

“The Great Resignation”: The Changing Wage Relationship in the United States and the United Kingdom after the Covid-19 Pandemic

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The History of Regulation Theory and its Contributions to the Analysis of Global Capitalism and its Recent Crises (Covid-19, Ukraine, etc.)

The New York Times Editorial, November 28, 2020

A critique of trickle-down tax cuts...

Raising the wages of American workers ought to be the priority of economic policymakers...

Perhaps the most famous illustration of the benefits is the story of Henry Ford's decision in 1914 to pay \$5 a day to workers on his Model T assembly lines.

Ford but no Fordism



Factor indicating greater labour strength

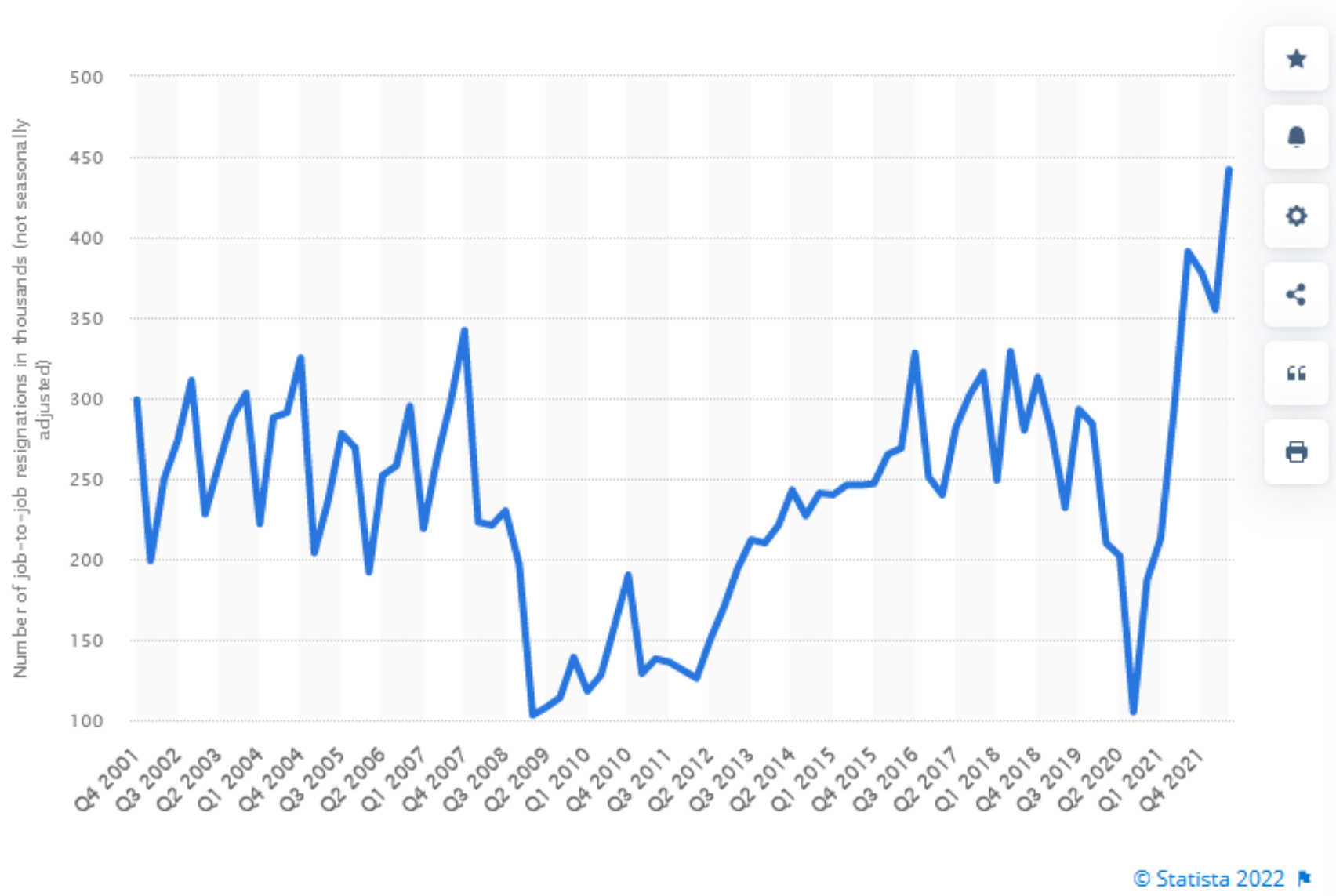
- The “Great Resignation”
- Low unemployment
- *The Great Demographic Reversal*
- Some union militancy

