

Andrea Fumagalli<sup>1</sup> – Cristina Morini<sup>2</sup>

## **The Precarity-Trap and Basic Income: the Labour Market in Cognitive Bio-capitalism. The Italian Case**

*Preliminary draft – not to be quoted*

### **Introduction**

In a previous essay<sup>3</sup>, we started to discuss how “qualitative” changes in labour market could affect the process of valorization, by subsuming each cognitive-relation aspect of the human life.

We used the Marxian concept of “subsumption”, since, as always, the capitalist process of valorization is still based on exploitation of labour. Nonetheless, currently we face a “labour” which is no longer possible to singularly decline, which does not describe a homogeneous, univocal condition. Above all, it is a “labour” which tends to be irreducible to a “material” and quantitative measurement. This point do not deny the always material (and fatiguing) nature of labour. Rather, we argue that, in the last 30 years, what has been modified is the “form” of production and of the commodity which generates the process of accumulation and valorization. In fact, the role of immaterial production is more central, as well as the quota of added value which is dependent on supply, circulation and diffusion of immaterial commodities (by definition impossible to be quantitatively measured).

When labour is no longer primarily physical (muscular expenditure) but, rather, involves more mental faculties, then it tends to differentiate itself: it “subjectifies” itself. In fact, subjectivity – namely individuals' life – constitutes the potential and real base of the process of valorization. This is why we propose the term “bio-capitalism”.

In the current heterodox debate, there are many attributes that can be used beside the term “labour”: cognitive, affective or care. These terms are still subject, even in the field of Marxist analyses, to some misunderstandings that reduce them to the traditional dichotomy between productive and

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<sup>1</sup> Andrea Fumagalli, Bin-Italy: afuma@eco.unipv.it.

<sup>2</sup> Cristina Morini, Bin-Italy: cris.morini@gmail.com.

<sup>3</sup> See A.Fumagalli, C. Morini, “Life put to work: towards a theory of life-value”, *Ephemeris*: web-magazine, n. 8, may 2011

unproductive labour or between manual and intellectual labour. Both the ongoing debate and its possible ambiguities are partially due to the necessity to investigate more precisely and rigorously the consequences of mutated labour conditions on the labour theory of value. Although this latter remains an inescapable theoretical reference to measure the economic value of bio-capitalism, it nonetheless must be newly analyzed in accordance to the structural and irreversible transformations due to the emergence of bioeconomical accumulation.

In this essay, our interest is focalized to the analysis of different subjectivities that affect labour market. Our aim is to try to find some parameters which allow to better define the precarious condition. Further, we'll discuss the birth of a persistent structural precarity conditions, that we'll define as *precarity trap*.

Finally, in the last paragraph, we'll discuss how basic income hypothesis could represent the right way of remuneration of precarious labour and to exit precarity trap.

## **2. The characteristics of the precarious condition**

The biopolitics essence of the contemporary accumulation process can be found in the exploitation process. It is present when a “financial convention” (in Keynesian sense<sup>4</sup>) arises by financial markets, together with the exploitation of the *general intellect (intelligentsia)*, thanks to the networking of production and nomadic labour with the symbolic production of goods (advertising).

“Financial convention”, *general intellect*, networking and advertising not only represent the phenomenal form of value creation, but define the modalities of the irreversible process of bio-economic accumulation of cognitive bio-capitalism. They are constituent factors of the capital – labour ratio, which, in cognitive bio-capitalism, unlike Fordist capitalism, can be defined as “mobile”.

By this term, we mean that labour is now characterized by both subjective and objective mobility.

“Subjective mobility” means that employment relationships have different features depending on the performance, involving direct production,

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<sup>4</sup> See J.M. Keynes, *The General Theory of Employment, Interest and Money*, Macmillan Cambridge University Press, Cambridge, 1936.

reproduction, or consumption, depending on whether the body, affections or brain are predominant.

This turns in “objective mobility”, which is defined by the flow of goods and individuals, that define the space and the time of production.

Time and space define a set of vector of flows which outlines, from time to time, the passage and the perennial recombination of the working subjectivities, according to the organizational dominant model. Labour in cognitive bio-capitalism is mobile as dispersed in a production environment that has no immediate boundaries: it cannot be closed either in a single space (how factory could be) or in a single organizational model (as was the Tayloristic organization). It is from this labour mobility that *general intellect* is drawn up as result of social cooperation. It is able to reconstructs, from time to time, the different streams from which it originates. It is from this mobility that the concept of “multitude” originated, to account for the complexity of the labour force no more reducible to a unique, consistent stock.

In cognitive bio-capitalism the condition of labour mobility is accompanied by the dominance of individual bargaining. This stems from the fact that are the nomadic individualities who are put to work and the primacy of “private law” on a “still-to-be-built common law” induces to turn the individual contribution, especially the cognitive, affective and relational one, into individualistic bargain.

It follows that the labour inherent mobility becomes precarious subjective labour.

In this context, the precarious condition assumes new forms. In capitalism, human labour has always been characterized by widespread precarity, more or less depending on the stage of economic and power relations prevailing from time to time. That was evident in massive form under pre-taylorist capitalism and so it was, albeit to a lesser extent, in Fordist capitalism. But, in those times, we always talked about the precarity of labour conditions, related to a predominantly manual work based on the distinction between the labour time and free/leisure/life time. The Trade Union struggles of the nineteenth and twentieth century has always been aimed at reducing labour time on behalf of non-labour time. In the transition from industrial - Fordist to cognitive bio-capitalism, the relational and digital labour has become increasingly popular up to define the main modes of labour performance. The separation between human and machine that regulates, organizes and regulates the manual labour fades away. The moment in which the brain and

the life become elements of labour, the distinction between life and labour time loses meaning. Here is, then, that individualistic bargaining at the basis the legal precarity of labour, overflows into the subjectivity of the individuals themselves, influences their behaviour and transform in precarious existence.

