UK workers suffer massive income losses since 2010

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All parts of Britain have suffered from economic stagnation since 2010, leading to a huge fall in incomes. The urban policy research unit examined areas such as employment, productivity and ecological impact comparisons between urban and rural economies.

Cities Outlook 2024 assesses the wage data on those workers employed in the 64 largest towns and cities across the UK. It finds that thousands of pounds have been slashed from the wages of millions of workers since 2010. Had the UK economy not taken a nose-dive in the wake of the global financial crisis of 2008, the average urban dwelling worker would have earned an additional £10,200.

The report states that "the national economy clusters in cities and large towns," and that although they constitute only 9 percent of the land surface of the UK (which the recently re-evaluated methodology of the study recognises as 63 primary urban areas), they account for 63 percent of economic output and 72 percent of knowledge-based jobs in the private sector.

On average a worker employed in Cambridge, Glasgow or Burnley had an income shortfall of £21,340, £23,500 or £28,090 respectively since 2010. In London the shortfall was £13,590; in Liverpool £15,720; in Leeds £8,220; in Manchester £8,180; in Sheffield £6,380, and in Birmingham (the second largest city) £2,680.

Workers in Aberdeen lost over £45,000 since 2010 largely because of the direct and indirect effects of the slashing of 9,000 jobs in areas connected with oil and gas. This severely affected the local economy. The city also suffered a 30 percent drop in retail jobs, compared with a 6 percent downturn nationally.

In real terms, many millions of workers have worked the equivalent of several additional months and even years since 2010 for nothing. For example, the average entry-level wage for a school teaching assistant in the UK in 2023 was £13,984.

The *Financial Times* noted that wages have declined almost everywhere in the UK, "both in centres of cutting-edge innovation and in northern cities suffering persistently high levels of deprivation."

Centre for Cities' director of policy and research, Paul Swinney, told the newspaper that poor economic performance in the capital was "particularly alarming" as traditionally London and its surrounding region has been "the engine of national productivity growth."

The report raised a number of long-term macro and micro economic problems, framed as a challenge for any future government: "Big cities should be leading the regional and national economy, as is the case with comparable cities on the continent, creating wealth and opportunities for people who live in and next to them. The fact that they don't is bad news for neighbouring towns and villages. While a region's prosperity is disproportionately generated in these large centres of production, it is spread much wider."

Data released this month by the Nationwide Building Society, based on a recently conducted survey, reveals a huge surge in workers nationwide who have no money left to count as savings by the end of the month. The percentage almost doubled last year from 11 percent in 2022 to 21 percent in 2023. More than one in five of households have less than £100 spare at the end of the month.

The Nationwide data reveals average monthly household energy bills increased by 63 percent between 2021 and 2023, while monthly food and motor fuel costs also increased by over 30 percent.

Nationwide said the average amount of disposable cash left over at the end of each month had fallen from

£328 in 2021 to £295 in 2022 and £237 at the end of 2023.

The impoverishment of millions arises from the gigantic social gulf between the super-rich capitalist elite and the working class. As Karl Marx established in *Capital: A Critique of Political Economy:* "accumulation of misery, agony of toil slavery, ignorance, brutality, mental degradation", at one pole of capitalist society inevitably accompanies the "accumulation of wealth" at the opposite end.

In the decade and a half since 2010, the social counterrevolution carried out against the wages and conditions of millions of workers has seen a gilded elite amassing more wealth than ever before.

In 2010, there were 53 billionaires in the UK (in 1990 there were just 15). By 2022 this super-wealthy category had mushroomed to 177 billionaires with known accumulated wealth of £653 billion (an increase in billionaire wealth of well over 1,000 percent since 1990).

In that same year, current Prime Minister Rishi Sunak and his wife Akshata Murty made the *Sunday Times* Rich List for the first time. Murty, the daughter of an Indian IT billionaire, agreed to pay UK taxes on all her earnings only when her finances came under scrutiny after it was revealed she had "non-dom" status and did not pay UK tax on overseas income.

The *World Socialist Web Site* noted, "this "marks a quantitative degeneration of bourgeois rule and is stark confirmation of oligarchic domination over every facet of life in Britain."

Last year Sunak paid an effective tax rate of just 23 percent on his personal £2.2 million income. A low capital gains rate and the US location of his funds meant his tax bill of £508,000 was much less than if he had been taxed under the UK's still-low top income rate of 45 percent.

According to the Equality Trust, of the 177 billionaires on the 2022 list, 44 drew the majority of their wealth from finance and investing activities, while for a further 39, a majority of their wealth accrued from real estate. As the charity noted at the time; "both of these sectors are integral to a broader process which economists have understood under the rubric of financialisation," a process ongoing since the 1970s and 1980s under both Conservative and Labour governments, in which the financial sector was deregulated, with staggering wealth transferred from the working class to the richest in society.

Such is the unprecedented level of social polarisation that in the two years since 2022, six members of this exclusive club have been unceremoniously ejected to leave 171 current billionaires in Britain. To become one of the 100 richest people in the world in 2024, now requires identifiable wealth of at least £11 billion.

To put this into proportion, using figures from the Office of National Statistics, this equates to over 41,000 times the average UK household wealth of £262,000—itself a vastly skewed upwards figure due to it incorporating those on higher earnings.

The social environment illuminated by the data from organisations such as Centre for Cities, the Nationwide Building Society, the Equality Trust and others, is the result of a decade and a half of brutal austerity measures; imposed by capitalist parties. For most of that period the Tories in office have relied on Labour-run local authorities imposing huge cuts in jobs, pay and conditions, and the slashing of vital social services.

In this, the government and Labour have operated in alliance with the trade union bureaucracy who sold out the 2022-23 strike wave of several million workers in the public and private sector, resulted in a increase in the army of low paid and suffering in the precarious "gig economy" that has mushroomed since 2010.

On the political impact of the Centre for Cities' study, policy and research director Swinney, noted in the *Financial Times*: "MPs [Members of Parliament] knocking on doors will be talking to people who have missed out on thousands of pounds because of the malaise of the economy."