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Who Enters the Precariat?

One answer is ‘everybody, actually’. Falling into the precariat could happen to most of us, if accidents occurred or a shock wiped out the trappings of security many have come to rely on. That said, we must remember that the precariat does not just comprise victims; some enter the precariat because they do not want the available alternatives, some because it suits their particular circumstances at the time. In short, there are varieties of precariat.

Some enter the precariat due to mishaps or failings, some are driven into it, some enter hoping it will be a stepping stone to something else, even if it does not offer a direct route, some choose to be in it instrumentally – including old agers and students simply wishing to obtain a little money or experience – and some combine a precariat activity with something else, as is increasingly common in Japan. Others find that what they have been doing for years, or what they were training to do, becomes part of an insecure precariat existence.

This chapter on demographics, and Chapter 4 on migrants, look at groups that have a relatively high probability of being in the precariat. The demographics can be summarised in terms of women compared with men and youth compared with old agers. In each group, there are ‘grinners’, who welcome precariat jobs, and ‘groaners’, obliged to take them in the absence of alternatives. Among youth, the ‘grinners’ are students and travelling backpackers, happy to take casual jobs with no long-term future; the ‘groaners’ are those unable to enter the labour market through apprenticeships or the equivalent, or competing with ‘cheaper’ old agers with no need for enterprise benefits.

Among old agers, the ‘grinners’ are those with adequate pension and health care coverage, who can do odd jobs for the pleasure of activity or to earn money for extras; the ‘groaners’ are those, without a reasonable pension, who face competition from more energetic youth and less needy old agers. Among women, the ‘grinners’ include those with partners in the salariat, who can treat a job as a sideline; the ‘groaners’ include single breadwinners and those facing the triple burden of having to care for children and elderly relatives, while needing to take a paid job. Among men, the ‘grinners’ include those with a partner earning a reasonable income; the groaners include single earners able to obtain only a precariat job.

Women: feminisation of living?

Early in the globalisation era, it became apparent that women were taking a growing proportion of all jobs, in a global trend towards the feminisation of labour (Standing, 1989, 1999a). This was feminisation in a double sense of more women being in jobs and more jobs being of the flexible type typically taken by women. The trend reflected labour informalisation, the growth of services and use of young women in export processing zones. It did not mean that women everywhere were improving their incomes or working conditions. Indeed, gender-based wage and social income differentials remained inequitable, if modestly improving in some parts of the world.

The jobs that were spreading led to a rising demand for women as well as a shift of men into insecure low-paid jobs long regarded as the norm for women. If flexible labour means more short-term jobs, then there is little premium placed on employment of men perceived – correctly or not – to offer longer term commitment. Fears that women might involve employers in high non-wage costs, because they might become pregnant or withdraw to look after children, are less relevant if jobs are set only to last a few months, if the arrangement is non-binding or contingent on fluctuating demand, or if there is no cost to intermittent labour.

In the globalisation era, export-led industrialisation in developing countries was based quite shamelessly on the organisation of young women as a precariat, mobilised to labour for a pittance and not expected to stay in jobs for long. Many other factors also contributed to the feminisation of labour, in the double sense. One was the demise of the ‘family wage’, a feature of the industrial age and the compact between capital and the working class. The industrial proletariat developed an expectation that the male worker would receive a wage adequate to maintain a nuclear family, not just the worker himself. This rule of thumb has gone. The ‘individualised’ wage favoured employment of women; whereas the lower wage induced a lower ‘effort bargain’ from men, women never expected a family wage.

In addition, more labour was in services, where manual strength was not required and long-term apprenticeship training was not a norm. Political factors also contributed. It was a feature of the loss of momentum of the social democratic agenda in the 1980s that emphasis shifted to social *equity* rather than *equality*. Reducing discrimination and gender-based wage differentials became priority objectives, while reducing structural inequalities was sidelined. Some measures designed to improve social equity even accentuated inequality. The absence of an egalitarian agenda meant that the beneficiaries of anti-discrimination laws were mainly women with positional advantages, not women in disadvantaged segments of society.

Whether cause or effect, women’s growing labour market role has coincided with the growth of the precariat. Women have taken a disproportionate share

of precarious jobs, being far more likely to have short-term contracts or no contracts at all. This is not just in Europe and North America. In Japan, the shift to non-regular labour coincided with a rising share of women in the labour force. In 2008, over half of Japanese women were in precarious jobs, compared with less than one in five men. In South Korea, 57 per cent of women were in such jobs, compared with 35 per cent of men.

Japan is an extreme case. Gender inequality is a cultural legacy that has fed into a gendered precariat, in which women are concentrated in temporary, low-productivity jobs, resulting in one of the highest male-female wage differentials in the industrialised world. In 2010, 44 per cent of women workers in Japan were receiving less than the minimum wage. The growth of temporary labour also contributed. Women's wages in regular (permanent) jobs are 68 per cent of men's, but in temporary jobs they are less than half of those paid to men. So the trend is having a doubly adverse effect. To add to the inequity, many Japanese women are directed into elder-care jobs, where wages are pitifully low.

This highlights a twenty-first-century challenge. As global feminisation has proceeded, more women have experienced a 'triple burden'. They are expected to do most of the care work for children and 'the home', they are expected to labour in the market in order to afford 'the home', and they are expected to care for the growing number of elderly relatives.

It is because women have always done most of the care work that it has been neglected in economic statistics and social policy. This was brought to its absurd worst in the twentieth century, when doing care work did not count as work at all. One brand of liberal rhetoric did not help. Care work, mostly confined to the family, was depicted as in the private sphere, whereas labour was in the public sphere. Since the public sphere was seen as liberating, it followed that putting more women into jobs, any jobs, would be liberating. So the female labour force participation rate became a measure of liberation (Sen, 1999).

That is fine for middle-class, highly educated women who can anticipate salaried career-oriented employment. But for most women, labouring repetitively on an assembly line, or sewing feverishly in an ill-lit backstreet garment factory, or sitting at a check-out counter for long shifts, jobs are scarcely liberating. They may be part of the triple burden, in which women also have to care for children and elderly relatives 'in their spare time'.

Gains in access to jobs are real. But they have been bought at a price, paid largely by women but also to some extent by men. Most are part-time, temporary or dead-end jobs, with no prospect of occupational development. Yet governments are pushing women to take them.

In the United Kingdom, over 40 per cent of employed women are in part-time jobs, which pay much less per hour than full-time jobs. In 2009, the government proposed to help women in full-time jobs to move into part-time jobs, through subsidies, with an emphasis on flexible working. They also

launched a national database on part-time jobs, aimed at so-called 'stay-at-home' mothers seeking 'a return to work', and announced plans to make lone parents of younger children seek 'work'.

In Germany, as in France, women make up 80 per cent of all part-time employees, and they earn a quarter less than men do. School and shop hours, and a shortage of day care, make it difficult for women with children to work full time. The Merkel government introduced 'parents' pay', an earnings-related benefit allowing either parent to take up to 12 months leave from their job. But conservatives in the government insisted that a decision to expand day care be accompanied by a new benefit, *Betreuungsgeld*, given to mothers only if they stay at home with their children. This is unfair, applying a behavioural conditionality that penalises women who wish or have to take jobs as well as look after their children.

As women swell the precariat, while filling the traditional role of child carer and the newer one of caring for elderly relatives, more women are becoming primary 'breadwinners'. This is not just because more are single mothers or living alone. Gender roles are also reversing. In the United States, women's education has risen relative to men's, and in the age group of 30–44 there are more female than male graduates. Whereas in 1970 only 4 per cent of married women earned more than their husbands, now more than one in five does. As more people are marrying within their education bracket, high-earning men are more likely to be married to high-earning women, increasing inter-household inequality. However, despite the publicity given to women high-flyers, women who earn more than their partners are most likely to be found in low-income households, in the precariat.

In the United Kingdom, the rise of female 'breadwinners' has been associated with a rise in the number of men stepping out of a career path, or giving up a fruitless chase for one, to become home-carers. In the 1960s, just 4 per cent of women aged 16–60 earned more than their partners. By 2009, as in the United States, one in five – or 2.7 million – was a 'breadwinner wife' (National Equality Panel, 2010). Some 214,000 men reported that they were not in the labour market because they were looking after their family or home, an 80 per cent jump in 15 years. Meanwhile, the number of women saying that fell from 2.7 million to 2 million, a drop of a quarter. Rob Williams, chief executive of the Fatherhood Institute, a pressure group, commented: 'The idea that men see themselves as breadwinners is collapsing. Since the 1970s, men have become far more egalitarian, and the number who wants to get off the career ladder and spend more time with their children has gone up' (Barrow, 2010).