In cognitive bio-capitalism, precarity is, first, subjective, then existential, then generalized. It is, therefore, a structural condition of the new capital - cognitive-relational labour ratio, as outcome of the contradiction between social production and individualization, between social cooperation and hierarchy.

The precarious condition is subjective as it enters directly into the perceptions of individuals in different ways depending on the expectations of the imaginary and the degree of the possessed knowledge (culture).

Precarity is an existential condition because it is pervasive and present in all the activities of individuals and not only within the certified labour time, for more in a context where it is increasingly difficult to separate labour from non-labour. Moreover, because of the uncertainty, that creates the condition for precarity, it has no social insurance, independent on the behaviour of the same individuals, as result of the gradual dismantling of the welfare state.

Precarity is a generalized condition, because even if you are in a stable and guaranteed work place, it is fully aware that this situation may end at any moment as a result of any restructuring, relocation, economic crisis, bursting of a speculative bubble , etc.. This awareness implies that the expectations of the most guaranteed workers are in fact very similar to those who objectively and effectively lives a "precarious" situation. Hence, the multitude of labour is, directly or psychologically, unstable and precarious

### **3. The composition of precarious labour**

To this division of labour on a contractual basis, we have also to add a division of labour based on ethnicity, deriving from the regularization of migrant labour.

In Italy, for instance, the Bossi-Fini law states that the legal stay of migrants in the country is dependent upon the existence of a "labour contract". The existence of an employment relationship is the main condition to achieve "residence permit", the only condition to obtain civil rights (though not political). Thus, the residence permit, what Hannah Arendt called "the right to have rights" as a passport to social and civilian visibility, is constrained by

the employment status, especially in the private labour market: but labour contract, and hence the residence permit, is not unlimited. It is easy to imagine how this situation put the migrant in a highly blackmailed condition and how employers can profit of this condition to impose economic and biopolitical power on migrant labour force.

Finally, it should be noted that the transition from a Taylorist to a cognitive division of labour is in progress. In this framework, the production efficiency does not deal only with the reducing the operating time required for each task, but more and more with the knowledge and the versatility of a labour force, able to maximize learning processes, innovation and adaptation in a dynamic context. Beyond the paradigmatic model of immaterial services in the new high-tech economy, we see the diffusion of knowledge production activities and processing of information services in all the economic sectors, including those with low technological intensity as witness of the progression of cognitive and more autonomy-individualized labour. Of course, this trend is not unique. Within a single sector, some stages of the production process can be organized according to cognitive principles, while other stages of production (especially the more standardized industrial operations) may be based on Taylorist labour organization type or neo-Taylorism. Nevertheless, in both qualitative and quantitative terms (at least in the OECD countries), it is the cognitive labour that is at the heart of the process of valorisation of capital.

This trend highlights new forms of segmentation and division of labour that the classical Smithian division of labour is not able to grasp. In particular, at a very embryonic stage, we refer to the division between codified and tacit knowledge. The first, because transmittable through mechanical procedures without human activity, is subject to an increasing devaluation, while the second, because of its exclusivity, can develop a bargaining power in the labour market that tends to overestimate it.

Therefore, it becomes necessary to investigate the fundamental characteristics of cognitive-relational labour.

### *3.i. The characteristics of cognitive - relational labour*

The concept of "cognitive-relational labour" - as any recent idea - is still defined in different ways, with the consequent rise of ambiguities and contradictions. The increasing literature deals more with the explanation of which kind of labour is not cognitive-relational rather than circumscribing its

constituent parameters. It is not surprising, then, that different terms are used, as "intellectual", or "immaterial" or "digital" labour.

In this paragraphs, we will define the concept of cognitive labour, by identifying some parameters that may be useful to define it.

a. *Reflexivity*. For "cognitive-relational labour", we intent the labour that is invested by its own reflexivity: it modifies the organizational structure and the procedures which are carried out and, in so doing, it generates new knowledge (*cumulativeness*).

b. *Relationality*. The cognitive-relational labour obviously implies relational activity, as tool to transmit and decode the accumulated knowledge over time. It follows that it cannot be fully standardised because of its dis-homogeneity, which depends on the subjectivity of the individual worker: it's a *bio-labour*. Cognitive capacities and relational activities are inseparable from each other.

c. *Spatiality* and *network*. To let cognitive-relational labour become productive, it needs "space", ie to develop a network of relationships, otherwise, it remains embedded in the individual sphere, maybe able to enhance the person, but not to create exchange-value for the ' accumulation of wealth. Cognitive capitalism is, by force, reticular, that is, non-linear and hierarchized, whose development is internal to the single nodes inside the different networks. This is a complex hierarchy, which is often finalized to a social control of the space within which develops<sup>5</sup>.

d. *Education* and *learning*. This type of labour requires a cognitive-relational learning and training. The learning process increasingly requires possession of information and knowledge resulting from the development of forms of communication and accumulation of relational skills. In this respect, training and learning are not synonyms. *Training* describes the process by which the subject comes into possession of information that define the "toolbox", or "know where", where it is possible to obtain the necessary knowledge to carry out the labour performance. *Learning*, by contrast, develops with experiential activities, necessary to develop the skills of a specialized

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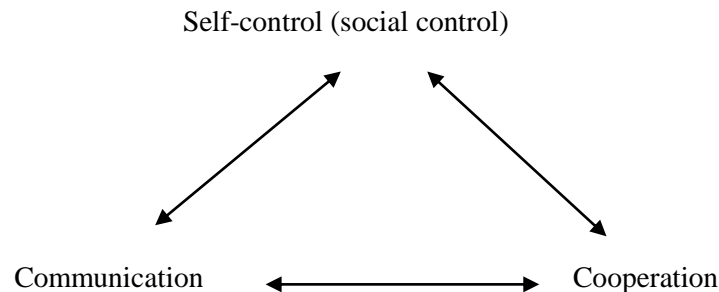
<sup>5</sup> See M. Castells, *The Rise of the Network Society, The Information Age: Economy, Society and Culture*, Vol. I., Blackwell, Oxford, UK, 1996, second edition, 2000.

