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**The Interdependency of Democracy and Social Cohesion:
Strengthening representation and democratic participation
through public dialogue and civic engagement**

Issue paper for Working Session 1B:
**Enhancing civic dialogue and social solidarity
for the well-being of all**

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*The views expressed in this paper are the responsibility of the author
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1. Introduction

We are in the moment of crisis in the global transformation, which is analogous to Karl Polanyi's *Great Transformation* of the 20th century. The neo-liberalism that drove the disembedded phase of the transformation, known as 'globalisation', sought to create a global market society in which principles of commodification were extended in every feasible sphere of life, including the educational system, family life, occupational development and social policy.¹ It reached its moment of nemesis in the financial crash of 2007-2008, since when it has been staggering, opening up some ugly political scenarios.

Globalisation was a period of *re-regulation*, not de-regulation, and regressive redistribution, with income shifting in favour of capital, and in which various forms of inequality were intensified, while economic *insecurity* became pervasive. It created a risk society, in which risks and uncertainty were transferred to citizens, while being vastly increased. Crucially, a key tenet of the neo-liberalism was a perceived need to dismantle all forms of collective body and, thereby, all forms of *social solidarity*.

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

A neo-liberal market system is not the same as the liberal market economy envisaged by Adam Smith and others. It places primary emphasis on *competitiveness* and *individualism*. Collective bodies are depicted as anti-trust, inherently monopolistic and rent-seeking. But the drive to dismantle such bodies in the globalisation era had a deeply ideological objective, weakening the representation and bargaining capacities of vulnerable groups and groups wanting to moderate market forces.

The context of this paper is the aftermath of the three decades of globalisation, in which politics has been shaped by the *class fragmentation* that has taken place, and in particular by the emergence of a global precariat. The remit for the paper is consideration of forms of democracy that are feasible and desirable in the 21st century, across Europe and globally. The premise is that democratic innovations must accord with the emerging class structure of society, and they must enable the most vulnerable groups to participate democratically in those spheres of most importance to them.

2. Class Fragmentation and The Precariat

During the globalisation era, a process of class fragmentation took place that has posed a set of challenges for democratic governance. At the top, in terms of income, alongside traditional representatives of capital, an *elite* of absurdly affluent and powerful figures emerged as global citizens, able and eager to influence governments wherever they could. For several decades, the elite, stretching from the multi-billionaires in Silicon Valley to the oligarchs in Russia and Ukraine, encompassing the hedge-fund managers, property tycoons and so on, have dominated political discourse. No prospective prime minister or president in a European country has risked offending them, and almost all politicians rush to court them. This elite is effectively detached from any nation state and, unless it favours their long-term interests, is detached from national or local democracy. From time to time, one of their ilk

¹ Commodification may be defined as making an activity or good subject to market forces of supply and demand, without a sense of *agency* or voice to override market forces.

² For an analysis of their views and influence, see G.Standing, Work after Globalisation: Building Occupational Citizenship (Cheltenham and New York, Elgar, 2009), chapter 1.

falls foul of the law. But curbing their collective political and economic power should be a central objective of any democratisation.

If the re-embedding phase of the global transformation is to occur, it will be about re-regulating in favour of new forms of social solidarity, about reconstructing social protection in favour of the emerging *mass* class in the economic system and about redistributing the key assets in favour of it, as a way of reversing the historically remarkable growth of inequalities in the globalisation era.

In terms of income, wealth and political influence, the group that is below the elite and other representatives of financial and productive capital is the *salariat*, those with above average incomes but also with a wide array of enterprise benefits and long-term employment security. This group is shrinking and is under fierce attack, affected by the financial crisis, austerity packages and the extension of labour market flexibility into their ranks. Nowhere is this more the case than in Greece. although the salariat is shrinking elsewhere as well.

Although many in it are at risk of falling further down in society, some of the salariat have already joined the third class grouping to have emerged as a social force, the *proficians*, those with bundles of technical and emotional skills that allow them to be self-selling entrepreneurs, living on their wits and contacts, usually opportunistically. This group is growing but is relatively small, while being fairly liberal if tending to be politically conservative, since they want low taxes and few obstacles to their money making.

Below the salariat and proficians in terms of income is the old manual working class, the *proletariat*, which has been dissolving for decades. One can almost say that the democracy built in the 20th century was designed to suit this class, as was the welfare state in its various forms. Trades unions forged a labourist agenda, and social democratic parties tried to implement it. We may be exaggerating slightly, but that agenda has no legitimacy in the 21st century, as the industrial proletariat has become part of our history.

