



General Certificate of Education
Advanced Subsidiary Examination
June 2014

Critical Thinking

CRIT1

Unit 1 Foundation Unit

Insert

Source Material

This Source Material is to be read in conjunction with the questions in Unit CRIT1

A

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Document A

Tipping – the unpalatable truth

1. Increasingly, some of Britain's biggest restaurant chains are using loopholes in the laws that govern the hospitality industry to concoct tipping and service charge* policies that most of us would consider unfair.
2. Usually, it's the low-paid workers – the waiters – who are losing out. But now, a growing band of people is calling on the Government to close the loopholes and halt the growing problem of unfairness in tipping.
3. Take, for example, Tuttons Brasserie, an attractive London restaurant and bar. The staff work hard – but what its customers don't realise is that, according to Unite [the union that represents workers in the hospitality industry] the waiters here earn a basic wage of zero. Yes, that's right – nothing.
4. Instead, Tuttons' owner, whose parent company last year made pre-tax profits of £129 million, pays Tuttons' waiters using only the 'optional' 15 per cent service charge added to bills. "The £0 basic wage is an abomination," says Dave Turnbull [Unite's regional industrial organiser], who has seen a contract showing the £0 basic wage. "You can't claim to have a minimum wage and at the same time allow customers' tips to contribute towards that; for it negates the whole point of the minimum wage. And it undermines the purpose of the tip."
5. Tuttons' owner declined to speak to *The Independent* about Tuttons' tipping policy but issued a statement, saying, "Tuttons values its customers and staff in equal measure... our staff currently enjoy pay that exceeds the National Minimum Wage by more than 30 per cent... we are confident that our employees are satisfied with their terms and conditions."
6. The Tuttons case may be extreme, but dozens of high-profile chains and restaurant groups pay a basic salary below the minimum wage (which is set at £5.52 per hour for workers aged 22 years and older), and use service charges and credit card tips to make up the take-home pay to meet or exceed the minimum wage.
7. A loophole in the minimum wage legislation means that this is perfectly legal, but it hardly seems right that money which customers think they are leaving for good service is instead paying waiters' basic wages.

Source: adapted from 'Tipping – the unpalatable truth', SIMON USBORNE, *The Independent*, July 2008

* service charge: a percentage of a bill, as at a restaurant, hotel, etc., which is automatically added on to the total to pay for the service provided.

Document B

Megan is having some friends round and they've ordered pizzas. The doorbell rings and Megan answers it. It's the Pizza Delivery Guy (PDG)...

PDG Here are your pizzas. That's £15 please.

Megan Thanks a lot. Here's the money.

PDG Hmm... Er. [hesitating to go]

Megan Is there anything wrong?

PDG Well, I was wondering if you'd forgotten the tip.

Megan Sorry, I don't tip. It's nothing personal.

PDG But it's raining, and your house was hard to find, and besides, it's Christmas.

Megan So you think I should tip you?

PDG Yes.

Megan But I'm not responsible for the weather, the time of year, or where the house was built, so I shouldn't really have to compensate you with a tip because these are things I have no control over.

PDG Have a heart! Look at me – I'm drenched!

Megan Okay, you want a tip? Here's a tip. Next time, use an umbrella.

PDG On a bike!?... Let me ask you a question – Do you ever give money to charity? You know, stuff like Disaster Relief Appeals.

Megan Yes. So what?

PDG Well, according to your argument, you shouldn't have to give money to compensate people for things you've no control over. But things like earthquakes and tsunamis are beyond your control. So it follows that you should never give to disaster relief charities. But the thing is you do give to these sorts of charities, so you're being inconsistent, because it's contradictory to give to charity and, at the same time, not tip. Therefore, you should tip me despite the fact that the weather, Christmas, and the location of the house, are outside your control.

Megan Behold the Pizza Delivery Disaster Victim Guy! Drenched, not because of the rain, but because he was washed to my doorstep by a tsunami, with pizzas miraculously intact, and arguing that, because of this, I owe him a charitable donation in the form of a Disaster Relief tip. That's hilarious!

PDG That's not fair! All I'm saying is that there are enough similarities between tipping and giving to charity to justify doing both if you do one.

