



*Guy Standing*

## **Defining the precariat**

### **A class in the making**

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Class has not disappeared. Instead, a more fragmented global class structure has emerged alongside a more flexible open labour market. This prompts Guy Standing to forge a new vocabulary capable of describing class relations in the global market system of the twenty-first century.

There are two ways of defining what we mean by the precariat. One is to say it is a distinctive socio-economic group, so that by definition a person is in it or not in it. This is useful in terms of images and analyses, and it allows us to use what Max Weber called an “ideal type”. In this spirit, the precariat could be described as a neologism that combines an adjective “precarious” and a related noun “proletariat”. We may claim that the precariat is a *class-in-the-making*, if not yet a *class-for-itself*, in the Marxian sense of that term.

Thinking in terms of social groups, we may say that, leaving aside agrarian societies, the globalization era has resulted in a fragmentation of national class structures. As inequalities grew, and as the world moved towards a flexible open labour market, class did not disappear. Rather, a more fragmented global class structure emerged.

The “working class”, “workers” and the “proletariat” were terms embedded in our culture for several centuries. People could describe themselves in class terms, and others would recognize them in those terms, by the way they dressed, spoke and conducted themselves. Today they are little more than evocative labels. André Gorz wrote of “the end of the working class”



long ago. [1] Others have continued to agonize over the meaning of that term and over the criteria for classification. Perhaps the reality is that we need a new vocabulary, one reflecting class relations in the global market system of the twenty-first century.

Broadly speaking, while the old classes persist in some parts of the world, we can identify seven groups. At the top is an *elite*, consisting of a tiny number of absurdly rich global citizens lording it over the universe, with their billions of dollars, listed in Forbes as among the great and the good, able to influence governments everywhere and to indulge in munificent philanthropic gestures. Below that elite comes the *salariat*, still in stable full-time employment, some hoping to move into the elite, the majority just enjoying the trappings of their kind, with their pensions, paid holidays and enterprise benefits, often subsidised by the state. The salariat is concentrated in large corporations, government agencies and public administration, including the civil service.

Alongside the salariat, in more senses than one, is a (so far) smaller group of *proficians*. This term combines the traditional ideas of “professional” and “technician” but covers those with bundles of skills that they can market, earning high incomes on contract, as consultants or independent own-account workers. The proficians are the equivalent of the yeomen, knights and squires of the Middle Ages. They live with the expectation and desire to move around, without an impulse for long-term, full-time employment in a single enterprise. The “standard employment relationship” is not for them.

Below the proficians, in terms of income, is a shrinking “core” of manual employees, the essence of the old “working class”. The welfare states were built with them in mind, as were the systems of labour regulation. But the battalions of industrial labourers who formed the labour movements have shrivelled and lost their sense of social solidarity.

Underneath those four groups, there is the growing “precariat”, flanked by an army of unemployed and a detached group of socially ill misfits living off the dregs of society. The character of this fragmented class structure is discussed elsewhere. [2] It is the precariat that we want to identify here.

## **Class and status**

Sociologists conventionally think in terms of Max Weber’s forms of



stratification – class and status – where class refers to social relations of production and a person’s position in the labour process. [3] Within labour markets, apart from employers and self-employed, the main distinction has been between wage workers and salaried employees, the former covering piece-rate and time-rate suppliers of labour, with images of money-for-effort, and the latter supposedly being rewarded by trust and compensation-for-service. [4] The salariat has always been expected to be closer to managers, bosses and owners, while wage workers are inherently alienated, requiring discipline, subordination and a mix of incentives and sanctions. In contrast to class, the idea of status has been associated with a person’s occupation, with higher status occupations being those that are closer to professional services, management and administration. [5] A difficulty is that within most occupations there are divisions and hierarchies that involve very different statuses.

In any case, the division into wage labour and salaried employee, and ideas of occupation, break down when considering the precariat. The precariat has class characteristics. It consists of people who have minimal trust relationships with capital or the state, making it quite unlike the salariat. And it has none of the social contract relationships of the proletariat, whereby labour securities were provided in exchange for subordination and contingent loyalty, the unwritten deal underpinning welfare states. Without a bargain of trust or security in exchange for subordination, the precariat is distinctive in class terms. It also has a peculiar status position, in not mapping neatly onto high-status professional or middle-status craft occupations. One way of putting it is that the precariat has “truncated status”. And its structure of “social income” (see below) does not map neatly onto old notions of class or occupation.

Japan illustrates the problems confronting students of the precariat. It has had a relatively low level of income inequality (making it a “good country”, according to Richard Wilkinson and Kate Pickett). [6] But inequality runs deep in terms of status hierarchy and has been intensified by the proliferating precariat, whose economic plight is underestimated by conventional measures of income inequality. Higher status positions in Japanese society entail a set of rewards providing socio-economic security that is worth far more than can be measured by monetary incomes alone. [7] The precariat lacks all those rewards, which is why income inequality is so seriously understated.



