

Press release: Low pay and progression in the labour market

Low pay is endemic in the UK and there has been little progress in the number of people managing to escape from poorly paid jobs, a new report by the Social Mobility Commission reveals today (Thursday 19 October).

The 'Great Escape?' report, carried out by the Resolution Foundation, explores trends in low pay over recent decades and examines the factors linked to low pay and progression. It tracks individuals' pay over 10 years and divides them into 3 groups:

- 'stuck' – those who are stuck in low pay every year
- 'cyclers' – those who move out of low pay at some point, but who have not consistently stayed above the low pay threshold by the end of the decade
- 'escapers' – those who earn above the low pay threshold in each of the last 3 years, suggesting they have remained in higher pay

The analysis finds that just 1 in 6 low-paid workers (17%) managed to permanently escape from low pay in the last decade. Meanwhile, a quarter of low-paid workers remained permanently stuck in low pay and nearly half (48%) fluctuated in and out of low pay over the course of the last 10 years.

The report finds that women are more likely to be low paid than men and are also far more likely to get stuck in low pay. It is particularly difficult for women in their early twenties to escape low pay, with the lack of good-quality, flexible work to fit alongside childcare responsibilities as the most likely barrier.

However, there has been some long-term progress for women. Excluding those who exit the data over the following decade, the proportion of women getting stuck has fallen from 48% in 1981 to 91 to 30% in 2006 to 2016. In contrast, the risk of long-term low pay has increased for men over the same period (from 20% to 25%). This is likely due to the increasing number of men working in low-paid, part-time work.

The report finds that nearly two-thirds (64%) of workers who are 'stuck' in low pay are working part time, while nearly three-quarters (71%) of people who escaped low pay were working full time.

Getting stuck in low pay carries a severe pay penalty. On average, people stuck in the low pay trap have seen their hourly wages rise by just 40p in real terms over the last decade, compared to a £4.83 pay rise for those who have permanently escaped.

Age is also identified as a factor, with older workers far less likely to escape low pay than their younger counterparts. The report finds that 23% of low-paid workers aged 25 or under escaped low pay over the following decade,

compared to 15% of those aged 46 to 55.

The research also finds that in the last decade, low-paid workers were mostly likely to escape in Scotland and least likely to escape in the North East.

It adds that while the National Living Wage is reducing the number of people in low-paid work – last year saw the biggest fall in 40 years – there will still be around 4 million low-paid workers in 2020, highlighting the scale of Britain's low pay challenge.

The Rt Hon Alan Milburn, Chair of the Social Mobility Commission, said:

Britain has an endemic low pay problem. While record numbers of people are in employment, too many jobs are low skilled and low paid. Millions of workers – particularly women – are being trapped in low pay with little chance of escape. The consequences for social mobility are dire.

Britain's flexible workforce gives us global economic advantage, but a 2-tier labour market is now exacting too high a social price. A new approach is needed to break the vicious cycle where low skills lead to low pay in low-quality jobs. Welfare policy should focus on moving people from low pay to living pay. Government should join forces with employers in a new national effort to improve progression and productivity at work. Without concerted action, Britain will become more socially divided and social mobility will continue to stall.

Conor D'Arcy, Senior Policy Analyst at the Resolution Foundation, said:

Britain has one of the highest proportions of low-paid work in the developed world. And while three-quarters of low-paid workers did manage to move into higher paying roles at some point over the past decade, the vast majority couldn't sustain that progress. This lack of pay progress can have a huge scarring effect on people's lifetime living standards.

The National Living Wage is playing a massive role in reducing low pay, but it can't solve the problem alone. Employers need to improve career routes for staff, while government should support them with a welfare system that encourages progression at work.

1. The Social Mobility Commission is an advisory, non-departmental public body established under the Life Chances Act 2010, as modified by the Welfare Reform and Work Act 2016. It has a duty to assess progress in improving social mobility in the United Kingdom and to promote social

mobility in England. It currently consists of 4 commissioners and is supported by a small secretariat.

2. The commission board currently comprises:
 - Alan Milburn (chair)
 - Baroness Gillian Shephard (deputy chair)
 - Paul Gregg, Professor of Economic and Social Policy, University of Bath
 - David Johnston, Chief Executive of the Social Mobility Foundation
3. The functions of the commission include:
 - monitoring progress on improving social mobility
 - providing published advice to ministers on matters relating to social mobility
 - undertaking social mobility advocacy
4. Low pay is defined as hourly earnings below two-thirds of the median hourly wage, excluding tips, commissions or other payments. The low pay threshold is estimated to be £8.25 per hour in 2017.
5. The report draws on data and analysis from the Annual Survey of Hours and Earnings, the New Earnings Survey Panel Dataset and Understanding Society.

[Press release: PM's Diwali message: 18 October 2017](#)

I want to send my very best wishes to everyone celebrating Diwali here in Britain and all around the world.

