{Section 4}
What can be done?

Chapter 9
A strategy for stronger wage growth in the bottom half

Chapter summary

- Economic growth and rising productivity are a necessary but not sufficient condition for rising hourly wages.
- Boosting wages in the bottom half will mean strengthening the distribution of skills, which are chronically poor in the bottom half of the UK workforce, and labour market institutions whose relative weakness encourages low pay.
- Improving skills requires two main things, both entailing a new focus on educational outcomes at age 18 in order to make the most of the raising of the participation age:
  - Require all students to study English and Maths to 18;

  and, in time:

  - Introduce a new, high quality standard leaving exam at 18.
- Skills supply, though, is no longer enough. Trends in our jobs market require a stronger effort to more actively raise demand for skills with powerful new sector-based institutions and more structured transitions for young people into work.
- These must be backed by direct labour market policy. The Low Pay Commission needs a stronger, broader remit to combat low pay, including taking a view on which sectors of the UK economy could pay an "affordable wage" higher than the legal minimum.
- This must be part of a broader strategy including new transparency requirements on large employers to report the proportion of their staff on low pay and new efforts to encourage innovative ways to help employers reduce their reliance on low pay.

9a Swimming against the tide

The key task the UK now faces on hourly wage growth is how to ensure that, as the economy recovers, the gains flow through into strong wage growth across the bottom half of the workforce. Leaving aside weak prospects for aggregate wage growth, we have seen that several trends push against strong wage growth in the bottom half. Pressures from non-wage aspects of compensation are rising as we meet the costs of an ageing society, structural changes in our labour market look likely to skew growth towards the top and unemployment is exerting a stronger downward pull on real wage growth.

The key will be, first, to make the most of this new world, ensuring that Britain's workforce is productive in today's jobs and that the benefits of the good jobs being created are broadly shared and, second, to gradually push the UK towards creating better jobs, becoming slowly less dependent on an employment model that encourages low pay.

9b Growth and productivity – preconditions for prosperity

Growth and rising productivity are prerequisites for rising wages in the bottom half

A precondition for progress is a quick return to economic growth and longer-term steps to boost productivity. As a Commission we have not sought a shared view on fiscal stimulus or the pace of deficit reduction. However, there is now a broad consensus that immediate and bold action to boost demand in specific areas would be merited. It is important to think about living standards as part of these discussions because some pro-growth policies are also particularly beneficial for low to middle income households. Large-scale house building programmes and radical action to reduce youth unemployment are good examples of these.

Beyond emergency steps like these, a sustained agenda to raise productivity will be an essential part of any strategy to boost living standards. This means addressing the UK's particular productivity shortfalls, including a low level of business investment as a share of GDP and a slowness in commercialising new technologies and diffusing them throughout the economy. There is strong evidence about the kind of policy environment that supports productivity growth. This suggests the need for major investment in fundamental science, R&D incentives, and institutions that nurture and disseminate innovation.[1]

Again, concerns about living standards should be a key part of these discussions. Some longer term efforts to boost productivity could be particularly beneficial for low to middle income households. Easing supply-side constraints in our planning system could encourage new house building, enticing large-scale private investment into low cost rental homes. Raising the quality of UK middle management could help employers to make better use of their workforce, narrowing the gap between high and low performing firms, thereby particularly helping workers in the bottom half. Channelling credit to small- and medium-sized enterprises, in which many people on low to middle incomes work, could also help.

[1] For a summary of key evidence see Griffith, "Technology, Productivity and Public Policy". On institutions that support innovation, see the work of the Big Innovation Centre, a joint initiative of the Work Foundation and Lancaster University.

9c Skills in the bottom half

Broad-based wage growth also needs action on skills and labour market institutions

The missing part of this debate, though, is how to strengthen the mechanisms that feed productivity growth through to the bottom half of the workforce. The UK skills system lies at the heart of this. While it performs well on average, this obscures chronic underperformance among the bottom half of our workforce. We have seen that this manifests itself in two main ways. The UK workforce contains a long tail of people without basic skills including literacy and numeracy, many of whom work in low paid roles in which they are relatively unproductive and from which they struggle to escape. Meanwhile, those with intermediate skills find their wage returns to be highly variable and struggle to compete against people with degrees for well paid, professional jobs.

