

# The Impact of COVID-19 on Private Regulation: The Case of the Living Wage

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## **Abstract**

This article examines the impact of COVID-19 on the UK’s voluntary Living Wage, a striking example of civil regulation of the employment relationship within an advanced capitalist economy. In doing so, the paper draws upon a range of research evidence, which includes interviews with Living Wage campaigners, observation of campaign events, a complete dataset of accredited Living Wage Employers, and a population survey of accredited organizations carried out in early 2021. The main conclusions of the research are threefold. First, the campaign has adapted to the pandemic by developing on-line methods, targeting ‘key industries’ at the forefront of the response to COVID-19, and launching a political initiative to win the support of the Welsh and UK Governments to fund the Living Wage in adult social care. Second, while withdrawal from Living Wage accreditation has increased during the pandemic this has been more than compensated for by recruitment and the Living Wage has continued to spread despite the severe economic crisis caused by COVID-19. Growth has been particularly marked in key industries, like social care. Third, employer support for the Living Wage remains strong and there is widespread backing amongst accredited employers for new standards, such as that for Living Hours, designed to tackle precarious work. It is suggested often that there is deep-seated hostility to external regulation amongst ‘unruly’ employers and that this hostility is a striking feature of neoliberal political economies, such as the UK. Our evidence suggests that arguments of this kind are overdrawn and demonstrates that there is widespread support amongst employers for civil regulation. The latter, moreover, has proven to be resilient in the face of the extreme crisis generated by COVID-19 and has seemingly become a permanent feature of the UK system of employment relations.

**Keywords:** Living Wage, civil regulation, community organizing, social care, COVID-19.

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## Introduction

Most commentary on the impact of the COVID-19 pandemic on employment regulation has focused on relatively 'hard' forms of the latter, employment law and collective bargaining. The focus of this paper is rather different. It is concerned with civil regulation of the employment relationship and uses the example of the UK's voluntary Living Wage to examine how regulation of this type has been affected by the pandemic. The broad purpose of the paper is to assess whether COVID-19 has delivered a shock to civil regulation, causing employers to withdraw from their voluntary commitment to pay the Living Wage, or whether the crisis has strengthened regulation of this kind, with increasing numbers of employers enlisting in the movement to tackle low-pay as the country begins to recover. The broader debate on the impact of coronavirus on regulation has been polarized between those who perceive a threat, as 'unruly' employers use the opportunity to escape from regulatory constraint and those who perceive a fresh need and appetite for employment regulation (Doellgast *et al.* 2021; Kessler *et al.* 2020). Our objective is to evaluate polarized arguments of this kind but for the specific case of civil regulation.

Civil regulation is a form of private regulation, in which civil society organizations formulate employment standards that they seek to have voluntarily adopted by employers (Williams *et al.* 2011). In the UK, this method of regulating the employment relationship is exemplified by the Living Wage. The latter is a voluntary standard promoted by Citizens UK, the British arm of the American community organizing movement (Heery *et al.* 2017). The standard takes the form of an annually calculated hourly rate of pay that is designed to provide low-wage workers with a modest but decent standard of living. Separate rates are calculated for London and for the rest of the country, both of which are substantially above the statutory, and confusingly titled, National Living Wage. Employers who adopt the standard must pay the rate to all direct employees aged 18 and over and ensure also that it is paid to employees of contractors who normally work on their premises. There is an obligation embedded in the standard, therefore, that employers assume responsibility for employment conditions in part of their supply-chains. In 2011, Citizens UK established an arms-length body, the Living Wage Foundation to promote the Living Wage to employers and accredit those who agree to implement the standard. Since the launch of the accreditation scheme, 9,967 UK employers, employing 2.8 million workers have signed up to the Living Wage, resulting in a pay increase for more than 250,000 workers. More recently, the Foundation has developed additional voluntary standards for employers. In 2020 a Living Hours scheme was launched to tackle the problem of short and unpredictable working hours experienced by many low-paid workers and further standards for Living Sick Pay, Living Pensions, and Living Gig Work are under consideration. The Foundation has also launched a Living Wage Places scheme to encourage place-based campaigning for the Living Wage. Under the latter, groups of employers within a city, town, district, or building can be formally accredited if they develop and implement a formal plan to spread the standard amongst their peers. Bristol, Cardiff, Dundee, Salford, and Southwark are among the places that have been accredited through this scheme.