Below the dissolving proletariat a new class has been emerging: the *precariat*. It is a class-in-the-making. It is internally divided, just as the proletariat was initially internally divided and in several respects remained so. Its internal division is what makes it the new *dangerous class*, and which makes an understanding of it so crucial to debates about democracy.

Essentially, the precariat consists of millions of people who have insecure jobs, insecure housing and insecure social entitlements. They have no secure occupational identity, and do not belong to any great *occupational community* with a long-established *social memory* that could give them an anchor of ethical norms. Being urged to be 'flexible' and 'employable', they are induced to act opportunistically. Mostly they are *denizens*, not *citizens*, in that they have a more limited range of effective rights than citizens.³

The precariat can be divided into three main 'varieties', all of which are detached from old-style political democracy and who cannot easily relate to 20th century *industrial democracy* and *economic democracy*, as promulgated in Scandinavia, for instance. The first variety are those who are drifting

³ see G.Standing, The Precariat – The New Dangerous Class (London and New York, 2011).

from working-class backgrounds into a zone of precariousness, the second, those emerging from the schooling system over-credentialised for a flexi-job life on offer, and the third are the *denizens*, migrants and others, such as the criminalised, who are in a status that denies them the full rights of citizens.

In general, the precariat is cut off from the classic circuits of capital accumulation, and from the logic of collective bargaining between corporations or other employers, as capital, and workers, as stable providers of stable labour. The precariat cannot see itself represented in any existing class-based political party, including social democratic parties, and cannot relate to old notions of *fixed workplaces*, the pillar of industrial democracy as conceived in the 20th century, and even beforehand.

The precariat is not an underclass or a *lumpenproletariat*. If it were, it might be possible to dismiss it as a political fringe, consisting of sad misfits who can be treated as suffering from social illnesses, to be ‘re-integrated’ in society. Governments have been tempted to treat it in this way. This may succeed in lessening disruptive behaviour for a short time but it will not succeed for long, because the socio-economic structure, institutions and policies will merely reproduce the phenomenon.

This does not mean that part of the precariat is not drifting into what might be called a *lumpen precariat*, unable to survive in the milieu of precarious jobs, skills and living, many drifting into gangs, bag ladies and addicts of one kind or another. However, it is essential to appreciate that the precariat is a group that is desired by global capitalism. While there has always been those living a precarious existence, today’s precariat is an integral part of the production system, with distinctive relations of production and consciousness of specific insecurities. This is why it makes sense to depict it in class terms and why we should think of what has been happening in our democracies in terms of the precariat. It is a dangerous class precisely because all three varieties or components in it are disengaged from conventional 20th-century political discourses.

3. Commodification of Politics – Thinning of Democracy

Those who believe in democracy must confront two ugly trends – the commodification of politics (and politicians) and the thinning of democracy. The thinning of democracy refers to a trend towards less active involvement in political activity, notably in participation in political parties, the membership of which has shrunk to a tiny proportion of the figures of earlier decades. It is reflected in the declining turn out at elections, particularly in most European elections. And it is reflected in the low percentage of young people bothering to vote, thereby shifting the median voter to the elderly, which in turn induces many politicians to favour them. Those politicians observe that it is mainly the elderly and the middle-class that votes, and so they pander to their norms.

The thinning of democracy also refers to the shrinking spheres of democratic governance, including the transfer of many issues from political control to control by experts or interests which happen to be favourable to powerful groups in society. For example in 1997, the new British Government transferred responsibility for monetary policy from Parliament to the Bank of England, thereby reducing democratic accountability in a major sphere of economic policy, and incidentally privileging financial capital by enabling it to look after its own interests. Other governments have done something similar.

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

As for the commodification of politics, it arises from the demise of the class politics of industrial capitalism, the growth of inequality in which the elite have been able to shape politics through its money, and the emergence of the professional occupation of ‘politician’, whose goal is to be funded and elected as a means of launching a money-making career. The modern aspiring politician needs to sell himself or herself, usually after a period in a party think tank as a *rite de passage*. The ability to raise money and to employ public relations specialists, who can repack a voice and an appearance, and produce sound bites and body language, is not just part of the commodification of politics; it thrives on political infantilisation of the populace.

Many people understand intuitively what is happening. This in itself contributes to the thinning of democracy as they witness a game of marketing unworthy of their sustained attention. The millions in and near the precariat do not feel allegiance to old-style social democratic parties and they are structurally opposed to – or suspicious of – christian democrat or patrician conservative parties that represent elite, middle-class and salariat interests. This makes the precariat politically footloose, nomadic politically just as they are in everyday life. Just as many are increasingly social and economic denizens, so they are denizens politically as well, denied effective rights because they have no body to represent them in the political mainstream.

