# The Precariat: why it needs deliberative democracy

**GUY STANDING** 27 January 2012

Published in Open Democracy, available at <a href="http://www.opendemocracy.net/guy-standing/precariat-why-it-needs-deliberative-democracy">http://www.opendemocracy.net/guy-standing/precariat-why-it-needs-deliberative-democracy</a>

To arrest the drift to social engineering, the voice of those subject to the steering should be inside the institutions responsible for social policy. This means more than putting token 'community leaders' on boards. It must be a collective democratic voice. At present, we see the opposite.

We are at the crisis point in global transformation analogous to Karl Polanyi's account of the impact of the rise of the market economy in England in <u>The Great Transformation</u>. The neo-liberalism that drove the disembedded phase known as 'globalisation' sought to create a global market society in which commodification was extended into every feasible sphere, including the educational system, family life, occupational development and social policy.[1]It reached its nemesis in the crash of 2008, since when it has been staggering, opening up ugly political scenarios.

Globalisation was a period of *re-regulation*, not de-regulation, and regressive redistribution, with income shifting to capital. Various other inequalities grew, along with economic insecurity. It created a risk society, in which risks and uncertainty were transferred to citizens. And neo-liberalism set out to dismantle all forms of collective body, or all forms of social solidarity.

The subsequent crumbling of collective institutions of bargaining and representation was no accident; it was desired by the economists who were the spiritual guides of the globalisation era, notably Friedrich Hayek, Milton Friedman and others in the Mont Pelerin Society.[2]

A neo-liberal system is not the same as the liberal market economy as envisaged by Adam Smith. It places emphasis on competitiveness and individualism. Collective bodies are seen as anti-trust, monopolistic and rent-seeking. But the drive to dismantle them weakened the representation and bargaining capacities of vulnerable groups. The outcome has been a profoundly new social structure.

## Class fragmentation and the Precariat

The globalisation era generated a class fragmentation that threatens democratic governance. At the top, in terms of income, above older representatives of capital, an elite of absurdly affluent figures emerged as global citizens, detached from any nation state but able to influence governments wherever they wished. Stretching from multi-billionaires in Silicon Valley to oligarchs in Russia, encompassing hedge-fund managers and property tycoons, the elite has dominated political discourse. No prospective prime minister or president has risked offending them. Occasionally, one of them falls foul of the law. Most ignore it with impunity. But curbing their *collective* political and economic power is vital for any meaningful democracy.

In terms of income, the group below the elite and other representatives of capital is the 'salariat', those with above average incomes, with an array of enterprise benefits and employment security. This group is shrinking, hit by the financial crisis, austerity packages and the extension of labour market flexibility, nowhere more so than in Greece.

Some of the salariat have joined the third group, 'proficians', those with bundles of technical and emotional skills that allow them to be self-selling entrepreneurs, living opportunistically on their wits and contacts. This group is growing but is relatively small; it tends to be socially liberal but economically conservative, since it wants low taxes and few obstacles to money making.

Below the salariat and proficians in terms of income is the old manual working class, the proletariat, which has been dissolving for decades. The democracy built in the twentieth century was designed to suit this class, as was the welfare state. Trades unions forged a labourist agenda and social democratic parties implemented it. That agenda has little legitimacy in the twenty-first century.

Below the proletariat is the rapidly growing 'precariat', a class-in-the-making.[3]It is internally divided, just as the proletariat was. Its division is what makes it a dangerous class and why an understanding of it is so crucial to debates about democracy.

The precariat consists of millions with insecure jobs, housing and social entitlements. They have no occupational identity, and do not belong to any occupational community with a long-established social memory giving an anchor of ethical norms. Being urged to be 'flexible' and 'employable', they act opportunistically. They are *denizens*, not citizens, in that they have fewer rights than citizens.

There are three 'varieties' of precariat, all detached from old political democracy and unable to relate to twentieth-century industrial democracy or economic democracy. The first variety consists of those drifting from working-class backgrounds into precariousness, the second consists of those emerging from a schooling system over-credentialised for the flexi-job life on offer, and the third are migrants and others, such as the criminalised, in a status denying them the full rights of citizens. Each has a distinctive view on life and society.

The precariat is cut off from classic circuits of capital accumulation, and from the logic of collective bargaining between employers as capital and workers as providers of stable labour. It is not represented in any existing class-based political party and cannot relate to fixed workplaces, the pillar of twentieth-century industrial democracy.

The precariat is not an underclass. If it were, one might dismiss it as a fringe, consisting of misfits who can be treated as suffering from social illnesses, to be 're-integrated' into society. Governments have been tempted to treat it this way. That may succeed in lessening disruptive behaviour for a while but not for long.

