

The Precariat: Basic income in a Politics of Paradise

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1. Introduction

In 1988, shortly after a group of us – economists, philosophers, sociologists and jurists – had established BIEN, then the Basic Income European Network, to advocate a basic income as a universal right, a conference was convened in Venice, where I gave a paper on basic income. The conference brought together no more than a dozen social scientists. I recall it because I had a furious argument with Jeffrey Sachs, who was then advocating *shock therapy* with fervent zeal, and because the person who invited us for the three days was Renato Brunetta, then advisor to the leader of the Italian Socialists, Craxi. I always thought it would be easy for him to move from cynical labourism to the political right, supporting a Berlusconi opportunistically. He did, and today he is one of his senior Cabinet Ministers. Brunetta epitomised the *ceti rampant*, those we call *yuppies* in English, who flourished under Craxi and who are flourishing under Berlusconi.

Today, in Italy the political establishment is intellectually and morally bankrupt. The cynicism of the *ceti rampant* has been matched by the lukewarm leftism of what is left of social democracy, which elsewhere has been dressed up as Third Wayism. The social democrats' ultimate failure was their refusal to confront the growing inequalities in societies being integrated into a globalised economy. Instead, they lurched to prop up a stultifying labourism, advocating 'Full Employment' and 'workfare', seeking ways of maximising the numbers of people in labour. From the early 1990s, they accepted the logic of globalisation, but offered to deal with 'poverty'. It was a surrender of the progressive *vision* of equality stretching back through the Enlightenment.

Today, we must revive that vision in a way that resonates with the emerging economic system, the forms of production and the institutional arrangements around us. It must be a vision that will appeal to the *ceti medi riflessivi* – the middle-class, civic-minded professionals and public employees – as well as to all those who feel rooted in the values and ethos of artisans and craftsmen and what is left of the proletariat. Above all, it must be a vision that appeals to what we may call the *precariat*.

We need, in short, to develop a new *politics of paradise*, a view of a Good Society that is egalitarian and liberating. The failure of the critics of Berlusconi so far was epitomised by the antics of the *girotondi* – the circling of public buildings, with people holding hands in symbolic defence of values of public service. This did not offer a future or a strategy for transformation. It amounted to a gesture of pleading – imploring – which could never provide a progressive movement. Rather, as progressives throughout history have understood, there must be *demands* and a sense of *anger*, oriented to a vision of paradise that appeals to the threatened classes.

To move in a desirable direction, we must undertake four tasks, which BIN Italia could foster as it joins others in building a new progressive politics. It must diagnose the nature of the current crisis of global capitalism in a more refined way than has been done so far, without drifting into infantile images of its collapse or populist lampooning of its inherent evils. It must, second, understand why the 20th century ‘left’, in its communist and social democratic guises, cannot offer a progressive response. Third, it must provide a principled critique of the neo-liberal reinvention of utilitarianism. Fourth, it must provide a progressive vision that gives equal respect to equality and freedom.

This article cannot do more than scratch the surface on any of these challenges. It does so by considering one of the dramatic phenomena characterising Italian and global society, the growth of the precariat, and indicating why a basic income – a universal right of citizenship – should be a fundamental part of the progressive agenda. However, there is a sting in the tail, since a politics of paradise cannot neglect what the ancient Greeks called *scholē*, leisure to participate in the life of the *polis*.

2. The Global Transformation and its Crisis

In the sense of Karl Polanyi’s Great Transformation, we are in the midst of the Global Transformation, as we shift from industrial societies based on closed national economies to a tertiary open global economy. Any transformation involves a struggle between commodifying and decommodifying forces.¹ To the extent that commodification is successful, inequalities and insecurities multiply, bringing a threat to society and social reproduction.

In that context, we should recall that one of the greatest human desires is to have control over time. The ancient Greeks understood this, and divided time into four uses, namely labour, work, play or recuperation and *scholē*, which is loosely translated as ‘leisure’, but which meant not time spent in consumption and play but time in which to participate in the life of the *polis*. In a period of commodification, where markets and consumption are the prerogatives, the drive to labour is intensified, while play is for consumption and passive pastimes, and while the demands on work outside the labour market is mainly to enable people to labour more effectively. What is squeezed is leisure in that great Greek sense. There is no time for political participation, and so we drift into apolitical passivity. An image grows of a bread-and-circus existence, or rather a pasta-and-electronics fetish.

