

Living Wage Week Round Table: Essential workers and the real Living Wage

Introduction

At the Wales launch event for the Living Wage Week, the First Minister announced the new real Living Wage hourly rate of £9.50. Unlike the statutory minimum wage, this rate is calculated based on the current costs of living. The new rate, an increase of 20p per hour, will benefit over 11,300 workers at 264 accredited Living Wage employers in Wales. However, as many as 265,000 jobs in Wales still pay less than the real Living Wage. Many of these workers are found in sectors that have been deemed essential, namely social care and some parts of retail. Their roles have been identified as crucial to ensure everyone can buy food and that our most vulnerable members are cared for, yet most of these workers will not benefit from this increased in the real Living Wage. We wanted to put a spotlight on these essential workers and hear from experts including trade unions and employer organisations on how we can improve real Living Wage coverage in Wales.

Joining us on the panel were:

- Heather Anstey-Myers, CEO of South and Mid Wales Chamber of Commerce
- Sarah Hopkins, Director of Cynnal Cymru
- Sue Husband, Director of Business in the Community Cymru
- Nisreen Mansour, Policy Officer at Wales TUC
- Dominic MacAskill, Head of Local Government at Unison Wales
- [Chair] Victoria Winckler, Director of the Bevan Foundation

Reactions to the new real Living Wage rate

“Sometimes the choices are not as straightforward as whether it’s the right thing to do. It’s whether or not they can actually still keep people employed” – Heather Anstey-Myers, Chamber of Commerce

While the increase in the rate of the real Living Wage was welcomed as making a real difference, both Unison and the Wales TUC reminded us that not every low paid worker will benefit, particularly in social care and local government.

Business in the Community highlighted that the role of ‘essential’ workers has become more valued by the wider public, and that their conversations with employers have revealed growing demand to re-think business models. The South Wales Chamber emphasised the ongoing financial struggle for many employers throughout the pandemic, with retail and hospitality being particularly affected. At the end of this discussion, they argued that the real question is not whether employers should pay the real Living Wage, but whether employers will be able to continue trading.

Increasing the number of accredited Living Wage employers

“We have seen a number of employers accrediting [as Living Wage employers] even since the start of the lockdown. They want to show their workforce that they are

investing in them during difficult times. They want to show leadership. It also forms part of the resilience of an organisation” – Sarah Hopkins, Cynnal Cymru

Despite the ongoing problems brought on by the pandemic and multiple lockdowns, some organisations were hopeful for continuing success for the Living Wage movement in Wales. Cynnal Cymru and Business in the Community highlighted the many benefits for employers of becoming an accredited Living Wage employer. This includes boosting reputation to consumers, improving workforce retention and resilience, and bringing opportunities to cascade the Living Wage through supply chains. The South Wales Chamber argued that employers recognise these benefits, but that current and future economic anxieties are too great to overcome.

What other aspects of workers’ terms and conditions need to be on the agenda?

“There is something really fundamental to us about the role of worker voice...the real Living Wage is a great part of this wider agenda” – Nisreen Mansour, Unison

The Wales TUC recognised the value of the Living Wage campaign but described it as one aspect in the wider agenda of ensuring fair reward. Unison highlighted conditions in the social care sector as being substandard in other aspects, singling out the lack of sick pay coverage as a personal and public problem. Cynnal Cymru stated that they see the real Living Wage as part of the wider fair work agenda, with accreditation representing a long-term commitment to fair work.

It has been a tough decade for the lowest paid – are there any bright spots on the horizon?

“I think there will be a switch in how people feel about some of those individuals who...keep the country running. I think that sentiment is going to translate into people expecting business to be more responsible” – Sue Husband, Business in the Community

Business in the Community argued that consumer behaviour is shifting away from just the lowest price and instead putting more value on the way workers are treated by their employers. Unison agreed and questioned how to harness this good will to seize this opportunity for a paradigm shift involving a serious redistribution of wealth. Wales TUC highlighted that the pandemic has improved the ability of Welsh Government to contact workers and employers and has also been a PR boost for ‘health & safety’. The South Wales Chamber argued that progress will be dependent on the support available to help employers pay the real Living Wage.

The lack of a joined-up approach between the Welsh and UK Government’s also needs to be addressed to ensure clarity of support. Finally, Cynnal Cymru focused on the positive example of Cardiff’s progress to become a Living Wage City, which has led to a marked increase in the number of employers accrediting in the area.

What lessons can we learn from efforts to promote and encourage the real Living Wage in Wales?

“The presenting of a balanced win-win argument around the real Living Wage is a key way to winning the hearts and minds not only of business, but also politicians” –
Dominic MacAskill, Unison

Unison highlighted that the responses in China and Japan have demonstrated how effective public resources can be when used properly, allowing the testing of millions within a matter of days. Both Business in the Community and the South Wales Chamber agreed that convincing employers through hard facts is key to future success. The communication gap with employers must be bridged, to have serious conversations on areas such as attracting talent to Wales. The Wales TUC identified worker voice as the crucial ingredient for successfully improving conditions for workers, and the real Living Wage could act as a ‘gateway’ to this. Cynnal Cymru noted the importance of building networks in support of the Living Wage movement, alongside directly hearing from key workers their concerns about working conditions.

Conclusion

The real Living Wage has increased and a growing number of businesses are signing up, spurred on by such developments as Cardiff’s ambition to become a Living Wage City. Difficult economic times are ahead but we can agree that the real Living Wage should be paid, as part of a wider fair work package including worker voice and sick pay coverage. There are different methods and factors which we can use to boost the Living Wage movement in Wales, including business support, to reach the goal of ensuring all workers are paid the real Living Wage.

The round table recording is available [here](#).

This Round Table is part of our activities marking Living Wage Week 2020. You can find out more about what we have scheduled [here](#).

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