To examine how this body of civil regulation has been affected by COVID-19, we focus on three issues, each of which draws upon a separate piece of research. First, we investigate how the campaign itself has been affected by the pandemic, using interviews and observation of campaign events to track how Citizens UK and the Living Wage Foundation have adjusted to the COVID-19 crisis. One possibility we consider is that the pandemic has stalled the campaign, freezing activity as lockdowns and social distancing have rendered campaigning difficult and employers have become more wary of committing to labour standards in extreme circumstances. Another possibility,

however, is that Citizens UK and the Living Wage Foundation have adapted campaigning activity successfully to new conditions and identified fresh opportunities to spread the Living Wage, making use of the widespread public support for 'key workers' to encourage more employers to become accredited.

Second, we make use of a dataset of all employers who have signed up to the Living Wage since the launch of the accreditation scheme in 2011 to examine the impact of COVID-19 on employer support for the standard. We use these data to investigate whether the pandemic has depressed or stimulated accreditation, tracking trends in employer recruitment to and withdrawal from the scheme since the onset of the crisis in March 2020. If COVID-19 has delivered a shock to civil regulation, then one would expect recruitment to have plummeted and withdrawal to have rocketed. If the crisis has stimulated campaigning, however, one might expect growth or at least stability of employer support and perhaps a shifting pattern of accreditation, with decline in industries adversely affected by COVID-19, such as entertainment and hospitality and growth in 'key industries', like health and social care, that have been central to the response.

Our third piece of research is a population survey of more than 6,000 accredited Living Wage Employers, carried out between April and June 2021. This survey included questions on how accredited organizations had been affected by and had responded to COVID-19 and we use these data to explore whether COVID-19 has diminished or reinforced employer commitment to the Living Wage. We also use the data to examine whether the crisis has led employers to make off-setting changes to employment practices, such as reducing headcount or working hours while they remain committed to the Living Wage, or encouraged them to take on additional commitments, such as signing up to Living Hours. The survey will allow us to examine variation in employer responses and to investigate how those who have been most severely exposed to the pandemic crisis have responded compared to organizations in more sheltered parts of the economy, but this examination is still to be conducted at the time of writing.

### **Living Wage Campaigning**

Like many organizations, Citizens UK and the Living Wage Foundation were adversely affected by the pandemic. A new office-move was put on hold and some employees were placed on furlough, making use of the UK government's job-support scheme. In the first weeks of lockdown there were also some emergency adjustments to the accreditation scheme. It was agreed that a small number of employers could suspend their accreditation and others negotiated an extension to the agreed timescale, which is allowed under the accreditation license, for bringing employees of contractors onto the Living Wage. However, there was no cessation of campaigning activity and Citizens UK rapidly developed a strategic response to the pandemic. This response had three main elements: a shift in targeting away from sectors adversely affected by COVID-19 and towards 'key industries' that have led the response; a switch to on-line and socially-distanced methods of campaigning that conforms to the principles of community organizing but adapts them to a COVID-19 environment; and renewed emphasis on political campaigning to try and secure government commitment to fund the Living Wage in social care.

The first response to the pandemic has been a partial redirection of campaigning effort, away from parts of the economy that experienced a sharp contraction of activity and towards those essential services, labelled 'key industries' by the UK Government, which have been fully operational throughout the crisis. This adjustment has taken place at a UK-level, where the Living Wage Foundation has revised its strategic targets, and at a local level, where the place-based campaigns in Living Wage Cities have made similar changes. In large part, these revisions to targeting represent an

