

about. Deindustrialization signaled that the old system had broken down. This became a long, secular crisis. Gradually and then at an accelerated rate, it elicited one overriding response; namely, to leverage everything in sight. Everything in this case included capital assets that produced debt-based asset bubbles in stocks or housing or other securities and commodities that provided a kind of “privatized Keynesian” stimulus package for elite financial institutions. Meanwhile, below, a working population found itself drowning in a sea of usurious credit.

Elements of this analysis do crop up in *Age of Greed*, and when they do they are enlightening. But if the book fails to cohere and to rise to the promise of its title, it may in part be due to a profound reluctance to break with the New Deal past. No one could object to more vigilant regulation of the financial system, not to mention the rest of the economy, here and abroad. But a globalized version of the regu-

latory, Keynesian welfare state seems to circumscribe the far horizon of this perspective; one might call it the reinstatement of civilized capitalism. It is strange that progressives should become a party of the past, preoccupied with the restoration of American capitalism’s golden age. It is not an inspiring vision for those seeking a way out of this killing impasse. Indeed, the pathetic state of resistance to a malignant capitalism has suggested as much. Occupy Wall Street may change all that; at least it has pointed its blunt finger at what Madrick and others have avoided: the system. Meanwhile, the price of auto-cannibalism, already steep, will grow ever more draconian.

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Politics Lost

JOHN SCHMITT

The Precariat: The New Dangerous Class
by Guy Standing
Bloomsbury, 2011, 192 pp.

Many words have been used to describe workers whose lives are increasingly insecure: temps, permatemps and permalancers, associates, part-timers, independent contractors, and interns. Terms such as “freelance” and “consult” cast workers as economic actors with at least some degree of agency. But most of these terms describe things that happen to workers or their jobs. They get downsized, right-sized, re-sized, riffed, furloughed, outsourced, or offshored.

Guy Standing has added a new term: “precariat”—part “proletariat,” part “precarious.” He uses the word to name what

he sees as an emerging “dangerous class” that will, more than any other contemporary social group, shape our collective economic and political future.

Standing, who has an encyclopedic knowledge of the world’s labor markets acquired across four decades with the International Labor Organization, seeks to answer three questions. First, what is the precariat and who falls into this new social class? Second, what economic forces have given rise to the precariat? Finally, where is the precariat taking us politically?

According to Standing, French sociologists first coined the term “precariat” in the 1980s to refer to temporary or seasonal workers. He uses the term more expansively, to cover what he believes is at least a fourth of the workforce in many of the world’s economies. Workers enter the precariat when they lack the “labor-related security...that social democrats, labor parties, and trades unions pursued as their

‘industrial citizenship’ agenda after the Second World War.” These ranks include temps, part-timers, independent contractors, seasonal workers, hourly workers without fixed weekly hours, interns, many immigrants, workers with criminal records, and anyone who is in short-term, insecure, poorly paid employment.

One of the more controversial arguments of *The Precariat* is that this new class is entirely distinct from the traditional working class. The idea of the proletariat, Standing says, suggests “workers in long-term, stable, fixed-hour jobs with established routes of advancement, subject to unionization and collective agreements, with job titles their fathers and mothers would have understood, facing local employers whose names and features [are] familiar.” These characteristics are almost completely absent from the employment experience of the precariat, and their absence so alters the work experience that these workers constitute a class of their own.

A key feature of the precariat, Standing argues, is its status as “denizens.” Historically, denizens were individuals given permission to live and work in a city, but not the rights to participate fully, as “citizens,” in local political life. Many migrants still fall under this historical definition, living and working in receiving countries, but without the full set of civil and political rights accorded to citizens. Standing, however, expands the concept of denizen to describe any worker, immigrant or not, who has limited civil, social, economic, legal, or political rights. The tens of millions of U.S. workers with criminal records are, after immigrants, the most obvious group of contemporary denizens. This broader usage also includes the growing number of workers with poor credit histories, who have trouble navigating around the use of credit checks as an employment screening tool; and part-time and temporary workers who can, in the United States at least, legally be excluded from employer-provided benefits such as health insurance and retirement plans.

The chronic economic insecurity of the precariat means that its members are systemat-

ically excluded—because of a lack of financial resources and control over their own time—not just from much of economic life, but from participation in large swaths of social and political life as well. Women, especially women with children, young high school dropouts, recent high school and college graduates, and workers near or past retirement age make up a disproportionate share of these modern-day labor-market denizens.

At the same time, Standing insists that being in the precariat also has a liberating aspect. This new class is far less tied than the traditional working classes to the same employer or to a routine weekly or annual schedule or to a repetitive set of tasks. Indeed, Standing, who entered university in the United Kingdom in 1968, believes that “1968 marked the beginning of the precariat, with its rejection of industrial society and its drab laborism.” Ideally, the precariat can “trade...security for a life of creativity and autonomy.” The political challenge, Standing argues, is to redesign social policy so as to preserve these new freedoms, while providing a security that current social policy cannot provide.

