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**PRECARITY – AN ISSUE OF CHANGED LABOUR MARKET AND EMPLOYMENT PATTERNS OR  
OF CHANGED SOCIAL SECURITY SYSTEMS?**

**ABSTRACT**

The fact of increasing precarity of employment is widely analysed and discussed although we surely face various different definitional approaches. An important part of the differences in the definitions (as matter of the conceptualisation of precarity as analytical and political issue) is due to not tackling sufficiently consensual the following question: *Is precarity a matter of dissolving the standard pattern of entering the social security system (i.e. fundamentally rejecting the right to work) or is it a matter of 'lacking flexibility' and even retrenchment of social security systems?*

The presentation is connected with editing a book in this area. The relevant individual countries that will be looked at in the book are Hungary, Italy, and Russia.

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<sup>2</sup> Contribution prepared for the 19th Annual Conference on Alternative Economic Policy in Europe: "The deepening divisions in Europe and the need for a radical alternative to EU policies"; London, September 2013; organised by the EuroMemo Group - European Economists for an Alternative Economic Policy in Europe  
For reference and for quoting please use the extended version, available as working paper on the website of the Wiener Verlag für Sozialforschung: [www.wvfs.at](http://www.wvfs.at)

## GIST

The contribution questions the justification of employment as ultimate and only standard reference when it comes to the question of 'making a living' – it suggests that we should not forget that employment in the given form is nothing else than an expression of the commodification of the labour force.

This also problematises the mechanisms of social security – as important as they are, mechanisms of social security have to be seen in the context of the process of capitalist reproduction and realisation.

Such perspective suggests that we have to follow at least a differentiated approach.

- This is on the one hand about defending the achievements of social security (in the widest sense) as mechanisms that are not least due to the working class movement, demanding a 'fair share' of the socially produced wealth which is privately appropriated.
- On the other hand it is about going beyond the system of capitalist wage labour, demanding a shift of assessment of valuable activities: value cannot solely/primarily be determined by the cost of the production and reproduction of labour power (which is the standard of capitalist societies); instead, value has to be based on the appreciation of human existence as value in its own right and on the appreciation of activities that contribute to society by way of provided use values (thus negating the standard of exchange value).

This means not least that the question of precarity<sup>3</sup> has to be asked in the following way:

*Are we confronted with a problem in terms of a failure of the capitalist system to fulfil its own promise or are we facing a 'wrong promise', namely the fact that*

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<sup>3</sup> in this contribution reference is made to precarity as problem on the macro-level, leaving the concrete and diverse individual patterns in which it appears aside

*capitalism is actually never really in a position to provide full employment although it claims doing so.*

The thesis is that employment and unemployment are two sides of the same coin, related by the attempt to circumvent paying the ‘real wage’, namely a wage covering the costs of producing and maintaining the labour power. In this light precarity is only a specific form of ‘normalising unemployment’, not least by spreading it socially and over time.

NORMAL EMPLOYMENT PATTERN	PRECARITY
<b>majority in fixed and stable jobs with a fixed and stable number of working hours over the life span</b>	limited number of fixed and stable jobs with a fixed and stable number of working hours over the life course
limited number of exceptions (in particular part-time work)	<b>‘flexible’ labour contracts: variable in working time, limited in duration over the life span</b>
possible phases of unemployment as exception, with security based on a contributory system	<b>individualised working patterns as fictitious self-employment, project work – without opening a manageable perspective in time and space</b>
<b>long-term unemployed; ‘stable’ segment of industrial reserve army</b>	long-term unemployed; ‘stable’ segment of industrial reserve army

### **Overview 1: SHIFT OF UNEMPLOYMENT**

In short, whereas we found during phases of relative structural stability of capitalism a more or less strict juxtaposition: employment versus unemployment, the current structural pressures and displacements are opening a new perspective with permanently changing borders and a lack of manageability and predictability. This would as such not be a problem but could indeed be seen as a matter of increasing options. However, mechanisms of

material security remain linked to the old pattern of 'full-time employment'. A side effect is that mechanisms of competition are actually also shifting – now being dominant within the same strata, not between distinct strata of the labour market.

