“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.)
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
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
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 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 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!

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

Charles Goodhart

Manoj Pradhan
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)

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?