



# **Social justice in the economy and employment**

Bevan Foundation Policy Paper 8



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# **Social justice in the economy and employment**

## **Bevan Foundation Policy Paper No. 8**

**by**

**Victoria Winckler**

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## About the author

Victoria Winckler is Director of the Bevan Foundation. She was previously Head of Economic and Environmental Policy at the Welsh Local Government Association and before that was Head of the Policy Research and European Affairs Unit at Mid Glamorgan County Council. She has written and researched extensively on economic and regional development, poverty and employment.

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## **SUMMARY**

- **Social justice has been a headline aim of public policy in Wales.**
- **Although there has been some concern about helping people into jobs and improving job quality, the main driver for public policy has been raising Gross Domestic Product (and similar measures) rather than achieving social justice.**
- **Social justice goals for economic and employment policy should include:**
  - **full employment in Wales**
  - **ending poverty pay**
  - **recognition and respect at work.**
- **Although there is a move towards these goals in latest policy statements, there is much more that can and should be done to put social justice at the heart of public policy.**
- **More work needs to be done to investigate full employment, low pay and employment relations in Wales, and to identify effective solutions.**



# 1. INTRODUCTION

Social justice was prominent in the early days of the current Welsh Assembly Government. Much was made of the appointment of a Minister for Social Justice and the latest Welsh Assembly Government strategic plan, *Wales: A Better Country*, talks of 'action on social justice'.

However, whilst the headline commitment is strong, there is much less evidence that the principles of social justice have been followed through into specific policies and their delivery. As John Adams said in a recent article:

*The Welsh Assembly Government has a welcome rhetorical commitment to social justice, but it has not yet crafted a broad platform which spells out the radical reforms necessary to achieve that objective.<sup>1</sup>*

Yet Wales exhibits some of the greatest social injustices in the UK – from high levels of child poverty and ill health, through to well below average household incomes and educational achievement.

The Bevan Foundation undertook this project to look at the question of social justice in the economy and employment, as part of its wider

objective of developing and promoting social justice in Wales.

We are grateful to the Barry Amiel and Norman Melburn Trust and to the Wales TUC for their financial contributions towards the costs of the project. Nevertheless, the project is very small in scale and it is not a detailed investigation of the extent to which the economy and employment in Wales is socially just or otherwise, nor is it a blueprint for action. Rather it aims to begin to develop an alternative way of thinking about the development of the economy and employment, in which social justice is a central driver.

The project has been undertaken through a review of literature and selected public policy statements, coupled with a workshop held on 22<sup>nd</sup> September 2005 which was attended by a range of people with knowledge and expertise on the economy and employment. I am grateful to all those who have shared their ideas, many of which were very helpful and have been incorporated into this report. However the responsibility for this report and its conclusions is my own.

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<sup>1</sup> John Adams (2005) Clear Red Water? Bevan Foundation Review No. 6 pp2-3

## 2. DEFINING SOCIAL JUSTICE

Although the term social justice is often used in political and policy discussions, it is much less clear what it really means. There is a large academic literature about the concept and its definitions, much of which is regrettably impenetrable to the non-specialist. However, one of the simplest and most widely accepted definitions of social justice is that provided by David Miller:

*'how the good and bad things in life should be distributed among the members of a human society'<sup>2</sup>*

This definition is therefore primarily about 'distribution', and appears to be relatively straightforward to apply to the economy and employment. Most fundamentally, as a job is the principal means of securing and distributing earned income in contemporary society, then how jobs are distributed amongst people must be one of the key components of social justice in the economy and employment.

But having a job is not just about earning money. There are startling

statistics that show very strong links between employment and health – for example the impact on health of being out of work for more than 9 months is equivalent to smoking 60 cigarettes a day.<sup>3</sup> Ensuring that all people that want a job have a job, and that no social groups are excluded from employment, must thus be a crucial part of achieving a better quality of life for all.

***'Ensuring that all people have access to a job, and that no social groups are excluded, is a crucial part of social justice.'***

Following on from this, the distribution of earnings and the other 'goods and bads' that come from employment (such as job security, holiday entitlement, opportunities for progression etc.) would also appear to be essential features of social justice, although some aspects, notably earnings, receive considerably more attention than others.

