

'The Precariat: The New Dangerous Class'

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Glossary

Interregnum: Literally the period between the death of one king and the crowning of another but used to describe the period between the end of an old way of doing things and a new way.

Precariat: those with insecure, short term, precarious income or jobs.

Salariat: those in secure long term employment with reasonable pay and benefits like holiday pay, sickness pay, maternity leave etc.

Proficians: well paid freelance workers usually professionals, consultants etc.

Lumpen: A German word which literally means ragged. Used in the lecture to describe a sub group of the precariat lost to production and unlikely to ever see their interests linked to others in the precariat.

Underclass: those suffering from social illnesses which are a drag on the growth process often targeted by politicians and others in difficult times.

Seven forms of labour insecurity: Labour market; employment; job; work; skill reproduction; income; representation.

Poverty trap: any self reinforcing mechanism which causes poverty to persist. Used in the lecture to describe the irrationality of choosing a low paid, distant, insecure job in a welfare system characterised by means tests

Anomie: used to describe the breakdown of norms and bonds which bind an individual to a community

Faustian Pact: making a deal with the devil

Panopticon state: The Panopticon is a type of building designed by English philosopher and social theorist Jeremy Bentham in the late eighteenth century. The concept of the design is to allow an observer to observe inmates of an institution without them being able to tell whether or not they are being watched. Used in the lecture to suggest a surveillance based and secretive state.

Overview

This lecture described the emergence of a new and growing global class of people – the precariat – born out of market liberalisation and the pursuit of profit in late capitalism. The group has precarious living standards characterised by low income in insecure employment. The consequences of this growth are as yet uncertain. If the trend is unchecked, the consequences are likely to include greater exclusion of larger numbers of people. An alternative possibility is that the growing number of people dissatisfied with the current system helps to establish a more viable alternative based on more egalitarian values.

Summary

In opening his address, Professor Standing outlined five key questions which he planned to address. These were:

- What is the precariat?
- Why should we care about it?
- Why has it been growing?
- Where is the precariat?
- Where is the precariat leading our society?

What is the precariat?

Every era has its own class structure and our era is in the process of giving birth to a new globalised class structure. This consists of a very small and super rich elite group with global reach power. A long way below these is a group named as the salariat. This group enjoys the benefits of long term salaried, secure contracts and associated multiple benefits such as holiday entitlement, sick pay etc.

Another group he called the *proficians*. This group does not wish to have secure contracts, rather members of this group move around from contract to contract enabled by electronic media and make significant income from doing this and this group is growing in number.

Below this, in terms of income is a shrinking working class. The welfare state and system of labour regulation and labour law was designed with this group in mind. Below this group is the emerging precariat. Below this, in terms of income, are the unemployed and the lumpen precariat.

Having placed the precariat in a globalised structure, Professor Standing outlined the characteristics of the precariat.

He said that the precariat is not an underclass. He described it as a class in the making, rather than a class in itself. So while members of the precariat experience similar types of insecurity they do not share a common vision of what sort of good society they would like to create. The precariat is a floating labour supply moving in and out of jobs with no secure role in the labour market. Members suffer from the seven forms of labour insecurity. The precariat often enjoy fewer rights than full citizens, sometimes losing rights along the way. Most crucially the precariat have no occupational identity around which their lives can be generatively structured. They are not becoming something which they can be proud of. Consequently they have little or no future perspective and little social memory or enduring value framework (based on shared values, communion in reciprocity with others, empathy)

which could be used to form sustaining identity through peer group interaction. This creates pressure in relationships with others causing these to be opportunistic and disconnected.

There are many varieties of precariat. For example some have fallen out of working class communities, pushed out by increasing insecurity and few resources with which to redeem or improve their position in society. Migrants, who often come from something worse, are included. Young people are drifting into the precariat too. There is often anger attached to this especially for those with tertiary education.

Why care about the precariat?

The group's position is precarious and it is likely to cause a drag on society. The group is likely to develop what Professor Standing described as the four As: anxiety, anomie, alienation and anger.

Anxiety is a major characteristic of this group's condition. Uncertainty creates uninsurable risks for them. The satisfaction and fulfilment known to others, through vocation, is unknown to the precariat. The idea that a job gives an identity to be proud of is hollow and false to the precariat. The idea of a job as a key route to fulfilment, meaning identity, wellbeing and happiness is a mirage for the precariat. Their experience of employment is just the opposite.

