The Crisis of Labour, Widespread Precarity and Basic Income

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Abstract
A feeling of uncertainty about the future as well as the perception that the past classical securities are gone are widely spread among people. Criticism or disaffection affects the majority of the traditional political forces of the European continent. It is not possible to talk about the European crisis without referring to the crisis of the wage-based society. All political options of the past century have de facto put labour at the centre of society. The post-classical era got its start in the ’80s when, for the first time since World War II, the phenomenon of mass unemployment affected Europe. The crisis of wage labour cannot be regarded as a temporary economic conjuncture of an otherwise unlimited growth, all consequences of the phase must be contemplated in order to design at once a society based on new principles. For years, after the end of the Fordist system, nothing has been done to cope with the conditions of precarious workers. The issue of a guaranteed income is, therefore, crucial and inescapable in order to exit this long-term European crisis. The European Union should take a stand on the protection of human dignity and on the “right to exist”. Could basic income at the continental level be the basis for a social Europe? We are looking forward to it.

It is not possible to talk about the European crisis without referring to the crisis of the wage-based society. All political options of the past century, liberalism or laissez-faire, progressivism, socialism, communism or the social democratic systems, and even the most radical ones, have de facto placed labour at the centre of society. They all not only regarded labour as the main engine of growth and economic well-being, but also as the driving force for the emancipation of the masses and the individuals. Even in the so-called “real socialist” economies, wage labour was one of the pillars on which the material constitution of society was based. All individual and collective rights pivoted on workers—by virtue of their own concrete social position—in order to protect and enhance their specific role as producers.

Just a few decades ago, the expectation of access to social life by finding an appropriate and stable job with planned career progression, and with consistency between training and employment was legitimate. Labour was exactly at the centre of the social system; it was a link between the public and private sectors: in reference to the public sphere, labour represented the contribution each subject offered to collective well-being, although remaining, on private
level, a means for merely individual self-realization. The centrality of wage labour was then sealed by public policies aimed at achieving the full employment goal. Besides, this model was guaranteed by a social security system delivering a range of social welfare schemes including provision for unemployment, illness, old age. The centrality of wage labour and the totality of social protections related to it formed a compact body of rules that can be rightly regarded as ‘classical’. It was a real model, and more precisely it was what is commonly known as the European social model.

1. The First Mass Unemployment & the Crisis of the Wage-based Society

The post-classical era got its start in the ’80s when, for the first time since World War II, the phenomenon of mass unemployment affected Europe. The oil shock and the start of a large-scale industrial reconversion brought out the problem of a massive and structural excess supply of labour; contemporaries were greatly impressed, and many did not hesitate to grasp the implications involved in it.

During the post-war years Europe had a constantly very low long-run rate of unemployment. In 1960, in the countries of the European Economic Community, the unemployment rate was approximately 2.5%, with regional differences ranging from less than 1% in Western Germany to 1.5% in France, and slightly more than 5% in Italy.* In 1970, the average unemployment rate was still 2.5%, while since 1975 there has been a dramatic increase in the unemployment rate which initially jumped up to 4.1%, and then slowly rose to 5.8% in 1980, to 6.9% in 1981, and to 8.1% in 1982 until it reached its peak of 9.3% in 1987. In the following years there was a partial recovery in employment, although the extraordinary economic growth performance of the ’50s and ’60s never occurred again. After the partial recovery of the early years of the 21st century, the decade ended with the most serious economic and employment crisis since the ’30s, and therefore in the Euro area the unemployment rate reached the unprecedented threshold of 10.9% (after reaching its peak of 11.8%).

It’s interesting to see how scholars reacted to the first emergence of the phenomenon of unemployment in the ’80s, which was surely less serious than today. As opposed to the reaction these days, they didn’t underestimate the problem, nor did they trust a miraculous recovery that would have allowed the economies to return to their pre-crisis levels as if by magic. On the contrary, it was clear to them that unemployment was a symptom of broken classical balances that could not be established again. Therefore, they tended to lay down the foundations for a new social contract.