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<sup>2</sup> David Miller (1999), *Principles of Social Justice*, Camb. Mass: Harvard University Press, p.1 quoted in Ruth Lister (2005), *Recognition and Voice: the challenge for social justice*, paper given to ESRC seminar on Social Justice and Public Policy, London School of Economics, 21 March 2005, <http://www.scrsj.ac.uk/ESRCseminars/RuthLister.pdf>

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<sup>3</sup> Mansel Aylward (2005) Presentation to conference on 'Economic Inactivity and Disabled People', 9<sup>th</sup> December 2005, Merthyr Tydfil



But the distribution of society's riches is not the only definition of social justice that is available. Prof Ruth Lister and others have argued that social justice is essentially about human dignity, in particular recognising people as equals, treating people with respect, and ensuring everyone has a voice by which they can express themselves.<sup>4</sup> This definition of social justice, which she terms 'recognition and respect', thus focuses on the relationships between different groups of people and the exchanges between them.

***'social justice is  
essentially about  
human dignity'***

This 'recognition' definition is important, not least because it embraces issues such as equality of opportunity between different groups – women and men, different ethnic groups, people with disabilities – as well as encompassing social relationships within the workplace, such as harassment and bullying, and employees' rights across a range of issues.

This 'recognition' approach to social justice is also significant because people's sense of esteem and worth may shape their labour market participation. Indeed, Ruth Lister argues that low pay is part of the 'recognition' question. Quoting Polly Toynbee, she says:

*'what a person is paid signifies their worth and is of primary emotional and social importance. ... Low pay is low status ... Just as pay is a cause for boasting among the fat cats it is equally a source of daily humiliation for the low paid, seeing how little one hour of their hard work is valued at.'*

*Polly Toynbee in Ruth Lister 2005, p14*

A number of participants in our discussion group commented that in their experience people wanted work that was 'compatible with their sense of values and dignity', and that certain work was considered 'demeaning' even if the alternative was joblessness. Molly Scott-Cato's recent book on perceptions of work<sup>5</sup> confirms the very different value placed on different kinds of work in former mining communities. She found that in the Rhondda valley, nurses, midwives and dustmen were the most highly valued occupations, whilst fast food servers, secretaries and chief executives were the least valued.

Ruth Lister also argues that 'recognition' affects the way that people are represented and described in both policy and the media. She says that using language that stigmatises people is not only harmful to those it describes, it also distances 'us' from 'them' and makes it less likely that there will be a concerted attack on poverty.

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<sup>4</sup> Ruth Lister (2005) op. cit.

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<sup>5</sup> Molly Scott Cato (2004), *The Pit and the Pendulum*, University of Wales Press

### **Three dimensions of social justice**

We can, therefore, identify three key features of the economy and employment market which are fundamental features of social justice. The first is the extent to which people have access to a job; the second, is the relative distribution of pay and other benefits amongst those in employment; and thirdly, the recognition and respect which people are afforded in the work place.

This is not an abstract issue, but is important in shaping the way in which the economy and employment in Wales are assessed, challenges identified and solutions proposed.

The next section looks at the extent to which social justice has featured in recent policies on the economy and employment in Wales.

### 3. SOCIAL JUSTICE IN PUBLIC POLICY

Although social justice is a headline priority in public policy in Wales to what extent does it feature in specific policies on the economy and labour market? Because of the small scale of this project, this question is addressed through consideration of a small number of key policy documents.

The most substantial references to social justice are in the Welsh Assembly Government's 2003 strategic agenda – *Wales: A Better Country*. It includes in its vision:

*‘action on social justice that tackles poverty and poor health, and provides people and their communities with the means to help themselves and break out of the poverty trap’<sup>6</sup>*

But other than this reference the term social justice does not appear to be used. Nevertheless, two of the four priorities in *Wales: A Better Country* – ‘helping people into jobs’ and ‘better jobs and skills’ - are fundamental to social justice and are very welcome. But what these priorities mean, and how they are to

be defined, measured and delivered, is not set out.