adaptation to sharply changed economic circumstances: campaigners have de-emphasized recruitment of employers in badly hit hospitality, arts, entertainment, and non-food retail but have made fresh (but so far unsuccessful) attempts to recruit the main supermarket chains, which experienced escalating demand during the pandemic. In Cardiff, the Living Wage City campaign has switched from targeting employers in culture and sport towards those in public services, such as health, police, fire, and further education. In addition to recognizing changed economic circumstances, these revisions seek to exploit the opportunity presented by wide public support for 'key-workers'. The main target identified by Citizens UK and the Living Wage Foundation during the crisis is social care, with a national campaign launched to spread the Living Wage amongst social care employers in the wake of the 'Clap for Carers', when members of the public applauded health and social care workers outside their homes during the first COVID-19 lockdown. Social care is an essential though largely hidden service, which bore the brunt of the pandemic as COVID-19 ripped through care-homes in the Spring of 2020 (Kessler *et al.* 2020). The pandemic has raised the visibility of the industry and generated widespread public support for its low-paid workforce and the campaign has tried to build on this support in winning the backing of employers and public policy makers for payment of the Living Wage to all social care workers.

The second response has been an adjustment to campaign methods to take account of social distancing, workforce closures, and restrictions on meetings. The essential point about this response is that it has involved adapting existing campaign methods to an on-line world, rather than forging radically new methods to promote the Living Wage. Citizens UK, for example, has made use of the classic repertoire of community organizing and has retained all its elements, in on-line, socially distanced form, throughout the pandemic (Walls 2015). One element of this repertoire is reliance on worker-testimony to expose the reality of life on low-pay and thereby embarrass employers, invite empathy, and garner support. Once payment of the Living Wage has been agreed, moreover, testimony has been used to express thanks to employers, reinforcing the decision. The testimony of care-workers has featured prominently throughout the social care campaign, with a particularly graphic example being the regular Thursday night Care Conversations on Facebook during the summer of 2020, which featured testimony from care workers about their working lives during the pandemic. Thousands attended these on-line events. At one of them, Yvette, a care-worker from Wales, asked about what she thought about Clap for Carers, said that she had mixed feelings, likening it to applauding Roman gladiators as they entered the arena. The message was that care workers deserved more concrete expressions of support for the valuable and risky job they performed that went beyond weekly applause.

Another established community organizing technique is to hold 'actions' outside an employer's premises to highlight the issue of low-pay and make the case for the Living Wage. This method has also been adapted to the circumstances of the pandemic. A common form of action during the social care campaign has been a 'care-home blessing'. Citizens UK is a largely faith-based network and has drawn on the support of churches, mosques, synagogues, and temples in promoting the Living Wage. Care-home blessings seek to enlist this support within the social care campaign. They are a socially-distanced form of action, in which a bishop or other religious figure blesses a care-home and its residents from the external entrance, with supporters participating, spread in an arc around the building at two-metre intervals. At the end of the blessing, cakes often are handed in to managers, staff, and residents, illustrating the fact that this type of action is generally non-adversarial. The action is usually also filmed and used more widely in campaigning on social media. Citizens UK has developed a toolkit for care-home blessings for use by members of its network during the pandemic.

A final community organizing method that has been adapted to pandemic conditions is an 'accountability assembly'. Assemblies often take the form of candidate hustings before elections or meetings with politicians after elections have been held or a summit to discuss a particular issue, such as social care. The audience comprises hundreds or even thousands of community leaders who express demands to politicians, seek their commitment to policy positions, hold them to account for past actions, express gratitude for previous support, and try to secure agreement to future joint working, so that members of the Citizens UK network can exert continuing influence over policy-making. Citizens UK has used accountability assemblies to win the support of national, regional, and local politicians to the Living Wage. The aim of these assemblies has not been to pass a Living Wage law but to obtain political commitment to use the funding, procurement, and convening powers of public authorities to promote the Living Wage standard. During the pandemic, accountability assemblies have been organized for the London Mayoral election and for elections to the Welsh Senedd and in Wales a Social Care Summit was also held with Mark Drakeford, the First Minister of the Welsh Government. These pandemic assemblies have retained their classic form, with activists 'pinning' politicians to make definite commitments to Citizens UK's policy agenda, including payment of the Living Wage, but have taken place wholly on-line. There have been some adjustments to the format; for example, fewer community leaders have been able to participate in on-line assemblies, but their essential features have been retained.