The Great Resignation: US job quit rate (number of quits as a percentage of employment): 2.8% in May & June 2022



TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Estimated number of job-to-job resignations in the UK from Q4 2001 to Q2 2022

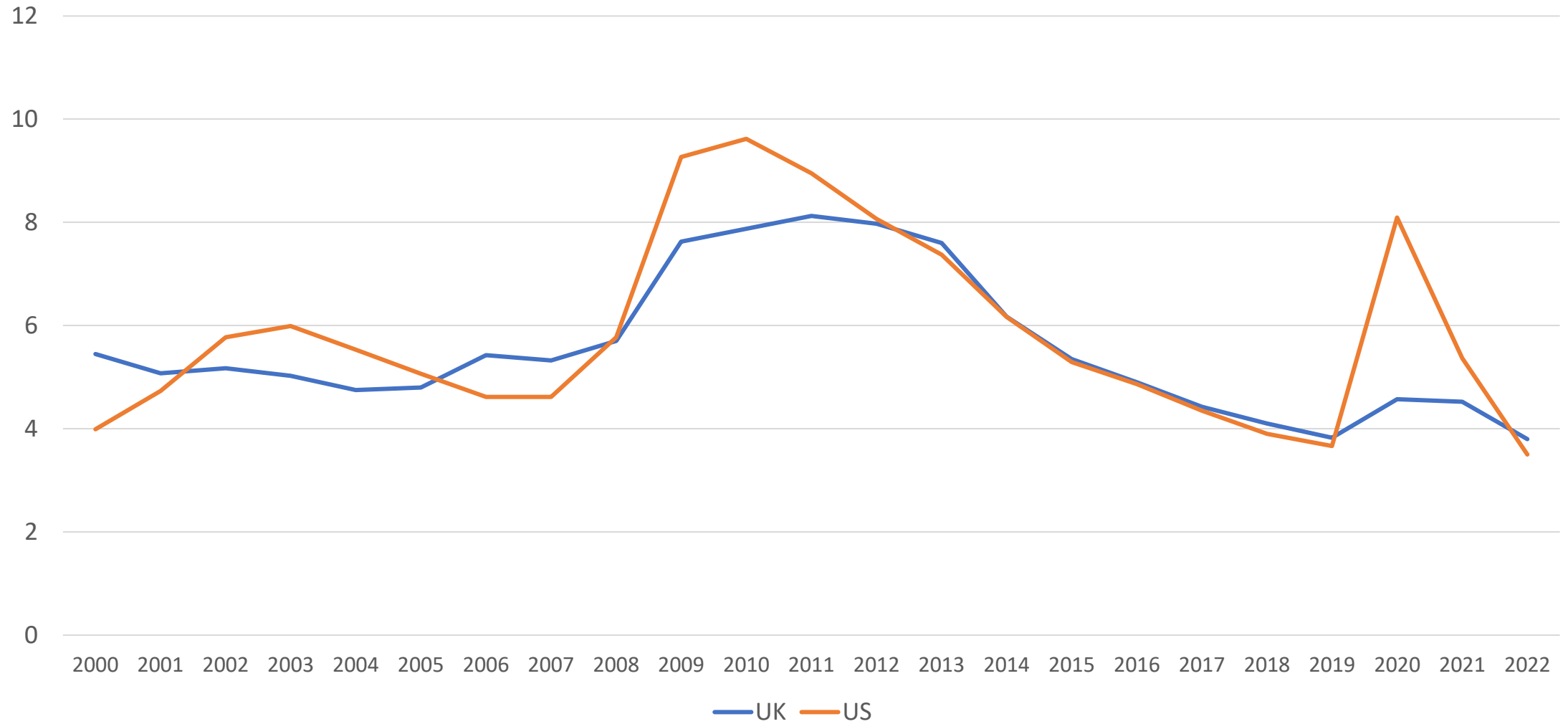


Anthony Klotz (Bloomberg, May 2021 – confirmed June 2022)

- Catch up of quits not occurring in pandemic (in 2020)
- Burnout – psychological stress – mental health
- Experience of awakening about place of work in life
- The search for autonomy, after distance-working during lockdown
- Contagious in organisations
- Favourable job market

- Not always happy

Unemployment Rate (in %)



United States Wages and Salaries Growth: % change over previous year



US – Employed full time: median usual weekly real earnings: Wage and salary workers: 16 years and over



UK pay growth (nominal and real)

Figure 2: Annual growth in nominal total pay was 6.2%, nominal regular pay was 4.3%, real total pay was negative 0.9% and real regular pay was negative 2.8% in March to May 2022

Average weekly earnings annual growth rates in Great Britain, seasonally adjusted, January to March 2001 to March to May 2022



Source: Office for National Statistics – Monthly Wages and Salaries Survey

The Great Demographic Reversal: Ageing Societies, Waning Inequality, and an Inflation Revival, 2020



Charles
Goodhart

"When a measure becomes a target, it ceases to be a good measure."



