

# The Future of Work: The Precariat's Challenge

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Every age has had its stupidity in defining what is work and what is not. Perhaps the 20<sup>th</sup> century was the most stupid of all. Much of the work done by most people was ignored in official labour statistics, in social policy and in political rhetoric, as well as by most social scientists writing about work. The work of caring for others, unless paid for by a wage, was systematically disregarded. Most of the work done by women was treated as non-work.

So, pouring tea for a boss was counted as work and regarded as “productive”, while looking after the bodily needs of frail relatives was not counted as work or productive. One cannot be more stupid than that. And I say that as an economist. In effect, official statistical representations gave figures for the number of people doing labour, in “jobs”, but nothing about the amount of work done outside jobs, unless done by own-account workers, or by those working as unpaid family workers in a business. This was the base of labourism, whereby security, income and benefits were all linked to the performance of labour.

Arbitrary distinctions were then made in placing people in different statistical boxes. Stupidities multiplied. For instance, what do you call someone who in any one week works for pay for ten hours, searches for jobs for twelve hours, and looks after sick relatives for twenty hours? Is she employed, unemployed or economically inactive?

A better set of distinctions was made by the ancient Greeks, and their conceptualisation should guide us in the 21<sup>st</sup> century. Although their society was blighted by slavery and sexism, their fourfold conceptualisation makes more sense than 20<sup>th</sup>-century labourism. For the Greeks, labour consisted of arduous activities done by slaves, the banausoi and metics, by non-citizens. Citizens did not do labour. They did do work, activities done around the home with relatives and friends, as part of civic friendship, or *philia*. One might call that reproductive work, strengthening social reciprocities and solidarity. Outside that, they had recreation and play, the third form of activity.

However, the main objective for citizens was engagement in *schole*, or leisure. This was not what we regard as leisure, which is a mix of play, entertainment and consumption. *Schole* meant schooling – education as lifelong learning – and participation in the political life of the *polis*.

What happened in succeeding centuries is that labour for wages or income became the only work that was recognised. By the 20<sup>th</sup> century, the norm for men was stable full-time labour, while most women “disappeared” into the home, with their work designated as “economic inactivity”.

Besides that sexist absurdity, labour was depicted as taking place in blocks of time and in fixed workplaces. But in our globalising system, we have moved out of the industrial age,

when it made sense to think of life and work taking place within blocks of time and in identifiable ‘workplaces’.

Today, we are moving into a tertiary society, in which work and labour crowd into every part of our existence. For many people, it makes no sense to think of life in neat blocks of time. In that context, we need to conceptualise “tertiary time”. Two aspects stand out. First, we have the prospect of many forms of work-for-labour, as well as work that is not counted as labour. Second, because of the bombardment on our time by incessant demands, we have a new challenge to the human condition, which in my book *The Precariat* I call “the precariatized mind”. We are being habituated to unstable labour, to flitting between activities, to internalising a life of uncertainty. We are losing control of the precious asset of time.

Above all, work and labour patterns must be seen in terms of the emerging global class structure. At the top is a plutocracy, a few influential billionaires who are global citizens. Long below them come the salariat, with long-term employment security and an array of non-wage benefits, such as pensions, paid holidays and medical leave. The salariat is shrinking, whereas three decades ago, that type of working life was expected to become the norm. Their lives are stressful, since besides fearing they will lose employment security, they see avenues for social mobility shrinking.

Alongside the salariat is a growing group, which I call *proficians* – combining professional and technician – consisting of qualified people with portable skills, including entrepreneurs. Most live for projects, and do not want long-term employment security. They work and labour intensely, often for 60 hours a week, for seven days a week. They earn a lot. Their biggest threat is burn-out at an early age. Some enter the plutocracy or salariat; many sink into a lower social class.

Below the salariat and proficians in terms of income comes the old working class, the proletariat. Their numbers are shrinking everywhere. They will not disappear, but whereas 20<sup>th</sup> century welfare states and labour regulations were built by and for this class, now they cannot defend its remaining institutions. Gradually, more are being tipped into the group below them.

This is the precariat, which is rapidly growing all over the world. It consists of millions of people living and working without any form of labour security. But the key points are that those in the precariat have no occupational identity or narrative to give to their lives. They go from job to job, interspersed with periods of unemployment and withdrawal from the official labour force. Their incomes are low and volatile. They do not have fixed workplaces; often that goes with lack of secure housing.

Growth of the precariat is the biggest challenge for those concerned with the future of work. Three phenomena stand out. First, the precariat must undertake a high amount of work that is not counted as labour or remunerated. This includes time on networking, retraining, job-searching, waiting for scraps of labour or queuing to fill in the numerous forms the state and potential employers are concocting. Something must be done to give protection against abuse and to reduce much of that unpleasant work.

Second, whereas the proletariat in early industrial capitalism was slowly habituated to a life of stable labour, the precariat is being painfully habituated to unstable labour. Third, for the first time in history, the emerging class is one in which people are expected to have educational qualifications above what they need in their jobs. Your c.v., or resumee, must be *better* than what the job entails, if you are to have a reasonable probability of obtaining a job. This produces widespread status frustration, particularly among youths entering the labour force.