The third response to the pandemic has been to mount a political campaign to try and secure government commitment to funding the Living Wage in social care. The Scottish Government has already taken action of this type and the purpose of the campaign has been to reproduce this commitment both at a UK-level and in Wales. Citizens UK wants government to provide ring-fenced funding to local authorities that will ensure that the Living Wage is paid on all contracts with private sector suppliers of adult domiciliary and residential care. In Wales, there has also been an additional proposal for a hypothecated social care tax that would be used, in part, to fund the Living Wage.

Citizens UK has sought to develop cross-party support for these proposals but at a UK-level the primary target of the campaign has been the ruling Conservative Party. Campaigners have attempted to win the support of Conservative peers, backbenchers, chairs and members of Parliamentary Committees, and leading Conservatives in local government to exert leverage over the Conservative Government. In Wales, the Labour Party has been the focus of campaign attention but so too have other parties, such as Plaid Cymru and the Welsh Conservatives. The aim has been to secure broad support for a hypothecated social care tax, thereby reducing the political risk to any government that introduces legislation. The methods used to promote the campaign to politicians have included accountability assemblies but have also encompassed on-line delegations with testimony from social care workers, on-line lobbying, commissioning supportive research, and working with allies, such as faith and community leaders, to exert additional pressure. In 2021, Citizens UK and the Living Wage Foundation helped form the Future Social Care Coalition, which brings together politicians, campaigners, trade unions, health professionals, and others to make the case for the reform of the sector, including adoption of the Living Wage.

In Wales, the social care campaign has proved successful. The Labour Party, Plaid Cymru, and Liberal Democrats committed to funding the Living Wage in social care prior to the 2021 Senedd election and the newly elected Labour administration has included the issue in its Programme of Government. At a UK-level the campaign has yet to bear fruit. It has won extensive support, including support from leading Conservative politicians, but Boris Johnson's Government has failed both to make a specific commitment to fund the Living Wage or to announce a general policy for the reform of social care, promised in the Conservatives' 2019 election manifesto. In the pandemic,

campaigners have been focused on spreading the Living Wage through political influence as well as through direct contact with employers, though with mixed results to date.

### Living Wage Accreditation

Between March 2020, when COVID-19 began to hit the UK economy, and June 2021, 2,366 employers were recruited to the Living Wage standard. These employers included major corporations, such as BP, Compass, Danone, Johnson Matthey, Severn Trent, Talk Talk, Tate and Lyle, and Zurich Insurance, together with leading public service organizations such as the Universities of Bangor, Cambridge, and Swansea, several local authorities, and NHS Boards and Trusts. Despite the pandemic, therefore, the Living Wage campaign has continued to register success in recruiting employers. Over the same period, 600 employers withdrew from the scheme. Continued success in recruitment, therefore, has been balanced by some erosion of support though it is notable that those joining the scheme outnumber those leaving almost by a factor of four and that, notwithstanding the pandemic, the Living Wage has continued to spread across the UK economy.

Further evidence on the impact of COVID-19 on Living Wage recruitment and withdrawal is shown in Table 1, which presents comparative data for the first twelve months of the pandemic and for the same period (March – February) of the three preceding years. The table attests to the continued success of the Living Wage campaign in recruiting employers during the pandemic. The recruitment total for the first year of the crisis is slightly down on that for the preceding year but exceeds the average for the previous three years. On this evidence, attracting employers to voluntary labour standards has remained viable despite the intense disruption to the economy caused by COVID-19.

**Table 1: Living Wage recruitment and withdrawal, 2017-2021**

March-February	Recruitment	Withdrawal	Net Recruitment	Withdrawal/ Recruitment
2020-21	1546	529	1017	34.2
2019-20	1656	384	1272	23.2
2018-19	1200	214	986	17.8
2017-18	1303	308	995	23.6
2017-20 (mean)	1386	302	1084	21.8

Source: Accredited employer dataset, including Living Wage Employers and Recognized Service Providers

While Table 1 shows that the pandemic has not depressed Living Wage recruitment to any great degree, it does show that employer withdrawal from the scheme has increased. In the first twelve months of the pandemic more employers left the scheme than in the equivalent period in the three preceding years and the number withdrawing in 2020-21 was nearly double the annual average in 2017-20. Net recruitment in 2020-21 was also below the average for the previous three years, while the ratio of withdrawing to recruited employers was higher. The major effect of the pandemic on Living Wage accreditation, it is clear, has been to erode support among existing members of the scheme – many of which will have gone out of business - rather than to depress recruitment. The continued success of the latter, however, means that accreditation has continued to grow. The period of the pandemic has been one of continued expansion of civil regulation within the UK economy, not collapse.