These failures are long established but, as we have seen throughout this report, they gain new urgency from recent trends in our jobs market. Our economy – like most advanced economies – is not creating better jobs across the board in the way economists once thought it would. Personal service roles are growing as a share of employment, leaving unqualified workers to languish in unproductive roles that rarely provide on the job training, marking the end of the road for skill acquisition. Middle-skilled roles are shrinking, removing old routes to security and progression for people with intermediate skills. Knowledge sectors increasingly dominate good jobs, moving prosperity out of reach for people without degrees.

The missing part of this debate is how to strengthen the mechanisms that feed productivity growth through to the bottom half

A key implication of these trends is that successive governments have only been partially right about the role that skills can play in boosting wages. Addressing skills supply shortages can help, but increased supply alone is not enough. In key sectors of our economy demand for skills is slack and the government needs to work actively to boost it.[1] Low demand for skills arises from fundamental economic forces: rising consumption has boosted demand for low skilled services, the rise of single parent and dual earning families has shifted more caring work out of the home, new technologies are competing against intermediate skills in ways they had not in the past. But the UK suffers from a much more acute version of the low-skill, low-pay problem than most of our European competitors, in part because of the failures of skills policy.

The role of supply

The first half of the response must be increasing supply. First, the proportion of people who lack basic core skills like literacy and numeracy must be reduced. This can help to eke out productivity gains in the UK's expanding, low paid service sectors and enable people to progress out of these roles, not least by ensuring they have a stable foundation on which to build intermediate skills. Second, many more people must be equipped to compete with graduates for good jobs in knowledge sectors. This is now more important than ever. Improving on exsisting levels of participation in higher education is a vital part of this, both for overall economic performance and to limit further growth in the graduate premium. But it is not enough.

It is imperative that the UK's performance on intermediate skills is improved so that the broad swath of young people who do not go to university have access to good jobs. Over the medium and long term this is the main way to support hourly pay among the bottom half of earners. Meeting this challenge while also addressing the workforce's lack of basic skills requires no less than changing the priorities of formal education. The UK education system focuses overwhelmingly on what children achieve by 16, but what matters most internationally and for the UK's standing in 2030 will be outcomes by 18. The key test is whether the education system gives basic skills to all young people and high-quality intermediate (Level 3) skills to the vast majority before adulthood.[3]

The UK is about to miss a major opportunity to boost intermediate skills

The UK risks missing a major opportunity to rise to this challenge. The compulsory participation age for education rises to 18 in 2015, potentially a big structural change that could shape the skills profile of the future workforce. Raising the participation age should be seen as a rare chance to raise the attainment of those who currently leave at 16 and (more so, because the vast majority already stay on to 18) to shift our focus and increase our ambition for what is delivered for all young people by 18.

In the short term, the government should take some simple, practical steps. For example, raising the participation age should be bolstered by new requirements that anyone who has not achieved basic core skills by age 16 – such as achieving grades A*–C in English and maths GCSE – should be required to progress towards these qualifications as part of their post-16 education.[4]

The long-term goal should be a new standard leaving exam at age 18, backed by a clear, new national objective to raise the proportion of children who leave school with high-quality, intermediate skills.[5] The UK is unusual as a country in having the key school leaving examination (GCSEs) – and the main metric against which schools are judged – at age 16. Most advanced economies focus on outcomes at 18, often through a graduation certificate. As the participation age rises to 18, the current UK approach will become even more anomalous.

A new standard leaving exam should be thought of in a similar vein to the goal of improving the proportion of young people achieving five A*–C grades at GCSE, including in English and maths, a key metric in our school performance system.[6] The

[2] Sissons, P. and Wright, J., (2012), The Skills Dilemma Skills Under-Utilisation and Low-Wage Work, Work Foundation, London. [3] Based on the Ambition 2020 skills targets. [4] This was a key recommendation of the Wolf Report, see Wolf, A., (2011), Review of Vocational Education – The Wolf Report, Department for Education, London. [5] OECD, Education at a Glance. [6] BIS, (2012), Participation Rates in Higher Education: Academic Years 2006/2007 to 2010/2011 (Provisional), Department for Business, Innovation and Skills.

unerring focus should be on giving young people the skills they need to secure a footing in the jobs market and for larger numbers to compete with graduates in a modern, hi-tech jobs market as well as university-readiness for the growing number who proceed to higher education.