"know-how". *Training* can be external to the labour process, *learning* derives from direct participation in the same labour process.

e. *Coordination*. The cognitive - relational labour needs, as mentioned, the inclusion in a reticular structure (virtual or real), where networking between nodes is highly symbolic and linguistic communication. This implies that, unlike the Taylorist system, the forms of coordination are not incorporated in the mechanical means (and, thus, external to human activity), but depend on the type of interactions and relationships existing among human beings and, therefore, may give rise both to forms of hierarchy or forms of cooperation, at the same time.

In the context of bio-cognitive capitalism, the labour's organization is studied in order to push hard on communication and cooperation as required by digital technologies. From this point of view, the dialectical triad of cognitive-relational labour becomes: communication, cooperation, self-control (or social control).

*Figure 1: Dialectic and philosophy of cognitive-relational labour*



The communication activity is related to the use of language (human and / or artificial), while the cooperative activity is implied in the multi/bilateral relationship that is at the basis of linguistic communication. In it, as antithesis, the essence of language is coagulated. In this case, cooperation is understood not as a succession of disjointed individual transactions, but as a multilateral set of behaviours characterized by different degrees of hierarchy, where the outcome is not similar to the simple sum of singularities. More specifically, since the cooperative activity is the result of forms of communication, this latter is characterized by being directly immaterial cooperation, even if it relates to a material production. The cooperation

activities is the constituent element of the network structure of the production chain.

Self-control also becomes the form of social control when it is activated from the imitation of a behaviour dictated by collective, common and dominant imaginary. In any case, the individual is adapting, through forms of self-control or self-repression, his behaviour in order to meet the needs of the productive organization.

The five parameters that define the framework of cognitive-relational labour imply that we are simultaneously in the presence of co-operation and social hierarchies. Social cooperation is the need for coordination, networking, relationality. The hierarchy, created by the different forms of learning and training economies, gives rise to a cognitive division of labour. This latter originates and develops factors of labour market segmentation, facilitated by the fact that the reflexivity of the cognitive-relational labour differentiates diffusion paths of cumulative knowledge at individual level.

Social cooperation and hierarchy: these are the two sides of the paradox of modern relational-cognitive labour; the need to develop a *general intellect* as the result of social cooperation, which simultaneously defines the hierarchical structures, stemming from the individualization of labour relations.

It follows that, in the bio-cognitive capitalism, labour activity escapes a clear and homogenous definition. If we were to use a synthetic expression, we could say that labour, whatever material form it takes, is now characterized by the attribute of the “differences”. With this term we mean that today the concept of labour performance is no more based on the uniqueness of each singular labour activity not comparable to a typological, contractual, dominant type. We can’t talk about the difference in the singular, ie binary relation (man-woman, manual-intellectual, white-blue collar, etc.), but about a plurality of differences, or of a multitude: a multitude of seemingly chaotic job forms. These “differences” are such to qualify the labour-force of the current cognitive capitalism. And it is the exploitation of these differences, and their material declination, to determine the new forms of capital / labour ratio.

#### **4. Peculiarities of the Italian labour market**

The Italian labour market has some peculiarities if compared to the European framework. Most of them are ignored by traditional labour studies. These



features derive from the same Italian history and from the characteristics of the productive and territorial structure. They can be summarized into two main categories: precarious condition and “black labour”.

With the term “precarity”, we want to point out how the labour activity in the last quarter of the century has assumed an increasingly “intermittency” in a context that, in Italy, has not been able to adapt itself to the new standards of competitiveness induced by the internationalization process and high-intensive knowledge technologies. The existence of a small sized production structure, the familiar property, even in large scale firms, have not allowed, unless a lesser extent, an efficient exploitation of the new scale economies of the new technological paradigm of ICT (Information Communication Technologies): learning economies and network economies. In fact, the only goal was (and still is) the increase of labour flexibility, without supporting it with an adequate and modernized forms of social security (still anchored to the figure of the standard-type full time employed) or with an appropriate cognitive development in higher value added. The result was (and still is) the diffusion of precarious labour conditions. And this precarity is, today, just a possible obstacle to that economic growth in whose name labour flexibility policies are justified. Especially in sectors whose productivity is based on the exploitation of learning and network economies, as in intangible services, the risk is that these economies are not able to be used at the best, because of an excess of precarity. Therefore, the unique result is a vicious circle in which economic worsening follows the spread of labour precarious conditions, penalizing the social productivity.

With the term irregular (“black”) labour, we refer to the widespread presence of undeclared or illegal labour especially that concerning the avoidance and tax evasion on social securities. This phenomenon - as it is known - is also linked to different modes of economic development that have affected the Italian regions. The high share of irregular labour, especially in construction and logistics, is also strongly correlated to the juridical regulation of migrant labour. From this point of view, precarity and irregular labour are two sides of same coin, related to the structural characteristics of the Italian model of economic growth.

These problems are not only exclusive of Italy. Lesser extent, they are present in most countries of the European Mediterranean area, united by the fact that only very partially the Fordist-Tayloristic paradigm played a pervasive and complete role. The co-existence of few large units of

production with familiar welfare shows, now, in time of crisis, all his weakness.

Two in particular are the consequences of this situation, which are also related to the peculiarities of the Italian labour market and symptoms of its progressive deterioration: the phenomenon of "discouraged" and the phenomenon of "Neet" (acronym for "Neither in employment, nor in education, nor in training "). After providing a quick overview on the dynamic of Italian labour market in the last years (para. 4.a), we focus on these two aspects, respectively, in para. 4.b and 4.c. We can already anticipate that the result of our empirical and descriptive analysis will lead to a new definition of precarity trap.

#### *4.a. The general framework in times of crisis*

Over the last years, the resurgence of the economic crisis has seriously affected the labour market in Italy. Official statistics tell us about an increase in the unemployment rate of more than 1%. More specifically, in June 2012 the unemployment rate is, in fact, rose to 10.8%, its highest level since 2004. The number of unemployed amounted to 2,792 6 million people, increased by 2.7% (+ 73,000) over February 2012 and by 37,5% (+761,000) on annual basis.