Table 2 presents information on accreditation before and after COVID-19 in different industries. In key industries, including social care, which have operated throughout the pandemic, and which have been targeted by campaigners, the recent record of accreditation is strong. While

they have experienced increased withdrawal as, a result of COVID-19 there has been compensating recruitment, with more employers joining than did so pre-COVID. Moreover, the withdrawal-recruitment ratio for these industries during the pandemic is better than that for the economy at large. In industries adversely affected by COVID-19, however, and particularly in hospitality, the experience has been different. These industries have experienced both higher levels of withdrawal from accreditation and lower rates of recruitment, with the result that their withdrawal-recruitment ratio is substantially higher both than that of other industries going through the pandemic and their own experience before COVID. Even in these industries, though there has been net-growth of accreditation. Despite the severe shock to their sectors, more employers in industries like hospitality, the arts, entertainment, and sport have joined the scheme than have departed. The primary lesson that can be drawn from both tables is that the Living Wage has shown, perhaps surprising resilience in the face of the most severe shock to the UK economy since the Second World War.

**Table 2: Industry differences in Living Wage accreditation during the pandemic**

	March – February 2020/2021				March – February 2017-2020 (annual means)			
	Recruitment	Withdrawal	Net recruitment	Withdrawal/recruitment	Recruitment	Withdrawal	Net recruitment	Withdrawal/recruitment
All industries	1547	529	1018	34.2	1386	302	1084	21.8
Key worker industries <sup>1</sup>	497	153	344	30.1	405	99	306	24.4
Low-paid key worker industries <sup>2</sup>	309	88	221	28.5	214	56	158	26.2
Social care <sup>3</sup>	106	27	79	25.5	74	18	56	24.3
COVID affected industries <sup>4</sup>	148	92	56	62.1	163	40	123	24.5
Hospitality	35	28	7	80.0	42	16	26	38.1
Arts, sport and entertainment	52	19	33	36.5	60	8	52	13.3

Source: Accredited employer dataset, including Living Wage Employers and Recognized Service Providers

1. Those industries identified by government as providing key services during the pandemic: 1) health and social care; 2) education and childcare; 3) essential public services; 4) local and national government; 5) public safety and national security; 6) passenger and freight transport; 7) financial services; 8) energy and utilities; 9) food production, manufacture and distribution.
2. Key industries in which average hourly pay is 20 per cent or more below the UK average.
3. Social care comprises adult residential and domiciliary care and childcare, including nursery provision and pre-school education.
4. Industries that have been adversely affected by COVID-19: 1) Non-food retail in specialist shops, excepting newsagents and pharmacies; 2) Air passenger transport and tourism; 3) Hospitality, excepting camping sites and takeaway food outlets; 4) Motion picture production and distribution and music recording; 5) Conferencing and events; 6) Arts and entertainment; 7) Personal services, including laundry, hairdressing and beauty treatments.



## Employer Responses to COVID-19

To explore further the impact of COVID-19 on Living Wage Employers a population survey was administered between March and June 2021, to which more than 1,000 accredited employers (16 per cent) responded. The survey examined several facets of employer experience of the Living Wage – motives for joining, organizational impact, occupational and demographic profile of employees receiving pay increases – but part focused on the impact of and response to COVID-19. The responses to these items are presented in Table 3.