The main public policy statements on the economy are *A Winning Wales*<sup>7</sup> and its 2004 ‘refresh’ version<sup>8</sup> along with the WDA’s corporate plan 2003/4 – 2006/7<sup>9</sup>. The main policy statements on the labour market are the *Skills and Employment Action Plan 2005*<sup>10</sup>, coupled with ELWa’s corporate strategy<sup>11</sup>.

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<sup>7</sup> Welsh Assembly Government (2002) *A Winning Wales*, Cardiff: National Assembly for Wales, <http://www.wales.gov.uk/themesbudgetandstrategy/content/neds/awinningwales-0302-e.pdf>

<sup>8</sup> Welsh Assembly Government (2004) *A Winning Wales - refresh*, Cardiff: National Assembly for Wales, <http://www.wales.gov.uk/themesbudgetandstrategy/content/neds/winningwales-refresh-e.pdf>

<sup>9</sup> Welsh Development Agency (2003) *Corporate Plan 2005-8 ‘Creating Success Together’*, [http://www.wda.co.uk/resources/WDA\\_BusinessPlan\\_2005-8.doc](http://www.wda.co.uk/resources/WDA_BusinessPlan_2005-8.doc)

<sup>10</sup> Welsh Assembly Government (2004) *Skills and Employment Action Plan for Wales 2005*, Cardiff: National Assembly for Wales <http://www.learning.wales.gov.uk/pdfs/c5104-seap-report-e.pdf>

<sup>11</sup> The National Council for Education and Training for Wales – ELWa (2002) *Corporate Strategy*, [http://www.elwa.org.uk/doc\\_bin/corporate%20policy%20and%20strategy/corporate%20strategy%2025%20february%202002\\_final1.doc](http://www.elwa.org.uk/doc_bin/corporate%20policy%20and%20strategy/corporate%20strategy%2025%20february%202002_final1.doc)

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<sup>6</sup> Welsh Assembly Government (2003) *Wales: A Better Country*, Cardiff: National Assembly for Wales, p. 4, <http://www.wales.gov.uk/themesbettercountry/strategic-e.pdf>

The Welsh Assembly Government's latest draft strategy statement, *Wales: a Vibrant Economy*, was published after this project was substantially complete. It includes a broad commitment to social justice and is a significant step forward.

Perhaps surprisingly, even the most general of references to social justice are almost entirely absent from main documents reviewed. This might be because the documents themselves, or at least the thinking on which they were based, pre-date the Assembly Government's explicit commitment to social justice, but it might also be because social justice in these policy areas simply has not been brought centre stage.

***'even the most general of references to social justice are almost entirely absent from these documents'***

However, if we look at the three elements of social justice that were identified earlier, the picture is rather more mixed.

### **Access to a job**

Almost all the recent policy documents reviewed include the question of access to a job. So, for example, *A Winning Wales – refresh 2004* refers to action to 'help more people into jobs to bring down our

levels of economic inactivity'.<sup>12</sup> There is, however, relatively little action proposed in this document, perhaps because employment is formally the responsibility of the Minister for Lifelong Learning and not the Minister for Economic Development and Transport.

The *Skills and Employment Action 2005* includes much more about economic inactivity, with a section in the Action Plan to 'help people into sustained employment'. Proposals here range from actions to reduce or remove barriers to work (such as childcare, transport and ill health), to sector and community-based approaches, to influencing the UK government over the New Deal and information and guidance.

It has to be said that for all the importance attached to economic inactivity, some of the actions proposed seem remarkably anodyne, not least because responsibility for much of the welfare to work agenda is not devolved to the Assembly which must therefore resort to:

*'asking the Sector Skills Councils...'*(p.37)

and

*'pressing the Department for Work and Pensions ...'*(p.40).