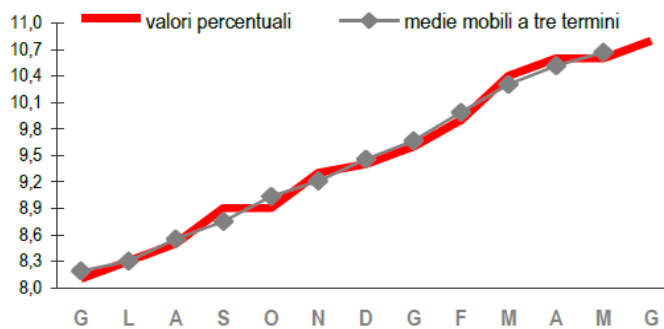
The rate of youth unemployment is particularly high, 34.3%, with a little increase of 1% from May, but an increase of 7.7% on an annual basis. Istat (Italian Statistic Bureau) reports that youth unemployment is at the maximum level since the beginning of the monthly series in 2004 and of the quarterly series in the fourth quarter of 1992.

Conversely, the employment rate falls by 0.1% to 57% in quarterly terms. In June 2012, the number of employed, amounted to 22,970 million people, is reduced to 18,000 units compared to February due to a decrease in the female component. Regarding, instead, the share of inactive people, it decreases by 0.3% on a monthly basis (- 40,000). The inactivity rate is well positioned to 36.7%, a decrease of 0.1 points in quarterly terms and by 1.1 points on an annual basis.

**PROSPETTO 1. TASSI DI OCCUPAZIONE, DISOCCUPAZIONE E INATTIVITÀ. Giugno 2012, dati destagionalizzati**

	Valori percentuali	Variazioni congiunturali	Variazioni tendenziali
		in punti percentuali	
Tasso di occupazione 15-64 anni	56,9	-0,1	0,0
Tasso di disoccupazione	10,8	0,3	2,7
Tasso di disoccupazione 15-24 anni	34,3	-1,0	6,6
Tasso di inattività 15-64 anni	36,1	-0,1	-1,8

**TASSO DI DISOCCUPAZIONE. Giugno 2011-giugno 2012, dati destagionalizzati, valori percentuali**



The data we present (see prospect n. 1) are still based on the classical division of labour force among three mutually exclusive and exhaustive groups (employed, unemployed, inactive) according to the criteria defined by the ILO (International Labour Organization ) and adopted by the EU Regulations. The sum of the first two groups make up the active labour force, while the inactive are configured as a residual category. The reduction of complexity, that involves any kind of methodology, has both positive and negative aspects. Among the first we include certainly the conciseness of the labour supply, combined with a clear and intelligible reading.

This repartition, however, is increasingly inadequate to grasp the dynamics of a labour market that does not have the characteristics of homogeneity of the professional status typical of Fordist organization of labour. The notions of "employed" and "inactive", in fact, in time of flexible labour, are no longer unique from both a legal standpoint and the economic and social point of view. The emergence of a whole range of non-standard contracts with various forms of "pseudo-employment ", leads to the need to redefine

the boundary between "occupation" and "inactivity". Similarly, the concept of inactivity undergoes torsions which require also a redefinition.

The changes in the labour market, mainly due to the proliferation of atypical contractual figures, have, in fact, drastically reduced the explanatory power of this repartition. For example, people with temporary contracts or performing very occasional jobs are considered as employed even if they work one day a month: at the same time, some people is classified as inactive because they are not looking for a job, even if they would be willing to work. These are just a few examples of "borderline" situations present today in the labour market, to which Istat (forced by Eurostat) has agreed to pay more attention.

The decision of the European Union Statistical Office (Eurostat) to spread from 2011 to some complementary unemployment indicators is useful: "to fully represent the complex reality of the labour market is necessary to go beyond the strict distinction between the employed, unemployed and inactive, with the help of complementary indicators defined at European level".

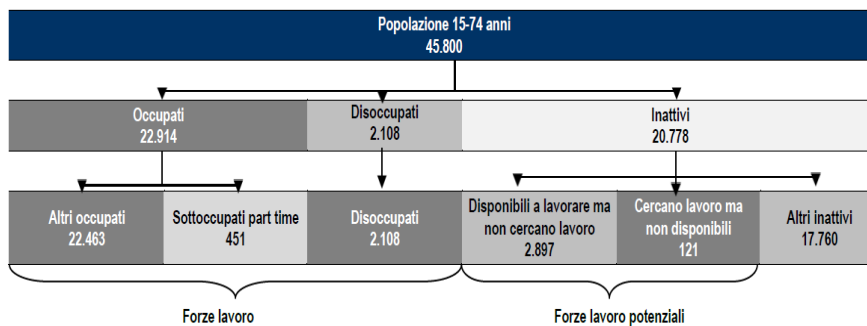
At the moment, the figure "inactive" can be broken down into two new categories:

- Individuals who do not actively seek a job but are available for work;
- People who seek work but are not readily available.

The sum of these two segments is the so-called "potential active labour force."

It adds a third indicator, calculated taking account of those who work with reduced hours, but state that they wanted and were able to work more hours: "underemployed part-time". The fig. 1 is based on this classification, referred to the year 2011:

FIGURA 1. POPOLAZIONE TOTALE 15-74 ANNI PER CONDIZIONE. Anno 2011, migliaia di unità



Individuals who are not seeking a job - or at least who have not done a research in the four weeks preceding the survey - but available to work within two weeks, are equal, on average in 2011, to 2 million 897 thousand, 11,6% of the labour force (Fig. 1). Compared to 2010, they increased by 4.8%, amounting to 133 000 units more. In the mass media, they are called "discouraged".

In 2011, individuals seeking employment in the four weeks preceding the survey will not be available to work within two weeks (for example, for family reasons or study) amounted to 121.000 thousand and represent 0.5% of the labour force.