Ralf Dahrendorf, for instance, talked of a new form of unemployment which differed from the large “classical” unemployment of the ’30s that produced excess unemployment. Keynesian medicine could not work this time: this was not a situation of scarcity to cure through public investment, wages increase, and boosting aggregate demand. During the ’80s, unemployment occurred in a situation of abundance, thus the risk was evident to a liberal

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* These data and the following ones are derived from AMECO, the macro-economic database of the European Commission’s Directorate General for Economic and Financial Affairs.
thinker like Dahrendorf that society would crystallize into three reciprocally separate and opposing groups: 10% of the population in top positions, 80% of the working class, and 10% of the unemployed underclass. The point was then how to deal with this marginalised group, and how to overcome the impasse that was threatening democracy. The analysis evolves into utopia, and the scholar is thus required to design the future by letting go of the past: “the work society is running out of work. What is happening today in the world is not just a hiccup in the history of the work-based society. Everyone clings desperately to the values of yesterday, while it becomes increasingly clear that they do not correspond to the reality of tomorrow”.¹

Therefore, the liberal sociologist warned us not to continue along already tested paths. The crisis of wage labour cannot be regarded as a temporary economic conjuncture of an otherwise unlimited growth, and on the contrary all consequences of the phase must be contemplated in order to design at once a society based on new principles.

In the same years, Oskar Negt echoed Dahrendorf’s thoughts. The scandal of such a society that “risks to be suffocated by wealth and excess production, and at the same time it is not able to provide millions and millions of people for a minimum income that would allow them to live a dignified life”.² These pages also invite a change in paradigm, and to reject the attitude of the so-called realists “who continue to conduct experiments by extending the present into the future or by funeral rites that push the past away” is not bearable.³ To face the increasing decrease in jobs available that will lead to the disappearance of many of the current occupations, Negt believes it is necessary to have a deep change in perspective. The way to measure daily time needs to be changed: for centuries the organization of daily life has depended on the working day, while in the future it will be the opposite, that is, daily life will establish and decide how long the working day will last and how it will be articulated.

When Jürgen Habermas joined this debate, he included the phenomenon of unemployment within the wider frame of modern history: “the utopian idea of a society based on social labour has lost its persuasive power—and not simply because the forces of production have lost their innocence or because the abolition of private ownership of the means of production clearly has not led in and of itself to workers’ self-management. Rather, it is above all because that utopia has lost its point of reference in reality”.⁴

The refusal to accept any “minimalist” interpretation of mass unemployment that occurred during the ’80s was advocated also in France, especially by the so-called Regulation School that insisted on the advent of a new era of wage-based society. Besides, it cannot be ignored that the lucid utopian idea of André Gorz who started from the dissolution of capitalist relations came to envision the advent of a “non-class of non-workers”; Gorz’s radical critique of the ideology of work and of the ethics of production brought him to regard the rise of unemployment as an epochal crisis: “this crisis is, in fact, more fundamental than any economic or social crises. The utopia which has informed industrial societies for the last two hundred years is collapsing”.⁵

Thus, in the ’80s, the idea of important and maybe crucial forthcoming changes on the basis of the work-based society was sort of a common opinion among many experts, or at least among those who criticized the system of market economy. The very same utopian
inspiration was later expressed by Jeremy Rifkin in one of his bestselling books where he predicted the end of work: “after centuries of defining human worth in strictly “productive” terms, the wholesale replacement of human labor with machine labor leaves the mass worker without self-definition or societal function”.

2. The Advent of the Precariat

The opinions so far outlined can be divided into two main fronts: on the one hand, those who proposed a wide redistribution of available jobs by reducing the working hours, and on the other hand those who reclaimed an unconditional basic income in order to minimize the problem of unemployment, and at the same time to allow individuals to activate themselves beyond the formal productive sphere.