The importance of skills demand

Taking action on the supply of skills is only half the answer. The other half is to raise quality and boost demand for skills. This applies mainly to the UK's large and growing low wage labour markets. Much more must be done to support and encourage employers to seek long-term routes to profit by investing in their workforce and then designing good jobs that capitalise on these skills, rather than short-term routes to profit via low paying business strategies that rely on a reservoir of cheap, unqualified labour.

For young people the transition from education into work is vital

This is a gravely underdeveloped policy area in the UK but we know that other countries do much more than the UK and that there are some simple, practical lessons about how labour market policy can boost demand for skills. For example, one of the key explanations for higher employer investment in training in continental Europe is that more occupations require licences.[7] In Britain these apply to a small minority of occupations where they help to ensure higher wage returns, such as for apprentices who become certified gas engineers.[8]

Creating institutions is hard, long-term work that should be started now

Raising the demand for skills comes down ultimately to employers and wider institutions and structures. For young people the transition from education into work is vital. As we saw in Chapter 2, even with better skills, if young people flow straight into the jobs market unsupported, they too often simply become a reservoir of low cost, flexible labour, facing poor prospects and little on-the-job training. Young people need structured transitions through high-quality apprenticeships with good educational content, long hours of training and clear links to progression opportunities.

This will not happen unless employer behaviour is changed through institutional innovation. The details of these institutions are beyond the scope of this Commission but we are clear that public policy will have to play a central role. In an economy with weak skills- demand in large parts of the labour market and weak employer coordination, the long-term goal is to have sector-based skills institutions, backed by significant funding and equipped with substantive powers such as the power to issue occupational licences. Employers must be able to agree collectively on the skills needs of their sector and the training responsibilities that they should face.

The UK has particular skills shortages among our adult workforce

These institutions are particularly important for our adult workforce. More than 80 per cent of the UK's 2020 workforce is already in adulthood today. This means that any effort to raise the supply of and demand for skills requires substantial improvements for adults. As things stand, people who did not gain intermediate qualifications at school rely on either employer-provided training or adult further education for a second chance. Yet as we have seen, employer-provided training overwhelmingly goes to people who already have a good education, simply widening skills gaps, while further education is highly variable in its effects.

Successive attempts to address the problem of supply in our adult workforce without addressing demand have led to government simply bribing or cajoling employers to train more, for example through expensive programmes like Train to Gain. While some employers have responded well to these interventions, too much of this money has been wasted. It has displaced existing activity or led to existing programmes simply being renamed (for example as apprenticeships). Often, existing skills have been accredited rather than substantive new skills provided. At their worst, these low quality Level 2 and 3 vocational qualifications have *negative* wage returns, meaning that people who attain them earn *less* as a result.

This is not to say that there are no risks on skills supply for adults; far from it. The adult further education system is currently navigating a 25 per cent cut in funding over the life of this spending review. As things stand this is being carried out largely through a blanket approach according to qualification levels.[9] This is a blunt way to proceed when we know that wage returns within certain qualification levels are so variable.

It would be better to sharpen adult entitlements to cover courses and skills that have supply shortages and thus strong potential wage returns or where there is a clear economic need due to forecast jobs growth. Currently this would include science, technology, engineering and maths Level 2 and 3 qualifications and many apprenticeships, but also socially important areas like childcare and social care. Such judgements are difficult but an evidence-based approach should not be beyond the wit of public institutions. For example, a similar approach has had some success in the case of the Migration Advisory Council.

A dual approach to skills supply and demand is an essential part of a strategy for broader-based wage growth. In the short term, it will help to create more productive and better paying versions of today's jobs, will help to ensure that people do not get stuck in low paid work and will give more people access to the good jobs the UK jobs market is creating. Longer term, research suggests that better skills can encourage – albeit gradually – the creation of better jobs, affecting the mix between sectors and occupations.[10]

[7] p. 4, Lanning and Lawton, No Train, No Gain. [8] A sophisticated account of what such a system could look is set out in the recent IPPR report by Lanning and Lawton, No Train, No Gain; there is also recent evidence that youth unemployment has risen less quickly in countries with better developed and more inclusive labour market institutions. See Lanning, T. and Rudiger, K., (2012), Youth Unemployment in Europe: Lessons for the UK, Institute for Public Policy Research, Chartered Institute of Personnel and Development and Trades Union Congress. [9] For example, co-funding (in which the government pays 50 percent of fees) for Level 3 and 4 qualifications for those over 24 is to be replaced by income contingent loans. [10] For a recent update to the literature on changes in relative supply and demand for workers of different levels of skills see Acemoglu, D. and Autor, D., (2011), "Skills, Tasks and Technologies: Implications for employment and earnings".