Manoj Pradhan

The great rise of global labour is over:
Women – China – Eastern Europe

(Recalls Immanuel Wallerstein (1983):
capitalism goes global not for markets, but
for labour)

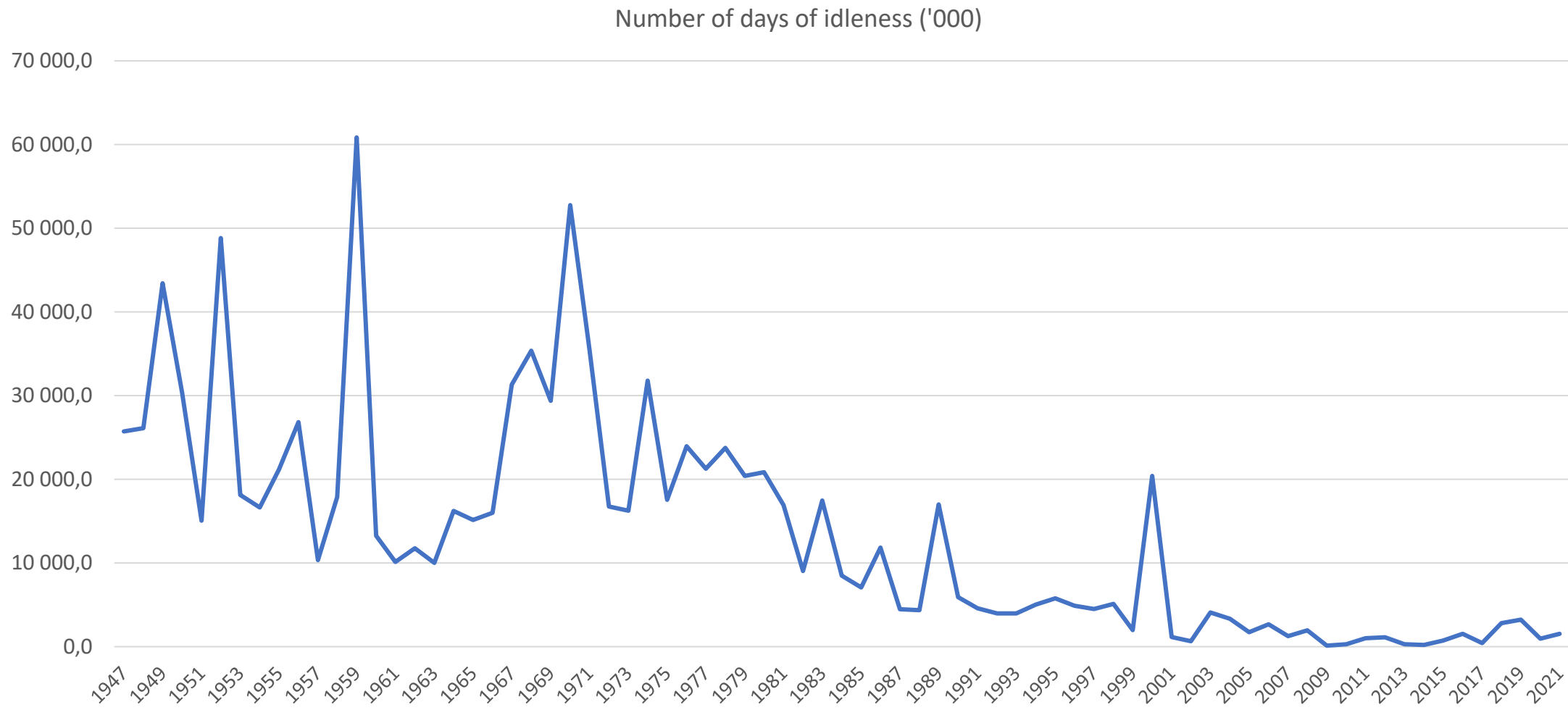
Inflation, higher interest rates...