As we all know, public policies carried out so far have ignored both expectations. As for the hypothesis of reducing working hours, the response has been a complete fragmentation of the production system which has been replaced, from the ‘80s, by flexible production characterised by precarious and temporary jobs, and by a high incidence of self-employment. Therefore, the transformation in the economic context and the fragmentation of work makes the reduction of the working hours by law a hypothesis scarcely feasible because of the collapse of the structural conditions that wouldn’t allow planning of such challenging economic intervention. European governments have instead moved significant steps in the direction of an unconditional income even though they achieved incomplete and unequal outcomes in the various European countries. Besides generous systems (such as in Scandinavia and in some northern European countries) that are able to support individuals during their job transition without humiliating their dignity and autonomy, there are more restrictive benefit schemes as regards the access conditions (as in UK or in France), or even countries in which there aren’t any universal and basic social protection benefits fixed by law (as in Italy).

On the other hand, even those European countries known for their robust social protection systems have experienced in the last few years significant changes in their policies as they are shifting from welfare policy to workfare-based policy characterized by increasingly pressing obligations to accept any job offered in exchange for increasingly less generous unemployment benefits. This mechanism has represented, in hindsight, the attempt to artificially revive the idea of full employment. Anyway, the deregulation of labour market (even where it was combined with the introduction of new social protection programmes) certainly has not rectified the serious social crisis caused by the transformation of the work-based society. All those advocating for a deep reconsideration of the political foundations of European society as early as the ‘80s have not yet received an adequate answer, such as the right to a basic income at the continental level. On the contrary, the negative economic phase over the first 15 years of the new millennium has given rise to the issue of unemployment in terms even more dramatic, because besides the “unemployed” we now have “precarious

* Obviously, the advent of precarity also reflected in the theoretical and sociological debate, so much so that there has been a transition from authors who focused on the “lack of employment” to ones who now study “the transformation of work”. To name a few, Ulrich Beck, Zygmunt Bauman, Manuel Castells, Richard Sennett.

† For a deeper analysis on social protection systems in Europe, see the publication by BIN Italia, *Reddito minimo Garantito. Un progetto necessario e possibile*, Edizioni GruppoAbele, 2012.
"workers" and "working poor" who although formally integrated into the production system are still exposed to the risk of poverty and social exclusion.

3. The Precariat of First and Second Generations

For years, after the end of the Fordist system, nothing has been done to cope with the conditions of precarious workers, and that was not without consequences; the continuing inertia of politics in finding forms of regulation and social protection adequate to the advent of “flexible production” led to a new kind of precarious workers, that is those of the crisis of first and then “second generation”.

The transition from the first to the second generation of the precariat is marked as much by objective changes in the sphere of production as by surplus on the subjective level. The “first generation” of precarious workers—workers in the post-Fordist economy—were mainly employed in the service sector and in immaterial labour. They represented the end of the centrality of Fordist factory and of the employee status, and to some extent they strove for a flexibility that was able to offer them new job opportunities. Because of the social and historical proximity with Fordist workers, the first generation of precarious workers proved to be able to express political subjectivity linked to the old typical guarantees of the labour law. They did not seem alien to the grammar of rights and welfare protections which for decades were the basis of the political discourse carried out by the traditional workers’ movement. The precarious workers of the first generation strove for a balance between innovation on a personal level and guarantees on the level of collective protections. The prefix post, which characterized them (post-Fordist, post-industrial, postmodern, etc.), clarifies their “amphibious” nature.

However, over time, precarity proceeded to such a generalization to cross also the social and cultural levels, thus winning (or better say dominating) the whole workforce. From the early years of the new millennium, about 20 years after its appearance, one can talk of precarity of second generation for whom it seems there is no other room than this condition that became structural and pervasive of the entire existence. For the precariat, rather than for post-Fordist precarious workers, there isn’t any reference to the previous labour guarantee systems. Fordism and its rights are already definitely overcome, even in the memory, and they no longer represent a reference to the present struggles. Politically speaking, this subject of second generation no longer looks at past guarantees, and does not carry memories of labor law either.

