

**Nowoczesne Systemy Zarządzania**  
Zeszyt 18 (2023), nr 3 (lipiec-wrzesień)  
ISSN 1896-9380, s. 109-120  
DOI: 10.37055/nsz/183871

**Modern Management Systems**  
Volume 18 (2023), No. 3 (July-September)  
ISSN 1896-9380, pp. 109-120  
DOI: 10.37055/nsz/183871



Instytut Organizacji i Zarządzania  
Wydział Bezpieczeństwa, Logistyki i Zarządzania  
Wojskowa Akademia Techniczna  
w Warszawie

Institute of Organization and Management  
Faculty of Security, Logistics and Management  
Military University of Technology  
in Warsaw

## Current Economic Situation in United Kingdom of Great Britain

## Obecna sytuacja ekonomiczna w Zjednoczonym Królestwie Wielkiej Brytanii

**Norbert Kawęcki**

Maria Curie-Skłodowska University in Lublin  
norbert.kaweckii@googlemail.com; ORCID: 0000-0003-4601-6967

**Abstract.** The article presents the most current economic situation in United Kingdom of Great Britain. It shows cost of living which currently facing adults in UK, increase in young people not in training, employment or education, current social spendings, rising cost of living students in the UK, average wages, rise of inflation, retail volume raise, businesses suffer a drop in performance, GDP grow in last three months in England, long term sickness rise in economic inactivity. It was done comparison according to Economic Situation in Poland based on available data base. The information in the ONS report will help to:

- see the strengths and data limitations;
- learn about current uses and data users;
- have a clear the used methods to data creating;
- to decide appropriate apply for the data;
- minimize the risk of data misusing.

**Keywords:** economic situation, current, United Kingdom, Great Britain

**Abstrakt.** W artykule przedstawiono najbardziej aktualną sytuację gospodarczą w Zjednoczonym Królestwie Wielkiej Brytanii. Praca wskazuje na koszty utrzymania, z którymi borykają się obecnie osoby dorosłe w Wielkiej Brytanii; rosnącą liczbę młodych ludzi niekształcych się, niepracujących ani nieszkolących się; bieżące wydatki socjalne; rosnące koszty utrzymania studentów w Wielkiej Brytanii; średnie płace; wzrost inflacji; wzrost sprzedaży detalicznej; przedsiębiorstwa mające spadek wydajności; wzrost PKB w Anglii w ciągu ostatnich trzech miesięcy; wzrost bierności zawodowej z powodu długotrwałej choroby. Na podstawie dostępnych danych zostało dokonane porównanie w stosunku do sytuacji ekonomicznej w Polsce. Informacje przedstawione w artykule na podstawie Office for National Statistics pomogą:

- zrozumieć mocne strony i ograniczenia danych;
- dowiedzieć się o istniejących zastosowaniach i użytkownikach danych;
- zrozumieć metody stosowane do tworzenia danych;
- podjąć decyzję o odpowiednim wykorzystaniu danych;
- zmniejszyć ryzyko niewłaściwego wykorzystania danych.

**Słowa kluczowe:** sytuacja ekonomiczna, obecna, Zjednoczone Królestwo, Wielka Brytania

## Introduction

The United Kingdom of Great Britain and Northern Ireland, often known as the United Kingdom (UK) or Britain (Britannica, 2022a) is a country in Europe, situated on the north-western coast on continental midland (Britannica, 2022b). It comprises Wales, England, Northern Ireland and Scotland (Webarchive, 2003). The United Kingdom take in islands of the northern part of Ireland, Great Britain and the British Isles (Oxford University Press, 2013). Northern Ireland is a part of land border with Republic of Ireland. The United Kingdom is adjoining by the North Sea, the Atlantic Ocean, the Irish Sea, the Celtic Sea and the English Channel. The United Kingdom has around 67 million of people with total area of 242,495 square kilometers (93,628 sq mi) (Office for National Statistics, 2021).

The United Kingdom is constitutional monarchy and parliamentary democracy (The Royal Family, 2013). The largest and capital at the same time is London, a financial center and global metropolitan area population of more than 14 million. Other main cities include Manchester, Birmingham, Liverpool, Glasgow and Leeds (Clark, 2023). Northern Ireland, Wales and Scotland have their own deteriorated governments with, each with diverse powers (United Kingdom Government, 2013).