... especially with spending on elderly

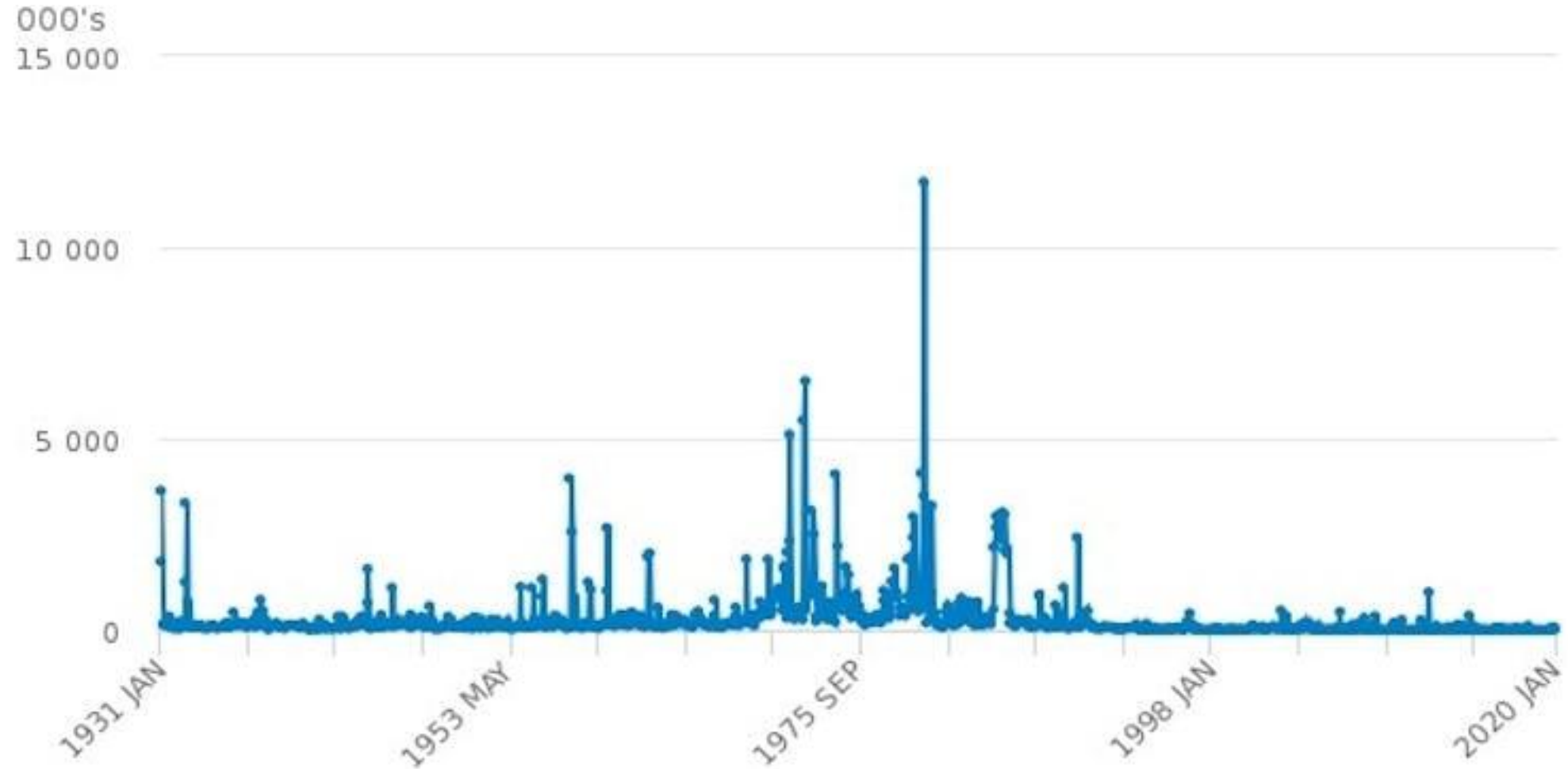
... but greater equality as labour has more
power

Policy-makers are slow to see change!

Annual work stoppages involving 1,000 or more workers, 1947 – Present (US Bureau of Labor Statistics)



Working days lost to strike action, UK (1931-2020)



Source: Keith Laybourn, *The Conversation*, 5 July 2022 (based on ONS).

Some union militancy

US

America is in the middle of a labor mobilization moment... (John Logan, The Conversation, 2/9/2022)

Some unionization at:

Amazon

Starbucks

Trader Joe's

Chipotle

UK

Significant rail strikes in 2022

Dockers at UK's main port (Felixstowe)

Postal workers

Barristers

But little institutional power

US

Federal minimum wage still only \$7.25 – since 2009

Only California has a minimum wage of \$15 (as of January 2022)

UK



The new Thatcher?