Especially unemployment is in this light a rather 'normal' phenomenon of capitalist society. We may then say: *Precarity is not the real problem. On the contrary, precarity is a sign of beginning 'fading away' of the normality of employment as buying and selling labour power which is itself degenerated to a commodity.*

In short, we can look then at three sceneries:

- the cost of labour power set under pressure by directly making the workers pay via undercutting the production costs
- the cost of labour power maintained by socialising them – an intergenerational and in part inter-class distribution
- the cost of labour power structurally not considered, reducing employment-relationships on matters of pure force and shifting the maintenance on mechanisms outside of the labour/employment market.

There is some overlap in particular between the second and the third mechanism, covering the maintenance cost of labour power based on mechanisms that are external and in cases even alien to the process of realisation in the strict sense. However, in the first case the employment system in strictu sensu is still considered as the ultima ratio of the entire system of the process of realisation. In the second case, conversely, this is different: "normality of employment" does not exist anymore – be it the fact of being employed or be it in terms of any specific employment pattern.<sup>4</sup>

#### **EMPLOYMENT PATTERNS UNDER THREAT**

In order not to overestimate – nor to underestimate – precarity, it is important to acknowledge the fact that normal employment actually never completely existed.

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<sup>4</sup> though it can, of course, be questioned if and in which way this had ever been the case

It had been only temporarily realised; or it had been only given for a relative small number of people; and/or it had been only given by paying a high social price, not least: the exclusion of women from full-time, fully paid labour.

So we may propose the following patterns:

pressure on wages		(part)maintenance through public money
	exclusion from the labour market	

**Overview 2: PRESSURES OF ‘NORMALITY’ OF EMPLOYMENT**

These pressures are complemented by the following moments:

temporary character of normality		exceptional character in respect of social strata and classes
	social exclusion/’externali- sation’	

**Overview 3: EXCEPTIONALISM OF EMPLOYMENT**

Important for the further understanding and assessment we have to consider the ‘relative’ character. Hallmark may be on the one end ‘mere existence’, secured by some kind of reasonably stable labour-contract or it can also be on the other end about dignified, dignifying and decent work.<sup>5</sup>

And of course, we may also consider in different ways what work actually is – and equally: how we understand ‘exclusion’: employment of women, often or even mostly underpaid; ‘enforced voluntary work’ as search for meaningful activity due to the lack of employment opportunities; non-statutory forms of securing a living, or securing against certain risks (from private insurance based

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<sup>5</sup> leaving the difficulty of defining such vague terms aside

on savings to charity) can be also be seen as exclusion as the harsh forms of poverty surely are exclusion.

Another dimension on the definitional level is about the 'pattern' which precarity takes. At the centre we find without doubt the 'irregularity of employment'.

Traditionally employment had been characterised in the following way:

- full-time
- life-time
- sufficiently covering the costs of the (re-)production of labour power<sup>6</sup>
- securing (via 'insurance' contributions, taxes) the income in cases of need (unemployment, sickness ...)

Already this system – as pointed out before – had been perforated. One structural shift had been naturally due to the partly dissolution of the model of the male-breadwinner household income. This includes especially the role and position of women in the capitalist system of (re)production; and it includes as second important factor the socialisation of (the costs of) education and training.

So we are naturally dealing with a complex field and complex life situations – *employment* defining to a large extent the *conditional factors*,<sup>7</sup> however, being completed by a wide array of *employment conditions* and *adjunct (service) provisions* defining the *constitutional factors*.<sup>8</sup> This means that speaking of precarity is also about looking at the systematic restructuring of the *constitutional factors*.

With this we have an important tool to uncover the methodological difficulty to understand precarity as both, a matter of shifts in employment, shifts in the living conditions and subsequently shifts in the 'living situation' and 'life style'.