Involuntary role reversal is more frequent, however. In each successive recession, male unemployment has risen more than female unemployment and the share of women in jobs has grown. Indeed, the post-2008 crash led to a historically unique moment. In 2010, for the first time, women in the United States held half of all jobs.

The Great Recession has been dubbed a ‘mancession’. Men have borne the vast majority of job losses, as the core (industrial working class) jobs have disappeared. In the United States, the proportion of men in jobs fell to below 70 per cent in 2009, the lowest since records began in 1948. By 2010, one in five American men aged between 25 and 55 was unemployed. In the 1960s, 95 per cent of that age group were in jobs. In the European Union, three-quarters of the jobs generated since 2000 have been taken by women.

Ironically, women’s increased ‘public’ involvement in the economy has been accompanied by a rising fear of failure due to multiple forms of precariousness. This has gone under a chilling name – ‘bag lady syndrome’ – a fear of being out in the streets due to job failure. In 2006, a life insurance survey found that 90 per cent of American women felt financially insecure and nearly half said they had ‘tremendous fear of becoming a bag lady’. This was even prevalent among women earning over US\$100,000 a year. More women reported feeling stressed about money. As one woman put it, ‘The inner bag lady, wrinkle-faced and unkempt, is no joke. She’s the worst-case-scenario future’. This was taking place in the world’s leading economy. And it has grown worse since the crash.

Most mainstream analysis also omits part of the precariat that has been largely the preserve of women – sex services. Millions of women around the world are involved, many forced into it, many driven to it by financial distress, some choosing to be in it for one reason or another. Sex services are riddled with class distinctions and women at the bottom epitomise the precariat existence, renting out their bodies without any control. Criminalising them and denying them rights merely accentuates their plight.

What then of men moving into the precariat? The challenges are not the same. The biggest may be that of adjusting downwards. Insecurity is connected with fear of losing what one has. More men are in that position, by comparison with their own past, previous generations of men, and the expectations and aspirations instilled in them by their families and cultures. As the precariat grows and career jobs evaporate, loss of face compounds the loss of income and the status trappings that go with it. With the world generating precarious labour, men attuned to a self-image of stability and career progression are in danger of being traumatised. Moreover, the dismantling of occupational communities and the disruption to old notions of occupational careers produce status frustration effects as men confront the reality that their careers are truncated.

A ‘masculinity’ challenge?

While women and men face different challenges around the precariat, the budding precarity movement draws support from groups of diverse sexuality. There are good reasons. Gays and lesbians feel insecure in a society geared to heterosexual mores and standard nuclear families. But there are other

tensions too, linked to labour developments. The feminisation of labour affects traditional ideas of masculinity and femininity. One theme that has long preoccupied sociologists is the claim that young men are becoming more alienated and anomic.

Historically, young men had role models to help them into manhood. They were presented with a virilising idea. They would look after their parents, earn enough to be able to support a wife and children, and end their years as respected elders. It was sexist and patriarchal, not a structure to applaud, but ingrained over generations. Now there are few realistic role models for working-class young men to emulate that would gain them self-respect, and their prospects of being a future family 'breadwinner' are dim.

The shortage of aspirational role models could be a second-generation outcome of the flexibilisation of the 1980s and 1990s. The result is a prolonging of adolescence, with young men unable to motivate themselves. As Lucie Russell, director of the UK charity Young Minds, put it, 'How do boys become men in the absence of a role or a job?'

It starts in school where, increasingly, girls are outperforming boys. In England and Wales, 64 per cent of girls achieve five General Certificate of Secondary Education (GCSE) passes (exams at the age of 15 or 16), compared with 54 per cent of boys. Boys not only lack male role models at home but also are taught predominantly by women. About 5,000 schools have no male teachers at all. The gendered disadvantage goes up the educational ladder; half of young women participate in higher education, against 37 per cent of young men. Similar patterns are found in other countries. Overall, at American and European universities, women outnumber men by a third. And after university, among UK graduates, men are 50 per cent more likely to become unemployed.

As a consequence of their precariousness, more young men are continuing to live with or near parents in case of need. In Italy, it is a common phenomenon; young (and not so young) men living with their families, sometimes into their 40s, are called *mammoni*. In the United Kingdom, more than a quarter of men aged 25–29 are living with their parents, double the proportion of women of the same age. One in ten men is still in his parents' home at the age of 35. The image is of the 'boomerang son', returning home after education and drifting into lethargy, part-time jobs, debt, drugs and vague ambitions 'to travel'.

Precariousness discourages marriage and leads to later childbearing. In 2008, only 232,990 couples married in England and Wales, the lowest number since 1895. The marriage rate, calculated as the number of marriages per capita, fell to its lowest level since records began in 1862. Marriage rates similarly fell in the later stages of the disembedded phase of the Great Transformation at the end of the nineteenth century, at a time of spreading insecurity. The downward trend has been similar across Europe, with a rise in cohabitation. It has been estimated that by 2015 a majority of babies in England and Wales will be born to unmarried parents.

Men and women are also marrying later. Between 1998 and 2008, the average age of first marriage in England and Wales rose by three years for both men and women. The provisional mean age at marriage for men marrying for the first time was 32.1 years and for women it was 29.9. The rising age could reflect increased costs – both actual costs and the risk cost of failure. But it surely testifies to a sense of precariousness affecting both men and women, albeit in different ways.

The trend has contributed to a growing number of single-person households in industrialised countries. But, as we have seen, youths have also been trickling back to the parental home, their own precariousness often adding to that of their parents. Among the neologisms coined for this group are ‘Kippers’ (kids in parents’ pockets eroding retirement savings) and ‘Ipods’ (insecure, pressurised, overtaxed, debt-ridden and saving).

In a polemical book supposedly describing what young men like themselves now face (although their *Curricula Vitae* (CVs) gave the game away), Ed Howker and Shiv Malik (2010) summed up ‘their’ existence:

We work in jobs and live in homes secured on short-term contracts; the steps of our lives are constantly meandering; for many of us our childhood home represents our only fixed point. . . The generation who will bail out Britain can’t get started; meanwhile the debts are getting bigger, jobs are getting scarcer, lives are getting tougher.

Youth: urban nomads

The world’s youth, more than 1 billion aged between 15 and 25, comprise the largest youth cohort in history, a majority in developing countries. The world may be ageing but there are a very large number of young people around, with much to be frustrated about. Although many other groups make up the precariat, the most common image is of young people emerging from school and college to enter a precarious existence lasting years, often made all the more frustrating because their parents’ generation had seemingly held stable jobs.

Youths have always entered the labour force in precarious positions, expecting to have to prove themselves and learn. But today’s youth are not offered a reasonable bargain. Many enter temporary jobs that stretch well beyond what could be required to establish ‘employability’. A wheeze of flexibility has been to extend probationary periods, during which firms can legally pay lower wages and provide fewer benefits.

The declining probability of moving into a long-term contract builds up resentment. In France, for example, 75 per cent of all young employees start with temporary contracts and most remain in them; only those with degrees can expect to move into a ‘permanent’ position. Traditionally, youths could

tolerate an initial period of being an outsider since they could look forward to being an insider eventually. Meanwhile, they lived off parents. Family solidarity alleviated the initial precariousness. But today, precariousness has been stretched while family solidarity is weaker; the family is more fragile and the older generation cannot foresee a balancing inter-generational reciprocity.

A feature of the restructuring of social income and wage flexibility has been the fall in wages and incomes of young people relative to their elders. Not only are more youth in precarious jobs, where wages are lower anyhow, but their bargaining position is weakened in accessing all jobs, while the absence of enterprise and state benefits intensifies their vulnerability to poverty.

An example is Japan, where average annual earnings of workers in their 20s fell by 14 per cent between 1997 and 2008. A report by the Ministry of Health, Labour and Welfare in 2010 found that 56 per cent of 16- to 34-year-old employed workers needed a second source of income to help them pay for basic living expenses.

Youths resent the insecurity and mostly want to pursue some sort of career. Yet many with a desire for a fulfilling life are unimpressed by stories of employment drudgery and stress of older generations. They reject the labourism of stable full-time jobs stretching out into the distance. In international polls, nearly two-thirds of young people say they would prefer to be 'self-employed', to work on their own rather than be in a job. But the flexible labour markets forged by the older generation of politicians and commercial interests condemn most youth to spending years in the precariat.