9d A new approach to address low pay

We must not think about these new efforts on skills without also considering the role of more direct labour market policy. Our work has shown us that the bottom half of the UK workforce will not gain a substantially greater share of wage growth without new approaches to the problem of low pay. Over the last three decades, there has been a steeper decline in the reach of collective bargaining coverage in the UK than in any country except Australia and New Zealand. Yet policymakers have struggled to respond with innovations that either support existing institutions or create new ones for those who are low paid but not on the minimum wage.

One of the key questions that must be confronted is this: what institutions can be built in a flexible, open, 21st-century economy like the UK's to put pressure on employers to pay more where they can afford to without risking employment? Are there ways to run with the thrust of growing public concern over pay while also encouraging evidence-based and rational debate about the issues that matter most to living standards?

High levels of low pay come at a large direct cost to government

As we saw in Chapter 2, the National Minimum Wage has increased wages for the lowest paid and played an important role in helping those at the bottom (5th percentile and below) to recover some ground with these in the middle over the past 10 to 15 years. The National Minimum Wage has achieved this while confounding expectations by having no significant impact on employment. We have seen that the costs of low pay for individuals and our wider economy are substantial. The introduction of the National Minimum Wage and the Low Pay Commission in 1999 has been the single most important policy for limiting the costs of low pay to the Exchequer and supporting the lowest paid.

> The question is: what institutions can be built in a flexible, open, economy to put pressure on employers to pay more where they can afford to?

The role of the minimum wage and Low Pay Commission

At first sight this success story might suggest that significantly raising the National Minimum Wage would be a valid response to the problem of low pay. This has some appeal. We have seen that the National Minimum Wage declined in real terms in 2010, 2011 and 2012, and is now lower after inflation than it was in 2004. The National Minimum Wage in the UK is around the middle of the international league table in relation to median earnings, suggesting that there may be room for further increases. International evidence from countries with much higher minimum wages does not support alarmist fears that higher rates inevitably lead to mass unemployment.

There is also, though, good reason for caution.[11] Although economists continue to find no evidence of an employment effect from the National Minimum Wage, past experience can never give us full confidence about any possible future impact, especially in such an uncertain economic climate. At some point, a higher National Minimum Wage would risk employment loss; we simply do not know where that point is. On balance, when the labour market recovers, it seems likely that the National Minimum Wage will be able to recover lost ground without undue risk. Going far beyond past levels is more precarious.

Just as importantly, one of the great strengths of the National Minimum Wage, and a reason for its widespread support, is the process through which it is set. The Low Pay Commission gives independent and careful advice on the level of the National Minimum Wage on the basis of a consensus between the social partners and the latest labour market research. We see no reason to change this process nor indeed to undercut it by proposing a new and different level for the National Minimum Wage. The UK has very few successful institutions overseeing our labour market. The Low Pay Commission is one such institution and it should be bolstered not undermined.

A broader approach than a minimum wage

However, a minimum wage is simply not the same thing as a strategy to reduce low pay. For all its importance, our existing approach to the National Minimum Wage has two notable shortcomings.

First, while there remains a strong case for protecting the principle of a single national rate, pressure for higher pay is also needed in sectors of the UK economy that can afford it. As we have seen, this is a particular problem in the UK, where given the scale of the decline in private sector collective bargaining coverage, there is now relatively little upward pressure on many firms in the large service sectors that account for the bulk of low pay. There is even some evidence that large retail firms have abolished intermediate tiers of pay, essentially levelling down to the National Minimum Wage.[12] As it is structured today the National Minimum Wage simply cannot help solve these problems.

Second, we need a much broader understanding of the causes and drivers of low pay. The Low Pay Commission has done a commendable job advising the government on the annual increment in the National Minimum Wage. But only around 4 per cent of adult workers are paid at or around the National Minimum Wage. Meanwhile around 20 per cent of the UK workforce – 5 million employees – are paid below the Living Wage, a problem that is different in scale and in kind. The Low Pay Commission might be more accurately characterised as a Minimum Wage Commission.[13] There is far too little understanding of what is holding back the minimum wage and what could be done to enable it to increase over time. With government footing the bill for low pay through in-work cash transfers, this is a major fiscal problem.