The United Kingdom has developed from a series of unions, separations and annexations of constituent countries from more than several hundreds of years. The Treaty of Union between the Kingdom of Scotland and the Kingdom of England (with Wales annexed in 1542) formed in 1707 the Kingdom of Great Britain. In 1801 union with the Kingdom of Ireland created the United Kingdom and Ireland. In 1922 seceded from the UK most of Ireland, pulling out of the present United Kingdom of Great Britain and Northern Ireland, which in 1927 officially approved that name (Wikipedia, 2022). During the 19th and early 20th centuries the UK set off the world's first industrialized country and became the world's foremost power (Mathias, 2001, pp. 4-15). The UK in the 21st century reserves considerable cultural, scientific, military, political, technological and cultural influence (Paul, James, Wirtz, 2005, p. 59).

The following theses were adopted:

1. Cost of living is the most important issue facing adults in the United Kingdom today.
2. Young people not in employment, education or training are being increased in the United Kingdom.
3. Professionals and scientific pay matches rising prices.
4. Inflation is in the historic highs in the United Kingdom.
5. Businesses in the United Kingdom suffer a drop in performance.

## Analysis of basic statistical data

Office for National Statistics (ONS) created Opinions and Lifestyle Survey in November 2022. The sample size taken to research was currently approximately 2000 and 2500 individuals. The research was the cross-sectional sample survey by online self-completing questionnaire, telephone interviews were available if requested by the respondent, however the predominant mode of collection was online and the geographic coverage was Great Britain.

Figures from November 2022 (see Fig. 1) show 93% of adults in the UK facing the most important issue as the cost living is. Around 9 out of 10 (94%) adults declared their cost of living went up compared with a 1 year ago, from 8 to 20 November 2022. Lower percentage (76%) showed an rise in their cost of living contrasted to one month ago. 68% adults were spending less on non-essentials, and utilize less fuel, such as electricity and gas in their houses (63%). For 81% of adults the most important issue was the economy which faced today the UK. 84% in the most deprived fifth of areas in England compared to 70% of in least deprived areas, in the latest period were more possible to be worried (Office for National Statistics, 2022).

In 2022 Polish Statistical Office presented the financial situation of households, despite the increase in average monthly disposable income, has actually deteriorated, which is due to the high level of inflation. Nominally, households achieved both higher income and expenses. The level of average monthly disposable income per person, rounded to PLN 1, in 2022 amounted to PLN 2,250 and was nominally higher by 11.4%, but realistically by 2.6% than the income in 2021. Average monthly expenses per person in households reached PLN 1,475 in 2022 and were nominally higher by 15.2% and in real terms by 0.7% than the expenses of 2021. Expenditures on consumer goods and services amounted to PLN 1,420 and were nominally higher by 14.9%, and realistically by 0.4% compared to 2021. After a 2-year period of exceptionally low share of expenses in disposable income, it increased from 63.4% in 2021 to 65.6% in 2022, but it still remains significantly below the value from 2019 (GUS, 2022a).

People in age between 16 and 24 who are not in employment, education or training has raised up. From April to June 2022 went from 711,000 NEETs in the UK to estimated 724,000 between July and September 2022 which is around 10.6% (see fig. 2). The rise was caused to women, which went up of 14 000 in the period from April to June 2022. Around 490,000 of young people not being in training, employment and education were economically inactive in period from July to September 2022 which is an increase of 17,000 in the second quarter from April to June 2022. 218,000 young people not in training, employment and education in the UK was a record low in the number in age from 18 to 24 years old (Office for National Statistics, 2022).

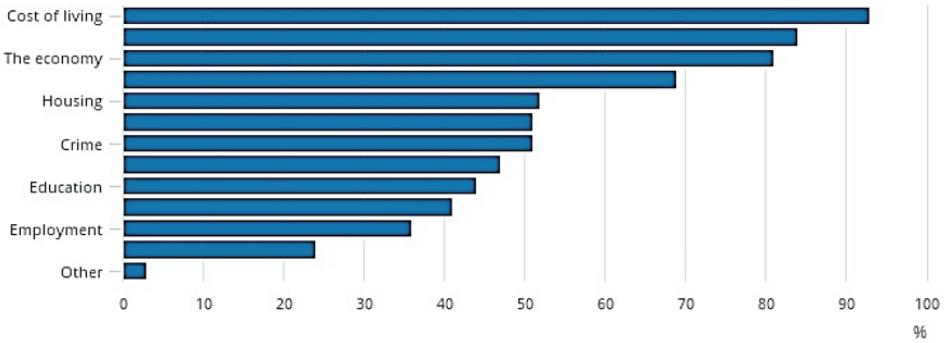


Fig. 1. Issues facing adults in the United Kingdom

Source: Office for National Statistics (ONS) – Opinions and Lifestyle Survey

According to Polish Statistical Office by end of second quarter of 2022 people until 24 in overall unemployment in Poland constituted 10.4%. Most of the people registering in Polish Job Centers are people with lower level of education. The biggest groups are people with technical, secondary school and primary school educations possession (GUS, 2022b).