**Table 3: Impact of and employer responses to COVID-19 (percentages)**

	Str agree	Agree	Neither	Dis- agree	Str Dis-ag
Demand for the goods or services that our organisation provides to users, clients or customers has decreased	20	17	13	22	28
The financial health and performance of our organisation has been negatively affected	22	26	16	23	13
The size of our organisation's workforce (including third-party contractors) has decreased	11	16	11	32	30
We have made use of Government job support schemes, such as the furlough scheme	38	30	3	6	22
We have topped up the Government's furlough payment to ensure all employees continue to be paid the Living Wage	38	16	17	12	18
We have asked higher paid employees to take less pay to ensure the lower paid continue to receive the Living Wage	4	4	16	27	50
Our organisation's commitment to paying the Living Wage has been strengthened by the pandemic	16	19	49	9	7
The onset of COVID-19 has made it more difficult to commit to additional employment standards, like Living Hours	5	10	32	27	25
Now is the time to raise the pay of low-wage 'key workers' who helped us through COVID-19	36	26	30	5	3
The priority in the crisis has to be protecting jobs: maintaining rates of pay, like the Living Wage is secondary	10	17	33	26	13

Source: Survey of Living Wage Employers, March-June 2021 (N=1008).

The first items in Table 3 relate to the impact of the pandemic on employing organizations. They indicate that the effects of COVID-19 have been variable, with some reporting adverse consequences and others remaining relatively unaffected. Amongst the former group, just under half of employers report adverse financial consequences and just under 40 per cent report a decline in demand for goods or services. A reduction in the size of the workforce, however, is reported by a significantly smaller percentage (27 per cent), and this is probably due to the extensive use of the government's furlough scheme. More than two thirds of accredited employers report that they have made use of job support measures and most of these have supplemented the government payment to ensure furloughed employees continue to receive the Living Wage. The evidence on impact is mixed, therefore, but it is apparent that a large minority of Living Wage Employers have been adversely affected by the pandemic, encountering reduced demand, disruption to revenue, and reducing headcount.

The other items in Table 3 explore employer responses, including organizational adjustments to the pandemic and whether experience of the latter has led to a reappraisal of support for the Living Wage. With regard to the latter it is clear, that in many cases experience of the pandemic has reinforced employer commitment to the Living Wage. Thus, more than 80 per cent report that their organization's commitment to the Living Wage has been strengthened or remained unchanged as, a result of COVID-19 and more than half agree with the statement that: "Now is the time to raise the pay of low-wage 'key workers' who helped us through COVID-19". A quarter of employers agree with the statement that priority should be attached to maintaining jobs rather than protecting rates of pay but it is clear, that for most accredited organizations support for the Living Wage has remained strong through the pandemic. Another question, not shown in the table, asked employers whether they anticipated retaining their Living Wage accreditation over the next three years. Fewer than one per cent declared that continuing with accreditation was 'unlikely', while 87 per cent reported that it was 'very likely'.

The item in Table 3 on asking higher paid employees to accept a pay cut seeks to gauge whether employers have attempted to maintain their Living Wage commitment through the crisis by clawing back labour costs elsewhere. The replies suggest that while some employers have behaved in this way, the vast majority have not. Other items from the survey reinforce this impression that employers have not funded the Living Wage by making compensating savings. Thus, only one per cent of accredited employers reported that they had reduced the value of employee benefits to help fund the Living Wage, reduced the hours of workers receiving a pay increase, or reduced staff numbers. Only 5 per cent reported holding back pay increases for the higher paid. Rather more common were actions that went beyond the requirements of the accreditation license: 58 per cent of accredited employers reported paying the Living Wage to casual workers and 44 per cent to apprentices, who are not included in the requirements of the employer license agreement. Making up the pay of furloughed workers to the Living Wage is another example of this kind of action, of employers reaching beyond the formal obligations of civil regulation.

The final item in Table 3 examines the question of additional voluntary labour standards, such as Living Hours, and whether the pandemic has reduced the appetite of employers for action of this kind. The responses indicate that for some employers this is the case. Most employers, however, disagree and appear to have retained an appetite for further regulation. Once again, additional items from the survey reinforce this impression: just under half report that they will 'probably' or 'definitely' seek accreditation under the new Living Hours scheme, while large majorities declare that they are both in favour of and likely to adopt new Living Pensions and Living Sick Pay standards if, and when these are launched. The appetite for civil regulation amongst accredited employers, seemingly has not been dampened by the experience of the pandemic.

