



Basic Income and the Precariat: From Exit Option to Exit Trap?

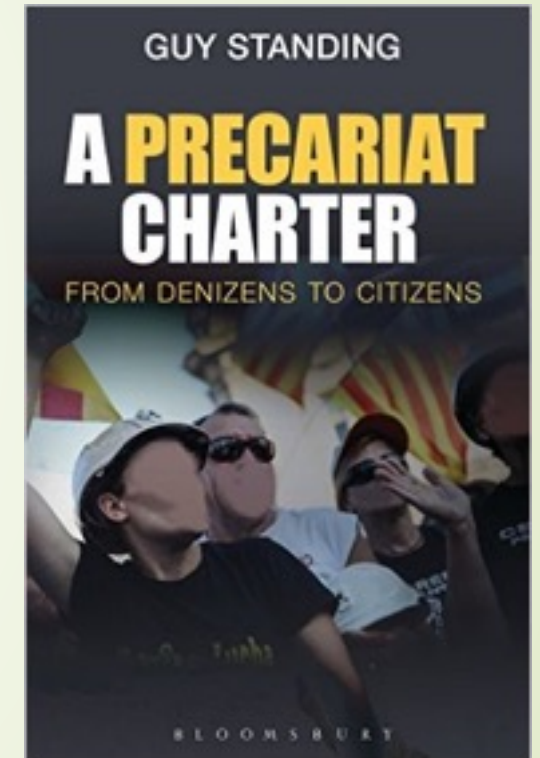
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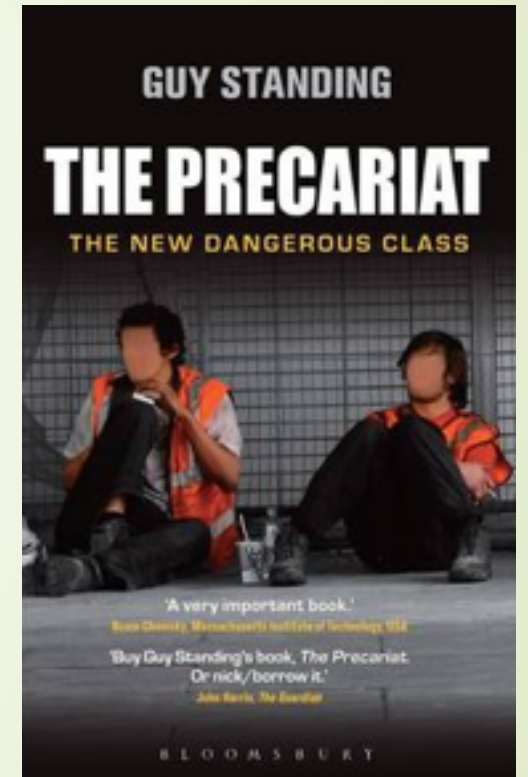
Precariousness and the precariat

- ▶ “The precariat consists of people **living through insecure jobs** interspersed with periods of unemployment or labor-force withdrawal (misnamed as ‘economic inactivity’) and **living insecurely**, with uncertain access to housing and public resources. They experience a constant sense of transiency.” (Standing, 2014: 16)
- ▶ The precariat lacks labour market security, employment security, job security, work security, income security, skill reproduction security, representation security (voice)