Some try to give the precariat a positive image, typifying a romantic free spirit who rejects norms of the old working class steeped in stable labour, as well as the bourgeois materialism of those in salaried “white-collar” jobs. This free-spirited defiance and nonconformity should not be forgotten, for it does figure in the precariat. There is nothing new in youthful and not so youthful struggles against the dictates of subordinated labour. What is more novel is a welcoming of precarious labour and work style by “old agers”, opting for such an existence after a long period of stable labour. We consider them later.

The meaning of the term has varied as it has come into popular parlance. In Italy, the precariato has been taken to mean more than just people doing casual labour and with low incomes, implying a precarious existence as a normal state of living.

[8] In Germany, the term has been used to describe not only temporary workers but also the jobless who have no hope of social integration. This is close to the Marxian idea of a Lumpenproletariat and is not what I refer to here.

In Japan, the term has been used as synonymous with “the working poor”, although it evolved as a distinctive term as it became associated with the Japanese May Day movement and so-called “freeter unions”, made up of young activists demanding better working and living conditions. [9] Japan has produced a group of young workers known as “freeters” – a name peculiarly combining “free” and Arbeiter, German for worker – who have been pushed into a work style of casual labour.

It is not right to equate the precariat with the working poor or with just insecure employment, although these dimensions are correlated with it. The precariousness also implies a lack of a secure work-based identity, whereas workers in some low-income jobs may be building a career. Some commentators have linked the idea to lacking control over their labour. This is complicated, since there are several aspects of work and labour over which a person may have control – skill development and use, amount of labour time required, the timing of work and labour, labour intensity, equipment, raw materials and so on. And there are several types of control and controller, not just the standard supervisor or manager standing over the worker.

To assert that the precariat consists of people who have no control over their labour or work would be too restrictive, since there is always



ambivalence and implicit bargaining over effort, cooperation and application of skills, as well as scope for acts of sabotage, pilfering and boondoggling. But aspects of control are relevant to an assessment of their predicament.

Perhaps an equally interesting line of delineation is associated with what may be called “status discord”. People with a relatively high level of formal education, who have to accept jobs that have a status or income beneath what they believe accord with their qualifications, are likely to suffer from status frustration. This sentiment has been prevalent in the youth precariat in Japan. [10]

For our purposes, the precariat consists of people who lack the seven forms of labour-related security, summarised below, that social democrats, labour parties and trades unions pursued as their “industrial citizenship” agenda after the Second World War, for the working class or industrial proletariat. Not all those in the precariat would value all seven forms of security, but they fare badly in all respects.

## **Forms of labour security under industrial citizenship**

*Labour market security:* Adequate income-earning opportunities; at the macro-level, this is epitomised by a government commitment to “full employment”.

*Employment security:* Protection against arbitrary dismissal, regulations on hiring and firing, imposition of costs on employers for failing to adhere to rules and so on.

*Job security:* Ability and opportunity to retain a niche in employment, plus barriers to skill dilution, and opportunities for “upward” mobility in terms of status and income.

*Work security:* Protection against accidents and illness at work, through, for example, safety and health regulations, limits on working time, unsociable hours, night work for women, as well as compensation for mishaps.

*Skill reproduction security:* Opportunity to gain skills, through apprenticeships, employment training and so on, as well as opportunity to



make use of competencies.

*Income security:* Assurance of an adequate stable income, protected through, for example, minimum wage machinery, wage indexation, comprehensive social security, progressive taxation to reduce inequality and to supplement low incomes.

*Representation security:* Possessing a collective voice in the labour market, through, for example, independent trade unions, with a right to strike.

In discussions of modern labour insecurity, most attention is given to employment insecurity – lack of long-term contracts and absence of protection against loss of employment. That is understandable. However, job insecurity is also a defining feature.

The difference between employment security and job security is vital. Consider an example. Between 2008 and 2010, thirty employees of France Telecom committed suicide, resulting in the appointment of an outsider as the new boss. Two-thirds of the 66,000 employees had civil service tenure, with guaranteed employment security. But the management had subjected them to systematic job insecurity, with a system called “Time to Move” that obliged them to change offices and jobs abruptly every few years. The resulting stress was found to be the main cause of the suicides. Job insecurity mattered.

It also matters in the civil service. Employees sign contracts that give them much-envied employment security. But they also agree to be allocated to positions as and when their managers decide. In a world of rigorous “human resources management” and functional flexibility, the shifting around is likely to be personally disruptive.

## **Social income**

Another feature of the precariat is precarious income and a pattern of income that is different from that of all other groups. This can be demonstrated using the concept of “social income”. People everywhere obviously have to survive on the income they receive. That may be a flow of money or income in kind, in terms of what they or their families produce. It can be measured by what they could anticipate receiving should they need it. Most people in most societies have several sources of income, although some may rely on just one.



The composition of social income can be broken into six elements. The first is self-production, the food, goods and services produced directly, whether consumed, bartered or sold, including what one might grow in a garden or household plot. Second, there is the money wage or the money income received from labour. Third, there is the value of support provided by the family or local community, often by way of informal mutual insurance claims. Fourth, there are enterprise benefits that are provided to many groups of employees. Fifth, there are state benefits, including social insurance benefits, social assistance, discretionary transfers, subsidies paid directly or through employers, and subsidized social services. Finally, there are private benefits derived from savings and investments.