The precariat is not simply a byproduct of a morally indifferent capitalism. Standing argues—persuasively—that contemporary globalized capitalism needs the precariat and, starting in the mid 1970s, business and government initiated deliberate policy to *create* the precariat. Concrete “policies and institutional changes” began to convert the stable postwar proletariat and an increasing number of salaried employees and professionals into a heterogeneous class of the precariously employed.

In the United States and the rest of the world, first conservative governments, such as those of Ronald Reagan and Margaret Thatcher, and later governments with lefter leanings, such as those of Bill Clinton and Tony Blair, sought to reduce the power of unions; erode the value of social insurance, including unemployment benefits and retiree pensions; decrease legal guarantees of job security; and roll back public-sector employment. Markets and employers in the United States, Europe, and elsewhere responded by restructuring employment rela-

tions; cutting back on long-term employer-employee relationships; and emphasizing temporary employment, contracting, and project-oriented work. For Standing, this “pursuit of flexible labor relations” was “the major direct cause of the growth of the global precariat,” a process that has only been accelerated by the Great Recession.

In Standing’s account, the arrival of China, India, and the former Soviet bloc countries on the international economic scene was the single biggest factor behind the pursuit of flexible labor markets. He cites Harvard economist Richard Freeman’s research, which estimates that the relatively sudden entrance to the capitalist system of about 1.5 billion new workers from these countries roughly doubled the world’s labor supply in less than a couple of decades, putting tremendous downward pressure on wages and intensifying employer calls for ever-greater flexibility.

The most speculative sections of the book are those that attempt to lay out the political implications of this emerging class. Standing believes that if national political systems handle the rise of the precariat well, we are on course for “a politics of paradise.” If—as seems at least as likely—our political systems mishandle the precariat, we are, in his view, headed instead for “a politics of inferno.”

Standing asserts that the precariat, as a group, are angry, anxious, and fearful. The social democratic project that gave their parents and grandparents a basic sense of security is disintegrating, replaced by ever-stingier “programs” that pit the working poor and the struggling middle-class against the poor, the elderly, and immigrants. Standing argues that social democratic concessions on means testing—which gives priority to those most in need, while pushing those who might be near poor, toward the back of the queue for benefits—and other forms of conditional benefits have been particularly problematic.

But the book gives few specific examples of social democratic concessions along these lines, and several of the examples provided, including the creation of the “Behavioral Insight Team” (also known as the “Nudge Unit”) in the United Kingdom, were actually implemented by David Cameron’s Conservative coalition government. However, the long-

standing efforts to introduce elements of means testing into Medicare and Social Security with substantial support from centrist Democrats (not exactly social democrats) are completely consistent with Standing’s argument. Standing believes the Left’s acceptance of key “neoliberal” assumptions, including means testing; conditional benefits; and the desirability of balanced budgets, low taxes, and “small government” have rendered the traditional social democratic parties incapable of responding to the needs of the precariat.

In the United States, this means support for an unemployment insurance system that in normal times provides benefits to only about one-third of the unemployed (the rate has been closer to 70 percent in the Great Recession), typically leaving workers who have low or intermittent earnings paying unemployment insurance premiums but falling below the contribution thresholds to qualify to receive benefits. This same work-based view of social benefits also bolsters distinctly American forms of the social welfare state such as the tax-exempt status of employer-provided health insurance and retirement plans, which works to the advantage of the full-time, permanent workers who receive these benefits, but leaves about fifty million people without health insurance and roughly half of all workers without any kind of retirement plan at their current job.

With the Left focused on more secure workers, it is not surprising, Standing argues, that the precariat has frequently thrown its political weight behind right-wing movements that offer a populism focused on blaming immigrants and the poor for the precariat’s insecurity. This pattern, with local variations, has repeated itself with the far-right Swedish Democrats, the Jobbik Party in Hungary, the Party for Freedom in The Netherlands and the Freedom Party in Austria, the National Front in France, the “Net Far Right” in Japan, the Danish People’s Party, the British National Party, and the English Defence League, a set of parties and political movements to which Standing adds our own Tea Party. He does not shy away from arguing

that these movements tread the parliamentary road to “neo-fascism.”

Standing contrasts this “politics of inferno,” with his own version of a “politics of paradise.” This includes a range of what he calls “mildly utopian” (I would drop the “mildly”) measures: “liberating education” in the place of mere “human capital preparation”; the creation of an “occupational identity” for the precariat, based on nationally recognized accreditation; greatly enhanced rights and guarantees to privacy in the face of increasingly invasive corporate and government surveillance systems; an attractive, but wispy “Slow Time Movement” modeled on the “Slow Food Movement”; and the replacement of conventional collective bargaining with a similarly vague “collaborative bargaining” across a range of actors and aspects of labor and leisure.