Youth make up the core of the precariat and will have to take the lead in forging a viable future for it. Youth has always been the repository of anger about the present and the harbinger of a better tomorrow. Some commentators, such as Daniel Cohen (2009: 28), see May 1968 as the point at which youth emerged as an 'autonomous social force'. Certainly the 'baby boomers' fractured arrangements created by their parents' generation. But youth has been the change agent throughout history. Rather, 1968 marked the beginning of the precariat, with its rejection of industrial society and its drab labourism. Subsequently, having railed against capitalism, the baby boomers took the pensions and other benefits, including cheap commodities from emerging market economies, and then ushered in flexibility and insecurity for their successors. One embittered jobless graduate (Hankinson, 2010) wrote, 'Baby boomers had free education, affordable houses, fat pensions, early retirement and second homes. We've been left with education on the never-never [student debt] and a property ladder with rotten rungs. And the financial system which made our parents rich has left us choosing between crap job or no job'.

Of course, the tirade against the previous generation presents a false picture; it neglects class. Only a small minority of UK baby boomers went to university, while today half of all school leavers go on to some form of tertiary education. Many in the older generation suffered the ravages of

de-industrialisation, as miners, steelworkers, dock workers, printers and so on were shunted into history. And most women had the added burden of economic marginality. The inter-generational interpretation could almost be a diversionary tactic, since it accords with a conservative view that carefully leaves out the role of globalisation (Willetts, 2010). Today's youth is not worse off than earlier generations. The predicament is just different and varies by class. Those former working-class communities had an ethos of social solidarity reproduced from generation to generation. They are now as much zones of the precariat as are the campuses and communities of what Italians call *alternativi*.

Their withering has created three challenges for today's youth. They have seen their parents lose status, income, pride and stability; they have no role models to emulate; and they drift into precarity traps, with low-paying jobs interspersed with spells of unemployment and enforced idleness. Within low-income neighbourhoods the 'work ethic' is passed down from generation to generation (Shildrick, MacDonald, Webster and Garthwaite, 2010). But the experience of a precariat existence by one generation will also transmit attitudes and behavioural norms to the next. The first generation subject to systemic flexibility came of age in the 1980s. It is their children who are entering the labour market in the early twenty-first century. It cannot help that many expect to earn less and to have weaker careers than their parents. Remarkably, more UK youth say they belong to the working class than think their parents belong to it. There is a sense of downwardness, matched by what they see ahead of them.

Commodification of education

The commodification of education also makes for disappointment and anger. The drive by the education system to improve 'human capital' has not produced better job prospects. An education sold as an investment good that has no economic return for most buyers is, quite simply, a fraud. To give one example, 40 per cent of Spanish university students a year after graduating find themselves in low-skilled jobs that do not require their qualifications. This can only produce a pandemic of status frustration.

At present, the average lifetime monetary gain from going to a college or university is substantial – £200,000 for men in the United Kingdom (Browne, 2010). Imposing high fees may thus seem fair. But fees risk marginalising university subjects that offer no financial return and ignore the fact that the return is a *mean* average. In a market society, winner-takes-all markets proliferate, which is why income differentials have grown way beyond what would be justifiable on productivity grounds. A shrinking number of students gain the high income returns that produce the mean average. More will gain jobs paying well below the mean.

Now factor in what is happening in the labour market. Economies generate new types of job all the time, but we know the direction they are taking. For instance, over the next decade, fewer than half of all new jobs in the United States will be for people with degrees or the equivalent (Florida, 2010). Of those, based on past experience, 40 per cent may be filled by those without college qualifications. After all, Bill Gates was a dropout. So, only a third of all new jobs will be available for young people who complete tertiary education.

A majority will be bumped down into jobs that do not require high-level qualifications. Insult is added to injury. They will be told they should be committed, happy and loyal in jobs that are beneath their qualifications and must repay debts incurred on a promise that their certificates would gain them high-income jobs.

The neo-liberal state has been transforming school systems to make them a consistent part of the market society, pushing education in the direction of 'human capital' formation and job preparation. It has been one of the ugliest aspects of globalisation.

Through the ages education has been regarded as a liberating, questioning, subversive process by which the mind is helped to develop nascent capacities. The essence of the Enlightenment was that the human being could shape the world and refine himself or herself through learning and deliberation. In a market society, that role is pushed into the margins.

The education system is being globalised. It is brashly depicted as an industry, as a source of profits and export earnings, a zone of competitiveness, with countries, universities and schools ranked by performance indicators. It is hard to parody what is happening. Administrators have taken over schools and universities, imposing a 'business model' geared to the market. Although its standards have plunged abysmally, the leader of the global 'industry' is the United States. The idea is to process commodities, called 'certificates' and 'graduates'. Universities tend to compete not by better teaching but by offering a 'luxury model' – nice dormitories, fancy sports and dancing facilities, and the appeal of celebrity academics, celebrated for non-teaching achievements.

Symbolising the loss of Enlightenment values, in the United Kingdom in 2009, responsibility for universities was transferred from the education department to the department for business. The then business minister, Lord Mandelson, justified the transfer as follows: 'I want the universities to focus more on commercialising the fruits of their endeavour . . . business has to be central'.

Commercialisation of schooling at all levels is global. A successful Swedish commercial company is exporting a standardised schooling system that minimises direct contact between teachers and pupils and electronically monitors both. In higher education, teacher-less teaching and 'teacher-less classrooms' are proliferating (Giridharadas, 2009). The Massachusetts Institute of Technology has launched an Open Courseware Consortium,

enlisting universities around the world to post courses online free of charge, including professors' notes, videos and exams. The iTunes portal offers lectures from Berkeley, Oxford and elsewhere. The University of the People, founded by an Israeli entrepreneur, provides tuition-free (tuition-less) bachelor degrees, through what it calls 'peer-to-peer teaching' – students learning not from teachers but from fellow students, trading questions and answers online.

Commercialisers claim it is about 'putting the consumers in charge'. Scott McNealy, chairman of Sun Microsystems and an investor in the Western Governors University, which delivers degrees online, argued that teachers should re-position themselves as 'coaches, not content creators', customising materials to students while piping in others' superior teaching. This commodification and standardisation is cheapening education, denuding the profession of its integrity and eroding the passing on of informal knowledge. It is strengthening winner-takes-all markets and accelerating the dismantling of an occupational community. A market in human capital will increase emphasis on celebrity teachers and universities, and favour norms and conventional wisdom. The Philistines are not at the gates; they are inside them.

International financial institutions such as the World Bank demand that 'inappropriate curricula' unrelated to the economy should be removed. A report commissioned by French President Nicolas Sarkozy argued that early schooling should focus on employability and that economics should be taught in all primary schools. The UK's Labour government urged the Financial Services Authority to advise on how 'to embed an entrepreneurial culture' in schools. In Italy, Prime Minister Silvio Berlusconi claimed that all that students needed to learn were the 'three i's' – *inglese, internet, impresa* (English, internet, enterprise). Instead of learning about culture and history, children must be taught how to be efficient consumers and jobholders.

In an experimental scheme in four US cities, students are paid for studying. In Dallas, second-graders are paid US\$2 for each book they read; in Chicago, high school students are paid if they attain good grades; in Washington, DC, middle-schoolers are paid for good behaviour and attendance. Some parents have complained that this trend is eroding the intrinsic motivation for learning (Turque, 2010). But the market marches on.

Meanwhile, there are reports of a lost capacity to read, accompanying a collective attention deficit syndrome. The documentary *Waiting for Superman* reported that this is the first generation of Americans that is less literate than its predecessor (Harris, 2010). As English professor Mark Bauerlein told the *New York Times* (Bernstein, 2009), 'We have abysmal rates of civic knowledge and historical knowledge'. One doubts the commercialisers are concerned. Civic knowledge does not buy you a job. It does not even make you 'happy'.

Rote learning and standardised courses go on up the system. French economist Daniel Cohen stated approvingly, 'The university is to the new century what the Fordist firm was to the previous one' (Cohen, 2009: 81). But

schooling is producing something historically unprecedented. People are being sold more and more ‘credentials’ that are worth less and less. Sellers are urged to produce more, buyers urged to buy more, and if they are in debt as a result of buying the last round of ‘qualifications’, they need to go further into debt to buy the next round, which just might be enough to secure a job that would make the total investment worthwhile. What does this madness mean for the precariat?

Reflect on the impact on capabilities. In his best-selling book *Shop Class as Soulcraft* (2009), Matthew Crawford attacks America for devaluing skilled labour. He argues that, whereas school students were once taught vocational skills that interested them (in ‘shop class’), now they must take courses to make them competitive university candidates. Real skills are being sacrificed to the drive to acquire more certificates.