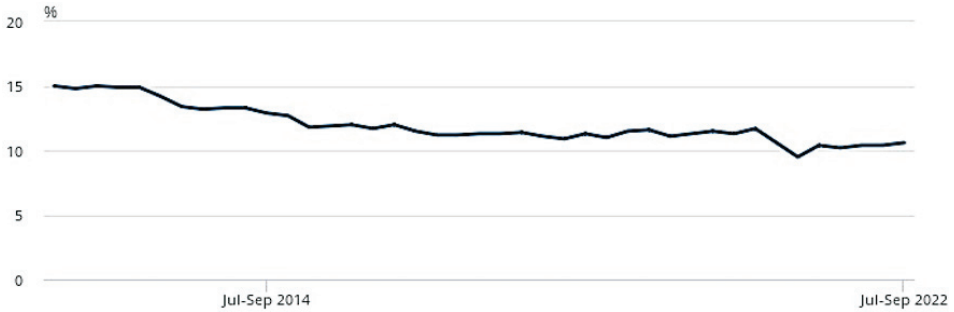


Fig. 2. Young people not in training, education and employment

Source: Office for National Statistics (ONS) – Opinions and Lifestyle Survey

According to the aggregate CHAPS-based indicator of debit and credit card purchases, spending on “social” purchases, such as eating out and travel, persists below the sizes seen before the coronavirus pandemic (COVID-19). From 10 to 17 November 2022 “social” spending went down by two percentage points to 96% compared to level in February 2020. Expenses on delayed goods, like furnishings or clothes (“delayable” spending) matching to February 2020 rose average 10 percentage points in the same period. 137% of “work-related” and 111% “staple” in February 2020 expenses were respectively with little exchange to previous week.

Expenses on all categories except “accommodation and travel”, according to debit card of Revolt data are up on last year, whilst “automotive fuel” are being seen the highest increase of 28 percentage points. Full expenses were 22 percentage points over pre-COVID-19 levels, while “restaurants, fast food and pubs” and “entertainment” were the only groups below that level, with reduce of 9 percentage points and 26 percentage points accordingly. These figures are not added for the potential result of inflation on the worth of transactions (Office for National Statistics, 2022).

Quarter 1 2022 showed in all English regions experienced economic rise in both services sector and the construction. Gross Domestic Product enlarged in the construction sector the most 11.8% quarter-on-quarter in the North West 10% in the South East and 8.7% in the North East. The biggest quarter-on-quarter rise in the service sector was 1.3% in the South West and 1.1% in London. In seven regions of England, however, the Gross Domestic Product in the production sector contracted in in Quarter 1 in 2022. The biggest drop of 4.3% appeared in the East of England followed by 4.1% in the West Midlands and 3.9% in the South West. In opposition the North East with 2.0% and East Midlands 0.1% presented positive rise in their production sector. The economies of Northern Ireland and Scotland in Quarter 1 in 2022 also raised up by 0.9% and 0.6% accordingly. The only country which not experienced GDP rise in the timespan was Wales. It is important these estimates are produced as experimental stats and should be understood with caution. Quarterly movements and long term trends in regional data could be volatile (Office for National Statistics, 2022).

35% and 15% out of half studying on English universities are participating in major or minor financial issues in grow of living costs accordingly. Around 77% students are worried about rising living costs which moving forward may touch their course performance. From 24 October to 7 November 2022 by collecting survey data it has been highlighted housing, energy costs and food rise which have affected studying in the English universities. Overall, 91% of all interviewed students declared their living costs has went up in relation to last year.

These students declared costs has increased especially in rising food prices (93%), mortgage and rent costs (60%), and electricity and gas bills (58%). Some students have shown some search of limit their expenses with nearly three-quarters, so around 72%, by limitation their spendings on non-essential products and services (Office for National Statistics, 2022) (see fig. 3).