In brief, there are three directions in which factions in the precariat could turn. We might characterise these as *atavistic-populist*, *anarchic detachment* and *idealistic-progressive* (or *utopian-progressive*). Across Europe, each of these is gaining ground.

The *atavistic-populist* trend is displayed in the growing support for neo-fascist parties and populist demagogues, in which elements of the elite have played on fears among national precariat groups to depict government as alien and to see ‘strangers’ in their midst (migrants, the Roma, Muslims, etc) as the immediate cause of their insecurity. The *anarchic detachment* mode is displayed in anomic, anti-social behaviour, in the fires of England’s cities, in social illnesses and a loss of faith in politics in general.

The *idealistic-progressive* direction is displayed in the Euro May-Day parades that have taken place in at least 25 European cities in recent years. Sadly, so far, the mainstream media, international bodies, mainstream social scientists and political leaders have not been listening to this third stream, or have given the impression that they have not heard.

4. Democracy and *Schole*

One of the greatest challenges for 21st century democracy is the widespread loss of *control over time*, particularly within the precariat, and the resultant erosion of what the ancient Greeks called *schole*,

⁴ For an analysis of how this has been happening, see Standing, 2009, op.cit.

meaning both learning (schooling) and *leisure*, defined in terms of active deliberative participation in the public sphere of the *polis*. The problem is that the precariat is neither prepared for *scholē* – being increasingly offered a commodified schooling that de-emphasises culture, history, fine art and subversive knowledge – nor energised or motivated to participate in the constructive life of politics. Instead, it is supposed to labour flexibly, to shop, to consume and to play.⁵

To understand this, we should recall the Greek distinctions between labour and work and between play and leisure. In the 20th century, social democrats fell into the trap of elevating *labour* to a pedestal, fostering what Hannah Arendt feared, “the jobholder society”. All work that was not labour disappeared from statistical representations of life, and was marginalised in social policy, which has always been dominated by social scientists steeped in the labourist traditions and values. Most egregiously, the work done mostly by women, ‘care work’ and ‘housework’, disappeared from statistics. To this day, mainstream social scientists, particularly men, adhere to this artificial and sexist practice.

The practice is becoming even more indefensible, because in a tertiary (service-based) market society, there is a steady growth in what should be called *work-for-labour*, a wide variety of work activities that must be done or should be done in order to function in a market economy, in flexible labour markets and in dealing with bureaucratic structures impinging on our lives. The precariat has to do a disproportionately large amount of this work-for-labour, even though politicians disparage them as “workless”, or suffering from “a culture of worklessness”, as many middle-class politicians put it.

What has this to do with the democratic challenge, the democratic deficit and thinning democracy? Quite simply, there is an intense competition between demands on our time. In a commodifying society, there is incessant pressure to labour and to consume, to shop and to labour more productively or more intensely. To be lazy is a modern sin. This is a route to societal stress, a sort of materialistic madness. All great cultures have needed people to have some time for laziness. Aristotle was the first great thinker to enunciate this point, saying that *aergia* (laziness) was essential for *scholē*. We need to struggle for both.

People pressured to labour intensely, and to do a lot of work-for-labour, are likely to find themselves spent mentally and physically exhausted. Meanwhile, the market society offers limitless play or entertainment, passive mindless (relatively undemanding) uses of time, much of it in front of electronic screens. It is a modern version of the Roman ‘bread-and-circus’ existence for today’s plebs. Let them watch football and avatars!

The outcome of the squeezing of leisure is a *collective attention deficit syndrome* and, worse still, the possibility that those subject to this process will be susceptible to populist sirens luring them onto the political rocks, through occasional mass rushes of anarchic discord and their equivalent rushes to support populist demagogues offering a neo-fascist vision or a crazed evangelical message imparted by charismatic leaders.

⁵ Once infantilised politically, they can be confronted with simplistic questions in polls and asked to give quick un-deliberative answers, which become “the public view”. Then politicians can parrot what their ‘constituents’ want to hear. If this is not a prescription for democratising prejudice, one cannot think of any better.

We have seen the spread of neo-fascism across Europe, as well as in North America and Japan. It is gaining ground around us and it is dragging centre-right political parties and aspiring politicians further to the right, thereby concealing the extent of the drift to the far right. It is not true that all or even most of the precariat is going that way, or that it is only from within the ranks of the precariat that support for neo-fascism is coming. Indeed, it may be that the most vehement support for such populism is coming from those who *fear* falling into the precariat or who fear what the precariat might do to their material comforts.