If precarious workers of first generation could still have access to new production sectors (such as information technology, communication, services), the precariat of second generation faces the problem of the economic crisis which is no longer linked to society and its actual needs, therefore it doesn’t know what to produce and why. Such economy has no more certainty about its capital accumulation process. Neoliberal and deregulation policies applied from the ’70s to today (in labour relations, too) have determined an increasing social
fragmentation and a progressive isolation of the producer. Also, the social cooperation network no longer represents an adequate safety net for the new subject facing the uncertainty of the market economy. The content of work seems considerably standardised; technological and computer skills, that once were the exclusive prerogative of freelance workers, now have been depersonalised, reduced to homogeneous training modules, and depreciated according to market criteria. As a result, the precariat is no longer linked with a specific production sector but is embedded into the entire society, thus representing a paradigm of the entire production. He is far from the common tools of labour policies, he is not involved in trade unions and copes hence with this sort of “privatization of social risks” alone expressing his bewilderment and his difficulty to react.

Ultimately, the precariat of the second generation is considerably poorer than his predecessor, both politically and economically. The content of work becomes standardised, wages get reduced to mere subsistence levels, the capability to claim rights seems weakened by the acceptance of the status quo. The current precariat finds it difficult to make stable life-plans, as he lives in an eternal present where “now is the keyword of life strategy”?

As regards Italy, data show a discouraged workforce composed of about 3 million people aged under 30 who totally depend on their family of origin, live in a sort of existential limbo moving from one precarious job to another and without being involved in any training or working path. They are called the neet generation (Not in education, employment or training). This generation feels a mix of distrust for not having fulfilled their expectations, and anger for an unbearable social condition of pragmatic “refusal” of a labour system which doesn’t give them nearly any chance of success and personal achievement.

4. Retired Precarious Workers and Future Poor: The Italian Case

On the 3rd of October 2005, a report published by Eurostat stated that many European countries were at risk of poverty. Italy was one of those countries with the highest poverty rate, that is 42.5% of the population was at risk of poverty in the next few years. Ten years after the Eurostat report on employment, figures on poverty and the risk of social exclusion have been increasing and unfortunately, the future will likely be worse because the right choices have not been made. We can actually say that today there are multiple generations who are victims of precarity. An increasing number of people who manage to save some money during their entire life may have enough to live on, otherwise they will be part of the first generation of new poor without any protection. But the point is that it is unlikely that this generation of precarious workers (first generation is aged 50-55, for instance) who are approaching retirement age would be able to save any money as their precarious living conditions would not have allowed them to do so.

Therefore, the first generation of precarious workers is required to work permanently and to accept any kind of job (in order to survive) even in old age. Besides, at some point we should deal with a typical element of the Italian context, the so-called “family-based welfare”, namely the fact that the burden of lack of social protection has been actually transferred to intra-familial redistribution of resources. Delaying the implementation of
universal basic income measures, and having left families to take care of redistribution of savings within the household demonstrate how the risk of poverty can constantly increase in our country. It is easy to predict that savings accumulated in the previous years, especially by post-war generation, will be permanently eroded and intra-familial redistribution will undergo a final crisis. On the one hand, children and grandchildren can no longer count on their family support, and on the other hand they (precarious or neet) will not be able to support their elders. Precarious workers of the first generation will have no more aid from their own family, elders won’t be able to support their children and the latter (precarious workers of future generations) won’t be able to support their parents.

“The issue of implementing social protection schemes in favour of the “precariat” seems increasingly inevitable.”