OECD declared in Poland social spending in 2022 amounted to 22.7%. GDP, compared to 23.2% in 2020 and 21.2% in 2019. The pandemic jump in these expenditures has not been reversed. The COVID-19 pandemic exposed the under financing of the health service in Poland, forcing the government to permanently increase expenditure for this purpose. This would be consistent with the Polish Order, which provides for significant subsidies for health care (Parkiet, 2022).

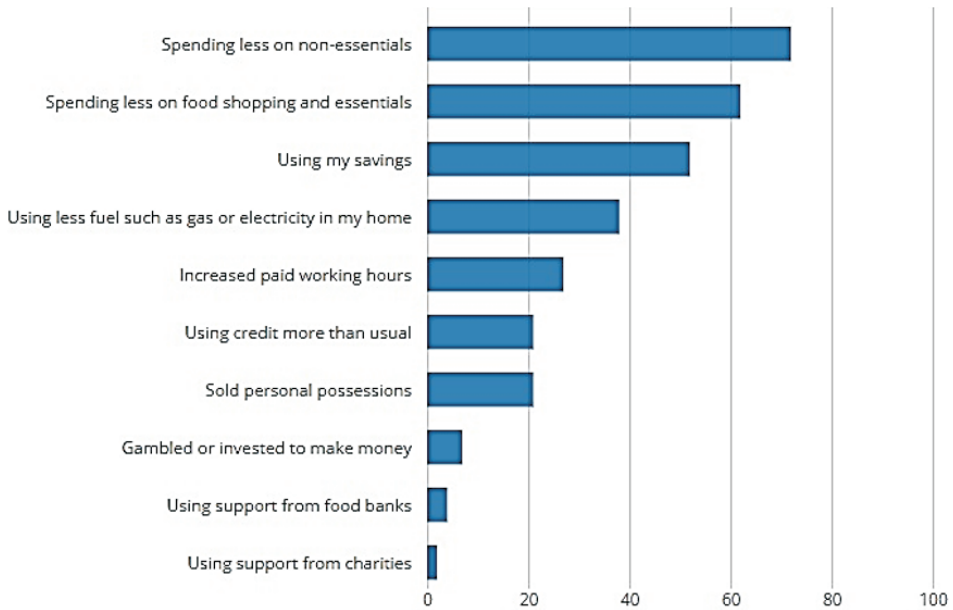


Fig. 3. Student cost living

Source: ONS (Office for National Statistics) – Lifestyle and Opinions Survey

Average wages (without bonuses) have gone up slower than prices in every United Kingdom industries excluding scientific and professional industry in period since May to August 2022. Since late 2021 inflation has been rising up steeply and the rise in average earnings has come to blows to hold pace. But in October 2022, the inflation rate with owner occupier’s housing costs (CPIH), come to 9.6%, which is the highest rate since December 1980.

Workers lose money in real terms whilst wage rise falls behind inflation due to they require a bigger proportion of their wages to obtain the same products and services. Wages in the finance industries, retail, property and communication and information have been rising faster than prices in last years too, but went down below inflation in the first half of 2022 (Office for National Statistics, 2022) (see fig. 4-5).

In Poland The average monthly gross remuneration in October 2022 amounted to PLN 7,001.28. It was 22.8% higher than the median salary. Over 10 years, the median salary increased by 83% and the average monthly salary increased by 79.7% (Kadry, 2022).

In some industries like in finance, bonus pay supported with the rising inflation pushing rise in total pay (pay with bonuses) to compare inflation for the first half of 2022. Public administration and Education, as industries with bigger public sector work places, have recognized some of the lowest pay rise in 2022, as long as with recreation and arts, water and power, and mining (Office for National Statistics, 2022).