### **Summary and Conclusion**

This paper has used original research findings to assess the impact of COVID-19 on the UK's voluntary Living Wage, a notable example of civil regulation of the employment relationship. The main findings from the study are as follows:

1. The Living Wage campaign has responded successfully to the challenge of the pandemic by adapting its existing campaigning repertoire to the on-line, socially-distanced world, switching targets from industries adversely affected by the pandemic to those key sectors providing essential services, with a particular focus on social care, and developing a political campaign to try and secure the commitment of the Welsh Government and the UK Government to the

funding of the Living Wage for all employees within adult social care. This latter effort has been successful in Wales but has not yet secured the same commitment from the UK Government.

2. COVID-19 has increased the rate of employer withdrawal from Living Wage accreditation, either because increasing numbers of firms have found they cannot afford to pay the rate in more difficult trading conditions or because they have ceased trading. This exit of employers from the scheme, however, has been more than compensated for by recruitment of new members and the net level of Living Wage accreditation has grown throughout the pandemic. Growth has been particularly notable in key industries, like social care, that have been targeted by the campaign but is also apparent in industries, like hospitality, which have been badly hit by COVID-19.
3. Our survey evidence indicates that support for the Living Wage has remained strong amongst employers that have maintained their accreditation through the COVID-19 crisis. Many employers have been adversely affected but substantially more report that their commitment to the Living Wage has been strengthened during the pandemic than report that it has been weakened. The survey evidence also suggests that employers have not maintained their commitment to the Living Wage by clawing back labour costs elsewhere and that their appetite for further regulation, in the form of Living Hours and other new standards, remains strong.

Three general conclusions can be drawn from these findings. First, they attest to the resilience of civil regulation within the UK labour market. Despite a severe shock, the Living Wage campaign has adapted, accreditation has continued to expand, and the support of employers has been retained. A concern that regulation of this kind would collapse under strain, as employers exercised their discretion to withdraw from the scheme, has been proven unfounded. In fact, the voluntary nature of the regulation to which employers submit may itself be a source of resilience, retaining support even under difficult circumstance as employers honour an obligation to which they freely entered. Although accreditation as a Living Wage is voluntary, it may nevertheless prove binding. Accreditation may function as a classic 'commitment trap', in which a chosen course of action is maintained once the initial committing decision has been taken.

Second, employer support for the Living Wage and for other standards emerging under the 'Living' brand suggests that there may be an employer constituency for attempts to 'build back better' or 'build back fairer' after the pandemic. It is the hope of many campaigners and policy makers that the shock of COVID-19 presents an opportunity to refashion employment relations for the good in the way that the financial crisis of 2008 largely failed to do. The natural support for efforts of this kind tends to be identified on the political left, amongst trade unions, and within civil society though, as can be seen in the campaign's attempt to win the support of the Conservative Party for spreading the Living Wage in social care, there is also a hope that parties of the centre-right can be enlisted. The research findings on the Living Wage indicate that some employers may also be receptive to initiatives of this type; that there is a current of employer support – even in neoliberal Britain – for redistributive labour market policy.

The third conclusion concerns theoretical literature on employer behaviour. In an influential contribution Streeck (2009), has argued that employers increasingly are 'unruly', hostile to all attempts to regulate their behaviour. In similar vein, Baccaro and Howell (2017) have argued that the drive to unleash 'employer discretion' has been the principal force behind neoliberalism, while others have identified employer concern to avoid, subvert, or escape regulation as a primary feature of contemporary labour markets (Doellgast *et al.* 2021). Like earlier commentators on employer behaviour who have identified an impulse towards deskilling, surveillance, or precarity, these writers identify a single, encompassing purpose that is driving the re-composition of the employment

relationship. Continued employer support for the Living Wage, despite COVID-19, however, suggests that employer responses to regulation do not follow a single course and that 'unruliness' is not as marked as has been suggested. Under the Living Wage, employers surrender an element of their discretion over, pay policy to an external regulatory body, the Living Wage Foundation, and in many cases seem ready to accept similar regulation of working time. Employer responses to regulation, these research findings suggest, are complex and variable and are not defined by a single impulse towards unruliness.

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