

## **For those of middle income things just got worse**

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Over the last two decades or so the poorest in the population has not been the only group for whom things have not improved much. The middle income group has increasingly been on the losing end. We are not talking about the people in inner cities who have to send their kids to sink schools. Rather we are looking at those further out in the suburbs who used to be prosperous, but who are now struggling. These are the folks who do not quite have the money to pay for private schools, and who stop short of the Audi A6, and who cannot afford the second home in the Cotswolds, or in the Limousin. These are still people of adequate means, but they have been left behind by the super rich, and they are falling closer to the poor, who are as ever still with us.

They use state schools, but class sizes have gone up and resources are being squeezed. They cannot afford private medicine, so they rely on National Health hospitals, which are sometimes good and sometimes bad. They have faced increasing job insecurity, since now more and more skilled jobs have been outsourced to India and China. They have been the main victims of the loss of final salary pensions, so they cannot look forward to a comfortable retirement. Their children can no longer buy their own houses without massive support from their parents. Even then the wealthy commentariat blame the old for their selfishness in owning their own homes. And when they are old and sick they may find themselves in care homes which are a disgrace to a civilised country. We are constantly puzzled by why it is that a rich country like ours cannot afford good social services.

And now they are to pay the bulk of the cost of the economic crisis. Almost certainly the wealthy will not pay their share. The media generally talk sadly about the need for an increase in taxation, but fail to report who will and will not pay. The right

wing press fails to point out that the rich will still have their ways of avoiding higher levels of taxation. And the poor will still depend on tax credits as their wages are not enough to live on. Private business is being subsidized out of middle class taxation. Too few people pay tax, the rich because they avoid it and the poor because they don't earn enough, and too much money is spent on wars through a foreign policy driven by America.

We can do without the super rich- despite what Peter Mandelson says. There is simply too big a difference between the median income of the top 10% and the median income of the bottom 10%, as the book *The Spirit Level* shows. This has got much worse under New Labour and has to stop. The basic wage should be set at a level at which everyone pays income tax. We should focus on putting right the problems with our schools , our hospitals, our pension systems and our housing, as well as gradually reducing the government debt. Everyone needs to pay their fair share, but the risk now is that the middle class will pay most of the bill for the deficit. In the meantime the rich continue to fiddle while the rest of us burn.