Anomie is an increasing problem for the precariat. There is despair, in the lower reaches of the group, that escape to a better life is not possible. Prospects are low in the precariat, social mobility rare, and the possibility of improved and secure material living standards seems remote. Thus the group is increasingly excluded from the mainstream of society. This process of exclusion is giving rise to a particular mindset among the precariat. The combination of exclusion and uncertainty cause the precariat to flit around activities to keep options open by multiplying networks and activities, a process which is known to be stressful and associated with a number of social illnesses.

Alienation: Members of the precariat are forced to do too many things which they do not want to do in the sphere of employment. These combine to present an image of self which is contrary to a more desirable idea of self as an autonomous entity with some say over the major dimensions of how to live one's life. Such aspirations are dashed in the everyday lived experience of low pay and economic insecurity. Simultaneously, members of the precariat are not able to undertake roles and activities which do help to produce the possibility of a coherent and autonomous self. This also means that the precariat are at the same time over-employed, working long hours in low paid insecure jobs in the struggle to make ends meet *and* underemployed, and such jobs not requiring many of the skills aptitudes or enthusiasms which characterise a flourishing human being. Thus the precariat are alienated from themselves, from each other and from others outside the precariat.

Anger: Unsurprisingly, the combination of the above factors is causing increasing anger among the precariat, turning to seething anger.

Why has the precariat grown?

A combination of factors (which vary according to geography) have contributed to a growth in the precariat. Increasing globalisation, and the associated rise in neo-liberal institutions, policies and perspectives have wrought significant changes in social solidarity. This is reflected in growing individualism and competition as organising principles in economy and society. This has been accompanied by the dismantling of agencies of collective solidarity and agency. He suggested that this can clearly be seen in the work of Friedman and Hayek and the Mont Pelerin Society, where a central value is that commodification requires the regulation of social institutions to favour jobs and a restructuring of the role of the state

(away from social security and towards support for markets) in order to increase returns to capital.

Professor Standing went on to say that a key factor in this train of events is the Faustian Pact to liberalise markets across the world. This had the effect of trebling the world's labour supply, an additional two billion workers, all habituated to lower living standards than those in developed countries. Such a discrepancy cannot be sustained and a process of convergence between these different standards begins.

During this period the significant growth in manufacturing jobs, fuelled by cheaper labour and production costs, in the developing world and former eastern bloc countries, has been accompanied by increasing state subsidy for jobs in the developed world (to prevent the complete collapse of labour markets here). This has been an increasing and unsustainable cost. It results in market crashes such as those which we have seen recently. Thus the bankers are not solely to blame for such crashes. The conditions for making the financial bubbles which finally popped in 2008 were largely created by governments pursuing market liberalisation. Given that governments helped to create the conditions in which such profits increased, it would have been possible for them to insist upon more equal sharing of banks, but they did not.

Consequently, we have the increasing inequalities, growing mal-distribution of income and the multiple forms of insecurity which go with this for many people.

Three forms of labour flexibility pursued by successive governments seeking market liberalisation contribute further to these trends. These are:

Numerical flexibility – Security for workers must be reduced as this adds costs and reduces profitability. So employment protection was reduced significantly – e.g. temporary contracts, outsourcing etc.

Wage system flexibility – Wages have gone down and in order to make work attractive, entitlement to social income for the growing precariat have been stripped away. Around the world, the precariat is losing such entitlements – state insurance benefits, paid holidays, sick pay, training and employment security. At the same time, the salariat have been gaining these. This has resulted in increasing social inequalities in addition to wage inequality. A second dimension of this flexibility is a shift away from universal to means tested benefits. This creates poverty traps. This is exacerbated by the increasingly precarious nature of employment alongside an increasing number of behaviour tests upon which entitlement to benefit is based. These combinations have accompanied the reintroduction of the idea of the deserving poor and the undeserving poor. He cited the USA as an example where 33 states already have or plan to have a urine test for drugs as part of the means testing system for entitlement to benefits. The claimant has to pay for the test.

Additionally, the delay in payment of benefit due to the process of testing is leading to the precarity trap. On losing a job, the process of passing the various means tests takes time. This is costly for the precariat who may lose, for example, savings, accommodation and friends. This can be compounded if after such a period a low paid insecure job is suggested across town. The rational choice might be not to take it. This can lead to increased coercion and pressure to accept such employment as a way of reducing the state cost of such means testing schemes.