Jobs are increasingly short-term and do not lead to a career or to a professional or craftsman identity. Although there will continue to be privileged people who can construct a career around developing their capabilities and status within continuous employment, a majority will need to find ways to treat jobs as instrumental, not a road to happiness or income security. Those will come – if they come – from outside one’s job.

We are witnessing the creation of a global labour market in which most people will not find upward social mobility via employment. Probably a majority will find that jobs will not be the route out of poverty or income insecurity. Wages and benefits in rich countries are still well above those in emerging market economies, and yet a growing number are “working poor”, earning wages that do not give a decent standard of living. On average, real wages have dropped and will continue to drop. There is no reason to think the trend will be reversed. Neither right-of-centre nor left-of-centre parties are offering any strategy to deal with the consequences.

Only when we accept that the downward trend will persist will we develop a countervailing strategy. To help identify that, we should reflect on another aspect of life for the precariat. In the way they must live – changing homes often, worrying about housing costs – and in the way they labour and work, having to network, queue, commute, search and retrain, they face two challenges.

First, they face constant *uncertainty*. In the era of the so-called European social model, under both the Bismarck and Beveridge welfare models, principles of social solidarity could be based on social insurance, in which risks (unemployment, sickness, workplace accidents, etc.) had known probabilities of adverse outcomes, allowing compensation through contributions-based social security. But in the globalising market system, the precariat is not facing insurable risks but chronic uncertainty, involving “unknown unknowns”. It is hard to provide the precariat with classic forms of social security.

Second, the flexible open economy means the gap between wages and income from profit will continue to widen, along with gaps between upper-income wages and those paid to workers in the precariat. In such circumstances, we must look to other forms of remuneration if the precariat is to gain an income adequate for human dignity.

Those realities are among the reasons why we need to move towards a basic income as a right of all legal residents. It is affordable, and would give more people more control over their time and work. We must also open our minds to unconventional methods for paying for that, including the development of sovereign wealth funds, or national capital funds, along the

lines of the Alaska Permanent Fund or the Norwegian Fund. We should phase out the numerous regressive subsidies that have grown up everywhere, and divert the high share of national incomes spent on them to pay for a basic income.

That will not be a panacea. But providing basic security is essential in the flexible labour system that is taking shape. Without security, the vulnerability of those in the precariat will become horrendous. In that regard, consider several trends. We know about unpaid interns. There is also a spread of “zero hour contracts”, whereby people are given an employment contract, called “full time” but only on stand-by, being paid for whatever hours of labour they are told to undertake from time to time. Then there are those put on part-time contracts so that an employer can avoid non-wage benefits, even though the worker is expected to labour for more hours than the contract specifies.

There is something else happening that has yet to be considered by observers of work and labour. It is a natural derivative of outsourcing and offshoring of labour. Part of this goes under the revealing name of “cloud working”. Contractors are putting out labour online, in tiny slivers of time and task, requiring millions of people in internet-linked networks to bid for jobs. There are no workplaces, no employment contracts, no labour security, no minimum wage and not even assurance that the worker will be paid at the end of the tasks, since the contractor reserves the prerogative of deciding whether the quality of the labour is adequate.

Another trend is potentially liberating but threatening. In the past two decades, cheap labour in emerging market economies has displaced higher-cost labour in OECD countries. In the coming decade, that will be superseded by a replacement of cheap labour by autonomies, including robotics. Multinationals are experimenting with schemes such as IPsoft’s Eliza, described as a “virtual service-desk employee” that learns on the job and can reply to emails, answer phone calls and hold conversations. At one American media giant it answers 62,000 calls a month from its staff and can solve two out of every three problems thrown at it by the staff. It has replaced call centre workers in India’s Tata Consulting Services.

These developments give alarmist meaning to the notion of “mini-jobs”. The precariat suffer from the stress, exploitation and insecurity of all this. They are supplicants; they lack rights, and must beg or plead to receive the benefits and securities on offer. We see this in the way the unemployed are being recast as irresponsible, lazy, dependent and a burden, rather than victims of a malfunctioning economy.

The social protection system around the world is being reconstructed to fit this malicious depiction of the poor as “undeserving”. We see workfare replacing welfare – forcing the unemployed to take low-paying or even non-paying labour in return for their benefits rather than providing benefits as a compensation for the fact that they are victims of recession or structural change.

In sum, work and labour are changing their character, and our social protection system must adapt to provide basic security for everybody if the creative potential is to be realised. In this, we need to go back to the ancient Greeks and give equal rights to those doing all forms of work, not just doing labour in jobs. And we must encourage a growth of leisure in the Greek

sense, as public participation. Being a public citizen is a form of work, and if just one condition should be attached to basic income grants it should be a moral commitment to vote in elections and to participate in at least one public political meeting each year, health permitting. This is a theme developed in *The Precariat*. It is just one example of how we need to think afresh about all aspects of work as part of the Global Transformation.

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