Adding these two categories, we reach a share of 12.1% of the labour-force, with a value twice as high for females - 17.4% - compared to males, 8.3%. It should, however, also account for the underutilization of production capacity of employees. The area of underemployment, which refers to a stock of people already employed and interested in working more hours, in fact, reflects not only a volume of potential employment ready to match any increased demand, but also of the difficult conditions in participation in the labour market.

It does not deal with unemployment, but with the lack of labour, especially suboptimal or undesirable. Istat takes into account only the part-time workers who would play a greater number of hours of work, but do not have the opportunity. In 2011, the number of underemployed part-timers is equal to 451,000 units (+17,000 units from a year earlier). The impact on labour force raised from 1, 7% in 2010 to 1, 8% in 2011. Also in this case, the value is more than double for females than males. In this category, some precarious employment (i.e, seasonal, temporary jobs, apprenticeships) is part of this category, but taking in account that these labour activities could be immediately abandoned in case a better opportunity. In fact, the number of 451,000 units is therefore underestimated. Finally, the situations of under-employment can hide the use of illegal/irregular labour.

The Table 1 summarizes the situation:

PROSPETTO 1. DISOCCUPATI, FORZE LAVORO POTENZIALI E SOTTOCCUPATI  
 Anno 2011, valori assoluti (in migliaia) e in percentuale delle forze di lavoro

	Migliaia di unità			In % delle forze di lavoro		
	Maschi	Femmine	Totale	Maschi	Femmine	Totale
Disoccupati	1.114	993	2.108	7,6	9,6	8,4
Forze lavoro potenziali	1.218	1.800	3.018	8,3	17,4	12,1
- Disponibili che non cercano lavoro	1.165	1.732	2.897	7,9	16,8	11,6
- Cercano lavoro ma non disponibili	53	68	121	0,4	0,7	0,5
Sottoccupati	160	292	451	1,1	2,8	1,8

Based on these data, the unemployment rate can be corrected with the “discouraged”. The total amount of labour force, with the potential labour force (see Fig 1), in 2011, is equal to 28,040,000 (for a participation rate of 61.2%). The unemployed population actually is instead equal to the sum of “official” unemployed, the discouraged and those seeking work but no temporarily unavailable: the total is 5,126 million. It follows that the actual rate of unemployment amounts to 18.3%, almost twice the official datum.

This datum is however still underestimate. If we add also the people in layoffs (who are formally considered employed, even if they are not actually working: in Italy, we say: *cassa integrazione*), the unemployment reaches the level of 5.5 million (5.584 to be exact) with an effective unemployment rate of 19.6%, a value slightly lower than in Spain (21,7%).

From this point of view, the comparison with the situation in Europe is quite illuminating. The data in Table 2 are clear. In Italy, the relatively low rate of “official” unemployment compared to the average of EU countries (8,4% against 9.6% in 2011) is matched by a significantly higher proportion of economically inactive than contiguous to the unemployment of 12.1% against 4.6% of the EU.

In particular, in Italy there are one third of the approximately 8.6 million individuals who in the EU countries say they do not seek work but they are available to work: even as share of the labour force, this group of inactive is in Italy three times than in the EU: 11, 6% compared to 3.6%. Moreover, very small percentage emerge in many countries including France (1.1%), Greece (1.3%), Germany (1.4%) and the United Kingdom (2.4%). Conversely the share of the “official” unemployed in Italy represents non more than 9% of EU total unemployment.

The discrepancy of the Italian data, with respect to the *discouraged*, also stems from the fact that in most European countries, in the presence of

questionnaires not entirely homogeneous, those who say they are not employed but available for work are considered directly actives. As already noted, if this would applied in Italy, the real unemployment rate would be twice the official one and certainly more correspondent to the real socio-economic situation of the labour market. It must be considered, also, that in Italy as in Spain (and it is not a case that the real rates of unemployment, once corrected and recalculated, tend to conform), the number of atypical contracts are highest in Europe. The effect of precarity is, thus, to create a sub-employment, which, in the absence of adequate social security policy (that do exist in other countries), becomes the only means of survival with a detriment of productive capacity and labour productivity.

PROSPETTO 2. DISOCCUPATI, FORZE LAVORO POTENZIALI E SOTTOCCUPATI NEI PAESI DELL'UNIONE EUROPEA. Anno 2011, valori assoluti (in migliaia) e in percentuale delle forze di lavoro

PAESI	Disoccupati		Forze di lavoro potenziali				Totale		Sottoccupati part time	
	in migliaia	Tasso	Disponibili che non cercano lavoro		Cercano lavoro ma non disponibili		in migliaia	in % forze di lavoro	in migliaia	in % forze di lavoro
		in % forze di lavoro	in migliaia	in % forze di lavoro	in migliaia	in % forze di lavoro				
<b>Italia</b>	<b>2.108</b>	<b>8,4</b>	<b>2.897</b>	<b>11,6</b>	<b>121</b>	<b>0,5</b>	<b>3.018</b>	<b>12,1</b>	<b>451</b>	<b>1,8</b>
Austria	179	4,2	141	3,3	35	0,8	176	4,1	135	3,1
Belgio	347	7,2	109	2,2	70	1,4	178	3,6	38	0,8
Bulgaria	372	11,2	286	8,6	28	0,9	315	9,5	26	0,8
Cipro	31	7,8	14	3,3	2	0,4	15	3,7	15	3,7
Danimarca	221	7,6	75	2,6	26	0,9	100	3,5	92	3,1
Estonia	87	12,5	44	6,3	(2)	(0,2)	46	6,5	12	1,8
Finlandia	209	7,8	100	3,7	66	2,4	166	6,1	77	2,9
Francia <sup>1</sup>	2.628	9,3	306	1,1	469	1,7	775	2,8	1.136	4,0
Germania	2.501	5,9	591	1,4	578	1,4	1.169	2,8	1.963	4,7
Grecia	877	17,7	64	1,3	22	0,4	86	1,7	159	3,2
Irlanda	304	14,4	42	2,0	13	0,6	55	2,6	133	6,3
Lettonia	176	15,4	85	7,4	9	0,8	94	8,2	51	4,4
Lituania	249	15,4	19	1,2	9	0,5	28	1,7	41	2,5
Lussemburgo	12	4,9	12	4,9	2	0,6	13	5,5	4	1,6
Malta	12	6,5	4	2,2	:	:	:	:	4	2,3
Paesi Bassi	389	4,4	286	3,3	79	0,9	365	4,2	114	1,3
Polonia	1.723	9,7	644	3,6	106	0,6	750	4,2	320	1,8
Portogallo	706	12,9	172	3,2	33	0,6	205	3,8	220	4,0
Regno Unito	2.534	8,0	772	2,4	320	1,0	1.091	3,4	1.773	5,6
Repubblica Ceca	354	6,7	55	1,1	18	0,3	74	1,4	26	0,5
Romania	730	7,4	487	4,9	(7)	(0,1)	494	5,0	237	2,4
Slovacchia	368	13,5	43	1,6	13	0,5	56	2,1	37	1,4
Slovenia	83	8,2	18	1,8	5	0,5	23	2,3	19	1,9
Spagna	4.999	21,7	961	4,2	243	1,1	1.204	5,3	1.230	5,3
Svezia	379	7,5	121	2,4	99	2,0	220	4,4	218	4,3
Ungheria	468	10,9	218	5,1	11	0,3	229	5,4	69	1,6
<b>Ue</b>	<b>23.045</b>	<b>9,6</b>	<b>8.566</b>	<b>3,6</b>	<b>2.383</b>	<b>1,0</b>	<b>10.949</b>	<b>4,6</b>	<b>8.596</b>	<b>3,6</b>