The risk of facing a “lonely crowd” of new poor is already here, or it is imminent: retired people or elderly of today, precarious workers of first generation (aged 45–55), precarious workers of second generation (aged 25–45), neet generation (aged 14–25), one parent families, one-income families with two children, disabled people who are permanently incapable of work, inmates or former prisoners, migrants, laid off workers, IT workers who are no longer needed because of their outdated skills are fuelling an army of people without rights! The point is, how will governments cope with the generalised risk of poverty? Will they create new “enclaves” of permanently poor people? Will they handle this enclave entirely by law enforcement agencies? Will there be a permanent war among the poor? Or permanent ghettos at the edges of large cities? Or, on the contrary, will they use some foresight so they will establish new rights in order to create a new sense of citizenship?

The issue of implementing social protection schemes in favour of the “precariat” seems increasingly inevitable. The lack of an adequate economic support, such as a basic income, makes precarious workers easy to blackmail, and the fact that their lives are permanently left at the threshold of exclusion forces them to give up their future. It is not too alarming, the analysis of Guy Standing shows that there is a very real danger that part of the “new dangerous class” made up of precarious workers will be drawn to support political populism and neo-fascism if the policies and institutions do not outline a strategy to respond to their needs, aspirations and fears. What should be done is what Standing calls “a politics of paradise” that is centred on the implementation of a tangible and effective measure such as a basic income.*

5. Difficult Scenarios for the Future

It is unlikely that spontaneous mechanisms of the market and a simple economic recovery will be able to rectify such a compromised social condition. OECD, applying very

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innovative analyses, has published a report that analyses the long-term growth prospects in industrialised countries. This report shows that GDP in Italy, unless unpredictable factors of radical innovation occur, will register only an annual growth rate of 1.4%, which is a far too low growth rate to reabsorb the unemployment effects caused by the economic crisis of recent years. The other industrialised economies will face a substantially stationary situation: Germany will have an average annual rate of growth of GDP of 1.2%, and OECD countries will have an average annual rate of growth of GDP of 2%.

“The issue of guaranteed income is crucial and inescapable in order to exit the long-term European crisis.”

The most reliable analyses, therefore, do not put on the agenda the possibility of sustained growth that will be able to relaunch accumulation and, consequently, employment. On the other hand, the outlook for exiting from the crisis suggests as production sectors of the future those sectors which are likely to create hyper-specialised labour force and productive processes characterised by short-term contract jobs, with a widespread precarity. Among those sectors that will be playing a key role in economic success of the near future we may include scientific research, applied medical science (mainly medical diagnostic equipments, and invention of new drugs), circulation of information, and logistics technology. Is it right to expect real and massive job creation through investments in these production sectors? On the other hand, a range of personalised services linked to care, nutrition, health, socializing (such as massage therapies, organic agriculture, organization of local events, etc.) is developing a sort of semi-informal economy. However, is it possible to think that this semi-informal economy can create stable employment and ensure adequate income security?

There is no doubt, then, that the future will be characterised by existential precarity. Any plan for job creation should be able to deal with these unavoidable structural problems.

6. Political Perspectives

The issue of guaranteed income is crucial and inescapable in order to exit the long-term European crisis. On this matter, public opinion throughout the continent seems indeed to be much less static than it appears be to. A series of initiatives on guaranteed income have been carried out lately. Here is a sketchy reminder of what has been done: in Spain, a law was filed on people’s initiative at the beginning of 2015, and as a result a signature collection campaign for the introduction of “individual, universal, and unconditional” basic income was launched. In Switzerland, nearly 200,000 signatures were collected in favour of holding a referendum on the introduction of basic income based on a proposal involving Switzerland in granting a guaranteed monthly allowance of 2,500 Swiss francs to every adult citizen.

At the continent level, it is worth mentioning the European Citizens’ Initiative (ECI) on unconditional basic income. The European citizens’ initiative is a tool that allows presenting a petition, which has to be backed by at least one million EU citizens, by the European
Commission and the Parliament. Unfortunately, the campaign failed although the remarkable result of collecting 285,042 signatures of European citizens in 28 countries was achieved.

“Policies of individual nation states seem still dramatically weak and unable to implement bold decisions.”

