

ISSN (online): 2547-8702

EASTERN MEDITERRANEAN POLICY NOTE

August 2023, No.88

FLEXIBLE CONTRACTS AND OTHER EUPHEMISMS FOR PRECARIETY

Mary Varda

There is only one social symptom: each individual actually is a proletarian”
(Lacan,1977:187)

There is a new structure shaping the employment landscape that we must confront: precarity. This precarity is the result of a painful construction of a global market economy fashioned by neoliberal logics (Standing,2011). Neoliberalism necessitates the institutionalisation of flexible, short-term contracts, in the name of competitiveness. Consequently, it acts as a catalyst for the deregulation of the labour market and the severing of the social contract (Cammack,2022). The EU, a major proponent of the core neoliberal principles of competition and liberalised (labour) markets, reifies class dynamics in favour of capital (Harvey,2005). Indeed, the EU’s Europe 2020 Strategy is legitimating contractual flexibility and systematising employment insecurity across all sectors. The phenomenon of precarity and precarious work is to be analysed as a political rather than an economic category, operating in line with a greater reconstruction of capital-labour relations (Kalleberg,2018).

Mary Varda holds a BA degree in Politics and International Relations and an MA degree in International Relations from the University of Manchester. She is currently a Research Fellow at the Cyprus Center for European and International Affairs.

Reconceptualising precarity

Of course precarity is not some novel groundbreaking concept. Indeed, it has been traditionally associated with specific types of labour, primarily low-skilled, low-paid work, undertaken by migrant workers (Betti,2018). Such a conceptualisation is shared and promoted by EU policymakers as well (Wigger, 2019). It is important however, to go beyond such a narrow understanding of precarity as a form of employment reserved for marginalised social groups.

What necessitates the broadening of the definition of precarity and precarious work, is the way in which neoliberalism has accelerated the spillover of deregulation and flexibilization of employment relations to the service sector (Stevens,2019). This sector was previously regarded as encompassing a more protected and secure workforce. Precarity has began manifesting in the service sector through temporary employment, highly flexibilised time schedules, unpaid work (internships), self-employment, (involuntary) short-term contracts and the de facto absence of workers representation (Standing,2014). This emphasis on the effects of precarity in the service sector is by no means an attempt to conceal the plight of zero-hour contract workers. Instead, it serves to highlight how the capitalist system is in and of itself a class project which relies on the absolute exploitation of all forms of labour (Harvey,2005).

Precariat: proletariat 2.0

Professor Guy Standing in 2011 produced a compelling account of economic insecurity arising from this deregulation of the labour market. Arguing that the casualisation of labour gives way to the rise of a new class faction: the precariat. Standing's 'precariat' has been employed as a stand-in for the traditional Marxian 'proletariat' of the advanced stages of neoliberal capitalism. The precariat worker, however, is not a neoliberal subject per se. It is rather a subject formed in anticipation of the complete domination of neoliberalism, which implies an irreversible shift from a welfarist to a market-oriented economy (Greer,2016). As the state is gradually letting go of its social function, short-term contracts now stand in lieu of 'employment for life'. It is the precariat class that is bearing the

burden of this transition, being robbed of the capacity to achieve historically normal levels of social and political participation. Labour becomes detached from the material and immaterial means of integrative social reproduction (Cammack,2020). Thus, the precariat is left struggling with alienation, anomy, and insecurity in all walks of social life. Failing to achieve class consciousness (Choonara,2020). Unlike the early proletariat, the precariat class is not a homogeneous entity, being composed by workers across all sectors, (from primary to tertiary) due to the non-discriminatory nature of the neoliberal practice of deregulation (Standing,2014).

Despite this caveat of the lack of common characteristics between members of this precariat class, it is analytically constructive to remain within Standing's framework of the conceptualisation of the precariat in terms of class logics. Not because of some commitment to toeing the line of Marxist discourse, but rather because it opens up the way for the (re)politicisation of employment relations. Indeed, examining the precariat through a dialectical prism establishes precarity as a political project, imbued with class antagonisms. Thus, ascribing political motives to national and EU labour market policies (Kennedy,2016). Facilitating, therefore, the breakdown of the EU deregulatory path as an ideologically ridden trajectory rather than the result of technocratic economic wisdom.