In the embedding phase of Polanyi’s Transformation in the middle decades of the 20th century, the mainstream progressive drive was about making labour “better”. This could only go so far. It reached its nadir in the “decent work” agenda of the International Labour Organisation

¹ The points made in this and subsequent sections are developed in a new book. G.Standing, Work after Globalisation: Building Occupational Citizenship (Cheltenham, Edward Elgar, 2010).

put forward in 1999 and endorsed by governments of left and right, which is about “decent labour”. Put differently, with globalisation – and the pressure to create a market society – being the initial phase of a Global Transformation, the fictitious decommodification that had taken place under welfare state labourism was eroded by a series of neo-liberal reforms. What this meant was that the withering of the money wage that had accompanied the shift to enterprise non-wage benefits and to state benefits in the welfare state era went into reverse under the Washington Consensus of the decades of globalisation. More and more people became reliant on insecure money wages. And they lost hope in the subordinated labour that unions had offered. This delusions of social democratic labourism was exposed in the 1980s and 1990s. As it withered, an era of contracts took the place of collective bargaining, while old models of labour-based social security gave way to residual means-testing and ‘behaviour-testing’ as governments shifted policies towards ‘workfare’.

The message of labour market flexibility was that each country had to rid itself of so-called non-wage labour costs and regulate their labour relations in such a way that pretensions of employment security had to go. A part of the disembedded phase of the Global Transformation was the demise of the *Standard Employment Relation*, the idea that most people would be in stable full-time, unionised employment.

As industrial employment in mass production shrunk, with a growth of multiple-workplaces and a blurring of boundaries between work and labour, new distance controls have proliferated. We know the drift to the panopticon society, with technocratic systems of surveillance and dataveillance. The struggle is on. For state surveillance has fostered some “sousveillance” by civil society, efforts to oppose the surveillance. This merely leads to tighter surveillance and to tighter policing of society, and a thinner and thinner version of democracy.

This is where we stand at the end of the first decade of the 21st century. And the Left has been remarkably silent, cowed by the abysmal behaviour and posturing of their political representatives over the past two decades. That will not last. But it is where we are at.

3. The precariat

In the wings, a wind is blowing. A new class is taking shape, but is not yet *for itself*. The precariat consists of millions and millions – and many more who are joining its ranks in the wake of the global financial crisis – who live precariously. The modal type consists of those who move between temporary ‘jobs’, labour part-time, do sub-contracted labour, are recipients of outsourced jobs and so on. They are ‘jobholders’ at best, flitting between activities that offer them no coherence or human development. Their labour is instrumental.

One of the ironies is that all over the world a source of growth of the precariat consists of migrants, along with racial and ethnic minorities, as well as women, and now the elderly clinging

on to an economic life. The irony arises because while they are all victims of the worst forms of precariousness, migrants and minorities are seen as a threat to those in the precariat. And they are perceived as a threat to those who fear they will fall into the precariat. It was no surprise that in early 2009, 79% of Italians were found to favour a policy of forcing jobless migrants to leave the country. Berlusconi and his friends knew how to play on the phobia that underpinned that view.

The proletariat may not be dead, but it has ceased to be a progressive class. It is clinging on, gradually ceding its privileges, and sinking into the precariat. A progressive politics cannot be based on its resurrection, even if that were to be desirable. It is resolution of the traumas of the precariat that must guide progressive thinking.

The precariat lacks what Hannah Arendt would have called a *social memory* – a psyche that could anchor its members in occupational values. It cannot be guided by the responsibilities and morality of a sacred past, in which ancestors forged an ethic and a proud tradition that could be a centre of respect. They have no yesterdays, just as they feel that they have no tomorrows. Rather, in their precariousness, tomorrow can be expected to be much the same as today and yesterday. Their situation reminds one of an insight of John Stuart Mill in the mid-19th century, when he said that under capitalism socially dominated workers would be reduced to want what society wanted them to want. A worker in such circumstances is “*perpetually a child....the approved condition of the working class.*” This is the precariat.

The precariat is distinguished in other ways too. Compared with other classes, it has the most tenuous hold on the key assets of the era – security, quality space, quality time, financial capital and knowledge. And in its insecurity it suffers from the most intense combination of stress, with acute anxiety about what it fears losing and a deprivation of what it feels it needs.

Consequently, the precariat is easily lured by the sirens of populism. Lacking a common and desirable trajectory, it is inclined to support a sort of fascism, in which a notionally weak central state authority is combined with a localism that builds on a phobic existence, in which subliminal messages can turn anxieties into anomic destruction of ‘others’, aliens, migrants and non-conformist. Most ironically, because it is a class but not a class-for-itself, it is easily turned against parts of itself.

It is, in brief, the new dangerous class. Across Europe, it is ripe for the Berlusconis, the Haiders, the Sarkozys, the BNP and the many fringe populists waiting for their turn. The next generation of progressives must confront them with a politics of paradise. If not, the future will look very bleak indeed.

