A new report from the Resolution Foundation Companies says that employers who fail to pay the minimum wage should be punished more harshly in an effort to crack down on low pay. Oh dear.

Wages are the least that someone will accept to do a job. If the demand for labour is buoyant, then stingy employers will not attract and retain the workers they need. A lack of demand for labour cannot be legislated away. The authors of this report ought to know that.

It is also the case that employment will not occur if the value added by a worker is less than the GROSS LABOUR COST to the employer. The tax system is the villain. Gross Labour costs to employers are around 60% higher than real purchasing power of wages.