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<sup>6</sup> which had been during certain phases defined as 'family income', allowing women staying outside of employment (s. Gottschall, Karin/Schröder, Tim, 2013: 'Familienlohn' – Entwicklung und sozialpolitische Flankierung der Erwerbseinkommen von Normalarbeitnehmern; in: ZES-Report; Zentrum für Sozialpolitik. Universität Bremen; Bremen; 18; 01/2013: 4-12)

<sup>7</sup> defined by socio-economic security, social cohesion, social inclusion, social empowerment – see in this context, and also in general on the conceptualisation and context of conditional, constitutional (see footnote 8) and normative factors (see footnote 10) the various contributions in van der Maesen, Laurent J.G./Walker, Alan (eds.), 2012: *Social Quality. From Theory to Indicators*; Houndsmills/New York: Palgrave MacMillan

<sup>8</sup> defined by personal (human) security, social recognition, social responsiveness, personal (human) capacity

## PRECARITY AS PART OF A NEW SOCIAL FIGURATION

An important dimension of the definitional approach is about the 'security system' – here not its factual existence as means of securing income, distribution etc., but in terms of a conceptual framework of defining what is 'accepted standard'. Mind: the 'accepted' of accepted standards is very much about a hegemonic system – and the shift of the system towards a new hegemony.

This shift is the current concern of the neoliberal agenda but it would be misleading to reduce it on this – it is already going on since the take-over of power by Reagan, Thatcher and Kohl and we even have to speak of a secular development of capitalism.<sup>9</sup> This does not suggest that the changes are 'only' about 'subjective elements' by way of an ideological shift. On the contrary, we are at the very centre concerned with the changes in both: the conditional factors, i.e. the employment system as the core of the capitalist way of securing the (re-)production of the labour power and the constitutional factors, i.e. the mechanisms that specifically balance 'individual' and 'societal' processes that are determining the costs (or: determining value as individual need and determining also values as 'socially accepted' and 'rightfully realised' standard).

- However, important is to recognise the class- and power-dimension of these processes – two dimensions being of special importance:  
the absolute distribution of resources between classes and groups – this is a matter of the production of absolute surplus value;
- the relative distribution, i.e. the production of relative surplus value also by way of determining the relative share of the overall income of society.

Of course, this is first and foremost a matter of income or available material resources. However, it is also a matter of available services, time sovereignty, ability to maintain bonds, 'real' information etc.

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<sup>9</sup> remembering the emergence of the post-welfare state which actually had been very much about strengthening workers and social rights and even the internationalisation (see e.g. Kaufmann, Franz-Xaver, 2003: *Die Entstehung sozialer Grundrechte und die wohlfahrtsstaatliche Entwicklung*. Paderborn u.a.: Ferdinand Schöningh; Leisering, Lutz (2010, ed.) *Thematic issue 'Globale Sozialpolitik' of the Zeitschrift für Sozialreform* 56, no. 2), we may also point on the fact that it had been at the very same time that consumer loans emerged as part of the reality of a majority of working class households, and also reaching massively into the middle classes – we may even say that it had been in some way a defining moment of the middle class.

## POWER RELATIONS – EXCLUSIVE INCLUSION

With all this we come to changing power relations not least in terms of a core determinant of hegemonic systems – and we may say: (re-)definition of the normative factors.<sup>10</sup>

We should not forget that such normative factors are (a) indeed very complex,<sup>11</sup> (b) about a socio-historically defined standard, (c) concerned with rights and duties and (d) nowhere clearly and categorically defined but at the very same time ‘oscillating’ within and around some legal definitions for which national and increasingly international constitutional legislation provides a framework and guideline.<sup>12</sup>

A fourth dimension is, then, about the question of the ‘normality’ of social security. As much we have to consider it as ‘normal’ and actually as matter of rights, we should never forget that this ‘normality’ is at odds with the capitalist rule in some respect. Briefly considering the character of social benefits – and the related legal-/rights-dimension – the following pointers are central:

