

**T**HE precariat is a new social class being formed by people who have an existence without predictability or security – it's the phenomenon that fuelled Donald Trump's success and drove Brexit and a global phenomenon that may also make or break business and society in South Africa.

The African Growth and Opportunity Act (Agoo) is an American law which guarantees firms from across Africa preferential market access to the US markets to boost exports for Africa and reduce prices for the American consumer.

Access to cheaper food – especially something as healthy and low-fat as chicken protein – should be a good thing, but in January the Farming and Agricultural Workers Union and the South African Poultry Association went to Pretoria to plead for the state to purchase chicken farms in KwaZulu-Natal.

The irony is that, by reducing the cost of chicken, thousands of workers and dozens of farms face closure. Instead of increasing "food security", access to cheaper chicken will actually reduce it. That's the law of unintended consequences.

But I think that there's an even bigger picture. I think the South African chicken workers are just one example of a globally growing new class of worker, which includes many of us here, that has earned the name "the precariat".

The term was popularised by the writer Guy Standing in a 2011 book called *The Precariat: The New Dangerous Class*. He describes the precariat as "an emerging class of people facing insecurity, moving in and out of precarious work that gives little meaning to their lives".

In spite of the massive trade and social benefits that globalisation has produced, it has also created this – a new global class of people who live precarious lives of anxiety, doubt, poverty and embarrassment, often doing work of little social consequence. We have missed this, and its lurking dangers.

The important part of that title is the second bit – "The new dangerous class". It's dangerous because those left out are fighting back in ways that may throw the baby out with the bathwater. Anger and alienation may create regional, even global conflict.

Here in South Africa we've seen a lot of activism around existential fears for the future. When Pick n Pay began trialling self-service tills in September last year, unions were quick to object on the basis of fear of future job losses. Some of the time, these fears are unfounded – as Henry Ford pointed out. His production line caused just as much concern over jobs as automation and robots do today.

To me, one of the defining differences between the precariat of today and the proletariat of yesterday is that, in days of old, the business classes needed workers on-site. There simply weren't enough people to man the labour-intensive factories, and 100% employment was a reachable goal

# A new social class playing chicken with the economy

## The precariat is a phenomenon that could either make or break SA, writes **Jon Foster-Pedley**



**FOWL PLAY:** An undated file picture shows battery chickens at a poultry farm outside Cape Town.

PICTURE: EPA

– in many European countries at least. So proletariat leaders – or trade unionists as we like to call them – were able to win concessions, guarantees and the stability of closed-shop workspaces because they wielded power.

Today's precariat doesn't have that power. We are at the mercy of global forces driven by technological disruption, better transport networks and liberal trade deals which they cannot control. They

need new solutions.

The most famous is, of course, Uber, the platform which allows anyone with access to a suitable car to set up as a taxi driver. What these disruptive services have in common is that they create an online marketplace without traditional barriers to entry and they disrupt or get around existing regulations. They use dynamic pricing models to match supply and demand – like surge pricing in Uber – and have few

overheads. No wonder the taxi drivers are furious. No wonder workers are scared about the gig economy: It's destroying the social order. Two European legends describe where I think we're at. One is the Dutch story of Peter and the Dyke, the small shepherd boy who saw that a barrier against rising sea levels had sprung a leak. Peter put his finger in the dyke and waited patiently and heroically until help came.

The other is the story of King Canute. The 10th century king believed everything he saw was his to command. To demonstrate this, he walked to the beach at low tide with his subjects and told the waves to stop coming in. The waves, of course, ignored Canute, demonstrating man's hubris and ineffectual nature in the face of forces he doesn't understand. Until 2016, the so-called Western world was acting like Peter. Despite

the evidence of the 2008 banking crisis and the collapse of several European economies, the prevailing attitude was that the world is changing, but if we can just plug things long enough to hold the status quo together, someone will come along with an answer. Bail out the banks. Hold a steady course. We'll get through this. Keep calm and carry on – stiff upper lip and all that. What was really happening was

that we were living in the age of Canute. We can't stop progress. We can't unmake Uber. We can't ban smartphones or unplug the internet. We can't stop the mines being mechanised. You can try to create the illusion of security, but you can't stop the forces of globalisation, digitisation and change.

And not everything about the gig economy is bad. Software platform owners know they can only differentiate through customer service, which gives us great things like Uber insisting on cars being clean and roadworthy and authenticating the licence and insurance of drivers.

It can offer better wages. Hundreds of software developers in this country are making a fortune gigging for US and European countries. Uber drivers are earning more than taxis. Domestic workers can earn a better daily wage through "hire a cleaner" apps than pitching up for the same employer every day.

One solution proposed for the precariat is "Universal Basic Income" or UBI. The theory behind UBI is that in our world of plenty, everyone on the planet should be entitled to a social dividend in the form of a single payment for living.

I think we need an intellectual UBI. What we need is the education of where to find the right skills, the confidence to adopt them, the innovative instinct to adapt them, and the critical ability to work out which is going to give us, as an individual, the most value.

There is nothing that says the social contract that worked for Europe in the 1950s can work in South Africa in 2017. We have to try something new. There's one final thought about the precariat and where it leads. And you can find it back at the birth of modern socialism, Britain, in the late 19th century, home of Karl Marx and piecework labour in "dark Satanic mills". In 1911, Britain introduced national insurance, forcing employers and workers alike to pay for old-age pensions and state benefits for the unemployed.

And why was that? It was because the British government couldn't find enough able-bodied, well-nourished men to go off and fight in the Boer Wars. Sound familiar? For those of us still fighting the legacy of that war, let's get a solution that isn't going to leave things more or less unchanged for another century.

Going back to the chickens. The greatest irony of all, to my mind, is that even after all the disputes and anger, Agoo may well fall victim to the Trump administration's protectionist beliefs anyway and we're all at the mercy of forces we cannot control. Even my own job might become untenable because of Brexit.

Because many more of us than we realise are in the precariat. We all need to make sure we're doing the right thing, together, to either get out of it or make the most of it. Build, build, build our skills, all our lives. It's the new normal.

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