<sup>1</sup> Dato non affidabile

<sup>2</sup> Dato non disponibile

<sup>3</sup> Il dato della Francia non comprende i Territori d'oltremare.

For a more detailed analysis on the Italian labour market, it becomes essential to highlight the approximately 3 million people who, despite being available for work, are not seeking work. This is, indeed, the true anomaly of the Italian case, which opens to what we call “precarity trap”.

*b. The discouraged*

In 2011, the inactive who do not seek work but are available for work are 2 million 897 thousand (+4.8%, amounting to 133,000 units in most of the year). This level is the highest since 2004. As a share of the labour force, it is rising from 11,1 in 2010 to 11,6% in 2011 (see Table 3). In this context, the gender gap remains high. In the middle of last year, women who belong to this group of inactive correspond to 16.8% of the female labour-force, compared to 7.9% of men, practically, as already pointed out, twice.

**PROSPETTO 3. INATTIVI DISPONIBILI CHE NON CERCANO LAVORO.** Anni 2010-2011, valori assoluti (in migliaia), composizioni percentuali e in percentuale delle forze di lavoro

CARATTERISTICHE	Valori assoluti (in migliaia)		Composizioni percentuali		In percentuale delle forze di lavoro	
	2010	2011	2010	2011	2010	2011
<b>SESSO</b>						
Maschi	1.064	1.165	38,5	40,2	7,2	7,9
Femmine	1.700	1.732	61,5	59,8	16,6	16,8
<b>CLASSI DI ETÀ</b>						
15-24 anni	533	562	19,3	19,4	30,9	33,9
25-34 anni	688	715	24,9	24,7	12,1	12,9
35-54 anni	1.269	1.324	45,9	45,7	8,8	9,1
55-74 anni	275	297	9,9	10,2	8,8	9,0
<b>RIPARTIZIONI GEOGRAFICHE</b>						
Nord	512	562	18,5	19,4	4,1	4,5
Nord-ovest	320	342	11,6	11,8	4,4	4,7
Nord-est	192	221	7,0	7,6	3,6	4,1
Centro	351	381	12,7	13,1	6,7	7,3
Mezzogiorno	1.902	1.954	68,8	67,4	26,6	27,2
<b>TITOLI DI STUDIO</b>						
Fino licenza media	1.591	1.630	57,6	56,3	17,3	17,9
Diploma	969	1.059	35,1	36,6	8,4	9,1
Laurea	204	208	7,4	7,2	4,8	4,8
<b>CITTADINANZA</b>						
Italiana	2.551	2.645	92,3	91,3	11,3	11,8
Straniera	214	252	7,7	8,7	9,1	9,8
<b>Totale</b>	<b>2.764</b>	<b>2.897</b>	<b>100,0</b>	<b>100,0</b>	<b>11,1</b>	<b>11,6</b>

The data also confirm the continuous growth of 15-24 age youngs not seeking work but are nevertheless willing to work: from 30.9% of the labour force early in 2010 to 33.9% in 2011. This class will define a new segment



of the labour force that lies halfway between the potentially active population and inactive population: the so called *Neets* (see next paragraph). On the other hand, individuals who are not seeking work but would still be equivalent, in South Italy, are about a quarter of the labour force, a result of more than six times higher than in North Italy. With regard to the youngs and South Italy, the phenomenon of growing unease experienced by this group of inactive are associated with particularly large ones represented by the relative rates of unemployment.

Compared to 2010, the presence of men who have sought employment (in the four weeks preceding the survey), but that desire and are willing to work has gone from strength to strength. In any case, like last year, six over ten women in this group are inactive.