- in part, they are a ‘self-financed’ private security fund – a form of ‘socialised saving’;
- in part, they are a matter of redistribution – within the group of employees and between employers and employees; however, in the strict sense, the latter is only a different form of paying wages;
- in part, they are ‘real societal spending’, utilising ‘public money’ for the purpose of answering social need;
- in part, they are finally ‘investments’, clearly geared towards supporting capitalist growth, though taking the form of ‘social investment’, aiming on increasing productivity;
- in part they are immediately linked to the social coverage of historical and moral dimension of wages.<sup>13</sup>

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<sup>10</sup> defined by social justice (equity), solidarity, equal value, human dignity

<sup>11</sup> an example pointing on the complexity is the concern with ‘environmental protection’: reflected in building/accommodation standards and their affordability

<sup>12</sup> also meaning that constitutional law is increasingly questioned and redefined

<sup>13</sup> in its own way interesting as it actually suggests that the link between historical and moral element is clearly and explicitly linked to the social character



## THE SYSTEMIC DIMENSION

All-important is the following:

- capitalism is actually not able to secure employment
- 'social security' is (for the part which is not simply a mechanism of socialising costs) 'non-capitalistic', not in accordance with the private accumulation of capital and wealth (see Marx, Polanyi, *passim*).

Part of the issue at stake is a paradoxical situation: The fact that we talk today about precarity is

(a) due to the absolute and complete hegemony of capitalism and with this the unquestionable position of wage labour

(b) consequence of the success of the working class by closing and anchoring certain rights.

The latter is to some extent a successful escape from the individualist mechanisms of employment contracts, shifting towards social mechanisms.<sup>14</sup>

Herewith a major dimension is given for the analysis: increasing precarity is simply measured by looking at the divergence between employment in reality and the contractual ideal, applying a historical method. – Important is to 'accept' that these contractual ideals are not necessarily representing a linear development. This means that we have to be aware of the fact that many of these instances that we consider as matter of precarity are actually not new – new is only that we consider the same social facts in different lights, seeing them now as breach of (social) contracts, socio-institutional constructs that had been only recently established. The actually crucial point is – so the thesis – that precarity is as such not new. New is the *systematic* and *systemic* reversal of a supposed secular trend of inclusion.

Important is then to underline that we are not simply dealing with the lack of social security – also meaning that we should not simply orient on re-

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<sup>14</sup> although one has to be careful here: it seems that contracts are per definitionem in their structure genuinely individualist

establishing traditional mechanisms of social security linked to the capitalist employment system. Instead, we are dealing questions of the *mode of production*. With this reference we cannot detect fundamental and radical changes in the current situation – though we can point out that the system nevertheless underwent in many respects far-reaching alterations. And taking these alterations into account, it can well be accepted to see current shifts as possible matter of a preparatory phase of a new formation – and with this the emergence of a new class:

*Conflict between the productive forces and the relations of production is the economic basis of social revolution.*

*(Marxists Internet Archive - MIA: Encyclopedia of Marxism: Glossary of Terms: Mode of Production: <http://www.marxists.org/glossary/terms/m/o.htm> - 12/09/2013)*

The present thesis is that we reached a historical stage where this conflict is maturing, expressed not least in the phenomenon of precarity. As such it is not least also a systemic shift which is an expression of a cultural crisis, defined

*comme une crise du système économique et également du système anthroponomique, c'est-à-dire du système qui concerne toute la vie humaine en dehors de l'économie, avec ses quatre moments : le parental, le travail, le politique et l'informationnel (la connaissance, la culture).*

*(Ivorra, Pierre, 2013: Crise de civilisation, crise de 2008-2010 et solutions systémiques; in: Économie&Politique. Revue marxiste d'économie; 708-709, Juillet-Août 2013; 39-39; here: 39; see also Boccara, Paul, 2010: La crise systémique : une crise de civilisation. Ses perspectives pour avancer vers une nouvelle civilisation, note de la Fondation Gabriel Péri)*

This underlines the need to discuss precarity in different dimensions, at least

- as matter of employment
- in terms of social security

- in the perspective of the mode of production and related changes of the technical composition of capital
- as issue of distribution of power, resources and 'societal shares'
- by way of a change of anthroponomy of societies.