Part of the process of generating the precariat comes from dumbing down the educational system. The game is to maximise profits, by maximising ‘throughput’. In the United Kingdom, hundreds of publicly funded university courses provide academic qualifications even though the subjects are non-academic. The Taxpayers’ Alliance in 2007 identified 401 such ‘non-courses’, including a BA Honours Degree in ‘outdoor adventure with philosophy’, offered at University College Plymouth St Mark and St John, and one in ‘lifestyle management’ at Leeds Metropolitan University.

Alternative medicine is also doing well. Richard Tomkins (2009) cited forty-two universities offering eighty-four courses in subjects such as reflexology, aromatherapy, acupuncture and herbal medicine, including fifty-one BSc degree courses. They reflect an ‘Endarkenment’, a drift from rationalist Enlightenment thinking to an emotional way of thinking associated with religion and superstition. In the absence of evidence, advocates of alternative medicine cite patient testimonials. And there is a placebo effect from treatment in which there is faith.

Commodifying higher education legitimises irrationality. Any course is acceptable if there is a demand for it, if it can be sold to consumers willing to pay the price. Anybody can take a pseudo-course giving a credentialist degree ‘because you’re worth it’, which means because you or your parents can pay and because we are here to give you what you want, not what we believe to be scientific or valid based on generations of knowledge. Courses and examinations are made easier, to maximise pass rates and avoid deterring students from enrolling and paying ever-fatter fees.

The cost of going to university has risen faster than incomes, particularly in the United States. Between 1970 and 2010, while median household income rose by 6.5 times, the cost of attending a private college rose by 13 times, and the cost of a state college rose by 15 times for in-state students and 24 times for out-of-state students. Value for money has tumbled. In 1961, full-time students in four-year colleges studied for 24 hours a week on average; in 2010,

it was just 14 hours. Dropout and deferment rates are high; only 40 per cent graduate in four years. Both academics and students make short-term gains. Low teaching loads enable academics to sell themselves as researchers for more time, while inflated grades make it easier for students to obtain the commodity of a degree. Absenteeism pays. Senior academics in Ivy League universities, who scarcely do any teaching when they are around, now have sabbaticals every three years; it used to be every seven. They are more like absent teachers, ticking boxes.

Do not blame them. They are acting in accordance with a market society. The system is eating away at the professional ethics of education. A market is based on opportunism. Self-interest is what Adam Smith lauded and is what neo-liberal economists preach. But many academics and teachers who exist in this commodifying space are not cynical or dishonest. Many become depressed and stressed as they try to adjust. The neo-liberal state that fosters commercial behaviour reacts to the reluctance of teachers to do standard teaching by introducing artificial performance and auditing tests and indicators, backed by sanctions and penalties. Youths and teachers share in the loss.

Meanwhile, the international reaction to the financial meltdown of 2008 has included cuts to state education and a further shift of costs onto students and their families. California's former Governor Arnold Schwarzenegger cut US\$1 billion from the University of California's budget. Fees were raised by 20 per cent; support staff were laid off; academics had to take unpaid leave. His actions were echoed across the United States. And in the United Kingdom, the government said in 2009 that it planned to cut spending on higher education. The academics' union claimed that thirty universities could close, with a loss of 14,000 jobs. The new government increased the planned cuts and made it clear that higher education was to become even more economically functional. The arts and social sciences were dispensable.

Globally, the squeeze on state spending is facilitating the growth of commercial schooling. The private University of Phoenix, America's largest 'educational service provider', increased its global enrolments in 2009 from 384,000 to 455,000. In England, entrepreneurs and corporations are sponsoring school 'academies', which gives them influence over curricula and specialisms. The scheme, started by the Labour government, is being expanded by the Conservative/Liberal Democrat Coalition. Rupert Murdoch's media group plans to sponsor a school in London, as it is already doing in New York, no doubt bringing its right-wing ideological trappings to bear. Another London school was sponsored by the ill-fated Lehman Brothers before the bank's spectacular bankruptcy in 2008.

This commodification of education is a societal sickness. There is a price to pay. If education is sold as an investment good, if there is an unlimited supply of certificates and if these do not yield the promised return, in terms of access to good jobs and high income with which to pay off debts incurred because

they were nudged to buy more of the commodity, more entering the precariat will be angry and bitter. The market for lemons comes to mind. As does the old Soviet joke, in which the workers said, 'They pretend to pay us, we pretend to work'. The education variant would be as follows: 'They pretend to educate us, we pretend to learn'. Infantilising the mind is part of the process, not for the elite but for the majority. Courses are made easier, so that pass rates can be maximised. Academics must conform.

Streaming schooling for the precariat

There are signs that commodified educational systems are being restructured to stream youth into the flexible labour system, based on a privileged elite, a small technical working class and a growing precariat. If the education industry is selling commodities, and many students are not expected to go into a professional career, there is more scope for providing 'plebian' commodities. One surf-loving teenager said he was going to Plymouth University 'to do surf science and technology'; the course would require him to 'surf twice a week and that's compulsory'. These are dumbed-down degrees for dumbed-down workers.

In Germany, the famous apprenticeship system is shrinking, while more youths are being pushed into a 'transitional system', remedial schools that rarely produce sustainable skills. Apprenticeship training is highly specialised and can be provided only by approved schools. Baking bread and making pastries are separate disciplines; if someone wants to manage a McDonald's they must learn *Systemgastronomie*. These narrow specialisms make it hard to obtain a job. In 2005, more than a third of graduates were still unemployed a year after completing their training. The system, suited to an industrial age, is dysfunctional, its rigidity bound to produce misfits in a flexible economy.

There is pressure for general training that would make switching trades easier and give training rights to a wider range of schools. However, the German system is evolving to push more youth into the precariat. Children are streamed as young as 10 into three kinds of secondary school. The lowest tier, the *Hauptschulen*, which traditionally provided apprenticeship recruits, has become a repository for failing children; many who go through it now enter the transitional system. The apprenticeship system now draws recruits from middle-grade schools, *Realschulen*, which used to provide white-collar workers. Even top grammar schools, *Gymnasien*, provide apprenticeship recruits, although they are supposed to steer pupils into university. The educational system is adapting to shape its youth.

Streaming continues into the labour market. Thus the state bureaucracy has four career paths; those selected for one path have little chance of moving into another. One is reserved for people with a *Meisterbrief*, the highest vocational credential. With such a rigid system, those who fail to enter a privileged path in early life must feel hopeless.

The German system is failing its youth; comparative figures compiled by the OECD in 2001 showed 15-year-olds doing worse than in almost all other industrialised countries. More than a fifth could not read or calculate properly, and many teenagers dropped out of school. There has been reform in parts of the country, eroding the caste system between vocational and university training. But progress is slow. Instead, Germany is moving towards three-way streaming, in which a growing part of the system is preparing youth for life in the precariat.

Streaming is also growing in the United States. There, vocational training has long been disdained as blunting opportunity at an early age. Universities have been seen as the route to high salaries and global prowess. By 2005, only a fifth of high school students were taking vocational subjects, compared with a third in 1982. Yet labour demand has been shifting against degree purchasers. Seemingly recognising this, President Obama's Council of Economic Advisers proposed more two-year technical college degrees; some states are trying to revive apprenticeships and 'career academies' are spreading, combining academic and technical curricula with labour experience. President Obama urged every American to commit to at least one year of training. Community colleges are the new great hope. An intermediate streaming process is taking shape, preparing youths for a lower level working life.

On the other side of the world, millions are emerging from second-rung universities to enter the Chinese precariat. The university intake rose from a million in 2000 to 7 million in 2010. The system has produced a familiar path of social immobility (Chan, 2010). Those who go to good primary schools go to good secondary schools; the top universities take students from there. But most are born in poor families, live in poor regions, go to poor primary schools and end up in poor secondary schools from which the top universities do not take students.

Since 2006, more than a million graduates each year have become unemployed on leaving university. They have been called the Ant Tribe (Si, 2009), or the Wandering Tribe, because they rush around in their networks or wander around their old campuses in a desperate effort to retain a network of support and encouragement. Groups of graduates live together on city outskirts in tiny dwellings. Three-quarters are from rural areas, lacking household registration papers. Nearly all are single, living off casual jobs paying low wages, which they share. On those wages, they would have to work for a year to buy a tiny part of their cramped dwellings.