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- Megan** I disagree. You're *paid* to deliver pizzas; it's your job. People aren't paid to be earthquake victims. There is no such job as 'Earthquake Victim Guy'. If there were, I wouldn't feel the need to give money because they're already getting paid. You are already getting paid for delivering pizzas, so why should I pay you over and above the money you already get?
- PDG** Because of the extra stuff like the rain, your house being awkward to get to, and it's Christmas.
- Megan** Back to that again. Let's try another angle. Surely things like rain etc. are all included in your pay, so they're not extra stuff.
- PDG** Actually, they're not included. We get paid a flat rate, and don't get paid any extra for harsh conditions.
- Megan** Well then, you should ask your boss for more money instead of asking me for a tip. He's laughing all the way to the bank because he's paying you slave wages and expecting 'mugs' like me to make up the difference in tips.
- PDG** But everybody else tips. You're the only one who doesn't. Besides, Christmas has always been the season when people give a little extra to others. Think of it as a gift.
- Megan** Well, if you're getting tips from everyone else you should have more than enough money without needing a tip from me. "Think of it as a gift", you say. No, I don't think I will. When the Wise Men brought gifts for the baby Jesus they weren't bringing him tips. But you're right; it *is* Christmas – a time of giving a little extra to others. So I'll make a deal with you. I'll offer you a £2 tip as my little extra gift to you, if you in turn refuse to accept it, as your little extra gift to me. That way we're all square – a truly equal and fair result.
- PDG** But...
- Megan** Sorry, I'll have to go; the pizzas are getting cold. Merry Christmas!

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Document C

Restaurants: to tip or not to tip?

As a major restaurant chain abandons its automatic service charge, Max Davidson considers the odious business of tipping.

1. D&D London, which operates some of the capital's top restaurants, has just announced that it is replacing its automatic 12.5% service charge with an optional, old-style tipping system. The restaurant chain believes the move will be welcomed by recession-hit customers and lead to better service. Consumer groups have cooed their approval, likening automatic service charges to a "stealth tax". But will ordinary punters at the restaurants be quite so grateful? I wonder.
2. The point about an automatic service charge is that it is transparent: you can refuse to pay it, in extremis, but you know where you stand. With optional tipping, there is no such certainty. If waiter A has been appreciably better than waiter B, you can reflect that, up to a point, in how much you tip them. But what's the point? In most restaurants, the staff simply pool the tips and share them out equally at the end of the evening.
3. As for the vexed question of how much to tip – more or less than ten per cent? – the ordinary restaurant diner simply does not have the information necessary to make the decision expected of him. If one knew how much the waiters were being paid, and how their wages compared with those of the kitchen staff, the restaurant owner, nurses, policemen, head teachers, and middle managers in software companies, one might indeed be able to play God and dispense one's generosity in appropriate dollops. As it is, the tipper is taking a stab in the dark: making a well-intentioned gesture that is as likely as not to misfire.
4. Tipping is at root a feudal concept: a system of economic carrots and sticks used by people of higher social status to reinforce their authority over people of lower social status. Grovel to me and I will make it worth your while. Get uppity and I will hit you where it hurts. The subtext could hardly be more blatant – or more objectionable.
5. The true odiousness of tipping is that it is a one-way street. If the diner thinks the waiter has been lazy, slovenly, incompetent, he has instant financial redress. If the waiter thinks the diner has been arrogant, condescending, discourteous, he has no such redress – short of tipping a bowl of French onion soup onto the diner's lap.
6. It is no accident that, historically, the country which has been the most enthusiastic about tipping, the United States, is also the one where the economic gulf between the *haves* and *have-nots* is particularly stark. Tipping is the guilt money with which the Wall Street banker pays his dues to the poor Latino immigrant. In mainland Europe, where tipping is far less common, there is a much healthier economic balance. Waiters may earn less than the average wage, but not a derisory fraction of the average wage: that is why more of them make a career of it, rather than getting out of the profession as soon as they can.

7. In Britain, with democracy alive and well, do we want to copy the American example or the European one? I know where I stand – and I don't expect a ten per cent tip for pointing out the bleeding obvious.

One Reader's Response

"Service charges are a bad idea because waiters should earn the extra money, since the better the service is, the better the tip will be!"

Source: article adapted from 'Restaurants: to tip or not to tip?' MAX DAVIDSON, The Telegraph, October 2009
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