

**GMB**

**U N I O N**

**Congress 2022**  
**CEC Statement on**  
**the Cost of Living**

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## **Summary**

Workers are facing the worst cost of living and wages crisis in generations. This is a crisis that demands an industrial and a policy response.

This Statement updates GMB's core Real Living Wage demand from £12 to £15 an hour and establishes in GMB policy the union's key industrial priority of bargaining for £15 an hour in the care sector.

## **Wages in crisis**

Living standards are set to endure their sharpest fall since the 1950s. Energy prices are spiralling. Prices are outstripping wages across the economy.

Inflation is expected to average 10 per cent this year. Increases to the cost of living are expected remain at historically high rates for at least two years – and possibly beyond.

Shareholders' dividends doubled in the decade before the pandemic but average real wages have not grown in 14 years. Profits depend on labour, but around the world the share of profit returned to labour is shrinking as union membership declines.

The consequences of decades of pay erosion and low investment are now being felt. Employers are struggling to recruit. Vacancy rates are the highest on record. GMB's longstanding belief that the path to productivity growth runs through high wages and high levels of investment has never been more relevant.

## **GMB's response**

GMB's response to the cost-of-living crisis has been twofold. The union has bargained for fair pay rises for our members, including through industrial action. Examples of recent pay settlements won by GMB include: G4S at Croydon Hospital (24% with backpay and an occupational sick pay scheme), Eastbourne refuse collection (19% over two years), and VolkerRail (up to 14.5%).

GMB also renews its calls for the burden of environmental levies to be transferred from household bills onto general taxation, and for VAT on energy to be set at 0%. The union has also set out new policy proposals at a national level – such as reserving a fair share of UK-produced gas for domestic households and energy-intensive industries.

These are all policies that would make an immediate difference to members' finances. But we know that the two most effective ways of raising incomes are through collective bargaining, and through raising the minimum wage floor.

### **A Real Living Wage – GMB policy**

GMB was one of the first unions to call for a National Minimum Wage policy. Our longstanding position is to support the tripartite Low Pay Commission approach, while calling for the Low Pay Commission to be reformed to focus more clearly on workers' interests, with a widened remit to investigate the structural causes of low pay and make policy recommendations to governments.

There is an urgent need for policy investigations and funding increases in chronically low-paying sectors, such as a social care (where average pay has been just a few pence above the National Minimum Wage for many years), and schools – teaching assistants were paid just £14,000 on average in 2021. Public service outsourcing has driven down pay rates. The Low Pay Commission should investigate these areas and make recommendations, alongside Real Living Wage demands that cover all low-paid workers.

We recognise that the National Minimum Wage was initially set too low, and the rate has never fully caught up. We remain concerned about the need to raise the pay of all-low paid workers, including those who are nominally paid more than the National Minimum Wage rate. We oppose age-based criteria and call for the abolition of discriminatory lower National Minimum Wage rates.

Congress 2021 updated our demand for the National Minimum Wage to be replaced with a Real Living Wage of at least £12 an hour, reflecting

increases in RPI inflation since Congress first adopted a £10 an hour demand in 2014.

At the same time, Congress instructed GMB:

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*'to continually review inflation rates ... and from time to time to bring further proposals for uprating our headline demands for debate at future Congresses.'*

*2021 Statement on Pay and the Cost of Living*

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The dramatic increase in inflation since last year must now be taken into account. If inflation holds at current rates then our core demand would have to be increased to £14.50 by Congress 2023, just to keep pace.

In an April 2022 survey of a representative sample of working GMB members, 77 per cent said that the National Minimum Wage should be no less than £15 an hour.

In light of the current cost of living crisis and the increased value placed on scarce labour, Congress therefore raises its demand for a statutory increase so that no worker is paid less than £15 an hour.

In recognition that this demand will likely be resisted by the current UK Government, Congress also reiterates its call for sectoral and employer-level bargaining for at least £15 an hour now – starting with our priority campaign: the fight for £15 in social care.