The Festival of Lights is a special time for families and friends to come together, to share wonderful gifts and sweets, and to draw confidence from the knowledge that ultimately good will triumph over evil, hope over despair and light over darkness.

While Hindus, Sikhs, Jains and Buddhists will all celebrate in their own way this week, the underlying message of Diwali – and its timeless values of duty and service – will resonate with people of all faiths and none.

As Prime Minister, I want to take this opportunity to say a special thank you – on behalf of the whole country – for the immense contributions you all make to every sphere of life in the United Kingdom.

From the doctors and nurses serving in our NHS, to the soldiers, sailors and airmen serving in our armed forces, the entrepreneurs creating jobs across our communities, and the stars of arts and culture inspiring and entertaining us, Britain's Indian communities are a shining example of what makes our country great.

As successful and integrated communities you maintain your unique traditions

while contributing fully to our national life. And you help to show the world that our United Kingdom truly is a place where people from all backgrounds and beliefs can live their lives in freedom and achieve their full potential.

So this Diwali let us celebrate the values and freedoms that we share – and let me wish you all a happy, peaceful and prosperous new year.

Shubh Diwali.

News story: Muros report published

MAIB report on the grounding of bulk carrier Muros on Haisborough Sand, North Sea on 3 December 2016 is now published.

The report contains details of what happened and subsequent actions taken.

Press enquiries

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Speech: “We believe the way to achieve lasting peace is through a negotiated two-state solution”

Thank you Mr President and may I also thank Assistant Secretary-General Jenča, and through him, Special Coordinator Mladenov, for all of his work.

From the outset, I would like to make clear, as we approach the centenary of the Balfour Declaration next month, that the UK understands and respects the sensitivities many have about the Declaration and the events that have taken place in the region since 1917.

The UK is proud to have played a role in helping to make a Jewish homeland a reality. And we continue to support the principle of such a homeland and the modern state of Israel.

Just as we fully support the modern state of Israel as a Jewish homeland, we

also fully support the objective of a viable and sovereign Palestinian state. The occupation is a continued impediment to securing the political rights of the non-Jewish communities in Palestine. And let us remember, there are two halves of Balfour, the second half of which has not been fulfilled. There is therefore unfinished business.

With the approaching centenary, we believe it is important to look forward, not backward: forward towards establishing security and justice for both Israelis and Palestinians through a lasting peace.

We believe the way to achieve this lasting peace is through a negotiated two-state solution that leads to a safe and secure Israel living alongside a viable and sovereign Palestinian state, based on 1967 borders with agreed land swaps, Jerusalem as the shared capital of both states, and a just, fair, agreed and realistic settlement for refugees.

Mr President, we continue to watch developments on intra-Palestinian reconciliation closely. Our longstanding policy on reconciliation is that we support the Palestinian people in realising self-determination through an independent, sovereign, and unified Palestinian state encompassing the West Bank and Gaza.

We continue to closely monitor the situation in Gaza, and welcome Egyptian efforts on this important issue. We also join the Secretary-General in welcoming the Palestinian Authority's return to Gaza on 2 October, and the agreement to allow the Palestinian Authority to resume administrative control. This is an important and positive step toward the full restoration of Palestinian Authority control and effective governance in Gaza. We encourage those involved in the talks to engage in good faith, to allow the Palestinian Authority to fully resume its government functions, and ensure compliance with the Quartet Principles.

Our policy on Hamas remains clear: Hamas must renounce violence, recognise Israel and accept previous agreements. We expect now to see credible movement towards these conditions, which remain the benchmark against which its intentions should be judged. We call on those in the region with influence over Hamas to encourage Hamas to take these steps.

Mr President, in support of the two-state solution, we must continue to press the parties on the need to refrain from actions which make peace efforts more difficult. We are clear that the repellent phenomena of terrorism and incitement pose a grave threat to the two-state solution, and must end.

We strongly condemn the use of racist, hateful and anti-Semitic language. It is right that we continue to urge against any type of action and language that makes it more difficult to achieve a culture of peaceful coexistence.

Settlement construction is a significant barrier to achieving the negotiated agreement we seek, and seriously threatens the physical viability of the two-state solution.

We have witnessed an unacceptable acceleration of settlement activity

throughout 2017, both in the West Bank and East Jerusalem. To date, Israel has advanced plans for over thirteen thousand settlement units – the highest number of units since 1992. Reports also indicate that a significant number of units may be advanced this week, and new settlement construction permits were approved in Hebron for the first time in fifteen years. We condemn each of these illegal acts in the strongest terms.

Mr President, moving briefly to Iran:

As we have heard, President Trump has taken the decision not to recertify Iran's compliance with the Joint Comprehensive Plan of Action to Congress. The UK stands committed to the JCPoA and its full implementation by all sides. We believe that preserving the JCPoA is in our shared national security interest. The nuclear deal was the culmination of 13 years of diplomacy and was a major step towards ensuring that Iran's nuclear programme is not diverted for military purposes. The JCPoA was unanimously endorsed by this Council in Resolution 2231. The International Atomic Energy Agency has repeatedly confirmed Iran's compliance with the JCPoA through its long-term verification and monitoring programme. Therefore, we encourage careful consideration of the implications to the security of the US and its allies before taking any steps that might undermine the JCPoA, such as re-imposing sanctions on Iran lifted under the agreement.

