

Living Wage Week 2021

Why Living Wages Matter

Discussing the captivating insights from some of the week's conferences, brought to us as part of the ESRC Festival of Social Science in celebration of Living Wage week, highlighting some of the fascinating scientific research and real lived experiences of implementing the Living Wage
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November 2021 saw the start of the 20th Annual Living Wage Week, and what a memorable week it was for Living Wage Scotland! First and foremost, the new 2021-2022 Living Wages were released, rising to £9.90 for the UK and to £11.05 for London.

Furthermore, in collaboration with Edinburgh City Council, Living Wage Scotland officially announced Edinburgh to be a Living Wage city. This initiative estimates that around 10,000 people will see wage increases, which could be an uplift of around £60,000,000 in people's pockets, although these figures are yet to be finalised.

1. Employees: The Individual Level

Recent years have seen a shift in the research on Living Wages from a purely economical standpoint (employer-centric: What does it cost us?) to a psychological standpoint (person-centric: how can it benefit us?). This new body of research has recognised that Living Wages provide not just economic stability, but also enhanced psychological wellbeing.

“This isn't just a council plan this is a real partnership... with many hundreds if not thousands of businesses...”

Councillor Adam McVey
Leader of Edinburgh City Council

Professor Rosalind Searle from the University of Glasgow, in collaboration with Dr. Ishbel McWha-Hermann, a lecturer and researcher at the University of Edinburgh, conducted a narrative interdisciplinary review of research on the Living Wage, focusing specifically on the employee voice.

They identified two main branches of benefits provided by the Living Wage; sustainability and capability. Sustainability of the worker is increased as they now have the time to recuperate and rest from work, be that for needed sick days but also for general leisure time. Living Wages provide the capability for employees to be more productive, motivated and innovative in their work. This becomes possible by the Living Wage because being paid a fair rate makes employees feel valued and respected, thus motivating them. Also, because employees earn a higher rate, they are not forced to work 2nd or even 3rd jobs just to survive.

Living wages remove personal barriers, allowing individuals to live the life they reasonably value. A fascinating talk by Dr. Christian Heubert and Dr. Lisa Hopfgartner mapped the capabilities that the Living Wage provides onto Maslow's (1954) hierarchy of needs. These researchers highlighted how a Living Wage can satisfy all of the basic human needs as it stimulates the development of individual capabilities such as empowerment and psychological justice. Thus, it is evident that the benefits to the individual employee of reviewing a Living Wage are not just plentiful but impactful.

“They were really walking this precarious balance between not having enough time and not having enough money so the they were never able to move ahead with their lives”

Prof. Rosalind Searle on employees working below the Living Wage

2. Employers: The Organisational Level

Lindsay Fyffe-Jardine, CEO at the Edinburgh Dog and Cat Home, stresses the importance of considering what the Living Wage can offer to employers, and how in fact, not implementing a Living Wage can end up costing organisations more in the long run.

“Knowing that you are paid well makes it easier to get up and go to work every day ...I can enjoy being at my work doing the job I’m very proud to do.”

Tania Dron, Creative Development Manager,
Mercat Tours

After crunching the numbers, Lindsay identified that they were paying more out in sick pay and loss of productivity than they would ever on paying out the Living Wage. This demonstrates the win-win, mutually beneficial outcomes of becoming a Living Wage employer.

Moreover, becoming Living Wage accredited makes for a more attractive organisation. This not only helps to retain, but also improve talent.

It may also attract more customers as they may value the ethical operations of your organisation, as evidenced in the quote from Dougie Cameron, COO of Edinburgh Filmhouse. Employers are also likely to see increased innovation throughout the organisation because they employees now have the time to think about how to improve operations, instead of rushing about from their 2nd and 3rd jobs.

3. Edinburgh City: The Community Level

Minimum wages simply cannot sustain individuals, and if individuals do not have any disposable income, they cannot participate in society. This not only has knock on effects for the economy, it widens the gap between the rich and the poor. The Living Wage allows individuals to participate in their local communities which has a direct positive impact on the economy.

“If you are a real Living Wage employer, there’s a real statement with that... our staff were really proud of it and that pride was boosted when customers came in and... they’re making their own buying decisions from that.”

Dougie Cameron, Chief Operating Officer,
Centre for the Moving Image (Filmhouse)

Despite the monumental advances made with this initiative, it is imperative to consider more than just the Living Wage. Still, 1 in 6 UK workers are paid below the Living Wage, so much is still to be achieved. It is crucial that Living Wages be accompanied by decent working conditions and Living Wage hours so that employees and organisations can reach their full potential. This is a strong focus of the Edinburgh’s Living Wage initiative.

I’d like to finish this blog post with a quote from Professor Rosalind Searle, which nicely encompasses why Living Wages matter at the individual, organisational, and community level:

To watch the short science talks detailed here, please visit our YouTube channel <https://bit.ly/341gDmf>

“By becoming a Living Wage space, Edinburgh is recognising that Living Wages are more than just about individual benefits to the workers and the workplaces it's also about spillovers into families, into caring responsibilities and therefore into society. So this really is uplifting the whole of Edinburgh to make it a more sustainable, a more resilient, but also a much more attractive place to work.”