However, the rationale for 'helping people into jobs' is, across the board, not to promote social justice

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<sup>12</sup> Welsh Assembly Government (2004) *A Winning Wales - refresh*, Cardiff: National Assembly for Wales, p9

but to improve Wales' Gross Domestic Product (GDP) as these quotes show:

*'Putting right the deficit in the proportion of working age people in work in Wales is also a critical factor in raising Wales' relative GDP per head'*  
Wales: A Better Country p7

*'If we are to improve our GDP and levels of competitiveness in Wales we must promote job creation and ensure that people are equipped with the skills and opportunities for work to take these up.'*  
SEAP 2005 p 35

*'Our below par GDP per head performance is not due, primarily, to lower productivity in comparable jobs. ... The main differences between Wales and the UK average are the proportion of the working age population who have jobs'*  
A Winning Wales 2002 p5

*Wales: a vibrant economy* marks a welcome shift in emphasis. Here, the focus is on employment and earnings 'which directly impact on individuals' quality of life in a way that GDP, GVA or their 'per head' equivalents do not'.<sup>13</sup>

The targets for reducing inactivity are vague. The 2002 Skills and Employment Action Plan's targets were to increase the total economic activity rate by 3.0% between 2001 and 2003 (although it is not clear if

these are increases in percentage *points* on the base year or a percentage change). Most recently, *'Wales: A vibrant economy'* aims to close the gap between the employment rate for Wales and the UK, even as the UK rate changes, although here too a precise figure is not specified.

## Pay and Conditions

The second element of social justice, that of the distribution of pay and other employment conditions, has far less of a profile in recent policy documents. There is virtually no reference to the wider question of differentials in pay overall or between different social groups, nor to the problem of low pay. Ironically, where pay is mentioned, it is usually in terms of the relative absence of *higher paid jobs* in Wales.

That said, there is some acknowledgement of the importance of earnings as an issue in the headline statements of *Wales: a vibrant economy*, along with some accompanying analysis, although little action is proposed.

***'There is virtually no reference to the wider question of differentials in pay in previous policies'***

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<sup>13</sup> Welsh Assembly Government (2005) *Wales: A Vibrant Economy* p. 22

The rationale for the focus on higher earnings in recent policies is, as before, the impact on Wales' GDP rather than any concern about equity and justice, as these quotations show:

*'If we had more company headquarters and research laboratories, there would be more highly paid jobs, which would also close the [GDP] gap'*  
A Winning Wales p5

*'The relatively low Welsh GDP per head is mainly due to low employment rates and the relative lack of highly-paid jobs'*  
SEAP 2005 p9

Given the absence of concern with the overall distribution of pay, it is hardly surprising that there is no consideration of issues such as the gap in pay between women and men or between different minority ethnic groups, let alone the other 'goods and bads' of employment such as job security, hours worked, job mobility and so on. Whilst *Wales: a vibrant economy* does acknowledge the importance of earnings, there is little if any reference to the distribution of pay between social groups.

There are, however, frequent references to 'job quality' in many policy documents, which might be argued to include, albeit implicitly, notions of social justice. But it is more usual for 'job quality' to be presented as a matter of skill levels or industrial sector. For example, 'improving the quality of jobs in Wales' is a key challenge and priority

in the Skills and Employment Action Plan 2005, but all subsequent references in the Action Plan are to increasing skill levels.

One of the four priorities of the Skills and Employment Action Plan is thus to:

*'Increase the demand for high-level skills amongst employers and increase the supply of people with management, leadership and technical skills critical for success in a fiercely competitive international market'*  
SEAP 2005 p12

Similarly, *A Winning Wales* and the associated WDA Corporate Plan stress the importance of certain industrial sectors which are presumed to offer relatively highly skilled jobs:

*'We need to increase the number of new and growing businesses in modern economic sectors, while at the same time raising the average skill levels in the economy. We need to find the right kind of jobs that will provide opportunities for the more highly qualified products of our higher and further education system'*  
A Winning Wales p.6

Whilst the emphasis on skills and modern industries is absolutely critical to the future wellbeing of the people and economy of Wales, we would suggest that it is not a substitute for a concern with pay and

conditions in employment. Nor are high skill levels and high tech industries necessarily one and the same as 'high quality' employment. Indeed, all too many jobs in supposedly high tech electronics companies in Wales have proved to be both lowly paid and regrettably short-lived.

***'the emphasis on skills and modern industries is absolutely critical but it is not a substitute for concern with pay and conditions'***

### Recognition and respect

If there are gaps in the coverage of the distribution of jobs and of pay and conditions, there is a complete silence on any aspect of 'recognition and respect' at work. Nowhere is there any reference to employee rights, or indeed more than passing reference to equality at work in any of the policy documents considered.

