

EDMUND HEERY,
DEBORAH HANN,
DAVID NASH

The impact of Covid19 on civil regulation: the case of the UK Living Wage



Cardiff Business School
Ysgol Busnes Caerdydd

Civil regulation

- ▶ Developed by civil society organizations
- ▶ Private voluntary regulation
 - ▶ Labour standards, codes & charters
- ▶ Adoption by employers
 - ▶ Fee-based membership or accreditation
- ▶ Promoted to employers
 - ▶ Business case rationale
 - ▶ Logos and award schemes

Living Wage

- ▶ Civil society organizations
 - ▶ Citizens UK
 - ▶ Living Wage Foundation
- ▶ Labour standard
 - ▶ Hourly rate of pay (UK/London)
 - ▶ Direct & indirect employees, aged 18+
 - ▶ Based on research into living costs of low-wage families; annual updating
 - ▶ Living Hours and Living Wage Places
- ▶ Accreditation
 - ▶ 9,967 accredited employers since 2011
 - ▶ 2.8m direct employees covered
 - ▶ 250,000 workers received pay increase
 - ▶ More than £1bn transferred



Research Questions

	Threat	Opportunity	Research
Campaign	Constraint	Adaptation	Interviews, observation
Accreditation	Collapse	Stimulus	Dataset of LW Employers
Employers	Commitment Compliance Extension		Population survey of LW Employers March-July 2021

Campaign adaptation

- ▶ Targeting
 - ▶ Switch from Covid-affected to 'Key industries'
 - ▶ Prioritization of social care in wake of Clap for Carers
- ▶ Community organizing methods
 - ▶ Worker testimony – Thursday night care conversations
 - ▶ Actions – Socially-distanced care-home blessings
 - ▶ Accountability assemblies – On-line hustings for elections
- ▶ Political strategy
 - ▶ Commitment from UK Government & Welsh Government to funding Living Wage in adult social care; successful in Wales, inconclusive in England



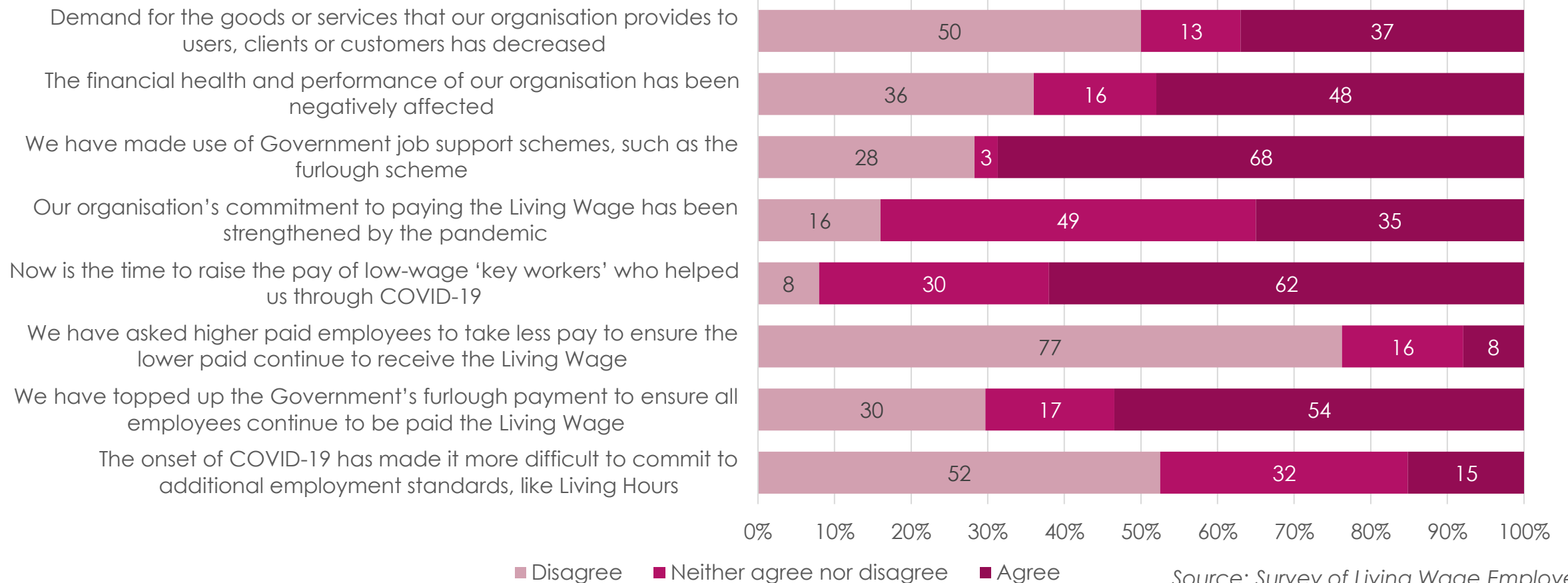
Accreditation - Trend

March-February	Recruitment	Withdrawal	Net Recruitment	Withdrawal: Recruitment
2020-21	1546	529	1017	1: 2.9
2019-20	1656	384	1272	1: 4.3
2018-19	1200	214	986	1: 5.6
2017-18	1303	308	995	1: 4.2
2017-20 (mean)	1386	302	1084	1: 4.6

Accreditation – Industry differences

	March 2020 – February 2021				
	Recruitment		Withdrawal		Ratio
	N	% Change 2017-20	N	% Change 2017-20	Withdrawal: Recruitment
All industries	1547	12	529	75	1: 2.9
Key worker industries	497	23	153	55	1: 3.2
Low-paid key worker industries	309	44	88	57	1: 3.5
Social care	106	43	27	50	1: 3.9
COVID-affected industries	148	-9	92	130	1: 1.6
Hospitality	35	-17	28	75	1: 1.3
Arts, sport & entertainment	52	-13	19	138	1: 2.7

Employer responses to COVID-19



Source: Survey of Living Wage Employers Mar-Jun 2021 (N=1008)

Summary & Conclusions



▶ Summary

- ▶ Campaign
 - ▶ Adaptation through targeting, methods, political influence
- ▶ Accreditation
 - ▶ Net growth during pandemic
 - ▶ Shift towards key industries
- ▶ Employer responses
 - ▶ Continued commitment
 - ▶ Compliance plus
 - ▶ Appetite for additional standards

▶ Conclusions

- ▶ Resilience of civil regulation
- ▶ Employer constituency for 'building back fairer'
- ▶ The 'unruly' employer
 - ▶ Employer acceptance of external regulation
 - ▶ Surrender 'employer choice' of pay levels & working time
 - ▶ No universal impulse to escape from regulation
 - ▶ Employer responses to regulatory pressure are variable and contingent