Besides, there are some interesting proposals emerging in some European countries that aim to relaunch a guaranteed minimum income with less stringent forms of conditionality, such as for instance, the motion proposed at the Regional Council of the French region of Aquitaine,* the proposals on an unconditional minimum income existing in several municipalities in the Netherlands,† or the proposals from Finland‡ demonstrating a much wider debate on the issue of guaranteed income.§

In Italy, a citizens’ initiative bill¶ was delivered to the Parliament on 15th April 2013. It was backed up by over 60,000 citizens and more than 170 bodies among which there were associations, committees, and political parties. The Bill was inspired by the best practices for social welfare benefits of various European countries, and it took into account the European Parliament resolution of 20th October 2010 on “the role of minimum income in combating poverty and promoting an inclusive society in Europe”.

A second signature campaign called “100 days for a dignity income”** was launched in Italy in spring 2015 where over 80,000 signatures were collected. The document launching the campaign highlighted worsening social and economic conditions for large sections of Italian society because of the crisis, and urged the Parliament to introduce a measure of guaranteed income. This campaign gave promoters a specific time to take action, i.e. 100 days, and equally required institutions to debate and introduce a law on minimum guaranteed income within the same time frame. This second campaign collected even more signatures than the previous one. Hundreds of associations, local authorities, mayors, city councils from all over the country, trade unions and students took part in the campaign. The initiative, led by the 20-year-old anti-mafia organisation, Libera, received support from a wide range of civil society groups: Catholics, students, social justice movements, anti-poverty networks, political parties, and local authorities. This wide participation revealed that the issue of minimum guaranteed income is increasingly viewed as an urgent measure by thousands of people. The Ten-Point campaign platform clearly expressed some basic concepts for

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* The Aquitaine Regional Council adopted a motion to conduct pilots to test the implementation of an “unconditional RSA”. The Revenu de Solidarité Active (Active Solidarity Income), or RSA, is the means-tested national minimum income. The unconditional RSA would entail scrapping the work requirement, and would make the grant less discriminatory and less bureaucratic (www.bin-italia.org).

† In the Netherlands, local pilot projects to investigate the introduction of an unconditional basic income are increasingly spreading. Currently there are 30 Dutch municipalities interested in running basic income pilot projects. Among them, the city of Utrecht, which is the fourth largest city in the Netherlands, has recently attracted great attention—even at the international level—when it announced its intention to launch a pilot project by the end of the year in order to grant an unconditional basic income to its inhabitants (www.bin-italia.org).

‡ Before the general election held in 2015 there was a vivid debate among all Finnish political parties in order to define a proposal for nation-wide unconditional basic income. This proposal is now in the government programme (www.bin-italia.org).

§ On this topic, see the rich debate proposed by the worldwide network for basic income (BIEN) and the European Network (UBIE).

¶ For further information, browse the website www.redditogarantito.it or www.bin-italia.org.

** For further information, browse the website www.campagnareddito.eu, www.bin-italia.org or www.libera.it.
The approval of a law on basic income. It was a sort of “guidelines for the fundamental principles”. It also called on MPs of different political parties to show their commitment to unify the various bills of law submitted to the Parliament in order for them to lend their support to a single Bill. The campaign “ten days for a dignity income”, therefore, strove for the institutionalization of a new right in the country. Unfortunately, the Italian government seems actually quite reluctant to undertake this path.

The pressure of the economic crisis and the achievement of a mature debate objectively represent important arguments in favour of the struggle for a basic income. On the one hand, policies of individual nation states seem still dramatically weak and unable to implement bold decisions, while on the other hand European institutions do not commit to implementing a measure involving all European citizens. The European Union should take a stand on the protection of human dignity and on the “right to exist”. Could basic income and a system of financial transaction tax at the continental level be the core basis for a social Europe? We are looking forward to it.

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Notes

*At that time, there were two bills of law under discussion in the Senate Committee on Labour, one promoted by Movimento 5 Stelle, and the other one by Sinistra Ecologia Libertà.