4. Building a new progressive strategy

Looking back at all the great periods of progressive advance, there have been demands for equality and demands for greater freedom. Each time it is framed differently, since the

progressive vision has been linked to the context of the time and the nature of the economic and social structures. Our era is no different.

A new progressive strategy should be expressed in the context of the precariat. Berlusconi and his successors will appeal to the basest instincts and deploy images that mix nationalism, familialism and ‘order’ while oozing charm and subliminal texts. This concoction will succeed only while there is no progressive politics on offer. Without a set of radical proposals, the critics of the Right will merely look like cheaper imitations and be even less credible. A progressive revival cannot come from being *against* something. It must define itself by what it is *for*.

The context is not just the growth of the precariat. It is the ongoing Global Transformation, which reached its crisis with the collapse of globalisation in 2008. The challenge is to re-embed the economic system in society, through new systems of regulation, social protection and redistribution that are relevant to a global market economy and the emerging class structure in which the precariat is the dangerous class. Put bluntly, the strategy must offer the precariat a realistic alternative to the alienating, anomic existence that many of them are facing or anticipate.

Every progressive agenda has favoured some view of equality and freedom. The major leftist movements of the 20th century lost sight of the need to combine those aspirations. A consequence was that the right occupied the space of freedom, in their utilitarianism and espousal of competition, whereas the left seemed to offer at best a paternalistic state and a rigid ‘labourism’, whereby somehow freedom and equality were to be achieved by having as many people as possible in labour, in jobs.

The essence of the forward march that comes in spurts once every few epochs is a struggle over the key assets of the socio-economic system. In feudalism, the main struggle was over land and primary goods; in industrial capitalism, it was over the means of production, factories and mines. But that is the past. Recently, a group of American social democrats wrote a book called “Re-imagining Socialism”. They depicted socialism as involving the seizure of the means of production, and were pessimistic because they saw those as having largely gone to China.

This fails to understand the essence of the progressive march of history. It is always about the struggle over the key assets of the time. And in this regard we are living in a *tertiary* society, not an *industrial* society. The key assets now are security, time, information (or knowledge) and financial capital, not machines, buildings or other physical assets.

Recovering or gaining control over *time* is critical. We need to re-position our ideas of *work* and *leisure*. To understand that we need to go back to the ancient Greeks, who understood the difference between work and labour, and between leisure and consumption or play much better than have our modern social democrats. It is leisure that has been frozen out of modern

society, or what the Greeks called *scholē*, the participation as citizens in the political life of the *polis*. The precariat has a shortage of such leisure. They are expected to labour and to consume.

The first part of a new progressive strategy may seem surprising. We should wish to see the full and proper commodification of labour, not the fictitious de-commodification that social democrats pursued. To rescue work and leisure, we need to demystify 'jobs'. The precariat understand that they are not hiring out labour power, their capabilities, but only a small part of them on an instrumental basis. For the precariat, the alienation of temporary jobs, the alienation is understood and is opportunistic. They see that the jobs they do are below their competence, and they expect that and they expect that to continue. In a sense, this is healthy, since any failure in the job market is limited, not traumatising.

We have to reach a stage where our sense of identity, development and citizenship comes from outside jobs, from the work and leisure we do and aspire to do. And it is no surprise that the salariat and old-style working class jobholders are suffering psychologically from the global recession of 2009. Too many think that losing their job means losing their identity. Tragically, because so many of us are habituated to jobholding, that is often correct. But it should not be.

Work is so much more than jobs. Labour and the consumption derived from the income from labour are inherently resource-using, resource-depleting. By contrast, if we think of work as involving reproductive activity, we think of resource preservation. Work gives a proper place to desirable inefficiencies. If we think of work as respecting the indivisibility of time, with what I have called *tertiary time*, in which we combine activities at a pace and in sequences that we choose, rather than *industrial time*, where the blocks of the day, year and lifetime are prescribed, each distinct as a model of how time is used. Tertiary time is what we need to address.

We need to gain control so that we can slow down, so that we can care, so that we can nurture our multiple identities and capabilities. It goes with recovering a sense of localism, which is why the *Slow Food* movement and the motives behind it are so relevant. We need to see the work of caring for the layers of *community* as just as valuable as any labour – the care for family (children, the elderly and the sick or disabled, most of all), through the care for community and the environment, through to any occupational community to which we shall choose to belong.

