



## The Precariat – The new dangerous class

Guy Standing

**For the first time in history, the mainstream left has no progressive agenda. It has forgotten a basic principle. Every progressive political movement has been built on the anger, needs and aspirations of the emerging major class. Today that class is the precariat.**

So far, the precariat in Europe has been mostly engaged in EuroMayDay parades and loosely organised protests. But this is changing rapidly, as events in Spain and Greece are showing, following on the precariat-led uprisings in the middle-east. Remember that welfare states were built only when the working class mobilised through collective action to demand the relevant policies and institutions. The precariat is busy defining its demands.

The precariat has emerged from the liberalisation that underpinned globalisation. Politicians should beware. It is a new dangerous class, not yet what Karl Marx would have described as a class-for-itself, but a class-in-the-making, internally divided into angry and bitter factions.

It consists of a multitude of insecure people, living bits-and-pieces lives, in and out of short-term jobs, without a narrative of occupational development, including millions of frustrated educated youth who do not like what they see before them, millions of women abused in oppressive labour, growing numbers of criminalised tagged for life, millions being categorised as ‘disabled’ and migrants in their hundreds of millions around the world. They are denizens; they have a more restricted range of social, cultural, political and economic rights than citizens around them.

### **A wake-up call for social democrats**

Unlike the proletariat – the industrial working class on which 20th century social democracy was built – the precariat’s relations of production are defined by partial involvement in labour combined with extensive ‘work-for-labour’, a growing array of unremunerated activities that are essential if they are to retain access to jobs and to decent earnings.

Growth of the precariat has been accelerated by the financial shock, with more temporary and agency labour, outsourcing and abandonment of non-wage benefits by firms. The shock ended an era of delusion, in which workers’ living standards were held up by tax credits, subsidies and cheap credit. But the Canute phase could not halt the waves of globalisation, the logic of which entailed downward adjustment of labour remuneration in ‘the west’.

So the precariat swells. Most in it do not belong to any professional or craft community; they have no social memory on which to call, and no shadow of the future hanging over their deliberations with other people, making them opportunistic. The biggest dangers are social illnesses and the risk that populist politicians will play on their fears and insecurities to lure them onto the rocks of neo-fascism, blaming ‘big government’ and ‘strangers’ for their plight. We are witnessing this drift, increasingly disguised by clever rebranding, as in the case of the True Finns, Swedish Democrats and French National Front. They have natural allies in the US Tea Party, the Japanese copycats, the English Defence League and the originals, Berlusconi’s neo-fascist supporters.

Progressive politicians must wake up and realise that sanity and recovery from the financial crisis will depend on their response to the needs, fears and aspirations of this emerging class.

This is the first systemic crisis without a progressive vision on offer. Most of the world's social democrats have lost the plot. Their rhetoric is stuck in the 20th century, with images suited to a closed industrial society, not an open tertiary society in which a growing proportion of humanity is engaged in what are euphemistically called services.

Some have been drawn by imagery of "the squeezed middle". While not inconsistent with the idea of the precariat, it is unfortunate. It is unclear what is a middle in the class *fragmentation* associated with globalisation. It suggests that it is more important that a "squeezed bottom". It brings to mind an image of an abused toothpaste tube. And social democrats should be careful in using the term, since it was the Third Way's combination of labour market flexibility and targeted means-tested benefits for 'the poor' that generated the pressures middle-income families are experiencing. Social democrats should use the "squeezed middle" term sparingly. It could come back to taunt them. Better to reach out to the precariat.

### The precarity trap

The precariat has no control over its time, and no economic security. Many in it suffer from what I have called in the book, a *precarity trap*. This is on top of the familiar *poverty trap* created by the folly of 'targeting' on the poor via means-tested social assistance. The precarity trap arises because it takes time for those on the margins of poverty to obtain access to benefits, which means their hardships are underestimated, while they have no incentive to take low-income temporary jobs once they are receiving benefits.

Many people outside the precariat feel they could fall into it at any time. They fear becoming bag ladies, living in the street with a couple of plastic bags. Many suffer from a precariatized mind, unable to forge an identity, flitting electronically or between time-using activities.

The worst fear of all is that a large part of the precariat, and those fearing a life in it, could be drawn to neo-fascism. This is happening. Populist politicians, led by Berlusconi and Sarkozy, have played on the fears of their domestic precariat. Their venal populism will be defeated only by a politics of paradise, a strategy for enabling the precariat to gain control of their lives, to gain social and economic security, and to have a fairer share of the vital assets of our 21st century society. What are they?

### Economic insecurity

The first is *economic security* itself. Put bluntly, a large and growing number of people of rich societies have no security at all while the affluent luxuriate in it. Insecurity is known to foster extremism, particularly an authoritarian kind. It chips away at the human instincts of altruism, tolerance, reciprocity and social solidarity. We need to be bold and realise that in open market societies in which flexible precarious labour is common, much of the insecurity is uncertainty ('unknown unknowns'), which is uninsurable. Neither social insurance nor means-tested social assistance will reach the precariat.

The only way to provide sufficient economic security is to do so *ex ante*, through providing every legal resident in society with a basic income as a right. This is what great utopians have advocated,

the likes of Thomas More, Tom Paine and Bertrand Russell, and has been supported by distinguished economists and other social thinkers.

Critics have screamed that it is unaffordable, would reward idleness and slow economic growth. We may soon find that we cannot afford not to have it. The idea that every person should receive a modest monthly payment is gathering legitimacy. Perhaps unexpectedly, it is doing so fastest in middle-income market economies, such as Brazil, where there is now a law on the statute books committing its government to bring in an unconditional basic income for all. Already over 50 million Brazilians receive a monthly cash transfer under the *bolsa familia* scheme; the number is rising steadily. Brazil is one of the very few countries that has reduced income inequality in the 21st century, has voted for progressive politicians and has been booming since the financial crisis.

### Time poor lives

A progressive strategy for the precariat must involve more equitable control over other key assets of a tertiary society – quality time, quality space, knowledge and financial capital. There is no valid reason for all the revenue from financial capital going to a tiny elite who have a particular talent to make money from money. The only way to reduce income inequality in an open market society is to ensure an equitable distribution of financial capital.

As argued in the book, *quality time* is a crucial asset. We need policies to equalise access to it. Again, there is no inherent reason for the rich having so much more control over their time than the precariat. But the latter has to allocate so much time to handling bureaucratic demands, to chasing one short-term insecure job after another and to learning new bags of tricks called ‘skills’ that could become obsolescent before they have a chance to use them. Similarly, there is no reason to have a society in which the affluent have access to technical advice on how to run their lives profitably while the precariat cannot do so. These are forms of inequality that are structural, not derived from merit or laziness.

Why should the elite and salariat have access to so much of the *quality space* while the precariat faces a steady shrinkage of ‘the commons’, as they see parks, libraries and community facilities wither in front of them? The great industrial city of Manchester has announced the closure of almost all its public toilets. We need a progressive strategy to rescue the commons.

Why should the precariat have their dwellings exposed to ruin while those of the rich are protected? In cutting public spending in towns across the US, some fire services are limiting themselves to protecting the insured, leaving the uninsured to burn.

Why is it that the salariat can obtain much cheaper credit than those without long-term employment contracts? We know the reasons, but these are cumulative inequalities that do not stem from merit or diligence. The precariat observes with growing anger. The politicians had better respond or we will reap a harvest of discord. We can do better.

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