Functional flexibility – This is a technical term for the removal of job security and the blurring of job description. With such removal, the possibility to develop an occupational identity and

sense of purpose and meaning in work also disappears. He gave a few examples of this. A French telecom company investigating a rise in employee suicide found it to be related to the decreased autonomy and erosion of job security associated with changes in employment conditions resulting in work relocation throughout the country. Occupational dismantling, away from professions and crafts towards state regulation of terms of the terms of reference, has increased competition and made some professions more answerable to consumers and less to their own professions. For example legislation introduced in 2007 (nicknamed the Tesco law) has made it possible to offer legal services via staff not trained in law. This cheapens services for consumers but also splinters occupational life and identity and increases the numbers of precariat in liberalised markets as the race to the cheapest price ensues.

This kind of commodification is also seen in universities. What were once seats of learning and cultural development have been reduced to industrial processes producing diplomas/degrees and graduates with maximum throughput. The production of human capital with degrees as 'job tickets' is debasing the great cultural features of the education system such as critical thinking and discourse. This is causing increased status frustration and anger as the promise of higher education becomes hollowed out.

This process has been accompanied by a temporal blurring. In a tertiary society, an increasing number of people find it difficult to fully distinguish between working and not working time. More people are working more of the time with little additional remuneration. This process of reducing value to that produced in the market for money also undermines and undervalues other forms of work. For example, raising children or caring for elderly relatives, thus contributing to the perpetuation of gender inequality. This is reflected in statistics about work and value which are so partial and narrow as to exclude much of the work which women do.

Who is in the precariat?

We are all in danger of falling into the precariat. Many people are just one accident away from economic insecurity and an increasing amount of anxiety in the USA is associated with this fear of possible destitution. This anxiety is has been nicknamed 'bag lady syndrome'.

Young people number among the precariat, including those with university level education who work in jobs which do not need anything like the level of qualification they possess. Elderly people whose pension entitlements are decreasing or non-existent and can no longer rely upon family. The increasing number of people are being criminalised and find it more difficult to rehabilitate. Very large numbers of developing country workers who export their labour. For example the Chinese government recently won a road building contract in Poland with the condition that they could bring their own (cheap) labour force with them, including prisoners who would not need to be paid. The group also includes the many young people not in education, employment or training; young people whose higher education qualifications do not really help them to find commensurate employment; women, whose work is often not valued; migrants; and disabled people. The consequences of increasingly marginalising growing numbers of people across the globe need to be better understood.

Where is precariat leading us?

In concluding Professor Standing outlined two possible scenarios. One of these he named the politics of inferno and the other politics of utopia.

The politics of inferno are a dangerous possibility. The dynamic includes an increasing number of denizens, rising inequality and utilitarian approaches come to dominate the public discourse about happiness. This ensures greater happiness for the middle classes. The

Panopticon state punishes more people for stepping outside of means tested normality. Workfare grows. In this world the unemployed must be induced to blame themselves for their condition and libertarian paternalism asserts that we all suffer from too much information and so make mistakes in our behaviour and so need to be nudged to make right choices. In these ways, freedoms are gradually chipped away causing rising stress and division in society. The growth of insecurity breeds intolerance. This feeds the loss of altruism and social solidarity. Fear of falling into the precariat means that increasing numbers are more easily lured into neo fascist agendas which blame other marginalised groups for the difficulty they find themselves in.

The politics of utopia suggest that we are in the cusp of a global transformation. The old style social democratic political parties have no vision of agency to answer the rise of the far right and the near right is dragged in that direction. Consequently an increasing number of people are looking for an alternative to that process. Three principles associated with this process can be learned from history:

- 1 Every forward march is defined by an emerging mass class trying to answer its own needs and address its own insecurities. (Polanyi)
- 2 Every forward march is defined by new form of struggle and collective action. In the industrial period this was the trade union movement. This is less relevant in the 21st century.
- 3 Every forward march is characterised by three overlapping struggles. The first is for recognition. One could characterise the 2011 'Occupy' protests in this ways. The second is for representation. The precariat voice is currently missing from the deliberations of the state. The third is a struggle for redistribution of the key assets of society. In industrial societies these assets existed around production (e.g. wages and profit). For the precariat in the 21st century, the struggle is likely to be around the politics of time, public space and the commons, the acquisition of quality knowledge and financial capita

The views expressed in this paper are those of the speaker and do not necessarily reflect the views of the Glasgow Centre for Population Health.

Summary prepared by the Glasgow Centre for Population Health.