These are reasons for wanting to see the full commodification of labour, stripping it of pretensions to provide 'happiness'. We need jobs, and we need to do jobs. But they should be seen as instrumental, not as life defining. The progressive should wish to see people developing an occupational identity, which means de-commodification of the citizen, enabling everybody to labour from a position of freedom. This means having control over the way he or she can combine activities. Jobs and labour will not disappear. But they should not be mystified or made the focus of the progressive strategy. Both the political right and the social democrats in their

Third Way clothes focus on controlling the decent or deserving citizen through jobs and labour, which are being artificially preserved and expanded, merely increasing inefficiencies, inequalities, delusions and ecological threats.

The main way they are doing that is through a ridiculous proliferation of *labour subsidies*. These include earned-income tax credits, marginal employment subsidies and credit subsidies to stimulate car sales, benefiting car owners relative to others and car labourers relative to others, so subsidising resource use at the expense of resource conservation. They also include subsidies for non-wage enterprise benefits, which merely reward those in stable employment, but results in lower demand for those doing relatively low-productivity jobs. The benefits of access to pensions, childcare and paid holidays should not be tied to employment. These, in a progressive politics, should be the rights of citizenship.

Subsidies should be rejected, and labour should be put in its proper place, instrumental and necessary, but not the means to personal fulfilment and ‘happiness’. However, in their place true progressives should remember that the twin objectives should be a scheme for equality that gives proper respect for freedom to make decisions about how to live and how to contribute to the reproduction of society and all the communities within it.

5. Why a basic income is progressive

This is the context. The equality should be one whereby every person can have basic economic security in which to make decisions about how to live and develop. And this means that the fundamental argument for a citizenship income as a right is that it is a means of boosting livelihoods and a means of dignifying work and leisure.

Such a right must be unconditional in terms of pressure to perform labour. It must not be workfare, however such a paternalistic policy is presented. The state cannot obtain social integration through forcing the unemployed and youth into jobs that they do not want. Labour-based conditional income grants are not only paternalistic, thereby being contrary to freedom in almost any sense of that term, but are also a means of distorting labour markets and the economic system, as well as being structurally inegalitarian. The latter point is important and overlooked by all those Third Way social democrats. By obliging the unemployed or the disabled to do low-wage jobs in order to obtain a state benefit, the wages and working conditions of others doing such jobs are driven down. This is scarcely a progressive achievement.

While a basic income should not be linked to labour, it is vitally important to see it as one component part of a progressive strategy, and not as a single policy. It is a means of lessening fear, a means of providing basic security so that those in or on the edge of the precariat can gain greater control over their lives.

The egalitarian claim for a basic income is linked to an argument made by Thomas Paine among others. All of us owe our social and economic comfort to the efforts of the countless generations of our forebears. It is patently dishonest to preach that incomes reflect a *meritocratic* distribution, that those who become rich do so through their own merit and labour. To some extent, some do better than others because of their hard labour and brilliance. But the collective inheritance is something none of us individually did anything to bestow on society. It is the wealth that this represents that should be shared, and in a very tangible way a basic income, equal and universal, is a way of providing a social dividend from the collective wealth that our ancestors bequeathed us. And members of the precariat ‘deserve’ that just as much as members of the ‘salarial’ or the ‘proletariat’ or bourgeois property owners.

There is another reason why a basic income should be seen as part of a redistributive strategy. This is that in a global market economy, income inequality will continue to grow because wages cannot be bargained upwards. Regardless of the very short-term setback for capital owners due to the financial crisis of 2008, in the medium-term the returns to capital will continue to go up relative to the returns to labour.

Although there are other reasons, the main factor is that the entry of China, India and several other major low-income countries into the global market system has meant that in less than two decades the global labour supply to the open market system has quadrupled. And the labour surplus in ‘Chindia’ is able and reluctantly willing to labour at a tiny fraction of what workers in Italy or other parts of Europe could tolerate. Moreover, European multinationals are taking advantage of this huge surplus of cheap workers to earn higher profits. In a sense, Europe, and a few other regions, including Japan and North America, are becoming more of a *rentier economy*. Ordinary citizens must have a share in that rent. A basic income is one means by which it could do so.

This leads us back to the other side of the new progressive vision, the need to enhance and spread full freedom. The left needs to re-think ideas of liberty. It is not the freedom to out-compete your neighbours, to be richer at their expense. This is the libertarian variant of freedom. It is the freedom to avoid unwanted controls over our behaviour and aspirations. It is the freedom to be able to develop our competencies and interests. And, most ignored of all, it is the freedom to belong to the communities of our choice, without endangering the communities of others. It is the freedom to associate and forge new and multiple identities.