The EU and precarity in tandem

We should never forget that the EU is first and foremost an economic union. Having every interest in preserving the primacy of a competitive free market through the weakening of labour. The EU's Lisbon Strategy ensured just that by endorsing employer demands for labour flexibility and wage adjustments relative to productivity (Syrovatka,2021). Promoting competitiveness as the ultimate end goal of EU policy and hence acting as a guarantor for the wellbeing of capital, paving the way for unrestrained capital accumulation (Marti,2019).

The Eurozone crisis presented itself as the perfect opportunity to legitimise this fetishization of competitiveness (Kennedy,2016). Since the EMU operates under the single currency mechanism, the option of adjusting national economies by exchange rate devaluation was ruled out. This meant that the only viable option for EU member-states was the internal devaluation of labour (Flassbeck and Lapavitsas,2015). Labour regulation and wage restraints became once again the focus of EU policy, accelerating the institutionalisation of the precaritarisation of the EU labour force. Shifting the burden of adjustment onto labour, causing a race to the bottom in unit labour costs (Filandri and Struffolino,2019).

This narrative of linking labour market regulation in EU member-states with European competitiveness and economic recovery served to justify the rise in precarity. A reduction in employment protection was deemed as a necessary evil for the growth of the economy (Cammack,2022). The true ingenuity of EU policymakers was the promotion of deregulation as an opportunity for labour to enjoy greater flexibility both in their personal and professional lives (Wigger,2019). Short-term contracts have been marketed by making reference to the reverent virtue of flexibility allowed by temporary employment. Workers are now able to become more mobile and change lines of work according to their preference (Barbieri and Cutuli,2016). This ostensible freedom granted by contractual flexibility, however, is nothing more than a trojan horse, as its acceptance leads to the defeat of organised labour (Kennedy,2016). Indeed, deregulation displaces collective mechanisms of wage regulation, restricting the political room for manoeuvre on the part of trade unions and workers' organisations and imposes market processes in their way (Prosser,2016). It is no surprise that collective bargaining powers have waned significantly in the past decades. Corporations operating in Europe, with the blessing of the EU's Europe 2020 Strategy have removed collective bargaining power for over 8% of tertiary sector workers (Syrovatka,2021). The cost of the above is not limited to the fact that workers no longer have a say, but most importantly, this has resulted in EU workers facing a 25 billion euro per year loss in wages (Syrovatka,2021). Enabling capital to aim for absolute surplus accumulation, intensifying the exploitation of labour.

The Europe 2020 Strategy, the successor of the Lisbon Strategy, was introduced in order to eliminate any remaining obstacles to competitiveness (Barbier,2012). Europe 2020, as the Commission revealed, aims at high levels of employment, productivity and a simultaneous increase in competitiveness (Cammack,2022). Prima facie, this appears as a strategy that can combat precarity by ensuring that more workers have access to the labour market. Under closer examination however, it becomes apparent that the EU is attempting to create these high levels of employment by increasing temporary employment opportunities via the institutionalisation of the short-term contract (Syrovatka,2021). With the EU establishing a mutually exclusive relationship between a reduction in unemployment and an increase in precarious work. Indeed, Eurofound's latest European Work Conditions Survey has indicated that unemployment figures have dropped, in line with EU claims. Nevertheless, it also revealed interestingly enough, that one out of five workers had to opt for short-term contracts because there were no other work alternatives (Cammack,2022). More workers might be entering the workforce, but they are doing so as precarians. Having to face economic and employment insecurity by virtue of temporary employment. EU policymakers make narrow use of such unemployment figures, in order to project the success of EU policy in delivering economic growth. Masking, rather than solving the ills of precarious employment. Unemployment levels alone do not suffice to reach conclusions about the efficiency of EU labour market policy and its ability to protect the wellbeing of labour (Marti,2019). What we are witnessing is the disciplining of labour to succumb to the neoliberal ethic of flexibility.

The Cypriot labour market is not immune to the effects of deregulation and precarity. We are in the midst of a steady increase in short-term contracts, with Eurostat's 2022 figures indicating that on average around 60,000 workers were relying on short-term contracts as their sole source of income. On the surface this might appear as an insignificant figure, however, it is the highest figure up to this day. Accompanied by an analogous decrease in permanent contracts. Precarity, therefore, should not be treated as a condition only affecting less developed economies far away from our own. It should be regarded instead as the future of our domestic labour market. Thus necessitating novel initiatives for the protection

of labour both at the domestic but also at an EU level. The legal construct and institutionalisation of short-term contracts should be revisited and addressed via legal frameworks answerable to workers organisations and government representatives. In order to encourage the contestation of flexible contracts at the level of the law, allowing for labour to regain access to secure employment as a social right. Where possible, the state should step in and mitigate vulnerabilities to protect the labour force from financial insecurity via schemes specifically targeting those who have been under temporary contracts for a prolonged period of time.

