

## UNITE BRIEFING

## GETTING BRITAIN OFF THE 'PATH TO POVERTY' – FIGHTING FOR A LIVING WAGE AND PUTTING PEOPLE BACK TO WORK

**As ordinary people continue to struggle against a deepening economic crisis it is clear that the Tories have no industrial or economic strategy to bring Britain out of the double dip recession they have created.**

With growing unemployment (over one million of whom are a lost generation of young people), increasing insecurity and deepening financial worries for millions, **Unite General Secretary, Len McCluskey** last week at the TUC argued that the first priority for government must be to expand our economy; create new jobs, support struggling industries, address a growing housing crisis and protect our most vulnerable.

***"In an unprecedented move 'Save the Children' have launched their first ever campaign to support the poorest here in the UK ... we need action to support growth and social justice .... We need a programme against mass poverty now!"***

With a staggering one in ten now turning to 'pay day loans' and one in four households struggling to pay spiralling energy costs, Government has a duty to act and to act now!

**Unite** is demanding immediate action that both recognises the crisis and puts in place practical measures

to get us off their **'path to poverty'**.

1. **Increase the Minimum Wage by £1 per hour** from 1<sup>st</sup> October 2012. This would take the minimum wage to a rate of £7.19 per hour for an adult and cost government nothing. The additional monies earned would be spent in local economies supporting jobs and investment. While it would still leave the minimum wage staggering £1.18 below the Joseph Rowntree Foundation 'living wage' figure of £8.38 per hour, this must be the first stage in a redistribution of wealth from the richest 1% to the 99% struggling to make ends meet.
2. **Invest in a major construction programme** to end the housing crisis and create 750,000 new jobs. Building 100,000 extra social and affordable homes would not only create an estimated 750,000 new jobs in construction, manufacturing, material supply and distribution, but brings in much needed revenue to the treasury.

### Getting Britain off the Path to Poverty

**Increase the minimum wage by £1 per hour** - *This immediate step would benefit over 4.5 million workers, be of no cost to government and put money back into local economies where it is so desperately needed.*

**Tackle the housing crisis with investment in a major house building programme** - *A £6 billion state investment in new homes would not only create an estimated 750,000 jobs in the economy, but generate desperately needed finances for the treasury.*

**Establish a State Investment Bank** – *An SIB would invest 'our money' in strategically important sectors of our economy. Creating jobs and supporting a world class manufacturing sector to help rebalance our economy.*

**Regulate to cap energy and rent bills** – *The unacceptable and continuously rising costs of rent, fuel, gas and electricity will kill this winter. A price ceiling would stop excessive profiteering, end fuel poverty and lead to real spending in the wider economy.*

**Close the tax loopholes** – *Decent, ordinary men and women didn't create the economic mess we are in. Failing to close loopholes allowing millionaires to avoid some £25 - £40 billion a year is a crime against humanity.*

Getting people off of benefits and into work - including our young people into apprenticeships - brings in tax revenue while lowering the overall welfare bill. Spending this hard earned money in the local economy keeps open shops while creating further jobs producing the goods people can now afford to buy.

3. **Establish a State Investment Bank** to support strategic industries and finance a major infrastructure building programme. While billions of pounds continues to be pumped into the finance sector we see small and medium sized businesses struggling to get the loans they need and world class businesses in key sectors of the economy unable to grow or invest in necessary research and development.

Key to a balanced economy is the need to diversify away from our reliance upon the finance sector. A State Investment Bank would see billions invested in world class, high value manufacturing facilities, in our transport infrastructure and communications. Investing today in our future, creating real jobs and hope for our young, taking people off benefits and restoring dignity to our communities.

4. **Regulate to cap energy costs and rents** to end fuel poverty and the exploitation of the homeless by the worst of landlords. Over the past eight years fuel costs have doubled and continue to rise along with company profits. A recent Uswitch survey identified that 80% of homes had rationed their energy use last winter due to rising costs.

This Government's disgraceful cap on housing benefit rather than rent will see thousands of families forcibly relocated from our inner cities into 'cheaper areas'. Children will be forced from schools while hard working men and women, already struggling, expected to commute long distances to perform low wage jobs while paying increased transport costs for the privilege!

*"It is a crime against humanity for a government to preside over a system so broken, that hard working people and the most vulnerable within our society are forced to pay for a financial crisis created by spivs and gamblers".*

Capping rents, fuel and energy costs while reintroducing **Fair Rent Tribunals** is a matter of social justice, it should be done immediately and with no cost to government.

5. **Close tax loopholes** that see global companies and multi-millionaires avoiding between £25 and £40 billion in tax each year. Ensuring that the richest and those most able to pay do so is a principle deeply held within society and rightly argued by **Unite**. To cut the taxes of the rich while slashing benefits for the poor is an obscene abuse of power. Closing the loopholes that see millionaires sailing in the sun while ordinary decent men and women struggle to make ends meet must be a priority and **Unite** will continue to fight this fight until justice is seen to be done.

**There are many other things that could and should be done to make our nations a fairer place to live. We must take immediate measures to grow our economy and put our people, especially our young, into decent, well paid and secure work.**

**There is a lot to be done, join us on 20 October in London to raise your voice against austerity.**