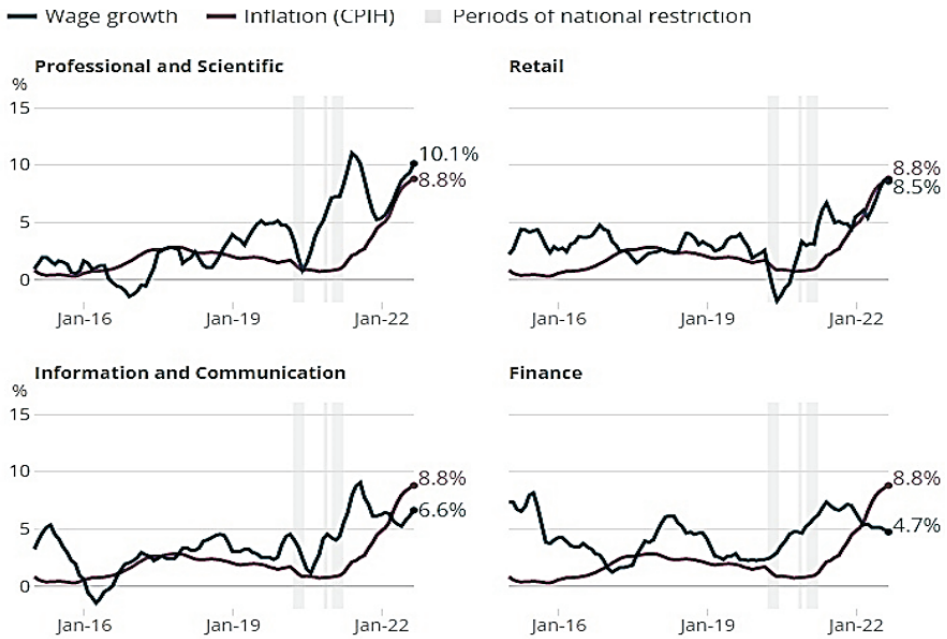


Fig. 4. Average weekly earnings annual growth rate for strongest growth industries  
 Source: Office for National Statistics (ONS) – Opinions and Lifestyle Survey

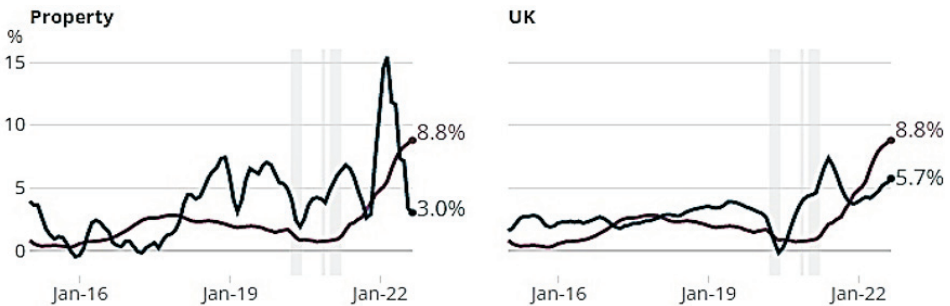


Fig. 5. Average weekly wage annually rise rate for strongest rise industries  
 Source: Office for National Statistics (ONS) – Opinions and Lifestyle Survey

Going up energy and food prices are connected to global inflation, which is in most G7 countries its highest rate. Another reason is the war in Ukraine which put pressure on prices for foods such as vegetable and grain oil, and in the same time European countries are depended on Russian gas supplier which were more worth to increasing prices. 58% in July 2022 is the highest rate of energy price inflation in the United Kingdom in relation to the G7 countries in last months (Office for National Statistics, 2022).

69% out of 29 countries with almost the same inflation have seen high or very high inflation in relation to 50-year trends. 79% held Consumer Prices Index (CPI) inflation rates over 6% in the year to September 2022. This is comparable with 28% in the time of the 2008 financial crisis. Currently global inflation rates are under the highs known in the 1970s, followed by two main oil shocks in the Yom-Kippur War in 1973 and in 1979 whilst Revolution in Iran (Office for National Statistics, 2022) (see fig. 6).

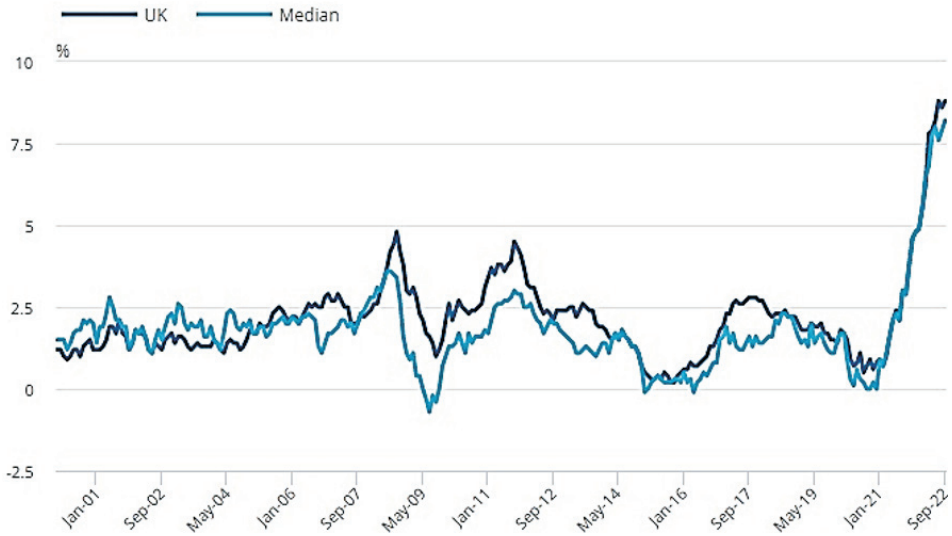


Fig. 6. 12 months rates of CPI, G7 countries, January 2000 to September 2022  
Source: Office for National Statistics (ONS) – Opinions and Lifestyle Survey

