

We need pay data and workable penalties now if we're to...

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I admit I did not have the day I anticipated yesterday. What was meant to be a day of meetings ended up in BBC studios discussing Jeremy Corbyn and his chaotic announcement of a high pay policy.

By the time I was on the World at One, to be followed by shadow minister Debbie Abrahams - who struggled to neither endorse or condemn what Corbyn had said - it was clear that [comments to the media from the likes of me and Danny Blanchflower](#) had killed the idea of a pay cap, despite it being discussed by Corbyn only hours earlier.

[Then came a series of new ideas](#), I suspect all put together in a hurry to get Corbyn out of the mess he'd got himself into. But a workers veto is a non-starter, although I support workers on boards whilst offering corporation tax discounts for good behaviour is a massively costly bribery. And whilst procurement only from companies with pay diversity ratios of less than 20 sounds good it also means that the NHS will almost certainly be without most of the drugs it needs, and I cannot see that going down well. So they're all non-starters.

Will acceptable pay ratios work for other purposes then? I am not sure they will. I wholeheartedly support the publication of such ratios. I actually support the publication of all pay, with a gender split, in bands of £10,000 and number of employees involved to £50,000 of income, followed by the same data in bands of £25,000 thereafter. A country-by-country split would be even more useful. In fact I'd call it vital if business is to be truly accountable to its employees, as I think it should be. Then there would be more than token gesture data to deal with.

But like all data subject to perverse incentives I suspect this data could be and would be gamed and that is where the problem really lies. If limits are needed then make them absolutes. And rather than saying the limit cannot be breached - which may penalise the government as a buyer - instead impose penalties on the seller [of the sort I suggested yesterday](#). I know they may not look quite as penal or dramatic as caps, but they might also work. And at the end of the day that's what good politics requires.

I keep hoping the Labour leadership might realise sometime soon.