[11] Manning, A., (2012), Minimum Wage: Maximum Impact, Resolution Foundation, London. [12] IDS, (2009), "Monitoring the Impact of the National Minimum Wage: A report for the Low Pay Commission", Incomes Data Services, London [13] Manning, Minimum Wage: Maximum Impact.

An "affordable wage"

We have already seen that some sectors of the UK economy could afford a significantly higher pay floor than the current national rate.[14] In setting a national wage floor, the Low Pay Commission inevitably has to set a rate lower than that which many sectors could bear. Given that the simple design of the National Minimum Wage as a single, national wage floor is key to its success, the question is how to complement this approach with a new mechanism that puts upward pressure on wages above the statutory minimum in sectors that could bear it.

As a first step the government should ask the Low Pay Commission to take a view on whether different sectors of the UK economy could sustain an "affordable wage" higher than the national minimum. This would be a non-mandatory rate, useful as information for employees, social partners and campaigners in wage negotiations to apply upwards pressure to pay norms. The affordable wage would also provide a focal point in each sector for efforts and ideas on how to lift pay. It would also function as a diagnostic tool, helping to clarify which parts of our economy are holding back the mandatory national rate. It would not carry the risks of levelling down that would arise from varying the national rate by age or region.

The Low Pay Commission should take a view on whether different sectors of the UK economy could sustain an "affordable wage" higher than the national minimum

Government needs a better understanding of the drivers of low pay

A genuine low pay strategy requires more than an assessment of the employment effect of past increases in the National Minimum Wage. It needs a forward looking account of the challenges and consequences of reducing the incidence of low pay more generally. For example, are skill shortfalls acting as bottlenecks in some sectors or regions? What could government do to diminish the risk of unemployment from a significantly higher National Minimum Wage? There needs to be a standing body routinely investigating issues like these and gathering views from business, unions and academia on the broader drivers of low pay, how they vary by sector, and how they can be tackled.

Although there may be advantages to the Low Pay Commission maintaining its tightly focused remit, our view is that it would be well placed to complement its annual assessment of the National Minimum Wage with this broader, more strategic role. In this broader role, the Low Pay Commission would advise on sectors of the UK economy that could pay a higher "affordable" rate, advise on obstacles to a higher National Minimum Wage, and make policy recommendations to the government on how to reduce the risk of moving to a higher National Minimum Wage over time and reduce the incidence of low pay more broadly. This could involve demonstrating the potential savings to the Exchequer and the impact on the low paid. Given the fiscal costs of low pay, a statutory obligation on government to respond may also be appropriate.

Making bad jobs better

The National Minimum Wage is an example of legislation that sets standards across our economy, tilting organisations towards higher pay. It sits alongside a wider legal and policy framework including employee rights and product market regulations. In some cases, there may be a case for strengthening specific rules. For example in the case of the National Minimum Wage, there may be a case for applying joint and several liability to companies and their supply chains, putting a responsibility on large companies to ensure that their suppliers can show that they are also paying the National Minimum Wage.

In addition to standard-setting institutions like these, there is a growing body of literature on more targeted interventions to reduce the incidence of low pay.[15] This recognises that ultimately low pay comes down to decisions made by individual employers, which are influenced but not fully determined by market rates and national standards. An important part of any low pay strategy will therefore involve working directly with organisations to reduce their reliance on low pay. This is new terrain for public policy in Britain and is an area that requires innovation rather than grand national plans. We talk through this more speculative area briefly below.

[14] Pennycook, M., (2012), What price a Living Wage? Understanding the impact of a living wage on firm-level wage bills, IPPR and Resolution Foundation.
[15] Professor Paul Ostermann of MIT coined the phrases "standard setting" and "programmatic" interventions.

9e A more experimental approach

Business strategy decisions made by individual employers (as opposed to the characteristics of workers themselves) have a big impact on wages. We have seen that the UK has an unusually long tail of poorly performing managers. Some studies suggest that firm-level effects like these account for as much as half of the variation in wages within industries[16] and also shape earnings mobility.[17] These decisions extend to how employers deploy their workforce, design jobs, and invest in training. This raises the question of whether there are ways to help low paying organisations to raise their game.