This may be because these are mostly – although not exclusively - not devolved matters, but nevertheless as has been suggested earlier these 'recognition and respect' issues can have a significant effect on people's experience of work, which may in turn influences their willingness to engage with the labour market. As such, they can and should be the

legitimate concern of public policy in Wales.

### Next steps

This overview suggests that despite the commitment in public policy to social justice as a principle, it has not been developed explicitly in recent economic and employment policies and strategies.

The main driver has been, instead, raising Wales' GDP levels, coupled with some concern about spatial distribution. Insofar as there is concern with social justice, it is presented as somewhat unsophisticated ambitions to 'help people into jobs' by reducing economic inactivity and to 'improve job quality' by raising skill levels.

Whilst these ambitions have clear links with social justice principles and are very welcome, they are neither conceptualised nor operationalised in ways which necessarily achieve socially just outcomes. And on some key aspects of social justice there is silence. *'Wales: a vibrant economy'* indicates a most welcome recognition of the importance of employment and earnings as social justice issues, but it still has some way to go.

What then might policies look like if they do have social justice at their centre?

## 4. A SOCIAL JUSTICE AGENDA FOR THE ECONOMY AND EMPLOYMENT

Thinking about the economy and employment in terms of social justice results in a different perspective on both current conditions and future priorities.

Most obviously, it gives a clear political direction to policy rather than the somewhat technocratic concerns that have tended to dominate recent statements. Social justice puts the quality of people's lives – and the relative advantages and disadvantages experienced by different groups of people – at the centre of policy.

A social justice perspective can also shift policy priorities, so that for example the pay and conditions of the lowest paid employees could well be seen to be of greater importance than the technological needs of a particular industry or increasing the number of well paid employees.

And a social justice perspective can change how particular issues are conceptualized and hence how policy is delivered. For example economic inactivity is seen in almost all recent analyses as a problem, but a social justice perspective could suggest that low levels of economic participation is the price paid by certain social groups for rapid and dramatic changes in local

employment. Hence reducing economic inactivity could be re-presented as not so much about boosting Wales' GDP as about the right to suitable work. Whilst such rights must of course be balanced by responsibilities, nevertheless it is an interesting shift of perspective.

A focus on social justice need not be at the expense of increasing prosperity, measured by Gross Value Added. Indeed, we would suggest that it is not a choice between two opposites, but rather a question of choosing to *complement* efforts to increase prosperity with efforts to ensure that growth is equitable. Further, a lack of focus on social justice in pursuing growth may well constrain development.

***'A focus on social justice need not be at the expense of increasing prosperity.'***

So what might a social justice agenda for the economy and employment in Wales consist of?



## Full employment for Wales

Access to a job is fundamental to achieving social justice, because employment is the primary means of accessing and distributing the 'good things' in society. Although helping people into jobs is currently a policy priority, we suggest that a broader, social justice goal should be **full employment in Wales**.

Full employment as a goal puts job creation back on the agenda. The debate about economic inactivity to date has been dominated by supply side explanations - indeed, the Welsh Assembly Government's analyses continue to emphasise supply-side explanations more strongly than ever. This is despite the overwhelming correlation in local labour markets between high levels of economic inactivity, substantial recent job loss and low current labour demand.<sup>14</sup>

Whilst help for people to overcome barriers to work is undoubtedly needed, it is patently obvious that people need jobs to get into as well. And, crucially, they need *accessible* jobs – either jobs which are relatively local, given that more than three-

quarters of all employees travel less than 5km to work, or jobs to which travel is affordable and convenient. Supply side measures alone, without any accompanying efforts to create jobs, risk simply 'exporting' people to work elsewhere and hence do little for Wales' long term prosperity.

