

Income losses of British millennials second only to those in Greece

Simon Whelan
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Research conducted by the Resolution Foundation (RF) think tank found that Britain's millennial generation—those born since 1981 and leaving secondary education around 2000—have suffered a greater reversal in their financial fortunes than their counterparts in every other developed country, with the notable exception of Greece.

The survey reveals that in 2014 British millennials earned 13 percent less than those born in and around 1970 at the same stage in life. In Greece, the decline is a savage 25 percent.

The RF think tank researched how incomes, employment and home ownership rates have changed from one generation to the next over the decades since the end of the Second World War in nine advanced economies, including the UK.

The international scope of the research reveals that in every so-called developed country across the world, most of the millennial generation struggle to find affordable and decent housing and to find secure employment with a decent wage. In short, for tens of millions of younger people, everyday life is a struggle to make ends meet. The basic needs of a civilised life, for shelter and food, cannot be taken for granted from one day to the next by millions.

The RF found severe reductions internationally in the levels of secure housing, jobs and income in the most advanced economies. On all measures except for unemployment, the British millennials have suffered greater reversals than their international counterparts. “The scale of the pay squeeze for those aged under 30 is surpassed only by Greece,” the RF finds.

The mass austerity imposed on the international working class since 2008 by all governments, working night and day to impose the predatory demands of the banks and financial speculators, finds its most

calamitous expression in Greece.

The Greek population—barring the super-rich and upper middle class—have suffered a disastrous loss of income across the board. Over the same period, Greeks in their fifties suffered a 6-7 percent income fall.

Led by Prime Minister Alexis Tsipras, the pseudo-left Greek Syriza government continues to impose the brutal austerity diktats of the European Union (EU) and International Monetary Fund upon the backs of the Greek working class. Today, 19 years of brutal austerity imposed by social democratic, conservative and now a pseudo-left government have produced a social decline amongst Greek workers that is unprecedented in peacetime.

During the opening decades of the twenty-first century, the Greek working class have been reduced—after years of rising living standards—to social conditions usually associated with the so-called Third World. Absolute poverty, not just relative disadvantage, exists amongst the Greek working class, with Britain the next worst example of the outcome of such social butchery. This takes place under conditions in which the ruling elite are not declaring such austerity to be over. We are warned—driven by the necessity to ramp up military, intelligence and police spending—that far more attacks on the social position of the working class are on the agenda.

Britain is currently the penultimate poorly rated location for young working class people's living standards and wages.

One of the notable aspects about the precipitous decline in the incomes and social conditions of the British working class is that the UK is still one of the top five economies in the world. It is a much more populous country than Greece, with the Mediterranean state's relatively small geography and population.

While the UK is the second largest economy in the EU, with a 16 percent share of the EU's GDP total, Greece represents just 1.2 percent.

Hence, whilst the decline in the social position of the British working class has not yet sunk to the levels witnessed in Greece, the suffering in the UK is being experienced by much greater numbers of workers. Greece's population is 10.75 million and the UK's 65.6 million.

The collapse in living standards among millennials is the product of a social counterrevolution being implemented by the European ruling class, which is being rolled out by governments of every political stripe. Cuts totaling hundreds upon hundreds of billions of euros have been made across the continent, bringing untold misery.

The European ruling class chose Greece as the test bed to establish how far it can savage the social conditions of the working class. The result is that Greece has established an historic benchmark against which the austerity imposed upon other countries' workers is to be measured. The calamitous decline in the social position of the Greek working class has been utilised to intimidate and threaten the entire European working class.

Whilst official UK unemployment among young people (those aged 16-24) is considered relatively low by international comparisons, it is still historically high at 9 percent, almost one in ten. (The youth unemployment rate has more than doubled in Italy, Spain and Greece between the early 2000s and the years following the 2008 financial crisis, and today remains above 25 percent.)

The British government's figures on unemployment, however, cannot be considered accurate. The official figures are the result of years of so-called labour market reforms that have rendered it effectively impossible for young British jobless men and women to be counted amongst the monthly collected figures of the unemployed.

The RF notes the rise in the number of young people experiencing what it euphemistically called "atypical" employment arrangements—zero hour contracts and the proliferation of self-employment amongst the insecurely and infrequently employed. The decades-long brutal deregulation and casualisation of the British labour market is a prime reason why workers find it

virtually impossible to make ends meet.

"Generation-on-generation progress has been all but wiped out for Millennials whose home ownership rate in their late 20s, at 33 percent, is half that for the baby boomers at the same age (60 percent)," the RF said. Moreover, the RF reported last year, the generation aged 18-36 are on average spending more than a third of their post-tax income on rent or about 12 percent on mortgages, compared with 5-10 percent of income spent by their grandparents in the 1960s and 1970s. The UK was ranked third worst amongst the developed states in terms of high house prices in relation to incomes. Only Denmark and, once again, Greece ranked lower.

The collapse in income and assets has further produced a growing debt crisis among young people. Last October, the Financial Conduct Authority's Andrew Bailey explained, "There has been a clear shift in the generational pattern of wealth and income, and that translates into a greater indebtedness at a younger age. ... That reflects lower levels of real income, lower levels of asset ownership."

The RF research revealed that in most developed European countries there is now a widespread belief—according with bitter life experience—that young adults will be worse off than their parents, with the French the most pessimistic. Only 10 percent of French people think young people will be better off than their parents, while 71 percent believe they will be worse off. The UK was fourth from bottom in the survey, with 22 percent believing young adults will be better off and 50 percent saying they will be worse off.



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