The deficit in *schole* is contributing to the accelerated commodification of politics and the rightward drift of electoral attitudes and behaviour. From this nightmarish imagery, one should surely be drawn to think of how *schole* could be strengthened, or how *deliberative democracy* could be revived or enhanced.

5. Building democratic responses

I would like to suggest three policies, which must be developed from the perspective of the precariat, all of which should strengthen *schole* and revive or enhance *deliberative democracy*.

First, we need a movement to achieve a *democratic governance of occupations*, of work in its richest sense. In the middle ages, for several centuries, work and social relations across Europe were shaped by the guilds. They were flawed, being hierarchical and prone to rent seeking, but they created and supported communities in which codes of ethics and social solidarity were embedded. They were displaced in industrial society, replaced to some extent by trade unions, but they continued to play a role in setting standards. In the globalisation era, occupational self-regulation has been displaced by state-dominated licensing and technocratic governance in favour of employers and consumers, in the process splintering occupations and contributing to a decline of occupational social mobility.⁶

At present, many in the precariat are systematically denied entry to many occupations, and are denied avenues for social mobility. For instance, qualifications gained somewhere are not recognised for entry to a craft or profession in other places. Overall, systems of state regulation of occupations have been quietly blocking social mobility for those entering the lower rungs of occupations. We need to establish Europe-wide social principles of regulation based on values of social mobility, social solidarity and social equity with the voice of the precariat involved in every aspect of the democratic governance of work..

The second proposal addresses social policy, which has become increasingly interventionist and directive, embracing more and more spheres of life and becoming more moralistic. Instead of welfare policies being guided mainly by the relatively simple function of compensating for the “temporary interruption of earnings power” or by principles of social insurance, social policy has become driven by *libertarian paternalism*, or the new school of thought known as *behavioural economics*. This is a threat to freedom.

⁶ Occupations are commodified if they lose the capacity to reproduce themselves and have the capacity to self-regulate removed and deposited in the market or in institutions set up to dictate to practitioners how they must behave in a market way. For a discussion of how occupations have been commodified in the globalisation era, see Standing, 2009, op.cit., chapter 6, pp.147-79.

Behind these moves is a deeply ingrained utilitarianism, by which the norms and the happiness of a perceived majority are given precedence. The drift of social policy to behavioural nudging is giving enormous discretionary, if not arbitrary, power to bureaucrats, commercial surrogates and ‘experts’, lurking behind their politicians. Social policy is becoming part *panopticon*, with dataveillance supplementing surveillance and prison guards, and part *therapy*, manipulating people’s minds, with cognitive behavioural therapy being a popular fad loved by utilitarians.

The way to arrest this drift to social engineering is to demand that the voice of those most subject to the steering and most in need of assistance should be firmly inside the agencies and institutions responsible for social policy.⁷ At the moment, we are seeing the opposite, with the privatisation and commercialisation of social policy. We need a movement for the democratisation of social policy.

The third proposal is one to achieve two needs in our globalising market societies – socio-economic security and deliberative democracy. People who are chronically insecure make bad democrats. Psychologists have taught us that people who are very insecure lose a sense of *altruism* and a sense of *social solidarity*; they also become *intolerant* and thus prone to support discriminatory and punitive measures against ‘strangers’ or people who are presentable as not-like-me.

The proposal is that we should work towards giving everybody in European societies basic income security, through provision of universal monthly grants for all citizens. This is the only way of providing basic security in an open market economy; social insurance cannot reach the precariat, and means-testing assistance leads remorselessly to coercive workfare. What is needed is a universal basic income as an economic right. Such a universal stabilisation grant, with tax clawed back from the affluent, would pump money into the economy in recessionary periods and withdraw it during economic booms.

While the grants should be unconditional and universal, there should be a *moral condition* attached to them, which is that, on signing on to become entitled to receive the grant, each person should sign a moral commitment to vote in national and local elections and to participate in at least one public local meeting each year, at which all registered political parties could be represented and be quizzed by the public.

The justification for this set of proposals is that we are suffering from a growing deliberative democracy deficit, and need to find the means of shifting time from labour, consumption and play to political participation. Deliberative democracy in which the precariat plays an integral part is essential if social cohesion in Europe is to emerge. We are a long way from that. The inequalities and divisions across Europe are destabilising as well as socially and economically unjustifiable.

Unless the cries from the precariat are heard and incorporated into a new politics of paradise, the stirrings that have been heard and seen in the streets and squares of Greece, Spain, England and elsewhere will only be the harbinger of much more anger and upheaval. Extending deliberative democracy could be a means of defusing the tensions that are building up.

⁷ This is not achieved by governments putting nominal “community leaders” on boards or committees. It must be a collective, democratic voice.