Nevertheless, part of the precariat is drifting into a *lumpen* precariat, unable to survive in a milieu of precarious jobs, many drifting into gangs, or becoming 'bag ladies' or addicts of some kind. But the precariat itself is desired by global capitalism. It is an integral part of the production system, with distinctive relations of production and consciousness of specific insecurities. This is why it makes sense

to depict it in class terms. And it is a dangerous class precisely because all varieties are disengaged from twentieth-century political discourses. They are ready to listen to other voices.

In that context, if a re-embedding phase of the global transformation is to occur, a political strategy will be needed to provide new forms of regulation and social protection that favour the precariat, along with new mechanisms for redistributing the key assets of society. In all three respects, the neo-liberal cupboard is bare.

### The commodification of politics and thinning of democracy

A second legacy is more familiar. Democrats must confront the commodification of politics (and politicians) and the thinning of democracy. The thinning refers to declining involvement in political activity, shown by drastic falls in membership of political parties, declining turnouts at elections and the low percentage of young people bothering to vote, thereby shifting the median voter to the elderly, which induces politicians to favour them.

Thinning also refers to the shrinking spheres of democratic governance, including the transfer of many issues from political control to control by experts or interests favouring powerful groups. For example, in 1997 the British government transferred responsibility for monetary policy from Parliament to the Bank of England, reducing democratic accountability in a major sphere of policy, while privileging financial capital by enabling it to look after its own interests. Other governments have followed suit.

Equally worrying, regulation of occupations – our working lives – has been transferred from inside occupations to finance ministries or externally-dominated committees. They are complemented by a policing role for the undemocratic World Trade Organisation and the European Court of Justice, which is required to apply market principles, not democratic or solidarity principles. [4] One could give numerous other examples of the thinning of the social architecture of democracy.

Meanwhile, the commodification of politics arises from the demise of the class politics of industrial capitalism, the growth of inequality in which the elite have shaped politics, and the emergence of the professional 'politician', whose goal is to be elected as a means of launching a money-making career. The modern politician must sell himself or herself, often after a period in a think-tank as a rite de passage. The ability to raise money and to employ public relations specialists, who can repackage a voice and an appearance, and produce sound bites and body language, is not just part of the commodification of politics; it thrives on political infantilisation of the populace.

Many people understand what is happening. This itself contributes to the thinning of democracy as they witness a game of marketing unworthy of their attention. The millions around the precariat do not feel allegiance to old-style social democratic parties and are suspicious of patrician conservative parties that represent elite and salariat interests. This makes those in the precariat nomadic politically just as they are in everyday life. Just as they are denizens economically, so they are politically, denied effective rights because they have nobody to represent them in the political mainstream.

There are three directions in which factions in the precariat could turn — atavistic-populist, anarchic detachment and idealistic-progressive (or utopian-progressive). Each is gaining ground.

The *atavistic-populist* trend is displayed in support for neo-fascist parties and populist demagogues, in which populists have played on fears among the national precariat in order to depict government as alien and to see 'strangers' (migrants, Roma, Muslims, etc.) as the cause of their insecurity.

The *anarchic detachment* mode is displayed in anomic, anti-social behaviour, in the fires burning England's cities, in social illnesses and loss of faith in politics in general.

The *idealistic-progressive* direction is displayed in EuroMayDay parades that have exploded in at least 25 European cities. So far, the mainstream media, international bodies, social scientists and political leaders have not been listening, or have given the impression they have not heard.

### Democracy and Schole

Now consider another trend. A challenge for twenty-first century democracy is loss of control over time, involving erosion of what the ancient Greeks called *schole*, meaning learning (schooling) and leisure, defined in terms of deliberative participation in the public sphere, the *polis*. The problem is that the precariat is neither prepared for *schole* – instead being offered commodified schooling that deemphasises culture, history, art and subversive knowledge – nor energised or motivated to participate in political life. Instead, it is supposed to labour flexibly, to shop, to consume and to play.[5]

To understand this, recall the Greek distinctions between labour and work and between play and leisure. Twentieth-century social democrats elevated *labour*to a pedestal, fostering 'the jobholder society' feared by Hannah Arendt. Work that was not labour disappeared from statistical representations of life and was marginalised in social policy, dominated by social scientists steeped in labourist values. Most egregiously, the work done mostly by women, 'care work' and 'housework', disappeared from statistics. Social scientists as well as governments still adhere to this sexist practice.

It is now even more indefensible, because in a tertiary (service-based) society, there is an enormous growth in 'work-for-labour', activities that must be done to function in a market economy, in flexible labour markets and in dealing with bureaucracies impinging on our lives. Those in the precariat must do a disproportionate amount, even though politicians disparage them as suffering from 'a culture of worklessness'.

What has this to do with thinning democracy? Quite simply, there is intense competition between demands on time, with incessant pressure to labour, to work-for-labour and to consume. To be lazy is a modern sin. This is a route to societal stress, a materialistic madness. All great cultures have needed people to have time for laziness. Aristotle was the first to enunciate this, saying that aergia (laziness) was essential for *schole*. We need to struggle for both.