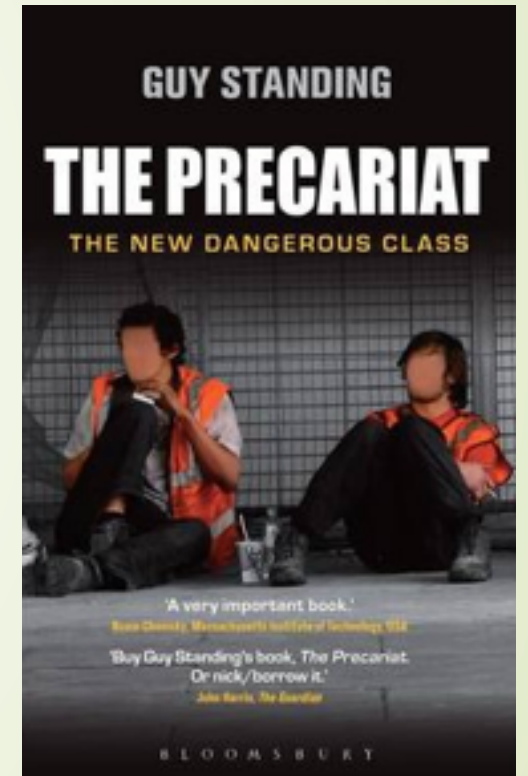
The Precarity Trap: time squeeze

- ▶ “A labour market based on precarious labour produces high transaction costs for those on the margins. These costs include the time it takes to apply for benefits if they become unemployed, the lack of income in that period, the time and costs associated with searching for jobs, the time and cost in learning new labour routines, and the time and cost involved in adjusting activities outside jobs to accommodate the demands of new temporary jobs. The total may be substantial by comparison with expected earnings. This creates what could be called a ‘precarity trap’.” (Standing, 2011: 48)



The Precarity Trap: precarious income

- “The precariat can be identified by a **distinctive structure of social income**, which imparts a vulnerability going well beyond what would be conveyed by the money income received at a particular moment. For instance, in a period of rapid commercialisation of the economy of a developing country, the new groups, many going towards the precariat, find that they lose traditional community benefits and do not gain enterprise or state benefits.” (Standing, 2011: 12)



Basic Income and the precarious labour market

- ▶ alleviating income loss when unemployed
 - ▶ complement or replacement (?) to unemployment insurance
- ▶ easing transition into the labour market (unemployment traps)
- ▶ transitioning within the labour market
 - ▶ e.g. subsidising part-time work
- ▶ human capital development (“sabbatical grants”)
- ▶ **leaving demeaning jobs (exit strategy)**
- ▶ **bargaining for better in-work conditions**

The Exit Option

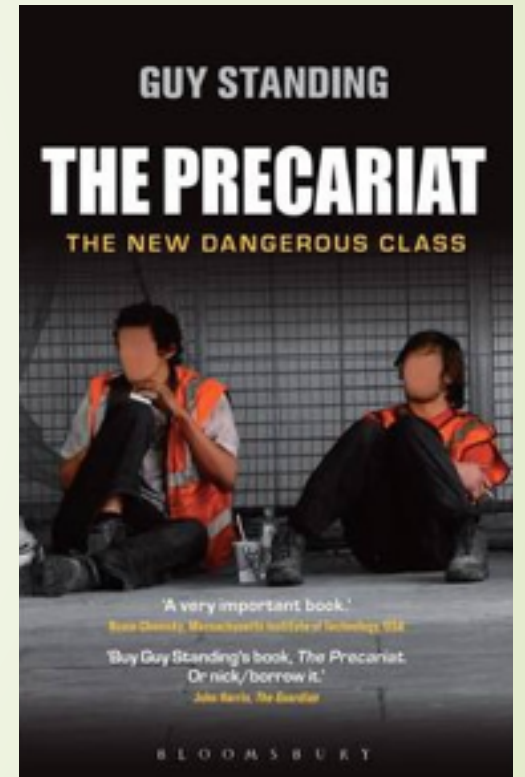
- ▶ Guaranteeing each citizen-worker an unconditional basic income secures ...
 1. The freedom to exit a demeaning job/workplace (Widerquist: “power to say no”)
 2. the power to bargain for better workplace conditions, under threat of exit
- ▶ How does the exit option affect the precariat specifically?

What do we mean by “exit”?