Inflation in Poland in December 2022 was 16.6% year-on-year compared to the consensus of 17.3% – reported the Central Statistical Office (GUS) in a quick estimate. Compared to the previous month, prices of goods and services increased by 0.2% in October the inflation rate was 17.9%, and in November it dropped to 17.5% (Money, 2023).

The public sector paid out more than it got back in taxes and extra income in October 2022, needing it to take additionally £13,5 billion which is the highest fourth taking on record in that month. Comparing to October 2021 this was £4.4 billion more but comparing to October 2020 £4.4 billion less.

In the current month (November 2022) the public sector paid out £91.2 billion, a increase of £8.8 billion in relation to October 2021 and its income go up £4.5 billion to 77.6 billion.



The public sector which has departments such as education, defense and health contains the largest part as central government is.

Day-to-day expenditure for central government was £76.8 billion, which is in October 2021 6.5 billion more. This involves the first amount to domestic energy suppliers and to household under the government's energy help scheme.

Central government bills were £70.2 billion, which in October 2021 is £0.7 billion less. The cutting in central bills was huge due to £4.9 billion decrease in dividend bills and interest got back from the Bank of England.

The public sector took £84.4 billion through the first seven months to October 2022 of the current financial year, compared to the same period last year with broadly three quarters of that borrowed.

During the coronavirus (COVID-19) pandemic the substantial rise in borrowing has followed to a sharp rise in the full amount belonged to private sector organizations with overseas institutions. 97.5% of the UK's annual GDP (gross domestic product) which is just under £2.5 trillion stands to public sector debt currently (Office for National Statistics, 2022).

Rise by 0.6% in October 2022 compared to fall of 1.5% in September is estimation in retail sales volumes. Sales in September were influenced by the extra bank holiday for the State Funeral of Her Majesty Queen Elizabeth II, when lots of retailers were shut down. In October 2022 rises in all of principal sectors excluding food stores with sales levels go down by 1.0% leaving them 4.1% under their pre-coronavirus volumes in February 2020 have been seen. In October 2022 non-food stores sales levels go up by 1.1% and were 1.7% under in February 2020 volumes. In the same time automotive fuel sales levels go up by 3.3%, following a decrease of 1.2% in September. Compared to their February 2020 volume were 6.9% under. Mainly online retailers in non-store retailing sales levels go up by 1.8% in October 2022 compared to decrease in September of 2.5%, sales levels over their February 2020 volumes were 21.2%. By 2.4% the whole sales levels fell in last three months to October in 2022 compared to previous three months, which is continuous decrease trend since summer 2021 (Office for National Statistics, 2022).

In October 2022 compared to October previous year UK trading business declared a decrease in whole performance in nearly a quarter (22%). About their performance expectations in the next 12 months period businesses were also questioned. The reply is that their performance is going to go down in the next 12 months period in level of 16%, with expectation 19% their performance to go up, which is more than third of real estate businesses are going to go down in their performance in the next 12 months period. On the other way around, over the same period 32% of manufacturing business told they are going their performance to go up (Office for National Statistics, 2022) (see fig. 7).

In Poland by as much as 30 percent the number of announced bankruptcies and insolvencies in 2022 has increased – according to the latest Coface report. In 2022, government aid shields ended, but the conditions for running a business have deteriorated significantly. Companies began to suffer from drastically rising energy prices, inflation, the effects of war, high labor costs, slowing consumer demand, slowdown of the Polish and European economies, etc. (Cieślak-Wróblewska, 2023).

