

## 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.