

Failing to enforce the national minimum wage is another...

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As [Polly Toynbee argues in the Guardian this morning](#):

Welfare dependency isn't Britain's gravest economic problem. Pitiful pay is. If the government really wanted to cut its benefit bill, it would ensure that employers give their workers a living wage.

She is right, of course. Her case is glaringly obviously correct. But there is a flaw in it, and that is that HM Revenue & Customs, who have the responsibility for enforcing the national minimum wage do not do that job well even though it is their job to do so on behalf of BIS.

It is [true that they have a policy for doing so](#). But as [Fullfact Factcheck have reported](#), there have quite extraordinarily been less than ten prosecutions for failing to pay the national minimum wage since it was first introduced in 1998.

Now as FactCheck also point out, that is not the only sanction:

The previous Government [brought in a system of penalties in 2008](#) so that exploited workers could claim arrears and employers would face penalties. In the 2010/11 financial year, 937 cases saw a penalty imposed, totalling over £560,000.

That obviously makes the position a little better and yet we know there are tens of thousands of health care workers now not earning the national minimum wage in outsourced social care companies. The inevitable conclusion is that that chance of being penalised for not paying the minimum wage is low.

So what can be done? Firstly, and inevitably, resource needs to be dedicated to this issue. I suspect that this explains a great deal of this problem. We cannot deliver social justice for the low paid in this country without ensuring the resource is available to make those on the lowest in comes get paid the minimum they deserve.

Secondly, we need to remove the cross department responsibility for this issue. Confused reporting lines always undermine effectiveness. HMRC reporting to BIS on this

issue just creates confusion. HMRC may well be the right people to enforce this policy - but in that case give the responsibility to a Treasury minister.

Third, increase the penalties. Social security cheating is seeing a lot of attention and high penalties. But low pay cheating is exactly the same crime with the same consequence for us all. So make the penalty match the crime. And then impose it.

We have a social obligation to the lowest paid in our communities. It is time we fulfilled it.