a Scottish Living Wage Employer recognition scheme might involve:

- Employers with staff based in Scotland could sign a legally-binding declaration that they pay all their staff (potentially including sub-contracted ones) the Scottish Living Wage (including uprating pay within six months of it being re-calculated).
- This declaration could give the Scottish Government the right to request further information/proof if they suspect workers aren't being paid a Living Wage (for example if someone reports it to them).

- Completing this process could entitle an employer to call themselves a Scottish Living Wage Employer and display a kitemark (logo) on their websites, letterheads etc.
- Each year, the Scottish Government could host a Scottish Living Wage Employer Awards, where the First Minister (or other Cabinet Secretary) presents the employers with a certificate, plaque or trophy.
- The scheme could either be free, or very cheap to encourage employers of all sizes, from all sectors to join.

There are a number of potential advantages of establishing such a scheme including showing strong leadership from the Scottish Government on the Living Wage; a strong incentive for businesses to gain publicity for being a good and responsible employer; potentially allowing businesses to attract customers and become more attractive to people awarding work; encourage employers from the private and voluntary sectors to adopt a Living Wage policy; provide a relatively robust test for whether those declaring themselves to be Living Wage employers actually are in practice; being distinctly Scottish and specific to Scottish circumstances; and encouraging to employers based in Scotland exclusively – as well as benefitting workers of all ages by ensuring that they're paid a wage that they can live on!

There may be benefits in terms of employers demonstrating their social and community responsibility which could make them more attractive when tendering for public contracts. Whilst noting the ongoing legal debate about whether it would be possible to require this within the constraints of European law, at the very least this would demonstrate that an employer was committed to paying everyone that works for them a wage that they can live on and would receive formal recognition as an employer conscious of their wider impact on the society and community around them.

#### Unique web address

<http://www.scottish.parliament.uk/GettingInvolved/Petitions/OneFairWage>

#### Related information for petition

The Scottish Youth Parliament's One Fair Wage campaign - <http://www.syp.org.uk/one-fair-wage-W21page-345/>

The Scottish Youth Parliament's Change the Picture Youth Manifesto - [http://www.syp.org.uk/our-manifesto-W21page-82-](http://www.syp.org.uk/our-manifesto-W21page-82/)

Calculating the Living Wage (Centre for Research in Social Policy) - [http://www.crsp.ac.uk/projects/living\\_wage.htm](http://www.crsp.ac.uk/projects/living_wage.htm)

The Scottish Youth Parliament's response to the Procurement Reform Bill - [http://www.syp.org.uk/img/consultations/Procurement%20Reform%20Bill\\_SYP%20Response.pdf](http://www.syp.org.uk/img/consultations/Procurement%20Reform%20Bill_SYP%20Response.pdf)

The Scottish Youth Parliament's response to the Living Wage Bill - [http://www.syp.org.uk/img/consultations/Living%20Wage%20Bill\\_SYP%20Response.pdf](http://www.syp.org.uk/img/consultations/Living%20Wage%20Bill_SYP%20Response.pdf)

The Scottish Living Wage Campaign - <http://slw.povertyalliance.org/>

The Living Wage Foundation's Living Wage Employer Mark - <http://www.livingwage.org.uk/employers>

Glasgow City Council's Glasgow Living Wage Employer Award - <http://www.glasgowlivingwage.co.uk/>

**Do you wish your petition to be hosted on the Parliament's website to collect signatures online?**

YES

**How many signatures have you collected so far?**

0

**Closing date for collecting signatures online**

27 / 02 / 2013

**Comments to stimulate online discussion**

One Fair Wage is a campaign set up by the Scottish Youth Parliament to encourage organisations to pledge their support for a Scottish Living Wage. We believe everyone in Scotland deserves to earn at least enough to live on. We believe it's obscene for people to be trapped in in-work poverty.

As part of the campaign, we're calling on the Scottish Government to set up a Scottish Living Wage Recognition Scheme. This scheme could accredit and publicly recognise employers from all sectors that pay all their staff a Living Wage, which could benefit workers of all ages by ensuring that they're paid a wage that they can live on!