

4 | THE PRECARIAT DILEMMA

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A new global class structure is taking shape, with a growing precariat as the mass class lacking any meaningful sense of belonging. The precariat requires progressives to respond to its unique fears, insecurities and aspirations – or else the populist right will fill the gap.

We must rescue the values of work from the dictates of labour. Socialists, communists, social democrats and Labour parties fell into a trap in the 20th century when they placed salaried labour on a pedestal, conceptually and in policy terms. All work that was not labour – for example, care work and community work – disappeared from economic and social statistics and from political rhetoric. It was regarded as a political success if as many people as possible were in jobs, working for bosses. A fiction was born that doing dirty onerous jobs somehow gave dignity, status and even happiness.

This labourist bias meant that the most valuable work of all has been left out of labour statistics and rhetoric, that of caring for others. Today the need to overhaul labour statistics is intensified by two facts that reflect the changing nature of work and labour.

First, the group I have been analysing, the precariat, has to do much unrecognised work-for-labour and work-for-the-state. Second, the silicon revolution is the first

technological revolution in history to be generating more work while disrupting labour, a paradox that has yet to be adequately appreciated, but which is generating a growing literature on *heteromation* (extra work generated by electronics) alongside a vast one on *automation* and the impending 'march of the robots'.

The new global class structure

A new global class structure is taking shape. In descending order in terms of income, at the top is a *plutocracy*, an elite of global citizens mostly living off ill-gotten rental income. Below this is a shrinking *salariat*, with employment security, good salaries, access to capital income and pensions, alongside a growing group of *proficians*, those flitting between contracts but making lots of money. Underneath is a shrinking *proletariat* – the constitutional base of social democratic and labour parties.

It is the two groups below this proletariat to which social democrats have failed to appeal, and worse, have not even tried: the *precariat*, which is rapidly becoming the mass class of worker in all industrialised countries; and the *lumpen-precariat*, or underclass.

The precariat is definable in three dimensions. First, those in it are being pressured to accept a life of unstable, insecure labour. This is the aspect that is most often cited, but is not the most crucial. More important is that they lack an occupational narrative, as well as a corporate or organisational narrative. They do not *belong*, and are not in the process of doing so.

This is one reason for avoiding a generational focus, which implies that while youth are experiencing more insecurity they will eventually obtain what the previous generation obtained, only with a longer delay. The precariat do not feel they are developing through labour and work. This reality is linked to tighter occupational and

labour market regulations and the impact of globalisation and the silicon revolution.

The precariat has to do a lot of work-for-labour that is neither recognised nor remunerated, but which if not done can have severe consequences. This adds to the stupidity of the conventional concept of 'work'. We have moved from an era of *industrial time*, in which activities took place in neat blocs, into one of *tertiary time*, in which many activities crowd into any definable unit of time, and in which work and labour are done off workplaces and outside 'working time' as much as on them and inside it. This makes conventional labour statistics even more unfit for purpose. For the precariat, it also involves the constant threat of the *precariatized mind*, the feeling of being out of control of one's time.

Another point about labour relations is that this is the first emerging mass class for whom the modal level of education is greater than the modal level of labour they can expect to obtain. That is one of many reasons for rejecting the claim by some (mainly Marxist) critics that there is nothing new about today's labour market.

Before considering the second dimension, it is worth stressing derivative aspects that will shape the future of work. First, because of globalisation and the commodification of firms, more people will find themselves in positions in which to make progress occupationally, they will have to relocate geographically, even if they stay in the same firm. This will create stress, add to costs and disrupt any sense of career.

Second, there is a new kid on the block that will disrupt labour relations radically. This is crowd labour. Although heterogeneous, it is ushering in a new worker category, which should be called *taskers*. (It would be misleading to call this employment or self-employment. Elsewhere, I divide the app-driven labour into a concierge economy, crowd labour and 'on-call' employment, the

latter embracing zero-hour contracts.) Within a decade, probably one in every three labour transactions will be done online, outside formal employment relationships. This will expand the ranks of the precariat.

The second dimension of the precariat is that it has a distinctive social income. Those in it must rely mostly on money wages, which are stagnant in real terms, and increasingly volatile and unpredictable. Statutory minimum and living wages will not overcome the resultant insecurity. The precariat lacks non-wage enterprise benefits that comprise a large security-providing component of the salariat's social income; it is also denied rights-based state benefits. Successive governments in Britain and elsewhere have made the situation worse by opting for means-testing, creating poverty traps in which the precariat faces marginal tax rates of over 80 per cent, losing benefits as they enter low-wage jobs. Tax credits fail to overcome this, and bring a host of problems of their own.