Standing’s centerpiece reform, however, is the creation of a universal, unconditional, monthly government-funded “basic income” that would supplant the current hodge-podge of means-tested, conditional welfare-state benefits. The level of the regular payment would be truly basic, set so that few would be content to live on this state payment alone, but its regular and unconditional nature (legal residence would be the only requirement) would build an economic floor underneath the precariat. Standing proposes funding the basic income from, among other things, taxes on financial transactions and financial assets. (Standing has played a key role in BIEN, the Basic Income Earth Network, which promotes basic income policies in a score of countries.)

The Precariat *takes direct aim* at the traditional Left on at least three counts. The first is Standing’s claim that the precariat is a new class, not simply a new face of the traditional working class. This distinction may keep graduate students arguing late into the night, but has little practical relevance in the immediate term. None of his insights on the economic origins, social meaning, and political implications of the precariat hinge on accepting the interpretation of this group as its own distinct class.

Second, despite his clear-eyed diagnosis of

the problem facing the precariat—that globalization and neoliberalism have generated an increasingly precarious labor market—the object of Standing’s most vehement criticisms are social democrats and the labor movement. He sees himself in opposition to “a largely ageing group of academics of social democratic persuasion” who have “greeted [his] ideas with scorn.” He declares the achievements of the postwar welfare states as irrelevant to the present: “[Social insurance] could not work now and did not work very well then.” The political center-Left “[f]or too long...has represented the interests of ‘labor’ and stood for a dying way of life and a dying way of laboring.” This will win Standing few friends among the major social forces that are the precariat’s most likely allies. If Standing’s instincts are correct, and social democrats and labor are, in fact, not the precariat’s natural allies, then the road to the politics of paradise is likely to be a very long one.

Finally the social prescription Standing offers is a direct attack on the traditional European-style social welfare state. Many social democrats fear that a fully developed basic income program would replace not just the existing collection of cash transfers available to the poor but would ultimately undermine the direct state provision of public services such as health care, child care, elder care, and so on.

This potential clash between basic income and the welfare state plays out along several dimensions. The most obvious is that the two approaches compete for the same finite resources. To provide 300 million people with a poverty-level basic income of \$10,000 a year (roughly the poverty level for an individual living alone) would cost the United States three trillion dollars per year. This is about 20 percent of our current GDP or almost as much as total federal government spending. Even at a much more modest level of \$5,000 per person per year, we would be spending substantially more on basic income than the federal government currently spends on Medicare and Medicaid combined. It is hard to imagine any political scenario that would allow expanding taxation sufficiently to cover these extra expenditures, so a basic income would certainly imply some cuts in existing

spending.

Many social democrats fear that a basic income would also make a philosophical case for replacing (or in the case of the United States, pre-empting) social provision of services such as education, health care, child care, and elder care. It isn't just that a basic income would compete for scarce resources, it would also lead the political Right to argue that once the cash transfers are made, the "free market" is the most efficient delivery mechanism for these services. The United States, where the Right has long supported various forms of vouchers and negative-income tax plans, seems particularly vulnerable to this potential "voucherization" of social welfare.

The clash also operates in the realm of electoral politics. The vast majority of beneficiaries of the existing social insurance system in the United States—the most important components of which are Social Security, Medicare, and unemployment insurance—already earn substantially more than any plausible basic income plan. Progressives pursuing a basic income would be asking their natural constituency—those whose main source of

economic security are these three programs—to forgo attempts to defend and improve these programs, in favor of pushing to create an expensive new social program that provides what amounts to only the barest cash cushion for the broad working and middle class. (Not to mention that widespread voucherization would greatly undermine public-sector unions, one of the strongest remaining political supports for the existing U.S. safety net.)

Standing's book contains many important insights about a large and growing group of workers being left behind in contemporary capitalism. He is also right that economic insecurity and inequality are the intentional result of policy choices implemented over the last three decades in the United States and elsewhere. But *The Precariat* offers a politics that will not address the problems it so well documents.

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But Now We See

EUGENE MCCARRAHER

Prophetic Encounters: Religion and the American Radical Tradition

by Dan McKanan
Beacon Press, 2011, 290 pp.

Looking back on her youthful days as a secular radical during the First World War, Dorothy Day evoked the desire for redemption that drove her to political struggle. "I was in love with the masses," she recalled in her autobiography. Her ardor assumed eschatological proportions, as the wretched of the earth would break their shackles and enter a promised land. "The poor and the oppressed

were going to rise up, they were collectively the new Messiah, and they would release the captives." To Day and her messianic comrades, religion was a drug for the weak or the unenlightened. Beguiling the downtrodden with assurances of heaven, the clergy peddled the religious opium that tough-minded radicals rejected. If "the strong did not need such props," religion was something Day needed to "ruthlessly cut out of my life."

Through most of the 1910s, Day lived among the lyrical Left: writing for the *Call* and the *Masses*, marching with anarchists, socialists, and Wobblies, seeking out a life of downward mobility by subsisting on welfare rations. (In the course of carousing with her fellow bohemians, she once drank Eugene O'Neill under the table.) After the war, as