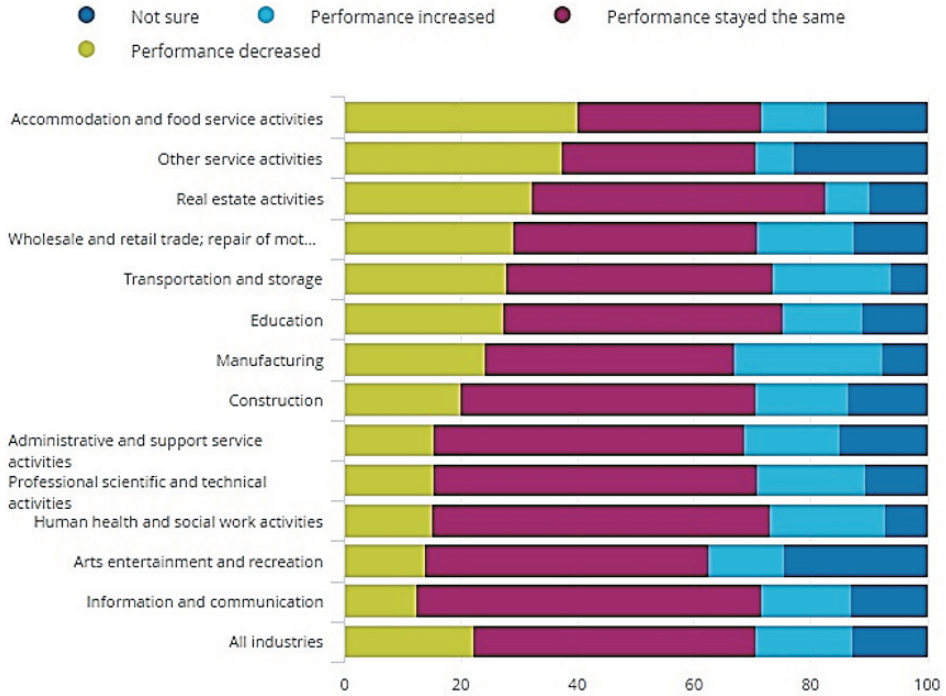


Fig. 7. Business performance, business trading in 2022 in UK  
 Source: Office for National Statistics (ONS) – Opinions and Lifestyle Survey

GDP (Gross Domestic Product) in all English regions has been experienced in growth from quarter to quarter. The East Midlands and North East gained the biggest rise, at 1.2% in two mentioned regions. England’s GDP went up by 0.8% as overall (Office for National Statistics, 2022).

In the three months to September 2022 economic inactivity volumes go up with a record-high classed as long-term sick volumes of people. From July to September 2022 the rate of UK economic inactivity went up to 21.6% on the last quarter. Out of labour market for other reason people being inactive in long-term sickness since 2021 according to ONS research presents with more than two-thirds of people.

From July to September 2022 the employment rate was on the level of 75.5% and it was biggest not change on the last quarter so from April to June 2022. October 2022 presents additional monthly rise in the most timely average of payrolled employees to a record 29.8 million with revision September 2022 numbers up 74,000. From July to September 2022 the unemployment rate go down by 0.2 percentage points to 3.6% on the quarter.

Rise in average total pay with bonuses was 6.0% and 5.7% was in rise in regular pay without bonuses among employees from July to September 2022. Total pay go down by 2.6% in real terms with added inflation and regular pay with decrease by 2.7% in last year. The estimated volume of vacancies go down by 46,000 to volume of 1,225,000 in period from August to October 2022. Although four consecutive quarterly decrease, the volume of vacancies is in history on the highest level (Office for National Statistics, 2022).

In Poland the increase in gross domestic product in 2022 amounted to 5.3% compared to the previously estimated increase of 5.1%, the Central Statistical Office (GUS) reported. According to the revised estimate, gross domestic product (GDP) in 2022 increased by 5.3% in real terms compared to 2021 (Forsal, 2023).

## Summary

Current economic situation in United Kingdom of Great Britain let to draw some conclusions and pictures as per below:

9 out 10 (93%) showed the cost of living as an predominant issue facing the United Kingdom this day;

- the percentage of young people not in training, education or employment went up but still under than Coronavirus (COVID) measurement;
- social spending stays under pre-COVID-19 measurement;
- students manage with standing up living costs, using savings are cutting spending;
- G7 countries has the highest inflation not seen for several decades;
- drop in performance refers to about a quarter of business.

## REFERENCES

- [1] BRITANNICA, 2022a. United Kingdom, <https://www.britannica.com/place/United-Kingdom> (access: 27.08.2023).
- [2] BRITANNICA, 2022b. *Great Britain*, <https://www.britannica.com/place/Great-Britain-island-Europe> (access: 27.08.2023).
- [3] CIEŚLAK-WRÓBLEWSKA, A., 2023. *Rekordowo duża liczba firm nie poradziła sobie w 2022*, <https://www.rp.pl/gospodarka/art37720351-rekordowo-duza-liczba-firm-nie-poradzila-sobie-w-2022> (access: 11.09.2023).