The unfairness is compounded by precarity traps. Many people wait weeks or months before they start receiving benefits to which they are entitled. If they succeed, then taking low-wage casual jobs would be irrational, since besides the marginal tax rate of 80 per cent on earned income, they would face the prospect of having to start the process of claiming benefits all over again very soon. Completing the vicious circle, successive governments have responded to the lack of incentive to take low-wage jobs by making social policy more directive and punitive, with sanctions and deductions becoming the norm. The endgame is workfare, where people are required to work for their benefits. A progressive should wish to reverse these trends. Introducing more contributory schemes would not resolve the crisis, and might make it worse. The precariat simply would not qualify.

A correlate of the fragile income is that most live on the edge of unsustainable debt. One accident, error of judgment or illness could lead to tumbling into the lowest group in the class spectrum, the lumpen-precariat, a growing badge of shame on all of us.

This leads to the third dimension of the precariat. It is the first emerging class to be losing all forms of rights – civil, cultural, social, economic and political. This is why I call them *denizens*, a medieval term used to describe those who on entering a town were given a more limited range of rights than the town's citizens. The precariat's systemic loss of all forms of rights has yet to be adequately documented, but there are ample signs of it. To consider the future of work without recognising this trend would be deplorably utilitarian.

In sum, the precariat is not an underclass; it is becoming the mainstream for those calling themselves workers. It is incorrect to use the terms 'precarious work' or 'precarious worker'. The term precariat refers to the fact that those in it are *supplicants*: they lack rights – customary as well as legal or statutory, with the former being just as important as the latter. They must ask for favours, be obsequious, plead with authority figures, rely on their generosity and pity. In it, you do not have an assured base of support. You are *dependent* on others. Ironically, the right has been allowed to capture the word dependent to mean something else.

The politics of the precariat

This class structure is being reproduced within corporations, government agencies, academic institutions, NGOs and trade unions. Each tends to function with an elite, a salariat, a shrinking proletariat and a growing precariat. So, for example, the legal occupation is sharply fragmented into a rent-extracting elite, a beleaguered salariat and a growing precariat of stressed paralegals. The

medical professions have elites, a salariat and a growing precariat, who lack security and means of upward mobility. The same applies to the teaching and academic professions, in engineering, catering, and so on. In each case, it is becoming harder for the precariat to break into the ranks above, while it becomes more of a disadvantage to stay put.

The precariat suffers from the four A's – anxiety, alienation, anomie and anger. It is thus today's dangerous class for several reasons. It rejects the old mainstream political frameworks. In a positive sense, part of it at least is looking for a revival of work as creative, varied and self-controlled. William Morris and John Ruskin would have understood. However, the biggest immediate challenge comes from the fact that it is internally divided and has been at war with itself. Roughly speaking, there are three factions.

First, there are the 'atavists', consisting of those who have fallen out of old working-class families and communities. Not having much formal education, they tend to listen to far-right populists, who play on their fears. Social democrats have failed to respond to this insecurity and angst. This does not mean they should reach for the language or policies of the right, which they have tended to do, and which seemed to be the gist of Jon Cruddas' assessment of Labour's failure to win the general election of 2015, suggesting that Labour was not hard enough on benefit claimants. Nor will crude nationalist rhetoric work. The left must offer a progressive agenda based on empathy, not ape a reactionary one based on moralising.

The atavists are responding to the likes of Donald Trump, Victor Orban, Marine Le Pen, the Lega (Northern League) in Italy, UKIP and other populists. That will continue until a progressive alternative is articulated, involving nothing less than a new income distribution system, based on principles of universalism. The international trend

to populism is a new reason to support moves towards a basic income as an anchor of that distribution system.

The second faction in the precariat consists of migrants, minorities and those with disabilities. They tend to keep their heads down, mostly staying out of politics, although they occasionally react to their insecurity and growing denizen status with days of rage. While limits to immigration must be kept for pragmatic reasons, it is essential that the left oppose class-based migration policies and realise that means-testing actually exacerbates anti-migrant sentiment.

The third faction in the precariat should be called the progressives. It is this group that social democrats have alienated most. It consists of those who go to university or college, who were promised a career, a future, one of ontological freedom, a life of personal development in which work predominates over labour, in which leisure can be enriching in terms of self-respect and dignity. They emerge without that prospect, with debts and without having obtained a liberating education either. For them, Labour has failed so far to lift the dialogue from the pedestrian and materialist.

In short, politicians on the left must respond to the insecurities, needs and aspirations of the precariat, and to all of its components. For that, it must recognise the precariat explicitly; and it must struggle for *representation* for it in every institution of the state, and define policies that would redistribute the key assets that matter most for the precariat. That is feasible. But it will require more engagement and understanding than has been shown so far.