## **POLICY RECOMMENDATIONS**

As important as adaptations – which can be 'conservative' or 'progressive' – are to answer concrete 'social wrongs' and distress, as important is the quest for real and fundamental, i.e. radical changes. These have to be oriented towards different 'policy areas'.

### **1. EMPLOYMENT/WORK/LABOUR**

- a. Work has to be re-valued in terms of the output – socially valuable production and services have to be the point of reference – instead of being oriented along the lines of exchange value
- b. This has to be translated into different forms of production, not least by strengthening the social economy or more in general: cooperative forms of producing.

### **2. INCOME**

- a. Some form of guaranteed and unconditional income is a first point in question. The minimum should not be understood wrongly as income securing mere existence – instead, it has to be an income that is sufficient to secure a 'decent life' which includes maintenance of education, participation in social and cultural life etc.
- b. Taxation should clearly be designed by following two guiding principles:
  - i. redistribution under the aegis of supporting socially sustainable mass consumption
  - ii. establishing a sustainable public social infrastructure, aiming at providing a general basic supply of socially useful goods and services

### **3. SOCIAL SECURITY**

- a. Social costs and benefits have to be centrally included in a new national account system
  - b. Social benefits/transfers should be independent of employment status, guaranteed and completely 'individualised'<sup>15</sup>
  - c. Important is to elaborate a perspective to overcome 'contractualisation' of employment and social security politics.
- Edward Atkinson, amongst many others, highlighted that

*the tendency, both of legislation and of usage, in modern times, is to release all human beings from obligations imposed by imperative law, and to submit our social relations more and more to the dominion of contract simply.*

*(Atkinson, Edward, 1867: On the Collection of Revenue. Annual Report of the Amalgamated Society of Engineers, Machinists, Milrights, Smiths, and Pattern-Makers for 1866; in: The North American Review, Vol. 105, No. 216 (Jul. 1867): 177-213; Published by University of Northern Iowa; Stable Link: <http://www.jstor.org/stable/25108075>; Accessed: 15/06/2012: 01:04: 183)*

Historically this had been a major progress – however, it had been also the fixation of the principle of individualism and corresponding vulnerability – we may see it as the emerging paradox of the social rights for individuals (*see e.g. Herrmann, Peter, 2012: Policy Making as Economic Process – A Provocative Perspective; in: Rights – Developing Ownership by Linking Control over Space and Time [Writings on Philosophy and Economy of Power, 3]; Bremen/Oxford: EHV Academic press, 2012*). The plea is to work towards truly social rights, two main pillars being

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<sup>15</sup> the commonly used term 'individualised' is misleading as security is granted to individuals, independent of their employment and marital status; however, it is not granted to individuals as such but to citizens – of course raising the question of who is defined as citizen and who is providing this definition). Here it is suggested to take the widest possible definition, considering every person living with some permanency in a country being a citizen. – This leaves for the time being the question open that we actually have to think about possible moves towards truly universal principles.

- i. decoupling of labour and (basic) income
- ii. defining rates of taxes towards a national income,  
calculated on the basis of societal needs

#### 4. SOCIETAL POLICY AND INFRASTRUCTURE

- a. Social costs and benefits have to be centrally included in a new national account system.
- b. Also, such national account system has to be forced upon company-based action, making externalisation of costs for individual enterprises at least extremely difficult and unattractive.
- c. Technology and industrial policies
- d. Referring back to point 1.a., conversion policies have to be put back on the agenda of industrial policies