***'Full employment  
as a goal puts  
job creation back on  
the agenda.'***

Full employment is also a positive goal because it does not risk stigmatising the economically inactive. There is, in some of the literature at least, an inference that the economically inactive are less than keen to work. There is reference in some analyses, for example, to economic inactivity in parts of Wales which it is said cannot be explained by 'genuine' ill-health, real shortages of jobs or transport difficulties.<sup>15</sup> Yet the inactive are, in fact, a diverse group which includes people who are too ill or too severely disabled to work, people who are caring full time for children or relatives, as well as people who might well be in employment if local circumstances were different.

Lumping all these people together, describing them as a 'problem' to be tackled, is precisely the 'othering' of

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<sup>14</sup> Christina Beatty, Stephen Fothergill and Ryan Powell (2005) Twenty years on: has the economy of the coalfields recovered? Centre for Regional Economic and Social Research, Sheffield Hallam University [http://www.shu.ac.uk/cresr/downloads/publications/2-New%20coalfield%20article\\_final%20draft%20Feb%202005.pdf](http://www.shu.ac.uk/cresr/downloads/publications/2-New%20coalfield%20article_final%20draft%20Feb%202005.pdf)

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<sup>15</sup> See for example National Assembly for Wales Economic Research Unit (2003) Activity Rates, Worklessness and Poverty

a problem that Ruth Lister warns against.

There is undoubtedly more work to be done on the question of achieving full employment in different parts of Wales,<sup>16</sup> but the case for creating **more** jobs and for **accessible** jobs, as well as helping people into them, is surely overwhelming. The Department for Work and Pensions has a target of 80% of the working age population being in employment. We strongly recommend that this target be explicitly adopted for Wales – not just that the gap is narrowed in an unspecified way as is proposed in *Wales: a vibrant economy* - and that further efforts be made to identify how best to bring activity rates up to the target level.

The overall goal of full employment should be accompanied by targets to ensure jobs are created in, or are accessible from, the areas that need them most. Research shows that people who are economically inactive say they are only willing to travel a few miles to find employment. This is frequently cited as implying that the people concerned are not serious about wanting to work. However, it simply reflects a general propensity for people in less skilled occupations to travel shorter distances to work – the reality is that medium-long distance travel to work is the prerogative of the middle classes.

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<sup>16</sup> The Bevan Foundation is shortly to begin a study of economic inactivity in the south Wales valleys.

What might have to be done to achieve full employment in Wales? Whilst it is outside the scope of this project to make comprehensive suggestions, some participants in our discussion argued that there is considerable merit in ‘old-fashioned’ job creation measures – i.e. through the public sector creating jobs - where conditions are particularly difficult. Participants also felt that there was scope to be smarter in public procurement, to encourage the social economy as a creator of jobs, to develop some innovative approaches to improve job accessibility, and to maintain a strong job creation priority in future public policy.

There is also scope to increase, refine and improve supply side measures. All involved in the discussion group felt that there was much greater potential to promote the value of work in Wales, ranging from positive role models in education as well as popular culture, through to provision of better information and awareness about pay relative to benefits. There is surely scope for the Welsh Assembly Government, employers and trades unions to take some initiative here.

In addition, some participants in the discussion group identified significant potential to modernise the delivery of existing support employment programmes, so that they focus on individuals entering work and their families, and provide support for at least 12 months for progression through the labour market as well as initial entry. Indeed it was suggested that

employers receive more support than employees in this crucial time. There were also suggestions that the good practice developed in some local projects needs to be applied to national programmes, and in particular that there should be greater support for condition management, to help people who may have a chronic disease but nevertheless may be able to work, and to welcome, support and encourage people who are voluntarily seeking help to find employment.

There is also unexplored potential for employment support programmes to be pro-active, seeking out individuals who are on benefit but who have not sought help to find work. And there were universal calls for the assessment of employment support programmes to take a longer term and wider view than at present in assessing their impact.

***'there is a great deal more that can be done, and done better, to help people into jobs.'***

The conclusion must be that there is a great deal more that can be done, and done better, to 'help people into jobs'. There needs to be more research to establish what works and what does not, and to promote good practice in this field.

## **End poverty pay**

The quality of employment that people have is a second key dimension of social justice. Pay is one very important element of job quality, not least because pay rates are not only a key determinant of household incomes and poverty, but also shape people's willingness to participate in the labour market. Promoting full employment at the same time as ending poverty pay have the potential to transform the well-being of Wales.