- 1. weak (incomplete) exit:** temporary or partial withdrawal from a job, but retaining strong link to labour market nevertheless
 - 2. strong exit:** leaving a job to move to another, but retaining link with labour market (BI facilitates transition: search costs, insurance, low-income supplement)
 - 3. radical exit:** leaving a job and the labour market (engage in socially useful activity not governed by employment contract — volunteering, care, small business startup etc)
- ▶ Not all who quite a job want to leave the labour market: interest in retaining paid employment marks difference between strong/radical exit

Opportunity to exit precarious employment?

- ▶ “A basic income, delinked from labour, would be decommodifying in that it **would give people a greater capacity to live outside the market** and be under less pressure to labour. But it could increase the amount of labour by **allowing people to move in and out of the labour market** more easily.” (Standing, 2011: 178)



Opportunity to exit precarious employment? (cont.)

- ▶ Exit options under basic income face limitations
 - ▶ Exit options not only determined by income but broader social environment (e.g., local support networks).
 - ▶ Exit costs not equally distributed, which means exit options through basic income are also unequal (*pace* universal basic income)
- ▶ Strong exit requires better job alternative to move to: but those in precarious jobs tend to move horizontally rather than vertically — a basic income-induced exit option may not offer much extra value.
- ▶ Risk of sliding into (permanent) unemployment: strong exit becomes radical exit
 - ▶ Desirable option for some, but not all in the precariat (cf. Standing)

Increased bargaining power?

- ▶ Basic income-induced exit threatens employers to improve working conditions or lose workers — does it work?
 1. Labour-saving technology reduces overall threat level of worker exit: basic income facilitates this process
 - ▶ Cf. technological unemployment debate
 2. The effective threat level of exit depends on the value of employees to the employer, which is unequally distributed.
- ▶ Precariat with low-skills/training are easily replaced by other workers (precariat reserve army?) or technology — exit strategy may have little to no impact on bargaining positions

Increased bargaining power? (cont.)

- ▶ basic income-induced exit threats may pitch workers against each other under conditions of a dual labour market model:
 - ▶ firms may want to retain high-value workers (appreciating their value and their ability to exit, thus their demands) but pass on the extra costs onto the low-value workers who face decreasing working conditions or redundancy.
 - ▶ Basic income's exit strategy is too individualised, remaining agnostic or hostile towards collective strategies of worker emancipation and empowerment — this fragmentation may worsen low-value workers' bargaining position.

Basic income and exit — a precarity paradox?

- ▶ The presumed link between basic income, threat of exit and improved bargaining position may work for part of the workforce, but is either ineffective or possibly even generates perverse effects (reduced bargaining power) for precarious workers for whom exit is arguably meant to be most relevant.
- ▶ **Precarity paradox:** for those who need exit most, basic income may generate the least valuable exit option

Transformational agency?

- ▶ Main goal: changing precariousness or transforming precariat?
- ▶ Precarious workers: subjects or agents in their own right? (Paret, 2016)
 - ▶ Imposition of new post-productivist identity/goals? (false consciousness)
- ▶ Internal heterogeneity of precariat complicates organised collective agency (voice)
 - ▶ Heterogeneity of interests (cf. strong vs. radical exit)
 - ▶ Heterogeneity of subjective experience, identity and strategy
- ▶ Role of basic income in transformational agency remains unclear
 - ▶ Exit crowds out voice? (cf. Hirschman)
 - ▶ What role can basic income play in promoting solidarity and voice?

From exit option to exit trap?

- ▶ Basic income may be a useful policy tool to counter some of the worst aspects of living a precarious life — basic income security
- ▶ But the freedom-promoting aspect of basic income in the labour market may be more limited, especially when viewed only through “exit”
 1. Exit options for the precariat are weak
 2. Access to exit options is unequally distributed
 3. Exit options may (further?) fragment the precariat internally or cause division between precariat/proletariat in terms of collective political strategies to reform labour markets/social protection etc.
- ▶ Option to exit labour market is only a freedom when freely chosen — exit option as one more precariat trap?

Thanks!