Youth precarity traps

There are two precarity traps for youths emerging from tertiary schooling. One is a debt trap. Assume they want to build occupational identities and careers, which require a long-term strategy. They emerge from college with

their certificates and debts, with state-approved bailiffs waiting ominously to collect once they earn (or fail to do so). Many find the jobs they can obtain are temporary and the wages too low to pay off those debts. The jobs are not consistent with their qualifications and aspirations. They see and hear that millions of their peers are stuck in jobs for which their skills are ill-matched. They have had to grab what they can, not what would enable them to build that precious occupational identity. The precarity trap is worsened because potential employers may know of their indebtedness and worry about their reliability.

In Tokyo, students are blacklisted if they have not paid back scholarship loans, their limited access to jobs further weakened by having dubious credit records. That is picked up by recruiting firms doing checks. One thing leads to another. In general, youths are torn between their aspirations, backed by their certificates and years of study, and their need for income. This is the second precarity trap. They may take a temporary job because they need the income to live and pay down debt. They may not because it may dampen their prospects of a career-building alternative. If they turn down the temporary dead-end job, they may be branded as lazy and a scrounger. If they take it, they may be on a losing track.

There has been much discussion on whether today's youths have a different attitude towards work than their predecessors. They are said to want more of what politicians call 'work-life balance', a platitude verging on a tautology, in that one cannot imagine wanting a work-life imbalance. Those in what is variously called Generation Y, the Millennials or the 'iPod generation' (roughly speaking, born since the mid-1970s) are said to be less materially ambitious and less committed to jobs than the baby boomers (born 1946–60) or Generation X (born in between). This may merely reflect the nature of jobs available to the younger generation and the prevalence of the precarity trap. For psychological and economic reasons, many cannot afford to be as committed to jobs that could evaporate at short notice.

Some US studies find that most young employees say they are loyal to their employer (Hewlett et al., 2009). But a survey of college-educated employees in two companies found that 89 per cent of Generation Y and 87 per cent of baby boomers also regarded flexible work as important, and over two-thirds wanted to work remotely some of the time. Only a tiny minority of either generation described themselves as 'work-centric' and most did not see jobs as their route to happiness. The attitudes of the two generations were similar; the difference is in the reality confronting them. These studies focused on those who managed to enter salaried jobs, who would be expected to show more job commitment than those who did not.

A UK study (Centre for Women in Business, 2009) also found young professionals professing loyalty to their firm, but it was contingent loyalty in that most were ready to move on if not promoted. They felt their parents' trust in an 'organisation' had been betrayed and did not want to leave

themselves open to such disappointment. While some have claimed that the Great Recession has acted as a needed 'reality check' on Generation Y's 'air of entitlement' (Tulgan, 2009), if anything it will have reinforced young people's feeling that the 'system' is against them.

In the end, the precarity traps reflect a discordance between young people's aspirations and the 'human capital' preparation system that sells credentialist qualifications on a false prospectus. Most jobs on offer do not require all those years of schooling, and to present schooling as preparing people for jobs is to set up tensions and frustrations that will give way to disillusion.

The intern craze

Meanwhile, a new form of precariat work specially designed for youth is spreading. Old-style probationary employment at least led to stable jobs in principle, as did apprenticeships. Internships do not. They are presented as a way of gaining useful experience intended to provide, directly or indirectly, a potential gateway to a regular job. In practice, they are used by many employers as a means of obtaining cheap dispensable labour. Yet youths are competing fiercely for these unpaid or very low-paid internships, in the hope of staying busy, gaining skills and experience, expanding networks and, just perhaps, landing that elusive job.

Internships are becoming a *rite de passage* for middle-class youth in some countries. The United States even has 'virtual interns', who work remotely for one or more companies, doing research, sales talks, marketing, graphic design or social media development. While students are exposed to potential spheres of future work and can work when it suits, potential drawbacks include isolation and a lack of networking.

In the United States, interns can collect unemployment benefits of about US\$400 a month, as long as they can claim to be seeking employment. Being an intern disguises unemployment, gives artificial employment and improves resumés. Federal law prohibits the use of interns as substitutes for regular employees. But it is hard to check. To avoid legal complications, some firms limit internships to students receiving school credits. So some young workers enlist in schools just to allow themselves to do internships. Youths who become unemployed are also joining the market for internships. These intern applicants are advised to say they are looking for a career change or to learn something, and not to say that they lost their job and have nothing to do (Needleman, 2009). It is all rather sad and desperate.

Internships have crept into labour market policy. The Administrative Internship Scheme in South Korea, set up in 2008, offers temporary labour for graduates, who are placed as interns in government departments or public agencies for up to 11 months. The interns are not recognised as civil servants, are not covered by the Labour Standards Act or the Government Official Act, are

banned from being employed as public officials after being in the programme, cannot be converted into full-time employees and are paid below the minimum wage. They can receive employee training, notably remote training, but as most are on internships lasting five months, not the 11 stipulated as the upper limit, this is limited. In a survey, only 8 per cent said the internship gave them any chance to develop professional skills.

In the United Kingdom, interns come mainly from middle-class families, which can afford to support their offspring in seeking a little extra on their CVs and a route into a real job. There have even been auctions for internships in the media and other privileging sectors, since unpaid or paid 'work experience' is increasingly required for access to 'decent jobs'. Though it is against the law to employ somebody without paying them anything, this is what happens with interns. A court case in 2009 (*Nicola Vetta vs London Dreams*) established that an intern had the right to the national minimum wage, even though she had agreed to work for the film company on an 'expenses only' basis. The legal point was that nobody could 'agree' to an unlawful arrangement. But it is happening all the time.

Internships are a threat to youth in and around the precariat. Even if a payment is made, the interns are doing cheap dead-end labour, exerting downward pressure on the wages and opportunities of others who might otherwise be employed. An internship may give positional advantage to a few young people, but it is more like buying a lottery ticket, in this case involving a private subsidy, usually paid by the intern's family.

Finally, it would be a mistake to think interns are just a feature of rich countries and middle-class youths. Apart from South Korea, they are also widespread in China. A strike at Honda's large transmission plant in Foshan revealed that interns comprised one-third of all employees, reflecting a widespread use of students and temporaries in Chinese manufacturing (Mitchell, 2010). Like everywhere else, interns are a precariat substitute for regular labour.

The generational tension

Youth in industrialised countries enter a labour market in which they will have to make increasing contributions from their low wages to finance the retirement income of the rising number of pensioners. The demographics are dispiriting. In Japan, where the ageing trend is most advanced, the number of workers to support each pensioner fell from ten in 1950 to four in 2000 and is expected to fall to two by 2025. No less than 70 per cent of the country's social security budget goes to the elderly and only 4 per cent to child care (Kingston, 2010). We will consider what is happening to old agers later. How it affects youth concerns us here.

Not only must youth of the twenty-first century pursue ever more qualifications, at high cost, in order to have a low probability of attaining a

career entry point – a receding mirage for many – but even if they succeed, they will pay contributions, as today's workers, for the pensions of yesterday's employees. Since the cost of doing that is rising, mainly because of ageing, the state is raising the contributions that today's employees must pay and is pushing back the age at which today's employees can obtain a pension. To make the deal even less attractive to today's employees, the state is cutting the real value of tomorrow's state pension. And today's workers are told they must bear more of the risk, by having more of their contributions put in defined-contribution schemes (i.e. instead of having a guaranteed level of pension, contributions are put into investment funds that may go up or down in value). Often workers are required to put contributions into pension funds that make investments on their behalf, whether or not those funds are competent to do so.

Lack of Voice and the post-2008 recession

Youth are entering labour markets in some disarray, many experiencing status frustration, feeling economically insecure and unable to see how to build a career. Their predicament in many countries is compounded by unemployment. The financial meltdown hit youth hard. Millions lost jobs, millions more could not enter the labour market, and those who did found they had lower wages than their predecessors. By 2010, youth unemployment (aged 16–24) in Spain was over 40 per cent, in Ireland 28 per cent, in Italy 27 per cent, in Greece 25 per cent. The unemployment rate among US teenagers was a staggering 52 per cent. Across the world, youths dropped out of the labour force at three times the rate of adults. Many went back or tried to go back into further education, exacerbating the spiral of 'qualifications' exceeding requirements for the jobs available.

In Japan, the crisis accelerated the shift of youth into the precariat as companies froze initial entry to executive-track salariat positions. Traditionally, university graduates emerged in March each year to begin a salaryman job that would set them up for lifetime employment. There was a partial freeze during the slump in the early 1990s but after 2008 the freeze spread. In 2010, more than one in five graduates did not have any job offer. The salaryman model had crumbled. Almost half of all large and medium-sized firms said they did not intend to hire any regular employees at all. Graduates must adjust to new lifetime prospects, as employers grow more comfortable with abandoning lifetime salaryman norms.