The above critique does not intend a nostalgic return to the ostensible golden age of capitalism and its social contract. Indeed, going back to the 1960's model is not a viable solution, especially in the name of women and minorities who disproportionately fell out of the scope of the labour market. Precarity should be understood not as an aberration within capitalism but rather as an inherent feature of capitalism in its most developed form. We need to remain vigilant of the fluctuations in the class dynamics underpinning capital-labour relations. Viewing them as part and parcel of a greater political project, rather than dismissing them as the result of technocratic and apolitical economic policy.

References:

- Barbier, J.-C. (2012). "Tracing the fate of EU "social policy": Changes in political discourse from the "Lisbon Strategy" to "Europe 2020." *International Labour Review*, 151(4), 377–399.
- Barbieri, P., and Cutuli, G., (2016). "Employment Protection Legislation, Labour Market Dualism, and Inequality in Europe", *European Sociological Review*, 32(4), 501–516.
- Betti, E. (2018). "Historicizing Precarious Work: Forty Years of Research in the Social Sciences and Humanities" *International Review of Social History*, 63(2), 273-319.
- Cammack, P., (2020). "Marx on social reproduction". *Historical Materialism*, 28(2), 76-106.

- Cammack, P., (2022). *The politics of global competitiveness*. (Oxford: Oxford University Press).
- Choonara, J. (2020). "The Precarious Concept of Precarity". *Review of Radical Political Economics*, 52(3), 427–446.
- Filandri, M., and Struffolino, E., (2019). "Individual and household in-work poverty in Europe: understanding the role of labor market characteristics", *European Societies*, 21(1), 130-157.
- Flassbeck, H. and Lapavitsas, C., (2015). *Against the Troika: Crisis and austerity in the Eurozone*. (London: Verso Books).
- Greer, I. (2016). "Welfare reform, precarity and the re-commodification of labour." *Work, Employment and Society*, 30(1), 162–173.
- Harvey, D., (2005). *A Brief History of Neoliberalism* (Oxford: Oxford University Press).
- Kalleberg, A., (2018). *Precarious Lives: Job Insecurity and Well-Being in Rich Democracies* (London: Polity).
- Kennedy, G., (2016). "Embedding neoliberalism in Greece: the transformation of collective bargaining and labour market policy in Greece during the Eurozone crisis", *Studies in Political Economy*, 97(3), 253-269.
- Lacan, J. (1977). *Ecrits: A Selection*. (London: Routledge).
- Marti, S. (2019). "Precarious work—Informal work: Notions of 'insecure' labour and how they relate to neoliberalism". *Journal of Modern European History / Zeitschrift Für Moderne Europäische Geschichte / Revue d'histoire Européenne Contemporaine*, 17(4), 396–401.
- Prosser, T. (2016). "Dualization or liberalization? Investigating precarious work in eight European countries." *Work, Employment & Society*, 30(6), 949–965.
- Standing, G., (2011). *The precariat: The new dangerous class*, (London: Bloomsbury Academic).
- Standing, G., (2014). *A precariat charter: From denizens to citizens* (London: Bloomsbury Academic).
- Stevens, A. (2019). The Lived Realities of Precarity and Post-Industrialism [Review of *Precarious Employment: Causes, Consequences and Remedies; Precarious Lives: Job Insecurity and Well-Being in Rich Democracies; Remaking the Rust Belt: The Postindustrial Transformation of North America; Working the*

Phones: Control and Resistance in Call Centres, by S. Procyk, W. Lewchuk, J. Shields, A. L. Kalleberg, T. Newmann, & J. Woodcock]. *Labour / Le Travail*, (83), 247–258.

Syrovatka, F. (2021). "Labour market policy under the new European economic governance: France in the focus of the new European labour market policy". *Capital & Class*, 45(2), 283–309.

Wigger, A., (2019). "The new EU industrial policy: authoritarian neoliberal structural adjustment and the case for alternatives", *Globalizations*, 16(3), 353-369.