



London Calling

News and views from RMT's London Transport Regional Council

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15 Reasons Why We Need a Decent Pay Rise

Management will try to convince us that we should accept a low pay rise because of the economic crisis. In truth, the crisis makes it even more important that we get a decent rise. Here's why ...

- 1** We did not cause the economic crisis, so we should not have to pay for it. We and other workers create the wealth in society. If bankers gamble that wealth away, that is not our fault.
- 2** Our bills have gone up and are due to go up even more (see box).
- 3** Government measures of inflation (CPI and RPI) systematically under-estimate real price inflation experienced by working people. The highest price rises are for essentials such as food and utilities, and we spend much more of our income on these things than the rich do.
- 4** The demands on our incomes are not being 'moderated' because of the recession. Landlords are not saying "I'll let you off your rent this month, what with the economic crisis!"
- 5** A low pay rise would have real and distressing consequences for us. London transport workers would face stress, home repossessions, debts, and a struggle to support ourselves and our families.
- 6** If the government can afford billions of pounds to bail out the banks, then it can afford to pay public service workers such as ourselves a decent wage rise.
- 7** When private Train Operating Companies beg the government for

How Your Bills Are Rising

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| <p>FUEL Average household bill rose by £381 to £1,293 last year [OECD]</p>  | <p>COUNCIL TAX Bills will rise by 3.5% average [Local Government Association]</p>  | <p>FOOD Prices rose by 11% last year [MSN Money]</p>  | <p>WATER Thames Water's bills will rise 3% above inflation [Mirror]</p>  |
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public subsidy, they get it - even while they rake in profit and run a rubbish service. So when we demand a decent wage for working hard, 24/7 all year round, we should get it too.

- 8** The government wants us to spend more. To do that, we need money, especially as banks are unwilling to lend. Gordon Brown's policy is to stimulate economic revival. Lower pay rises will have the opposite effect.
- 9** Self-sacrifice on our part will not save a single job in our industry or any other.
- 10** The employers are hardly tightening their belts (see overleaf).
- 11** Our employers want to use the economic crisis as a pretext to attack our wages and conditions. We won't save our conditions

by sacrificing our wages. We have to defend them both together.

- 12** Our hard work has increased our productivity. "London Underground hit new heights, carrying more people and delivering more service than ever before ... LU achieved 1.1 billion journeys per year." [LU PPP report 2007/2008]
- 13** The economic situation is chaotic and unstable. So we need a pay rise which is not just above inflation, but has a sufficient buffer above inflation to protect our real incomes against the wild fluctuations that are coming our way.
- 14** We should expect year-on-year improvements to our living standard, not just to stand still.
- 15** Because we deserve it.

Pay and the Economic Crisis: Answering the Arguments

"But other workers are losing their jobs."

Yes, and those workers could be our partners, sons, daughters or other dependants. If they lose their jobs, they will rely on our incomes even more.

There are many examples of unions accepting low pay rises or even pay cuts in order to 'save jobs', only to find that a few months later, the employer cuts the jobs anyway. If we demand a decent pay rise, this helps ourselves and workers in other industries by showing that we do not have to accept paying for the economic crisis, and may turn the tide back in favour of working people.

Workers within TfL face job losses. If we accept an inadequate pay deal, this will not protect our jobs: rather it will encourage management to attack them.

"But LUL/TfL has no money."

Really? Fares have risen and passenger numbers keep rising, so the revenue is coming in. The company has enough money to run glossy campaigns and send staff on costly workshops. It has also had to pay for the mess made by infracos, and to fund the bureaucracy created by PPP. If it can afford these, it can afford to pay us what we deserve.

TfL/LUL is a public service. The government reunite it as a single public company, and give it enough public funding to run a decent service with well-motivated and decently-paid staff.

"But we are already well-paid."

Compared with whom? Not with top bosses, or with the politicians who tell us to restrain our demands! Those who always oppose our pay claims (eg. the Evening Standard), always compare our pay with low-paid workers in other industries rather than with high-earners. Given the cost of living in and around London, our pay rates are not excessive.

In fact, especially in the lower-paid grades and/or if you have others who depend on you financially as many of us have, it can be a struggle to get by.

"The employers will see us as sensible and responsible if we moderate our demands."

No they won't: they will see us as weak. Employers rarely reward workers for settling for little, but often punish timidity by launching further attacks.

"We will be really unpopular if we demand a lot."

If popularity won pay rises, then nurses would be millionaires and politicians would be begging on street corners! If we stand up for ourselves, and explain our case to the public, we may inspire more support than you might anticipate.

"Prices are falling; there may even be deflation. So we should accept a lower pay rise."

No! Only some prices are falling. Prices of luxury goods are falling faster than those of the essentials and everyday extras that workers buy, many of which are still rising. A headline figure showing deflation does not mean that demands on *our* incomes are falling.

Many price cuts are only a slight readjustment following massive rises - so they are still rising overall. Food prices may have eased recently, but they are still up 6.2% year-on-year [BRC Neilsen Shop Price Index].

It is widely expected that prices will soon rise again, as a weak pound makes imports more expensive.

Some 'falling prices' work against us. Falling house prices can leave people in 'negative equity', owing more on your mortgage than your home is worth. If your pay is held back too, the next step is repossession and homelessness.



Fat Cats? How Much Our Bosses Are Paid

Figures for the most recent completed financial year (2007/08) reveal that ...

- Transport Commissioner Peter Hendy was paid more than £540,000: a salary of £334,720 plus a bonus of £115,200 and other benefits.
- Tim O'Toole, Managing Director of London Underground, £283,254 and a bonus of £73,115.
- David Brown, Managing Director of Surface Transport, was paid £261,500 plus a bonus of £42,625.
- Two other senior Transport for London bosses were paid between £300,000 and £460,000.
- As well as the top earners, 123 TfL bosses received more than £100,000.

[Evening Standard website]

Hendy's predecessor, Bob Kiley, coined it in big time in his final stretch in office, 1 April 2005 - 31 January 2006, as follows: Salary £265,090; Bonus for 2004/05 £270,000; Bonus 2005/06 £237,500; Compensation for loss of office £745,000; Termination bonuses £181,250. And on top of that, a very nice house, private health insurance and professional tax advice. [TfL website]

So how does Transport for London justify this?

TfL says that it: "has to attract and retain the best transport experts in the world. That requires paying the global rate for the job." [Evening Standard website]

... and that "The policy of TfL is to recruit and retain the highest calibre Chief Officers and to provide remuneration packages that reflect their responsibilities, experience and performance." [TfL website]

So how about remuneration packages for us that reflect our responsibilities, experience and performance? Or, better still, that reflect our need to pay our bills and have a decent quality of life?

Join RMT

- Get an application form from your local RMT rep
- By phone: 0800-376-3706
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www.rmt.org.uk/join

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