There is a debate about whether social justice means reducing the pay gap between the richest and poorest in society, or whether the focus should be on improving in absolute terms the conditions for those at the bottom of the heap, irrespective of what is happening at the top. No doubt the debates will go on, but we would suggest that a top priority for public policy should be to eliminate very low pay, i.e. pay at and only very slightly above the National Minimum Wage (of course no-one should be paid below the Minimum Wage). A figure widely adopted as a measure of low pay is £6.50 an hour.

On this definition, 60% of part-time workers were low paid in 2004. This proportion was the same for men and women. Among full-time workers, 25% of women are low paid compared with 15% of men.

A considerable proportion of people on low pay rely on in-work benefits to 'top-up' their take home incomes.

Evidence suggests that take up is highly variable across Wales.

***'a top priority should be to eliminate very low pay'***

Whilst responsibility for the National Minimum Wage and for take-up of various benefits which aim to 'make work pay' rests with the UK Government, there is much more that could be done in Wales to encourage take up of in-work benefits, through the provision of information and advice as well as more pro-active enforcement of legislation.

In addition, participants in the discussion group identified other tools that may help to eliminate very low pay, ranging from ending low pay in the public sector, to the use of public sector procurement to encourage above minimum pay rates and other good employment practices, to exploring the potential of the social economy and greater support for Corporate Social Responsibility within the business community in Wales. All of these are worthy of further investigation to assess their potential to boost pay rates at the lowest end of the spectrum.

## **Recognition and Respect**

The third element of social justice in the economy and employment is the 'recognition and respect' afforded to

workers in their workplace – encompassing the right to safe, fulfilling work, free from discrimination, harassment and fear. Although responsibility for employment relations rests with the UK government, public policy in Wales needs to be mindful that poor employment relations impact on the wellbeing of the economy and workforce in Wales, both because of the number of workers in Wales who are adversely affected by bad employment practices and also because employment relations impact upon people's perceptions of work and their willingness to engage with the labour market more generally. For example, ACAS, the government funded Advisory, Conciliation and Arbitration Service has noted 'the significance of effective employment relations as a key element in regional economic and employment strategies'<sup>17</sup>

There was a broad consensus in the discussion group that relatively little is known about the wider social impact of poor employment relations, and a view that public policy in Wales could do much more about employment rights. However, other than the suggestion that there should be incentives for employers to adopt good practice (and conversely disincentives for those who do the minimum) this was not an issue that was explored in detail. It certainly warrants further investigation.

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<sup>17</sup> ACAS (2004) Improving the world of work – the ACAS plan of action for 2005/6 – 2007/8

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## 5. CONCLUSIONS

This project has outlined how public policy might begin to move towards promoting social justice in the economy and labour market. It has identified three key elements to social justice, namely access to a job, the distribution of pay and other employment benefits, and 'recognition and respect' at work. Although there is a very welcome headline commitment to social justice in existing public policy, it is only reflected very partially in recent policies on the economy and employment market in Wales, although *Wales: a vibrant economy* is a welcome move in the right direction.

An approach which gives a higher priority to social justice in the economy and labour market might emphasise achieving full employment, an end to the very lowest levels of pay, and promoting employment rights.

***'an explicit commitment to social justice in future economic and employment policies is vital'***

This project has found that there has been very little work done in Wales to date on these issues and that a great deal more needs to be done to

establish the most effective ways to address them. In particular, research and policy development is needed to:

- quantify what full employment might mean for people in different parts of Wales;
- develop new ideas about how best to stimulate job creation in areas with weakest labour demand;
- develop new ideas about how to improve access to jobs;
- review evidence on the interventions which most effectively help people into jobs;
- develop ideas to tackle low pay and to close the gender pay gap and other pay differentials;
- develop ideas to promote the culture of work and raise aspirations;
- the impact of employment practices on economic participation rates and
- how best practice in employment in Wales can be promoted.

We conclude that an explicit commitment to social justice in future economic and employment policies is vital. Although some important steps have been taken, there is still much more that can and should be done to ensure that economic development and employment policies achieve social justice for the people of Wales.

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