- [4] CLARK, D., 2023. Largest urban agglomerations in the United Kingdom in 2023, <https://www.statista.com/statistics/294645/population-of-selected-cities-in-united-kingdom-uk/> (access: 27.08.2023).
- [5] FORSAL, 2023. *GUS skorygował wzrost PKB za 2022 r.*, <https://forsal.pl/gospodarka/pkb/artykuly/9315057,gus-skorygowal-wzrost-pkb-za-2022-r.html> (access: 11.09.2023).
- [6] GUS, 2022a. *Sytuacja gospodarstw domowych w 2022 r. w świetle badania budżetów gospodarstw domowych*, <https://stat.gov.pl/obszary-tematyczne/warunki-zycia/dochody-wydatki-i-warunki-zycia-ludnosci/sytuacja-gospodarstw-domowych-w-2022-r-w-swietle-badania-budzetow-gospodarstw-domowych,3,22.html> (access: 11.09.2023).
- [7] GUS, 2022b. *Bezrobocie rejestrowane 1-2 kwartał 2022 r.*, [https://stat.gov.pl/files/gfx/portalinformacyjny/pl/defaultaktualnosci/5473/3/51/1/bezrobocie\\_rejestrowane\\_2kw2022.pdf](https://stat.gov.pl/files/gfx/portalinformacyjny/pl/defaultaktualnosci/5473/3/51/1/bezrobocie_rejestrowane_2kw2022.pdf) (access: 11.09.2023).
- [8] KADRY, 2022. *Wynagrodzenia w październiku 2022 r. GUS podał dane o strukturze wynagrodzeń*, <https://kadry.infor.pl/kadry/wynagrodzenia/6335503,wynagrodzenia-w-pazdzierniku-2022-r-gus-podal-dane-o-strukturze-wynag.html> (access: 11.09.2023).
- [9] MATHIAS, P., 2001. *The First Industrial Nation: the Economic History of Britain. 1700-1914*. London: Routledge.
- [10] MONEY, 2023. *GUS odkrył karty. Są najnowsze dane o inflacji w Polsce. Duże zaskoczenie*, <https://www.money.pl/gospodarka/gus-odkryl-karty-sa-najnowsze-dane-o-inflacji-w-polsce-6852231689153440a.html> (access: 11.09.2023).
- [11] OFFICE FOR NATIONAL STATISTICS, 2021. *Population estimates*, <https://www.ons.gov.uk/people-populationandcommunity/populationandmigration/populationestimates/> (access: 27.08.2023).
- [12] OFFICE FOR NATIONAL STATISTICS, 2022. *Population estimates*, <https://www.ons.gov.uk/people-populationandcommunity/populationandmigration/populationestimates/> (access: 27.08.2023).
- [13] OXFORD UNIVERSITY PRESS, 2013. <https://languages.oup.com/> (access: 27.08.2023).
- [14] PARKIET, 2022. *Wydatki socjalne nad Wisłą stale rosną. Czy już są nadmierne?*, <https://www.parkiet.com/finanse-publiczne/art38221911-wydatki-socjalne-nad-wisla-stale-rosna-czy-juz-sa-nadmierne> (access: 11.09.2023).
- [15] PAUL, T.V., JAMES, J., WIRTZ, M.F., 2005. *“Great+power” Balance of Power*, United States of America: State of University of New York Press.
- [16] THE ROYAL FAMILY, 2013. <https://www.royal.uk/> (access: 27.08.2023).
- [17] UNITED KINGDOM GOVERNMENT, 2013. *Devolution of powers Scotland, Wales ad Northern Ireland*, <https://www.gov.uk/guidance/devolution-of-powers-to-scotland-wales-and-northern-ireland#devolved-administrations> (access: 27.08.2023).
- [18] WEBARCHIVE, 2003. *Countries within a country*, <https://webarchive.nationalarchives.gov.uk/ukgwa/20080909013512/http://www.number10.gov.uk/Page823> (access: 27.08.2023).
- [19] WIKIPEDIA, 2022. *United Kingdom*, [https://en.wikipedia.org/wiki/United\\_Kingdom](https://en.wikipedia.org/wiki/United_Kingdom) (access: 27.03.2023).