At the moment there is little of this kind of activity in the UK[18], not least because there are few bodies in the UK labour market that would be equipped to lead this kind of effort. But working with employers directly in this way is not a new idea internationally. Even in deregulated labour markets like the US, new civic organisations are working with firms to help make bad jobs better (see In depth 9.1 for practical examples).[19]

In depth 9.1: How do you make bad jobs better? Case studies

Boston Skillworks is a $25 million, 10-year programme, part funded by the Massachusetts state government and part through philanthropy, working with a number of employers to improve the quality of the jobs they offer. For example, the programme has worked with hospitals to create new intermediate jobs between entry level roles such as patient care technicians and better paid roles such as certified nursing assistants. This has allowed entry level staff to work their way up the pay scale in ways they couldn't in the past. Worksource Partners is a similar organisation that has worked with the large pharmacy chain CVS. It has created a certified training programme for the store's check-out assistants, enabling them to train as pharmacy technicians and store managers.

At federal level, the US National Fund for Workforce Solutions is running a series of similar projects across the country, part funded by the $200 million White House Social Innovation Fund. It has worked with around 3,000 employers in around 30 states and has been able to use public money to raise additional investment from philanthropy and the private sector.

Our view is that there is a role for government in encouraging pilots to support better pay and progression. This would involve testing out alternative approaches, either through direct funding or match funding and supporting evaluation. This could include a competition for funds for which businesses and intermediary organisations could bid.[20] One interesting way to think about this would be to start by working with the leadership of a specific city, one with the authority to convene key employers and other players. Another approach would be to target a low paying sector, working with employer groups and focusing on better skills utilisation and workforce deployment. In practical terms, organisations would work with employers to design new training opportunities for low wage workers, redesigning jobs or creating new career ladders.

It would not be a total leap in the dark for central government to encourage activities like this. The £50 million annual Growth and Innovation Fund and the £250 million Employer Ownership pilot alredy provide match funding to encourage employer engagement in skills, but without an explicit aim to tackle low pay or boost progression. Given the substantial costs to government of low pay, there could be a case for seeking to switch some resources from in-work cash transfers to invest in activities that seek to combat low pay and its effects at source.

Another interesting model would be the government's work to widen access to Britain's elite professions.[21] It shows that government can work with employers, including in the private sector, to seek to change their internal recruitment and progression processes. No similar effort has yet been made to galvanise employers to improve job quality and progression opportunities for the far larger number of people who work outside these professions in sectors like retail or hospitality. As we saw in Chapter 7, we can say with confidence which low-paid sectors and occupations are likely to grow in Britain in coming years. The government has direct influence over the design of jobs in some of these sectors, like social care and childcare, and should do more to shape them.

Changing norms have a major impact on pay

These efforts must be part of a broader new approach, fostering new norms and attitudes, which we know can have a major impact on pay.[22] In the past, norms around pay were reinforced by public institutions, for example through "fair wage" clauses in public sector contracts and by wages councils in low wage sectors. With these institutions gone, there is a case for thinking of new ways in which stronger pay norms can be encouraged. For example, there has been a major shift in public attitudes towards top pay in recent years and the successful Living Wage campaign has begun to shine a spotlight on the scale of low pay. Public authorities could do more to support these developments while ensuring the debate is evidence based. A good way to do this would be to put better information on low pay into the public domain by increasing transparency. The UK Corporate Governance Code should be amended to require large companies to report the proportion of their workforce paid below a low pay threshold, such as the Living Wage or the OECD low pay threshold (earning less than two-thirds of the national gross median hourly wage). While only a start, small steps like these can give momentum to changing public norms, encouraging informed debate and supporting existing organisations in their campaigns to lift low pay.

[16] Groshen, E., (1991), "Sources of Intra-Industry Wage Dispersion: How much do employers matter?", Quarterly Journal of Economics, August, pp. 869–884. [17] Holzer, H. J., (2007), "Better Workers for Better Jobs: Improving worker advancement in the low-wage labor market", The Brookings Institution, Washington, DC [18] Osterman, "Improving Job Quality". See also the work of Skills Development Scotland on increasing skills utilisation: http://www.skillsdevelopmentscotland.co.uk/. [19] For a summary of activity see Osterman, P., (2008), "Improving Job Quality: Policies aimed at the demand side of the low-wage labor market", in Bartik, T. et al., A Future of Good Jobs?: America's challenge in the global economy, W. E. Upjohn Institute. [20]Along the lines suggested by Osterman. [21] BIS, (2010), Unleashing Aspiration: The final report of the Panel on Fair Access to the Professions, Department for Business, Innovation and Skills, London. [22]Bryson, A. and Forth, J., (2006), The Theory and Practice of Pay Setting, London School of Economics and Political Science.