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



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### 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 uprating
  - ► 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
Constraint	Adaptation	Interviews, observation
Collapse	Stimulus	Dataset of LW Employers
Comp	Population survey of LW Employers March-July 2021	
	Constraint  Collapse  Comm	Constraint Adaptation

# 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	
	Ν	% Change 2017-20	Ν	% 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

Demand for the goods or services that our organisation provides to users, clients or customers has decreased

The financial health and performance of our organisation has been negatively affected

We have made use of Government job support schemes, such as the furlough scheme

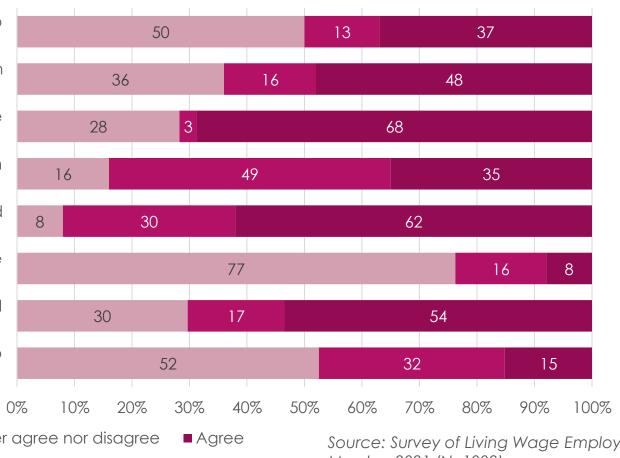
Our organisation's commitment to paying the Living Wage has been strengthened by the pandemic

Now is the time to raise the pay of low-wage 'key workers' who helped us through COVID-19

We have asked higher paid employees to take less pay to ensure the lower paid continue to receive the Living Wage

We have topped up the Government's furlough payment to ensure all employees continue to be paid the Living Wage

> The onset of COVID-19 has made it more difficult to commit to additional employment standards, like Living Hours



Disagree

■ Neither agree nor disagree

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