The UK's plummeting wages and the trade unions

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Despite the growing militancy in the working class, wages are falling drastically behind inflation.

Office for National Statistics (ONS) figures show average weekly earnings in February 2023 of £596, for pay excluding bonusses. This is a 7 percent increase on the year. In the same period, prices have risen twice as quickly, 14 percent according to the Retail Price Index (RPI).

The average worker in the UK was as a result over 6 percent poorer this February than they were just one year earlier. The effect is the same as if someone had taken more than £1,900 out of the average worker's annual pay.

The extra money workers are forced to spend in supermarkets, on bills, at the petrol station, in rent and so on goes to the major corporations and the banks either to protect their profits against their own rising costs—essentially passing these on to the working class—and/or, more frequently, to boost their profits yet higher.

Over the last two years, the scale of the looting operation has been staggering. Since February 2021, average wages have increased by 11.4 percent. Prices have increased 23.3 percent, leaving workers' pay packets nearly 10 percent lighter in real terms—nearly £3,000.

As always, the average figures disguise a far worse situation for the poorest half of earners. These households spend a larger proportion of their budget on essential items like energy bills and food, whose price has risen faster than the average rate.

In the year to February 2023, gas prices rose by 129.4 percent, electricity by 66.7 percent, and food prices by 18.2 percent. Food is still getting more expensive more quickly, with figures for March showing a 19.2 percent rise—the highest since August 1977.

The human cost of these cold figures is enormous material hardship and mental distress, social exclusion, relationships strained, families broken apart, and potential wasted.

According to ONS surveys, 26 percent of adults experienced shortages of essential food items in the last two weeks—up more than a third on a year before. Over half reported buying less food.

A fifth of adults are occasionally, hardly ever, or never able to keep comfortably warm in their home, with half reducing their energy use. More than a third are struggling to pay their rent or mortgage.

This is the result of the capitalist organisation of society which sacrifices human life to protect and expand profits.

Workers have mobilised on mass in the last year to challenge this devastating situation, insisting that they will not be bled white to the benefit of a super-rich few. Strike action has been mounted by numbers and across a range of sectors of the economy not seen for decades. Yet wages are still falling sharply.

This is the result of the trade union leadership's suppression and betrayal of the strike movement that began last Summer. Compared to the 1970s—the last time comparable price hikes were seen—industrial action has been kept low. In that decade, an average of over 1 million working days were lost each month to strike action, with some months seeing more than 5 million. Between June 2022 and February 2023, approximately 340,000 days were lost each month.

Workers have voted or indicated their willingness to vote for action in far larger numbers but have been held back by their unions. Where strike action has gone ahead, the union leaderships have pushed acceptance of pay deals lifting workers' wages by less than the increase in prices, leaving them poorer in real terms.

In the NHS, health unions Unison and the Royal College of Nursing recommended (and Unison has forced through) a deal giving workers an average 4.75 percent pay rise for April 2022-23 and 5 percent for April

2023-24—plus a one-off lump sum worth roughly 6 percent. The unions allowed a 3 percent deal to be imposed by the government in 2021-22, giving a consolidated pay rise between April 2021-24 of roughly 13.3 percent.

But *already* between April 2021 and March this year, prices have risen by 22 percent, meaning health workers' pay is already behind inflation and will fall further and further behind over the next year as prices continue to rise.

At Royal Mail, the Communication Workers Union is preparing a pay deal of 10 percent over the three years from April 2022 to April 2025. It previously agreed a 3.7 percent rise for the two years April 2020-2022, giving a just over 14 percent rise between April 2020-2025.

Prices have already climbed by over 25 percent, with more than two years of inflation to go.

It is the same story on the railways, with the Rail, Maritime and Transport union securing agreement on a pay deal of between 9.2 and 14.4 percent (depending on salary) for 2022-24 for its Network Rail members. These workers received a 2.1 percent rise in 2020 and zero in 2021, giving a total rise over the four years of between 11.5 and 16.8 percent—versus 25 percent inflation already.

The union bureaucracy defends itself by pointing to the "union premium"—the difference in average wages between unionised and non-unionised workers. But this figure has been falling at least since the turn of the millennium in virtually every sector. In 2021 (the latest available figures), it was less than 5 percent across the whole economy and negative in manufacturing, construction and wholesale and retail trade.

It stretches the word "premium" to breaking point when union members are getting poorer in real terms. The bureaucracy is essentially setting the ceiling for wage rises at below inflation, leaving the roughly three quarters of workers not covered by a collective bargaining agreement, who the unions have no perspective for organising, in even worse straits.

Trade union struggles were always historically limited to what could be "afforded" by capitalism, seeking only to secure as favourable a balance as possible between wages and profits whether this was enough to actually meet workers' needs and demands or not.

But the limitations imposed on the class struggle by accepting the authority of the trade union leaderships are now so severe that the result is the impoverishment of the working class. According to the government's own Office for Budget Responsibility, real household disposable income will suffer the largest fall in 2022-24 since records began in the 1950s.

The effects are felt far more broadly than in wages. Lack of protections for workers meaning more stressful and strenuous working conditions, plus the pressures of low pay and poverty, have contributed to the largest number of people out of work due to long-term ill-health on record—over 2.5 million people. This is an increase of more than 400,000 since early 2020; 150,000 of that in the last year and 89,000 in the three months to this February alone.

The COVID-19 pandemic, both the direct impact of the virus and the shattering blow its uncontrolled spread dealt to the health service, is doubtless the most significant single factor. The unions did not protect workers from the disease and are winding down strike action in an NHS in desperate need of funds and decent salaries to attract and retain staff and prevent collapse.

The lesson driven home by the strike wave is that the unions will not wage a fight to defend workers' living standards. There is no incentive for general secretaries paid more than £100,000 a year and receiving pension payments worth almost as much as their members' yearly salaries to stick their neck out. They and their leaderships have become totally accustomed to negotiations purely on the companies' terms.

If workers, inside and outside of the unions, are to launch a counter-offensive, they must organise independently of these bankrupt organisations. The Socialist Equality Party and the *World Socialist Web Site* advocate for the formation of rank-and-file committees and are in discussion with growing numbers of workers on this vital question.