

GUY STANDING

“The Precariat and Basic Income”

Ladies and gentlemen, time is short, both for my presentation and for us to find a new progressive agenda for responding to the economic crisis, which is more structural than has been recognised by the mainstream policymaking community.

What I have to say this morning is developed at much greater length in a recent book. I apologise if what I say seems rather telegraphic and blunt. You or your colleagues could see the more detailed development of the ideas in that book.¹

We are in the middle of a **Global Transformation**, analogous to Karl Polanyi’s Great Transformation set out in 1944. His Transformation has gone, and yet too many people are clinging to its dictates. We must understand that globalisation over the past 30 years marked a specific period in human history when *global markets* were painfully being created.

In the process, all the old systems of regulation, redistribution and social protection were slowly dismantled, along with the institutions and communities that had given them their context.

In the process, we have experienced or witnessed more and greater economic volatility, and a rising incidence of social, economic and ecological shocks. The financial crisis of 2008 was predictable and was merely the latest and most global of the shocks.

In the process, we have seen a spread of social and economic *insecurity* – chronic and pervasive – affecting millions and millions of people across Europe and much of the world.

In the process, as the *deindustrialisation* of employment have become a global phenomenon, we have seen the relentless spread of more flexible and precarious labour markets and a *tertiarisation* of work and labour, meaning that the vast majority of people are or can expect to be involved in the provision of ‘services’ of some kind, not working in factories or mines or on farms.

In the process, we have seen a growth of many forms of income *inequality* – wider wage differentials, a shift of income from labour to capital and a loss of social entitlements by median and lower-income earners.

In the process, above all, a new global class structure has been emerging. At the top is an *elite* of billionaires and such like. Below them is a *salariat*, comfortable but limited in numbers, with employment security and an array of non-wage benefits. Then there is a growing body of what could be called *proficians* – professionals and technicians usually receiving high incomes, but without employment security. Below them in terms of income is the old *core*, a shrinking industrial working class, not yet dead, but dying. Those in the core are fearful of dropping into the next and rapidly growing

¹ Guy Standing, **Work after Globalisation: Building Occupational Citizenship** (Cheltenham and New York, Edward Elgar, 2009).

class fragment, what should be seen as *the global precariat*. Below the precariat are the chronically unemployed and a lumpenised minority of socially wretched people.

The precariat has not yet come into focus. Many millions of people are experiencing a precarious existence, in temporary jobs, doing short-time labour, linked strangely to employment agencies, and so on, most without any assurance of state benefits or the perks being received by the salariat or core. Most lack any sense of *career*, for they have no secure social and economic identity in occupational terms. The precariat is *not* “socially excluded”, and that term is misleading. And the precariat is not adequately appreciated if we focus on income poverty alone. The precariat is socially and economically vulnerable, subject to anomic attitudes and without any *social memory* on which to draw to give them a sense of existential security. Those drifting into the precariat encompass what some see as *urban nomads*. But it is broader than that.

The precariat is the new dangerous class. Increasingly, those in it are angry, as well as anomic, and that anger is intensified by knowing that they are subject to the spread of *surveillance*, in what I call in the book the *panopticon state*. In these circumstances, there is a very real danger that part of the precariat will be drawn to support political populism. And demagogues will continue to play on the fear of “the other” that is so intense inside the precariat. Part of the precariat will be mobilised to turn on migrants and ethnic minorities, who will be depicted as a threat to their own precariat existence. This political populism is thriving and must be challenged vigorously and in principled ways. Terms like ‘army of evil’ are evil. The precariat is a mass of people, but as yet it has not seen itself as a class for itself. They may change, for better or for worse.

So, most crucially, the policies and institutions of tomorrow must respond to the needs, aspirations and fears of the precariat. We must begin by refreshing the language of public debate. There are still too many platitudes coming from the politicians and their advisers. Policymakers must be specific. We must start by realising that the precariat is to some degree in all of us. We, collectively, are anxious, even frightened, about a future seeming to promise only economic insecurity, economic inequality and a loss of control over **time** and over **space** – most of all about an ecological disaster rushing towards us.

We have to realise that the solution to the challenges must involve a greater sense of ecological and time control by the citizenry. We must escape from the tiresome language of economic growth as the overriding goal of public policy, with the warped ideas of promoting endless increases in “competitiveness” and endless increases in “jobs”.

We have to realise that more rapid economic growth is neither effective for dealing with the nature of the current socio-economic crisis, nor desirable in itself. For one thing, inequality has been wilfully ignored. If governments and the state leave inequality to grow, you have to aim for a higher rate of economic growth to benefit those in the lower rungs of society.

The fact is that, if we really want to increase income security and the life of the precariat, we must reduce inequality. Public commentators who make no mention of inequality and who offer no

prescription designed to reduce inequality are opportunistic, naïve or dishonest. Meanwhile, talking about the personal characteristics of ‘the poor’ or about the need to increase their ‘social inclusion’ or ‘employability’ is like redistributing the crumbs of the cake when the main slices have been given to the elite and salariat.