People pressured to labour, and to work-for-labour, find themselves spent mentally. Meanwhile, market society offers limitless play or entertainment, passive uses of time, much in front of electronic screens. It is a modern version of the 'bread-and-circus' existence for today's plebs. Let them watch football and avatars!

The outcome is a collective attention deficit syndrome and a growing risk that those with precariatised minds will be lured by populist sirens onto the political rocks, to rushes of anarchic discord or to support demagogues offering a neo-fascist vision or crazed evangelical message.

Neo-fascism is dragging centre-right politicians to the right, concealing the extent of the drift to the far right. It is not that most of the precariat is going that way, or that it is only from within it that support for neo-fascism is coming. It may be that most support comes from those who *fear* falling into the precariat or who fear what the precariat might do to their comforts. But the alarm bells are ringing.

### **Building democratic responses**

From this nightmarish imagery, one should surely look for ways of strengthening *schole* and deliberative democracy. This leads to three proposals.

First, we need *democratic governance of occupations*, work in its richest sense. Historically, work and social relations were long shaped by the guilds. Although flawed, being hierarchical and prone to rent seeking, they supported communities in which codes of ethics and solidarity were embedded. While weakened in industrial society, replaced by unions, they continued to play a role in setting standards. But in the globalisation era, occupational regulation was displaced by state licensing and governance in favour of employers and consumers, in the process splintering occupations and contributing to a decline of occupational social mobility. Occupations lost the capacity to reproduce themselves.[6]

A result is that the precariat has been denied entry to many occupations. For instance, qualifications gained in one place are not recognised for entry to a profession elsewhere. State regulation also blocks mobility for those entering the lower rungs of occupations. In response, we need to establish democratic principles of regulation based on values of social mobility, solidarity and equity, with the voice of the precariat involved in every aspect of the governance of work. In brief, this means combining associational freedom and deliberative democracy.

The second proposal addresses social policy, which has become directive and moralistic. Instead of being guided by a desire to compensate for temporary "interruption of earnings power", in Beveridge's phrase, it is driven by libertarian paternalism, or behavioural economics. This is a threat to freedom.

Behind the trends is utilitarianism, giving precedence to the happiness of a perceived majority, with scant regard for the rest. The drift to behavioural nudging gives discretionary and arbitrary power to bureaucrats, commercial surrogates and 'experts' lurking behind politicians. Social policy is becoming part *panopticon*, with dataveillance supplementing surveillance, and part*therapy*, manipulating people's minds, with cognitive behavioural therapy a favoured tool of utilitarians.

To arrest this drift to social engineering, the Voice of those subject to the steering should be *inside* the institutions responsible for social policy. This means more than putting token 'community leaders' on boards. It must be a collective democratic voice. At present, we see the opposite, with privatisation and commercialisation of social policy. We need social policy democracy, before it is too late.

The third proposal aims to strengthen both economic security and deliberative democracy. Chronically insecure people make bad democrats. Psychologists have shown they lose a sense of altruism and social solidarity; they become intolerant, supporting discriminatory and punitive measures against "strangers", or people not-like-me.

To combat this, we should work towards giving everybody basic income security. This is the only way to achieve security in an open market economy; social insurance cannot reach the precariat; means testing leads to coercive workfare. What is needed is basic income as a right. Modest monthly stabilisation grants, with tax clawed back from the rich, would also pump money into the economy in recessions and withdraw it during booms.

While the grants should be unconditional and universal, there should be one *moral* condition. On registering for entitlement to the grant, a person should sign a moral commitment to vote in national and local elections and to participate in at least one local meeting each year, at which all recognised political parties could be represented and be quizzed by the public.

The justification for these proposals is that we are suffering from a deliberative democracy deficit. We must find the means of shifting time from labour, consumption and play to political, civic and cultural participation. Unless the precariat is incorporated into a new politics of paradise, last year's stirrings in the streets and squares of Greece, Spain, England and elsewhere will only be the harbinger of more upheaval. Deliberative democracy would help in defusing the tensions that are building up.

- 1. Commodification may be defined as making an activity or good subject to market forces of supply and demand, without agency or voice to resist them.
- 2. G. Standing, Work after Globalization: Building Occupational Citizenship (Cheltenham, Elgar, 2009).
- 3. G. Standing, <u>The Precariat: The New Dangerous Class</u> (London and New York, Bloomsbury Academic, 2011).
- 4. For an analysis of how this has been happening, see Standing, 2009, op.cit.
- 5. Once infantilised politically, they can be confronted with simplistic questions in polls, asked to give undeliberative answers, which become "the public view". Then politicians parrot what their "constituents" want to hear. It is a prescription for democratising prejudice.
- 6. Standing, 2009, op.cit.