Youth's disarray in the labour market has been compounded by its alienation from the main mechanism for venting frustration and for exercising Voice in bargaining for a less precariatized future. The strengthening of entitlements for regular employees, a twentieth-century achievement of unions and social democratic movements, has led to hostility towards unions by the young precariat. They see unions as protecting privileges of older employees, privileges

they cannot anticipate for themselves. In former bastions of unionism, such as Spain and Italy, youth bitterly reject unions. To be fair, unions have wanted benefits extended to temporary employees. But they cannot achieve it. They see wages declining and jobs going elsewhere, further eroding their legitimacy – so much so that social democratic politicians find it expedient to distance themselves from them. Even union leaders are at a loss. Richard Trumka, on being elected head of the AFL-CIO in 2010, admitted that when young people ‘look at unions, too often what they see is a remnant of their parents’ economy’.

Today’s youth find it difficult to form collective associations in the production process, partly because they are part of the flexible labour force, in temporary jobs, working remotely and so on. Youth comprise the bulk of the world’s urban nomads, hurrying from one public place to another, from internet cafés to wherever else doubles as workplace and play-place. Thus Alessandro Delfanti, of the San Precario Connection, said, ‘Our generation has lost the right to exert conflict within the productive sphere’ (Johal, 2010). This is true, but youth need collective voice of some sort.

Dismal prospects

Youth have a combination of challenges. For many, a precarity trap beckons. For many, exposure to a commodifying education system leads to a period of status frustration. While for some, a short period of playing in the precariat may be an interlude between education and entering the rich salariat or even the elite, for the majority, the future promises a stream of temporary jobs with no prospect of developing an occupational career. For an increasing number, it is about being trained in ‘employability’, to be made presentable and flexible in any number of ways, none corresponding to what they really want.

For some it is just too much. One reaction to the clash between education and the prospect of precariat jobs has been to opt out of the pursuit of jobs altogether, becoming what Italian observers have dubbed *alternativi* or ‘*cognitariat*’, who live a bohemian existence that trades security for a life of creativity and autonomy (Florida, 2003: 35). This is only feasible for a few and is a Faustian bargain, in which freedom and excitement are paid for later, in lack of a pension or other material comforts. But it tugs the sentiments of many more.

Warren Buffett had a snowball theory. The earlier someone can define their skills and ambitions, the longer they have to let them roll, accumulating size and power. If early precious years are spent groping around in precarious jobs, the capacity to develop will be permanently impaired. It is this that may make the young most angry. The prospect of persistent insecurity sits uncomfortably with a feeling that it is contrived, not necessary.

This is the sum of it. The youth part of the precariat is railing against the dimming of the light of education and against the commodification of life, in

which there is a clash between a commercial educational process and alienating jobs that appear to be beneath the qualifications they are supposed to possess. They share a vision of life as an unfolding drama of status frustration yet reject the drabness of the labourism that was the lot of their parents' generation. There is some rethinking to be done.

Old agers: groaners and grinners

The world is 'ageing', a sobering idea that has become part of our vocabulary. One could describe the same process as 'younging', for although people are living longer and the share of the population in older age groups is rising, more 'old agers' are active and energetic for longer. It is common to hear that today's 70-year-old is yesterday's 50-year-old. This may be wishful thinking by some, but it is roughly right.

While youths are having trouble beginning a viable life, old agers are confused, some in a pleasant way, some in a wretched one. After decades of being told they were not wanted, eased into early retirement in recessions, now they are being told they must work longer.

In the first recession of the neo-liberal era, in the early 1980s, rich country governments rushed old agers into the economic shadows, easing them onto incapacity benefits, even though many were not incapacitated, or onto special unemployment benefits or into early retirement. The objective was to free up jobs for youth. But although it looked clever to politicians at the time, the policy was a costly failure. The main result was that the effective retirement age plunged below the official one. By 2004, in OECD countries, only 60 per cent of those aged 50–64 were in jobs, compared with 76 per cent of those aged 24–49.

Meanwhile, in rich countries, young women stopped having babies; the fertility rate fell to below the reproduction rate. Suddenly, governments became alarmed at the 'pension time bomb', as the number approaching pension age exceeded the number of young workers entering the labour force who could contribute to pension schemes. A crisis was building up.

The slow death of pensions

The era of pensions was a wonder of the modern world, even though it lasted for only a tiny fraction of history. It was part of the delusion of globalisation. For a few years in industrialised countries, net of taxes and social security contributions, mandatory pensions averaged 70 per cent of previous net earnings and over 80 per cent for the low paid. In the Netherlands in 2005, the average net pension exceeded net median earnings; in Spain, it was over 80 per cent; in Italy, Sweden, Canada and France, over 60 per cent; in Germany and

the United States, nearly 60 per cent. Only in the United Kingdom and Japan, among major OECD countries, did it remain below 50 per cent. The UK state pension has fallen to such a low level that the link with earnings severed by the Thatcher government is being restored as from 2012.

What scares the politicians and pension fund analysts is simple arithmetic. The share of the world's population aged 65 and over will double between 2010 and 2040, to 14 per cent. In Western Europe, unless the migration floodgates are opened, the share will rise from 18 per cent to over 28 per cent. By 2050, one-fifth of the world's 9 billion people will be over age 60, and in today's rich countries it will be one-third. Nearly one in ten will be over 80. Developing countries already have 490 million people aged over 60; that will rise to 1,500 million by 2050. The United Nations estimates that life expectancy at birth globally will rise from 68 in 2010 to 76 by 2050 and in rich countries from 77 to 83. And there will be far more elderly women, since on average they live over five years longer than men.

Others are even more optimistic about longevity. They estimate that the long-term trend upwards has been about three months a year, so that by 2050 life expectancy in the high-longevity countries will be well over 90. That is coming with increased capability to be active. Disability among those aged over 65 has declined, and there has been a compression of morbidity into the final year of life. So there will be a lot more active old agers around.

The trouble is that pensions were not designed for what is unfolding in the twenty-first century. When the United States introduced its Social Security (state pension) scheme in 1935 to prevent old-age poverty, the retirement age was 65 while average life expectancy was 62. Since then, life expectancy has risen to 78. In 1983, the United States legislated to raise the retirement age to 67, in small steps, by 2027. But this means the pension promise will continue to cover many more years of retirement than in the 1930s, unless there are further changes. There will be. Similar developments will take place in all rich countries.

The main fact for our analysis is that on average people can spend a very long time in nominal retirement. The OECD estimated in 2007 that, in its member countries, men could anticipate between 14 and 24 years in retirement, women between 21 and 28. This was 50 per cent more than in 1970 and was an underestimate in using life expectancy in 2007 rather than in the future. The situation is fiscally unsustainable.

According to the IMF, the cost of the financial shock will be dwarfed by the cost of the 'ageing crisis'. Its calculation is based on current pension fund pressures, a continuation of the current pattern of labour force participation and a rising 'old-age dependency' ratio – the number aged 15–64 divided by the number aged 65 and over. In the European Union, this ratio will fall from four to two in 2040. So, whereas today the contributions of four workers are required to support one pensioner, that will fall to just two. The challenge is even greater, since not everybody aged 15–64 is in the labour force. Taking

that into account, the old-age dependency ratio is set to fall from just under 3 to just under 1.5. Roughly speaking, every three people in the labour force will be expected to support two people over the age of 65, if they were all in pensioned retirement.

That will not happen. It is the idea of retirement that will fade, along with the pension, which was suited to an industrial age. The reaction to the fiscal crisis has been to roll back early retirement schemes and age-related incapacity benefits, to lower state pensions, to push back the age at which people can claim a state pension and the age at which they can claim a full state pension. Contribution rates have been climbing and the age at which people can receive a pension has gone up, more for women than for men to approach equality. The number of years of contributions to gain entitlement to a state pension has gone up, with the number required to receive a full pension increasing even more. In some countries, notably in Scandinavia, the legal retirement age for eligibility for a state pension is now pegged to life expectancy, so that access to a pension will recede as people on average live longer and will recede with each medical breakthrough.

This amounts to tearing up the old social compact. But the picture is even more complex, for while governments are convinced they are in a fiscal hole with pensions, they are worried about the effect of ageing on labour supply. Bizarre though it may seem in the midst of recession, governments are looking for ways of keeping older workers in the labour force rather than relying on a pension because they think there will be a shortage of workers. What better way to overcome this than to make it easier for old agers to be in the precariat?