In that regard, let us go back to the tertiary society that is taking shape and in which the precariat is desperately trying to come to terms. A central claim of those who favour a basic income as a right is that it would implicitly recognize the spread of many forms of necessary

work that is not labour – the work that has use value, if not exchange value. Consider just a few examples that members of the precariat would recognise just as much as anybody else.

There are all those activities that are *work-for-labour*, such as unpaid information gathering, ethics training, and personality refinement required to strengthen “employability”. There is another set of activities that one might call *work-for-subsistence*, such as learning and applying financial management skills and basic legal knowledge. Ignore those and you risk impoverishing yourself by all sorts of mistakes stemming from ignorance. Then there is the more familiar *work-for-reproduction*, such as the care we should provide to our family and friends, and the work we occasionally should do in the form of counselling to combat the normal or abnormal anxieties of those close to us. Then there is the *work-for-community*, such as voluntary work, ecological work and association-building work. How many people think they do enough of that? How many would like to do more?

Finally, there is *work-for-liberty*, the work we need to do increasingly to combat the sinister spread of the *panopticon society*, the chipping away at our freedoms through surveillance, “dataveillance” and the penal interventions that the political Right love so much as they preach the virtues of the decent middle-class voters.

A basic income would be one mechanism for enabling people to have greater control over their time so that they can undertake more of these forms of necessary and desirable work activities, none of which are compensated in any labour market. Are any of these less valuable and dignifying than pouring the tea for a boss in order to obtain a low wage? The Third Wayists who want to drive as many of the precariat into jobs as the way of obtaining state benefits evidently think they are. Go away!

There is one other function that a basic income would serve, one that has yet to be adequately appreciated. One of the virtues of the welfare state built in the embedding phase of Polanyi’s Great Transformation was that the labour-based state benefits, such as unemployment benefits in their various guises, acted as a macro-economic stabiliser. When aggregate demand fell, earned labour income fell. But the state pumped money back into the economy through paying out state benefits. This re-stimulated aggregate demand and had a Keynesian effect that raised the economy out of a recession.

In a flexible labour market those welfare state stabilisers have become very weak. The precariat do not qualify for such benefits. They have no labour-based entitlements worthy of the name. So, when a recession arrives, there are no automatic stabilisers to push the economy back up. A basic income, if designed as such, could perform that stabilisation function, as argued at

length elsewhere.² Its monetary value could be adjusted counter-cyclically, being raised in times of recession and lowered in real terms in times of boom. There would be dangers, but a proper governance mechanism could overcome them.

In sum, a basic income is one mechanism for reducing income inequality, a macro-economic stabiliser, and one mechanism for strengthening our control over time and how we develop ourselves through work and leisure.

6. Concluding thoughts

A basic income is not a panacea, and no sensible advocate in BIN-Italia or in BIEN believes it is. It is a necessary component of a progressive political strategy, and should form one part of a new movement to rescue the precariat and all of us who may drop into the precariat or find those near and dear to us doing so. It must go with a strengthening of *associational freedom* through the building up of associations that can give collective Voice to all our legitimate economic and social interests. I believe that we need to recover a sense of occupation, a sense of work in which every person can develop themselves through their various work and leisure activities.

We need to recover what was good in the occupational guilds, the sense of being able to protect and enhance the skills of individuals within a community, but without stifling their personalities or freedom. How this could be done is considered in the book mentioned earlier. But the point here is that a basic income also requires a societal context in which collective agency exists in order to defend the vulnerable and the inexperienced. Voice security is essential for income security, and vice-versa.

A basic income would give an anchor of stability for those in and around the precariat. It would help enhance the quality of work people did. However, there is one other issue that a progressive strategy should address as a matter of supreme importance. The precariat is drifting politically and can be drawn into a neo-fascistic populism, by images and manipulation of their fears. What is needed is a greater sense of political involvement, which returns us to the Greek idea of *scholē*, leisure interpreted as action in the *polis*, a tendency to participate as a social and political human being.

All of us these days suffer from a sort of attention deficit syndrome. This leads to a proposal. One option, perhaps to elicit support from middle-class voters, would be to stipulate that the basic income would be made conditional on the individual agreeing to vote in general

² G.Standing, “*Responding to the crisis via Economic Stabilisation Grants*”, paper delivered at the Social Policy Association Conference, Edinburgh, June 30, 2009. This is available on my website and on the SPA website.

elections and local elections and to go to at least one community meeting a year where representatives of different political parties could present their ideas and respond to questions from the citizenry. This form of conditionality would not distort labour markets and would counter a deliberation deficit that comes with rushed lives of precarious survival. To revive the political process would be a worthy objective of any progressive strategy and thus be an additional reason for supporting a basic income as part of it.

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