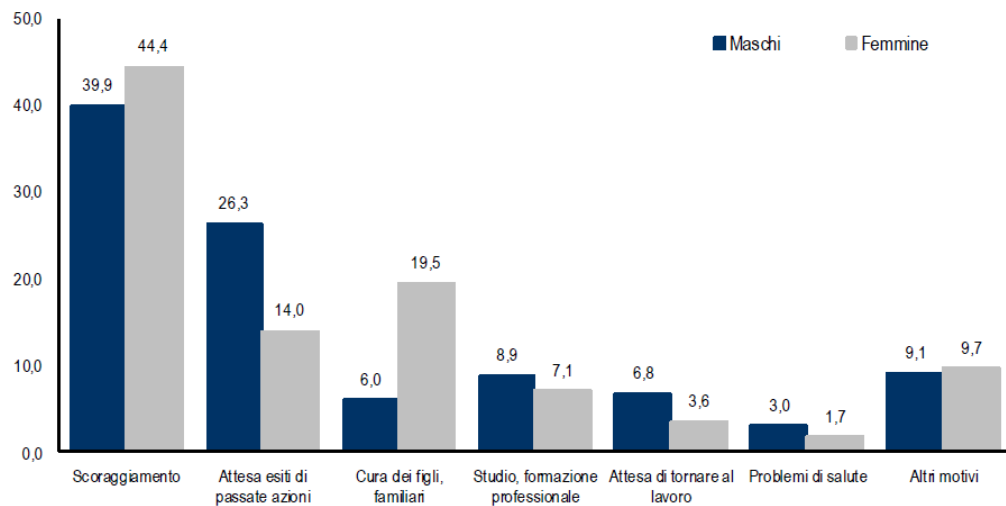
Overall, 42.6% (about 1.2 million units) of people are classified among the inactive who do not seek work but there are claims to have given up looking for work because they believed not to be found. Discouragement substantially affects both men and women (Figure 2). The incidence of "real discouraged salts up to 47% in South Italy, following the lower employment opportunities and greater confidence in the ability to find and maintain employment. It is necessary to consider, by disaggregating the data by level of education, that the lack of specific skills feeds an attitude of renunciation of active research: the group of inactive available, the discouraged are half of those who have achieved up to middle school, one-fifth of the graduates.

The second reason which leads many people to desire work while not seeking it, after the "real discouragement" motive, is the care of children and/or family members, which mainly affects the female component. This is the most significant reason for a fifth of women. With regard to the male remains, however, the relevant attitude of waiting for results of past research activities.

The distinction between the unemployed and those not actively seeking employment is mitigated by analysing employment status reported by the subjects. Three over five individuals from those who have not sought employment, even if available, declare themselves in search of employment. The time limit of four weeks in which to carry out action research - one of the conditions to be classified as ILO unemployed - does not change, therefore, the perception of individuals, who in large part feel themselves unemployed. The incidence of people who consider themselves in search of employment was 83% among men and among women is reduced to 49% of

the total. An equally significant part of women declare that they are “housewife” (42% in 2011) (see Figure 2).

FIGURA 2. INATTIVI DISPONIBILI CHE NON CERCANO LAVORO PER MOTIVO DELLA MANCATA RICERCA E SESSO. Anno 2011, composizioni percentuali



c. *The Neet (Not in employment, in education, in training)*

The Neet phenomenon is relatively recent and it is an indicator of the deterioration of the labor market over the past years. In Europe, between 2007 and 2009, youth unemployment increased by 7.8 million worldwide, compared to an overall increase in the number of unemployed to 28.9 million (ILO data). In addition, the new recession that is occurring in the aftermath of two years of recession (2008-2009) is likely to produce worrisome long-term effects on the dynamics of the youth labor market. First, the new recession probably leads to delay entry into the labour market of young people, who stay longer in education and even those less inclined to study. Secondly, the weak economic conditions worsens the transition from education to the labor market, with the risk that a greater number of young people trapped by longer periods of unemployment and in precarious and poorly paid (*precarity trap*). Finally, the reforms, which, according to a logic of austerity and dictated by the need to "cash" (definitely not in favour of those most hit by the crisis), have affected the social security system in many European countries, have brought a raising of the retirement age, and,

therefore, have restricted the already deficient input spaces for young people in the labour market, reducing the turnover of generations.

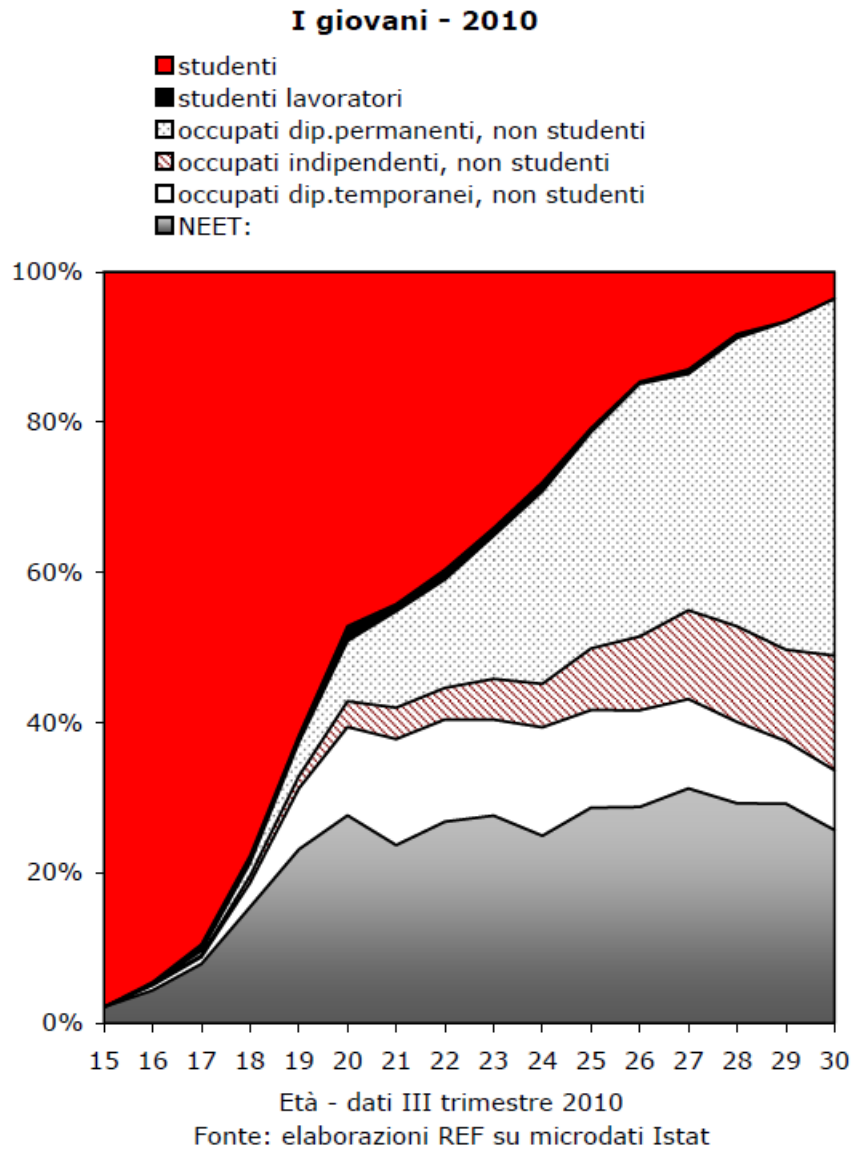
Young people are therefore more vulnerable in times of crisis. The existence of many types of atypical and precarious contracts, where the possibility of developing learning processes are very scarce because of the intermittent labour, make young people less competitive in the labour market. In addition, inexperience in terms of job search and limited financial resources forced young people to have to rely on family of origin (if available) during the period of job search. These factors characterize the vulnerability of young people regardless of the economic cycle, although the disadvantage youth tends to worsen during periods of recession. Also, the intensity of the impact of the crisis on the youth labor market varies significantly with the socio-economic and policy responses in different countries. Within the EU, for example, there are countries like France and Italy where currently nearly one on three young people are unemployed, or Spain, where over 40 percent of them are unemployed.