Beyond the need to focus on ways of reducing inequality, we must emphasise values and policies that promote *work* that is not *labour*, work to reproduce, regenerate and conserve resources and communities, not jobs and labour that tend to deplete or eat up resources or that do nothing for the quality of life, in families, in communities and across the whole EU. This is part of the ecological imperative, and it is part that has been marginalised, partly by separating talk of ‘poverty’ and ‘environment’ as if they were unrelated.

We must find mechanisms and associations to enable people to gain control over their **time**, so that we are not driven to rush from intense jobs and labour to others, in a stressful fashion, careless of the quality of life around us, consuming and spending feverishly. If we had basic economic security, we would still have sufficient incentives to work and to labour, but we could slow down.

I believe – and have done for the past 30 years – that we should have a basic *citizenship income*, as a right. This is why we set up BIEN, and why many fine people are joining. This basic income should be universal, unconditional, be an equal amount for all and be paid independently to men and to women. I was pleased to hear the Mayor of Napoli speaking today about the region’s move to a citizenship income. However, I plead with her and her colleagues to move away from means tests and a policy of targeting, which always result in many of the most in need being excluded. Universality is essential, to strengthen social solidarity and to reduce any stigma and inequity. By all means, claw back from the rich through proper fiscal measures.

These issues are tackled in a new book just published by BIN-Italia. I recommend this to all of you, and urge those of you who have not done so to join BIN-Italia, which is an all-Italian network of people from all political angles who want to promote basic income security.²

A key point is that in an open society in which the precariat is growing remorselessly, we should aim to provide *ex ante* security, rather than think that an effective system of providing *ex post* security can be provided through compensating people hit by the risks and uncertainty of our economic system.

I would like to urge Italian authorities to launch *pilot projects* to test the effects of moving towards a citizenship income model. There is no reason to believe this could not be done in Italy.

However, I would also like to urge Italian authorities to fund pilot projects in developing countries. Income poverty could be reduced very rapidly if we only provided very small cash transfers, which could be as little as 15 Euros a month. It is important to understand that Brazil has beaten the global crisis much better than most countries because it has operated its *bolsa familia*, a cash transfer scheme

² BIN-Italia, [Reddito per Tutti](#) (Roma, Manifestolibri, 2009) See book@manifestolibri.it

reaching 46 million people across Brazil. This helped maintain aggregate demand and has reduced income inequality and poverty, while promoting child nutrition and educational performance.

Today, we can certainly afford a basic income scheme in Europe. And it would encourage and reward forms of *work* that is not *labour* – the work of care, community work, education for social involvement, and so on.

A citizenship income scheme would succeed best if it were combined with a strengthening of new forms of social *Voice*. We need to boost occupational associations, drawing on (but not replicating) the great traditions of the Firenze guilds. Collective Voice provides the glue of society and strengthens individuals in a spirit of social solidarity. We should not be naïve here, for there are dangers to be overcome, which I have discussed in the book. But without some stronger associational network, the problems we are addressing in this conference will not be resolved.

In all of this, we need a new progressive agenda, and it must give a proper place to efforts to combat the encroachment of the surveillance state, which is tending to criminalise those in the lower rungs of society, so that once criminalised they are marginalised as citizens. This cannot be right.

We need to encourage people as citizens, and for this we need to promote the work of being public participants in the life of the *polis*. The ancient Greeks had a word for it, *scholē*. This is often translated as *leisure*. However, it actually means public involvement in the democratic process, in public *deliberation*. Today, we have increasingly thin democracy, dominated by slogans and advertising. I believe that we need to strengthen *deliberative democracy* as part of a process of social regeneration and social solidarity. For this reason, I have proposed that at least initially a universal basic income should be linked in some moral way to an obligation or commitment to participate in the political process. There is a precedent. In 403 BC, in ancient Greece, the citizens were provided with a basic income so as to reward them for spending time on the affairs of the polis.

Meanwhile, we should move away from the unhealthy fetish of ‘jobs, jobs, jobs’. Many jobs are demeaning and demoralising, and many are of minimal social or economic value. Many forms of work that are not counted as such in our old-style statistics or social policies are much more valuable, and enhance our freedom as citizens and human beings.

People as citizens act and think with a sense of social responsibility. If they have basic economic security, they tend to act with a greater sense of altruism and tolerance. This is what we must remember, as we take a stand against the utilitarians and libertarian paternalists dominating the policy debates at the moment. That is the message we should develop.

However, if you will allow me to make one final recommendation, I would like to propose that in 2010 each EU city and town should adopt a “twin” in some developing country. And as a way of strengthening international solidarity, our EU towns and cities could provide a small amount to ensure the citizens of their twin should obtain a basic citizenship income. This could be a modest cash transfer of say 10 Euros per month – 120 Euros a year – for a pilot scheme, to last for two years, to see what

would happen. I predict with great confidence that this would make a huge difference, lowering child malnutrition, reducing family poverty, raising women's economic status and boosting economic development. Someone somewhere should start that process.

Thank you for listening.