From early retirement to retirement labour

Here policy makers have an open door. Because more jobs are precariat in character, old agers are better placed to take them, and because there are more old agers around, more jobs are put into the precariat. This is reversing a long trend.

The United Kingdom is a good example. Les Mayhew (2009) has observed that the share of people in the labour force drops sharply after the age of 50 – roughly when private pension eligibility begins. By age 64 fewer than half of men and less than a third of women are doing labour activity. Most are healthy and the health of people aged 50–70 is rising all the time. The healthier and the more educated the person, the more likely an old ager is to be economically active. Mayhew estimated that, already on average, people are healthy enough to go on working for 11 years beyond the existing state retirement age of 65. The pool of old agers able to work is huge.

Many are already doing so, often unrecorded. Many are firmly within the precariat. Indeed, old agers have become a driving force in its growth.

Old agers have become a source of cheap labour, paid low wages, given few benefits, easily sacked. In some respects, they play roles similar to migrants, who are considered later. In one respect, they do not, which is that more people positively welcome a precariat existence, in the narrow sense of the term. They are often grateful just to be wanted. They already work in vast numbers as volunteers. The activist organisation for the elderly, Age Concern, has estimated that in this guise they contribute £30 billion a year to the UK economy, which does not take account of their grand-parenting (and, in a growing number of cases, parenting) work.

Old agers are attracted to part-time, temporary and self-employment activities. Opinion polls in the United States and Europe have found that, except in France and Germany, while most baby boomers are in favour of working longer for a bigger pension, most want part-time jobs. And a 2007 Eurobarometer survey found that 61 per cent of Americans would rather be self-employed than in a job. Although Europeans under the age of 24 were almost as enthusiastic for this relative freedom and risk-taking, older Europeans were slightly more inclined to prefer employment. However, age differences overlaid national differences. Some 57 per cent of Portuguese would prefer self-employment, compared with 30 per cent of Belgians.

There is growing support for policies to make it easier for old agers to be in the labour market after retirement age. Both young and old regard this positively, although attitudes vary by country. Almost nine out of every ten people in the United Kingdom, Denmark, Finland and the Netherlands told Eurobarometer that older people should be helped to find work if they wished. By contrast, 55 per cent of Greeks were opposed, and in Greece, Cyprus, Hungary, Italy and Portugal, a majority felt that old agers would take jobs from the young.

In the post-2008 recession, governments did the reverse of what they had done in the 1980s, encouraging old agers to stay in the labour market by restricting disability benefits and making it harder to take early retirement. Many old agers postponed thoughts of retirement because their pension savings were hit by the financial meltdown.

Revealingly, old-ager employment did not decline in the post-2008 recession by anything like as much as youth employment. In the United States, partly due to the erosion of pensions, the supply of elderly labour increased. One survey found that 44 per cent of respondents aged over 50 planned to postpone retirement, half of them planning to remain in the labour force for three years longer than previously expected. Over a quarter of the US labour force are aged over 55, so that implies a substantial rise in the old-ager labour force. According to annual surveys by the Employment Benefit Research Institute, the change has been dramatic. In 2007, 17 per cent planned to retire before the age of 60; in 2009, only 9 per cent did so. Those planning to retire between 60 and 65 also fell. Those planning to retire after 65 rose from 24 to 31 per cent,

and those expecting not to retire at all jumped from 11 to 20 per cent. What a change in mental perspective this represents! It is not the classic 'secondary worker' effect, as was the norm of every recession in the twentieth century. It is something new.

Ageing is producing awkward challenges for inter-generational relations. In industrial society, youths and prime-age adults were responsible for the needs of their children and were not concerned about parents because they were dead or were not expected to be around for very long or did not make many demands if they were. Nowadays, more youths, seeing a life in the precariat, cannot contemplate supporting parents, especially since this might need to continue for many years. And, because of later childbearing, the prospect is made more daunting by the thought that they would be supporting children and elderly parents at the same time.

So old agers are losing the prospect of support from their children. That is driving more into the labour pool, to be willingly part of the precariat. But the state is not neutral. An older generation cut off from family support could become a fiscal burden. Some governments are refusing to tolerate this prospect. Chindia is taking the lead. In China, as in India, a law, passed in 1996, makes it a legal obligation for adults to care for their parents. In formalising a Confucian tradition, the state revealed the tradition was under stress. The fear is that a '4-2-1' rule will spread, with one offspring having responsibility for supporting two parents and four grandparents. And people are finding it harder to live in a three-generational unit because of geographical mobility.

In other countries, the state places more hope on 'workable' old agers looking after the frail elderly and on more women accepting the triple burden of child care, elder care and paid employment, with social workers and care homes picking up the slack.

The subsidised generation

The precariat is being boosted by old agers uninterested in career building or long-term employment security. This makes them a threat to youth and others in the precariat, since they can take low-wage dead-end jobs lightly. They are not frustrated by the career-lessness, in the way youths would be. But old agers too may be gridders or groaners.

The gridders just want something to do. They have a pension to fall back on, their mortgages are paid off, their health insurance is covered and their children are off their hands, perhaps even available to lend a hand or give them financial support, or that is what they hope. Many seek and find that elusive 'work-life balance'.

The balance is usually seen as something of concern to young couples with children. But other factors among old agers are as powerful. Lucy Kellaway

(2009) was puzzled when a 56-year-old former marketing director told her he had become a postman:

But then he said something that made more sense. His new job had allowed him to reclaim his mind. When he goes home at 1 p.m. every day he does not have to give work another thought till 7.30 a.m. the next day. In his old job, worries from the office took up permanent residence in his head, making his synapses too ragged to allow him to focus properly on anything else. And then I started to realise why he loves this job so much. It has nothing to do with how nice it is to be a postman in absolute terms but how nice it is relative to being a senior manager. He enjoys lugging his big bag because he knows what the alternative is. He knows how wretched it is spending your working life trying to get people to do things they don't want to do and bearing responsibility for things that you can't change.

Many old agers could relate to that, even to feeling content to do something that has no career. They take temporary jobs in which they deliberately underuse their technical capabilities and experience. As such, they can be unprecedented competitors for younger workers trying to climb onto an occupational ladder.

Meanwhile, the groaners have no pension to write home about, have a residual mortgage or have nothing to write home about because they have no home. They need the money; they fear being out in the street, as a 'bag lady' or 'bag man'. Their desperation makes them a threat to others in the precariat, since they will take anything going. And, whether groaners or grinners, old agers are being helped to compete with youth in the precariat, as governments react to the combination of the pension crisis and the perception that in the longer term there will be a labour shortage.

First, governments are offering subsidies for private (and some public) pension investments. Fearing spiralling pension costs, governments have introduced tax incentives for private pension savings. These are inequalitarian, as are most subsidies. They are a bribe to those who can afford to do what is in their long-term interest. From an equity viewpoint, they are hard to justify. The subsidy enables old agers to compete more effectively with younger workers. Those in their 50s and 60s gain pension income from their subsidised schemes and so can take jobs with lower wages, without pension contributions from employers. And they will be more inclined to work 'off the books'.

Second, governments are encouraging firms to retain older employees and even to recruit them. Some are offering subsidies here too. In Japan, working for income well beyond retirement age is becoming a norm. But firms such as Hitachi are rehiring many who reach the age of 60 on lower pay (in Hitachi's case, 80 per cent of regular pay), with low status and without seniority, aided by a government subsidy.

Third, old agers are one of the last frontiers for protective regulation. Because of images formed in industrial society, age discrimination remains rife. Policy makers are combating this. It started with the US Age Discrimination in Employment Act of 1967, which was designed to provide equal opportunities

to the over-40s. It was later amended so that firms could set mandatory retirement ages for most jobs. In France, the government imposes a tax – the Delalande contribution, worth up to a year's pay – on any firm that sacks older workers. The tax has acted as a deterrent to the hiring of old agers and in 2010 was in the process of being scrapped. But in many countries, led by an EU directive, there is a charge to ban age discrimination.

If one accepts that productivity declines with age, then anti-age discrimination laws may lead employers to use other tactics to rid themselves of lower productivity workers. If governments try to compensate for the perception of lower productivity by providing subsidies for old agers, they may equalise opportunities. But, in a tertiary system, productivity differences may not be great; policies intended to equalise opportunities may thus actually strengthen old agers' advantages. Vegard Skirbekk of the International Institute for Applied Systems Analysis has shown that in many jobs productivity does indeed decline in middle age. While 3D jobs (dirty, dangerous and demanding) may have shrunk, more jobs require cognitive skills, which decline among those in their 50s. 'Fluid intelligence' drops, including numerical skills and ability to adjust to novelty. But, fortunately for old agers, 'crystallised intelligence' – general knowledge, experience and verbal ability – does not decline until people are elderly. It could also be that those with more career-oriented experience acquire capabilities that those with long exposure to a precariat existence do not, giving them an advantage in many service jobs.