Each of these can be subdivided into forms that are more or less secure or assured, and which determine their full value. For instance, wages can be divided into forms that are fixed on a long-term contractual basis and forms that are variable or flexible. If someone receives a salary that provides the same income each month for the next year, the income received this month is worth more than the same money income derived from a wage that is dependent on the vagaries of the weather and an employer's undetermined production schedule. Similarly, state benefits can be divided into universal "citizenship" rights, alongside insurance benefits, which are dependent on past contributions and are thus, in principle, "assured", and more discretionary transfers that may or may not be available depending on unforeseen circumstances. Enterprise benefits may be subdivided into elements that everybody in a firm receives, elements that depend on status or past service and elements given discretionarily. The same is true of community benefits, which can be divided into family or kinship claims and claims that can be made on the wider community for support in times of need.

The precariat can be identified by a distinctive structure of social income, which imparts a vulnerability going well beyond what would be conveyed by the money income received at a particular moment. For instance, in a period of rapid commercialisation of the economy of a developing country, the new groups, many going towards the precariat, find that they lose traditional community benefits and do not gain enterprise or state benefits. They are more vulnerable than many with lower incomes who retain traditional forms of community support and are more vulnerable than salaried employees who have similar money incomes but have access to an array of enterprise and state benefits. A feature of the precariat is not the level of money wages



or income earned at any particular moment but the lack of community support in times of need, lack of assured enterprise or state benefits, and lack of private benefits to supplement money earnings.

Besides labour insecurity and insecure social income, those in the precariat lack a work-based identity. When employed, they are in career-less jobs, without traditions of social memory, a feeling they belong to an occupational community steeped in stable practices, codes of ethics and norms of behaviour, reciprocity and fraternity.

The precariat does not feel part of a solidaristic labour community. This intensifies a sense of alienation and instrumentality in what they have to do. Actions and attitudes, derived from precariousness, drift towards opportunism. There is no “shadow of the future” hanging over their actions, to give them a sense that what they say, do or feel today will have a strong or binding effect on their longer-term relationships. The precariat knows there is no shadow of the future, as there is no future in what they are doing. To be “out” tomorrow would come as no surprise, and to leave might not be bad, if another job or burst of activity beckoned.

The precariat lacks occupational identity, even if some have vocational qualifications and even if many have jobs with fancy titles. For some, there is a freedom in having no moral or behavioural commitments that would define an occupational identity. Just as some prefer to be nomadic, travellers not settlers, so not all those in the precariat should be regarded as victims. Nevertheless, most will be uncomfortable in their insecurity, without a reasonable prospect of escape.

## **Global transformation and the growth of the precariat**

To understand why the precariat is growing one must appreciate the nature of the Global Transformation. The globalization era (1975-2008) was a period when the economy was “disembedded” from society as financiers and neo-liberal economists sought to create a global market economy based on competitiveness and individualism.

The precariat has grown because of the policies and institutional changes in that period. Early on, the commitment to an open market economy ushered





in competitive pressures on industrialized countries from newly industrializing countries (NICs) and “Chindia” with an unlimited supply of low-cost labour. The commitment to market principles led inexorably towards a global production system of network enterprises and flexible labour practices.

The objective of economic growth – making us all richer, it was said – was used to justify rolling back fiscal policy as an instrument of progressive redistribution. High direct taxes, long used to reduce inequality and to provide economic security for low earners, were presented as disincentives to labour, save and invest, and as driving investment and jobs abroad. And a reorientation of social protection from social solidarity to dealing with poverty and with people deemed social failures ushered in a trend to means-tested social assistance and from that to “workfare”.

A central aspect of globalization can be summed up in one intimidating word, “commodification”. This involves treating everything as a commodity, to be bought and sold, subject to market forces, with prices set by demand and supply, without effective “agency” (a capacity to resist).

Commodification has been extended to every aspect of life – the family, education system, firm, labour institutions, social protection policy, unemployment, disability, occupational communities and politics.

In the drive for market efficiency, barriers to commodification were dismantled. A neo-liberal principle was that regulations were required to prevent collective interests from acting as barriers to competition. The globalization era was not one of *de-regulation* but of *re-regulation*, in which more regulations were introduced than in any comparable period of history. In the world’s labour markets, most new regulations were directive, telling people what they could and could not do, and what they had to do to be beneficiaries of state policy.

The attack on collective institutions encompassed firms as social institutions, trade unions as representatives of employees, occupational communities as guilds of crafts and professions, education as a force for liberation from self-interest and commercialism, the family as an institution of reciprocity and social reproduction, and the civil service as guided by an ethics of public service.

This concoction splintered labour arrangements and created a class fragmentation, made more striking by the “tertiarization” of work and labour



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associated with a decline in manufacturing and a drift to services.



## Footnotes

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