



A Maximum Wage for Justice ?

This month the minimum wage for employees has been increased to £3.80 for those aged 18 to 21 years and to £4.50 for employees aged 22 and over. This works out at £8,190 per annum for an adult and £6,916 per annum for the 18 to 21 age group assuming a 35 hour week.

In the same month research has shown that the chairman of Rentokil is paid £2.9 million per annum, equivalent to 247 times the average pay for his employees. The highest paid director of the Compass Group earns £2.07 million, 197 times earned by an average employee in his company. Sadly they are not alone, there have been many more cases of excessive earnings by senior directors.

Trade unions are not exempt from this temptation to over value their position. General secretaries of our leading unions earn between £50 and £80,000 per annum before other benefits are added. This in some cases takes their earnings above £100,000, up to 12 times the earnings of a union member on the minimum wage.

I am pleased to see that some shareholders, where they have any significant influence have registered their concern and voted down bonuses or excessive pay increases. However, these instances on the whole are few and far between. Often the ordinary shareholder is faced with the major shareholders or institutions who have a vested interest in perpetuating the system.

In the last two years I have witnessed a number of other practices that give me grave concern and are unjust. Employees whose jobs have been made redundant are having to fight to get their fair share of the pension schemes they thought were safe. Employees who have lost up to 25 per cent of their pension value and denied early retirement while senior managers have walked away with their full pension rights intact.

The workers in the vineyard is a useful text to reflect on (Matthew 20 1:16). Here is an example of the generosity of the vineyard manager, the generosity of the Lord. Perhaps the silver coin was the minimum wage the workers needed to live on, regardless of hours worked ? The workers even in this passage were grumbling, they felt they should get more because they had laboured longer. Today we are told companies have to pay the "market rate" to obtain good directors, yet good employees are still too often cast off and forced to reduce pay and working conditions.

Catholic social thinking has always recognised the importance of a just wage. As *Rerum Novarum* the encyclical by Leo XIII put it in 1891: "... *Wages ought to be enough to be sufficient to support a frugal and well behaved wage earner* "... Furthermore if a worker is compelled by fear or necessity to accept an agreement that does not do this they are "*victims of force and injustice*".

Has the time come for a maximum wage? How long can we allow a greed culture to undermine the very fabric of our social cohesion, sending signals that money is the only measure of worth. It is many years since I have seen moral in industry generally drop so low, the sense of powerlessness and undervalue is a cancer eating at the heart of our economy. The present consultative document from the Department of Trade and Industry on '*Informing and Consulting Employees*' needs to ensure it has enough teeth so that employees and their representatives can influence in a meaningful way company policy in these and other areas.

Restraint and real leadership within industry and trade unions is called for if ordinary people are not to feed their cynicism about the motives of management and the purpose of our economy.

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The author serves on the following work related committees

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