More decisively, old agers are subsidised by not needing various enterprise benefits that younger workers want. They do not need the promise of maternity leave, crèches, medical insurance, housing subsidies, sports club memberships and so on. So, because they cost less, old agers are eroding the bargaining position of youths.

In the United States, corporations are reaching out to pre-retirement baby boomers, offering incentives to induce more work from them or taking advantage of tax breaks. For instance, Cisco Systems, the communications equipment maker, has connected its elegantly named 'legacy leaders network' (pre-retirement employees) with its 'new hire network' (a less impressive euphemism) to encourage knowledge transfer. This is inducing more work-for-labour by old agers and intensifying labour input. The fancy name is 'mentoring'; the un-fancy name is low-cost training.

As pensioners become more numerous, resentment by today's workers at paying for yesterday's will intensify, especially as they are not being promised the same deal. Multi-pillar pension systems are one outcome, with private plans being a subsidised addition to shrinking public schemes. They open up moves to lifetime savings schemes, which in theory would suit the precariat and proficians, adding a source of income security through accessible grants in times of need. In practice, the changes may leave more people insecure because they cannot contribute regularly or enough. People are unable to save enough

to cover pension risks, and there is limited cross-subsidisation of the sort found in social insurance schemes.

Pension risks are compounded by the possibility of pension funds going bankrupt or making bad investments, as occurred after the financial crash. It is old agers who bear these risks, which is one reason why in each recession they will expand the labour pool, pushing up unemployment and lowering wages.

Encouraging old agers to labour may have other costs for the state. More labour may mean less unpaid work done by old agers. Many retirees undertake voluntary and care work, looking after grandchildren, frail elderly parents and so on. Pushing more into the precariat would have costs there too. But the biggest problem will be that old agers are subsidised relative to younger workers and are relatively amenable to accepting a precariat status. Resolving the tensions will require further reforms, along the lines proposed in Chapter 7.

Ethnic minorities

It is not clear that ethnic minorities will always have a high propensity to enter the precariat. We mention them here because they face high labour market barriers. But there is evidence that ethnic minorities try to reproduce their occupational niches over generations, often doing so through family businesses and ethnic contacts and networks.

This is by no means true for all minorities. Thus, while the post-2008 US recession has been a ‘mancession’, the hardest hit were black men. Half of all young black men were unemployed by late 2009, and this startling statistic was based on a labour force figure that excluded all those in prison, at a time when there were nearly five times as many blacks behind bars as whites.

American black men suffer from a cruel combination of circumstances – prison records, concentration in high-unemployment regions and lack of contacts in small-scale businesses, as well as below-average schooling. By 2010, only about half of all adult blacks were in employment, and the proportion was close to 40 per cent among young black men. For adult whites it was 59 per cent. Blacks who became unemployed were unemployed on average five weeks longer than others, accentuating loss of skills, positive attitudes, contacts and so on. The chances of building a career and avoiding a life in the precariat were slim.

The ‘disabled’: a concept under reconstruction?

The notion of ‘the disabled’ is unfortunate. We all have impairments or disabilities of some kind. Most of us go through life without many people knowing or caring about our impairments – physical, mental, psychological or

whatever. But many suffer because their particular impairment is noticed and taken into account in how they are treated.

In today's electronically charged world of instant diagnosis and communication, it is easier to identify and categorise an individual's impairment and to tag that person for eternity. This means many more are sized up for classification, for treatment or for neglect. Amongst that is a looming wall of discrimination.

This is how disability and the precariat come together. Those identified as different are not only more likely to find life opportunities restricted to precarious options but they are also more likely to be pushed that way. And one aspect of ageing societies is that more people are moving into old age marked by disabilities, and their longer lives are giving more people longer to notice them.

The state has reacted to the growing recognition of disability by constructing an armoury of policies. In labour market terms, they have institutionalised quota systems, specialised workplaces, anti-discrimination laws, equal opportunity workplace amendments and so on. And they have increasingly tried to sift out the deserving poor. In the 1980s, many countries resorted to incapacity benefits, often doing so on a loose basis, to move people from unemployment to being out of the labour force altogether. By the beginning of the twenty-first century, governments were looking at the mounting benefit bills with sceptical fiscal eyes and set out to reduce them by re-medicalising disability, by seeking to make more of the disabled 'employable' and by pushing them into jobs. Many joined the precariat by the side door.

Reflect on an aspect little discussed in public debates, 'episodic disability'. This is causing a growing connection between disability and the precariat. Millions suffer from conditions that hit from time to time, ranging from migraine and depression to diabetes and epilepsy. They are likely to be casualties of the world's flexible labour markets, with employers reluctant to recruit and eager to dispense with the 'performance impaired'. Many will drift into precarious jobs and a precarious cycle of disadvantage and insecurity. That may intensify their medical difficulties and bring on others. Those with episodic disabilities may face barriers in the welfare system as well. They may be told they are capable of labouring, which they are, and be denied benefits. Probably the majority would wish for paid employment. But who is going to employ them when others are seen as more 'reliable'?

The criminalised: precariat from behind bars

The precariat is being fed by an extraordinary number of people who have been criminalised in one way or another. There are more of them than ever. A feature of globalisation has been the growth of incarceration. Increasing

numbers are arrested, charged and imprisoned, becoming denizens, without vital rights, mostly limited to a precariat existence. This has had much to do with the revival of utilitarianism and a zeal for penalising offenders, coupled with the technical capacity of the surveillance state and the privatisation of security services, prisons and related activities.

Contrary to predictions in the 1970s by Michel Foucault, David Rothman and Michael Ignatieff, who thought the prison was in terminal decline, the prison has become an extensive institution and policy instrument. Since the 1970s prison numbers have doubled in Belgium, France and the United Kingdom; tripled in Greece, the Netherlands and Spain; and quintupled in the United States (Wacquant, 2008). Every day 700 more are added to the Italian prison population. The prison is an incubator of the precariat, a laboratory for precariat living.

The United States, China and Russia have become the greatest criminalisers, each incarcerating millions of their own citizens and many foreigners. More than one in every fifty Americans has a criminal record, diminishing their rights in society. Countries such as the United Kingdom and France, having increased their criminalisation rates, are maintaining people as criminalised denizens. About 40 per cent of all inmates in UK prisons were once in the 'care system'. They keep re-offending because they have no 'job' and cannot get a job because they have been in prison.

Criminalisation condemns people to a precariat existence of insecure and career-less jobs, and a degraded ability to hold to a long-term course of stable living. There is double jeopardy at almost every point, since beyond being punished for whatever crime they have committed, they will find that punishment is accentuated by barriers to their normal involvement in society.

However, there is also growth of a precariat *inside* prisons. We consider how China has resorted to prison labour in Chapter 4. But countries as dissimilar as the United States, United Kingdom and India are moving in similar directions. India's largest prison complex outside Delhi, privatised, of course, is using prisoners to produce a wide range of products, many sold online, with the cheapest labour to be found, working eight-hour shifts for six days a week. Prisoners with degrees earn about US\$1 a day, others a little less. In 2010 the new UK justice minister announced that prison labour would be extended, saying he wanted prisoners to work a 40-hour week. Prison work for a pittance has long been common in the United States. The precariat outside will no doubt welcome the competition.

Concluding points

The precariat does not consist of people with identical backgrounds and is not made up just of those groups we have highlighted. It makes sense to think there

are varieties of precariat, with different degrees of insecurity and attitudes to having a precariat existence.

The growth of the global precariat has coincided with four remarkable shifts. Women have been displacing men, to the point where there is talk of ‘mancessions’ and feminisation of labour markets. Men have been dragged into the precariat, while women have been confronted by the prospect of the triple burden. More remarkably, old agers have been marching back into labour markets, subsidised in taking precariat jobs and pushing down wages and opportunities for youths. For their part, youth are faced with status frustration, career-less prospects and subsidised competition from home and abroad. If they hold out for better, they risk being demonised as lazy, as we shall see. It is an impasse.

Also remarkably, proportionately more adults seem to suffer from some socially recognised disability, making them more likely to be relegated to insecure career-less labour, perhaps subsidised by the state. And finally, for all sorts of reasons, more of our fellow human beings are being criminalised and left little option beyond the lower rungs of the precariat. It remains to consider those perhaps best described as the light infantry of the whole process, migrants.