As we work to preserve the JCPoA, we share concerns about Iran's ballistic missile programme and regional activities that also affect our security interests. We stand ready to take further appropriate measures to address these issues in close cooperation with the US and all relevant partners. We also look to Iran to engage in constructive dialogue to stop de-stabilising actions and work towards negotiated solutions. We believe this approach entails the best path to regional security.

Thank you, Mr President.

Speech: "Together, let's make a difference" – PM marks Black History Month

It is a great pleasure to welcome you all to Downing Street for this special reception.

For 30 years, Black History Month has called on us to look back and recognise the enormous contribution which African and African-Caribbean people have made to life in Britain.

The excellent timeline on display in the State Dining Room has been provided

by the Black Cultural Archive. It tells the story of over two thousand years of black history in Britain.

I'm very grateful to the Black Cultural Archives for helping us with this event and I was delighted that I have just been able to meet Dawn Hill, the Archives' chairwoman, and present her with a Point of Light Award today.

It recognises her activity and voluntary work she has put into the Black Cultural Archives.

The Archives' collection, and the uplifting and inspiring stories of Black history which they tell stretching from Roman times to the present day are now on display in the UK's first national Black Heritage Centre.

Housed in a beautifully restored Georgian building on Windrush Square in Brixton, it is a great asset for this city and our country.

It serves to remind us of a very simple truth: that Black history is British history and the history of our country is the history of all our people, of every ethnicity.

Black History Month also provides us with an opportunity each year to celebrate the success of Black British people in every walk of life.

And there is so much to celebrate.

People of African and African-Caribbean heritage make an invaluable contribution to our life in the UK.

From leading figures in the arts and culture, in sport and academia, business and public service black Britons make our country a better place.

But it is not just the most prominent people – the contribution of Black British people in communities right across the UK in our NHS and schools, running or working for a small business, volunteering in their communities help to make twenty-first century Britain the strong and diverse country we are today.

But while there is much to celebrate, there is also even greater potential which is going untapped.

Because despite all the progress which we rightly celebrate, we know we still have a long way to go not just to root out hatred and prejudice from our society, but to tackle the injustices that still hold people back.

The Britain I want us to build is a country where everyone has the chance to succeed and go as far as their hard work will take them.

A country where no one suffers discrimination because of their background or ethnicity.

That is why, within weeks of becoming Prime Minister, I commissioned an unprecedented audit of public services to analyse how a person's ethnicity

affects their experience of public services and how that affects their daily lives.

We published the findings last week. They expose some uncomfortable truths about the injustices that still exist in our society today – from health and education to the welfare and criminal justice systems.

As Prime Minister, it is my job, my duty, to shine a light on these injustices and lead the national effort to address them.

That will require work from Government – and it has already started.

So for example we are providing targeted employment support in ‘hotspot’ areas with big BAME employment gaps, so everyone has the best opportunity to make the most of their talents.

We are taking forward a number of recommendations from the Lammy Review into the experience of black, Asian and minority ethnic individuals in the criminal justice system.

There will be an external review to improve the practice in our schools on exclusions.

And the team in the Cabinet Office which produced the audit will not be disbanded – it is going to continue its work in the future, alongside other departments and the wider public sector to drive real and meaningful change.

As a number of people have said it is all very well producing this review. But when I say we will work to drive real and meaningful change I mean it.

I hope that each of these steps will make a positive difference.

I am under no illusions about the scale of the challenge but the opportunity is enormous. Just think of the potential which is there, which I say is untapped.

Think of the talent, enthusiasm and ambition of our young people.

I saw it last week, when I visited Dunraven School in Streatham.

And an interesting story encapsulates this. One young man told me that his ambition was to pursue a career in law but he didn’t see himself represented in the judiciary, and he wondered if he could make it.

But no-one’s ethnicity should stop them from pursuing their dreams and as a country, we cannot afford to squander the talent and ambition of our young people.

We need to do much more to make the public sector more representative of wider society and we are taking action through initiatives like the Civil Service Diversity and Inclusion Strategy, which was launched on Monday.

The contribution that young black people make to Britain is already enormous.

If we remove the barriers that remain, the potential for the future will truly be without limit.

It will take sustained work over time to overcome age old injustices.

My pledge this Black History Month is that we will see it through.

I hope all of you here, and leaders across communities, will work with me to make it a reality.

Black History Month encourages us to look back and learn from the past to look around us and understand the present and to look forward to shape the future.

To inspire the next generation to make our country and our world an even better place.

Thank you all for being here to celebrate it and I hope you enjoy the rest of this reception.

Together, working together in the future, let's make a difference.