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When the middle is the top

Class and inequality in neo-liberal Britain

August 3, 2009

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In the highly unequal society produced by 30 years of Thatcherism, earning over £50,000 does not make you “middle-class” or a “middle-income” family. It puts you squarely in the top 5% of the population in terms of income. Yes, really, according to the **Daily Mail** the bottom-end of the top 5% is the middle!

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The Daily Mail (27th July 2009) got itself into a little bit of a frenzy recently when it reported that David Cameron suggested that “*the better-off must share the pain of repairing public finances*” and so “*tax credits for households on £50,000 a year or more could no longer be justified.*” This would mean 130,000 families losing an average £500 a year. Cameron is quoted as saying that “*we’ve got to be able to demonstrate to people that this is fair and seen to be fair and that everyone is putting their shoulder to the wheel*” and “*that means the wealthy have to pay their fair share.*”

This was presented as a “tax raid” on the middle classes by the Mail, as “*part of an honest and frank conversation about balancing the books ‘elements’ of middle-class welfare payments would have to be re-examined.*” The first step would be to “*rein in tax credits by axing payments to middle-income families*” and disqualifying a household for child tax credit if its income is below £58,000 (or £66,000 with a child less than a year old).

While the gnashing of teeth by the **Daily Mail** is to be expected, what is perhaps less obvious is the sheer gall of their protest. This is because, in the highly unequal society produced by 30 years

of Thatcherism, earning over £50,000 does not make you “middle-class” or a “middle-income” family. It puts you squarely in the top 5% of the population in terms of income. Yes, really, according to the **Daily Mail** the bottom-end of the top 5% is the middle!

Here are so facts about neo-liberal Britain the likes of the **Daily Mail** fail to mention. In terms of number of taxpayers, there are 1,680,000 earning over £50,000 a year. There are 28,590,000 under that amount so just under 6% of taxpayers earn more than Cameron’s suggested cut-off point. The median (50th percentile point) of taxed income is £16,400, for the 90th percentile point it is £39,000 and for the 95th it is £52,400. Median earnings for employees in 2007 were £19,943 per year while mean earnings were just £24,908. The 90th percentile earned £42,902. In terms of Annual Net Household income, the 95th percentile of households has £50,000 (the 99th has £75,000). To be in the top 25% of wealth holders, you need to have \$76,098 and they hold 72% of total UK wealth. The top 1% has 21% of the total, the top 5%, 53%.

It is a strange world to inhabit when a suggested policy which will affect well under 10% of a population is considered an attack on the “middle-class”. In a way, this is to be expected given that neo-liberalism makes the rich richer and squeezes the middle (and crushes the bottom) in order to do so. It would be too much to expect those, like the **Daily Mail**, who wholeheartedly supported Thatcherism to acknowledge the results of that onslaught on the British people – including the very “middle-classes” whose one goal seems to be to emigrate to continental Europe to escape the effects of what they voted for repeatedly since 1979...

But, luckily for the readers of the **Daily Mail** 1997 is year zero and New Labour are a socialist party who are definitely have been **not** implementing Thatcherite policies for the last 12 years. And, of course, the solution to “*Rip-off Britain*” is to vote for the Tories who promise exactly the same neo-liberal policies as Thatcher did in 1979...

What could possibly go wrong? Luckily the readers of the **Daily Mail** have the EU, foreigners, single mothers, “benefit scroungers” (for those unemployed before the credit crunch, of course), trade unionists and a host of others to blame for their current and future situation...