According to data collected in the "Report on the labor market 2010-11" by CNEL<sup>6</sup>, in Italy the phenomenon of Neet is "particularly popular among the" young adult "(25-30 years), than among the" young-young "(15-24 years)" (p. 308). In fact, most young people are still mainly engaged at school, whose duration is increased (not only because it was raised the compulsory school attendance, but also because there is a growing tendency to higher education). Instead, among the youth of succeeding ages, the problem to entry the labor market becomes hard, as most of them have finished their studies. While young people between 15 and 24 have an incidence of Neet of less than 18 percent, the young-adult (aged 25 to 30 years) have a rate ten percentage points higher. The majority of Neet are inactive, but affects the high percentage of long-term unemployed than short-lived.

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<sup>6</sup> See: [http://www.cnel.it/53?shadow\\_documenti=18534](http://www.cnel.it/53?shadow_documenti=18534)

**Fig. 3: Young composition: year 2010**



The percentage of Neet increases with age (see Figure 3): the cause is not simply explained by the share of unemployed and discouraged inactive or marginally attached to the labor market, which constituted a substantially constant of the complex young people after 20 years. What is however worthy is that the proportion of inactive completely out of the labor market increases with the age. Young people in this condition (approximately 30.000 people) represent about 6 percent of the twenties, but among young adults, their weight goes up to 10 per cent, and in their absolute number in

their thirties is almost double than that observed among the youngest. The phenomenon of growth with age of young people who say they are now detached from the labor market is - like the discouraged - another anomaly of the labour market in Italy. It is therefore natural to ask whether this phenomenon is not the result of long periods of lack of job opportunities that ultimately discourages permanently from the search and to make himself available for any type of work, or who can push into the black economy. These data show that we face a new phenomenon: the precarity trap.

### **5. Precarity trap and the new industrial reserve army**

The total amount of employed precarious workers inside the labour market in Italy is about 4 million (more than 20% of the total labour force). They are more concentrated in the services sectors. The average remuneration is about 1,000 euros per month, 25,3% lower than the stable workers with the same labour activity. But if we consider the existential precarity, related to the opportunities to build a family, to be autonomous and to plan a life project, the amount reach the value of 7 million. This situation is worsened by the reduction of precarious people to get a stable work. Over 100 precarious young people, in 2009 only 16 succeeded in becoming permanent workers (10 lower than the previous year)<sup>7</sup>. This situation is more diffused in education, health and care sectors and in the public administration<sup>8</sup>.

As we seen in the previous paragraphs, these data should be analyzed together with the two new phenomena that more affected and affect Italian labour marked: *discouraged* and *Neet*.

We face four different situations which correspond to three different subjectivities: precarious workers that are no stable to reach a stable and certain labour activity, *discouraged* inactive but potentially active people, *Neet* youngs, who are neither unemployed nor discouraged, but with a precarious existence and the certified unemployed workers.

To complete the labour market, it should be added the traditional category of permanent employed workers, but it is possible to consider them as

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<sup>7</sup> This percentage lowers to less than 10% in the metropolitan areas as in Milano. See A.Fumagalli, Intelligence Precaria, "Il mercato del lavoro precario nell'arra metropolitana Milanese: un laboratorio delle tendenze in atto", in *Quaderni di San Precario*, n. 2, maggio 2011, pp. 229-250.

<sup>8</sup> These data are extracted by the Annual Report on Labour Market, by CNEL: See: [http://www.cnel.it/53?shadow\\_documenti=18534](http://www.cnel.it/53?shadow_documenti=18534)

potentially precarious workers, just because of the generalized nature of today precarity<sup>9</sup>.

It is starting from these premises that we now introduce the concept of *precarity trap*. This concept already exists in the economic and sociological literature, especially in Anglo-Saxon research activity. We face differing meanings.

One definition of precarity trap has to do with a sort of vicious circle, that leads individuals not be able to exit precarity conditions because of too much costs to find a stable job. To live in precarious conditions means to have a lot of expenses that will keep one there, or what in firm's theory are called high transaction costs<sup>10</sup> (time spent applying for benefits, temporary job loss and search for new ones, time and cost of learning on the new job and adjustment of all the other activities – such as child care – around that new job) that may very well gobble up a greater share of income. This can lead to a sort of precarity trap.

Another broader definition has to do with the fact that living in the precariat means experiencing the full force of the risk society individually. From this point of view, precarity trap is the result of the lack of a social security policy at it is seen as a conjunctural phenomenon. In some recent researchs<sup>11</sup>, starting from the observation that precarious-flexible labour is more diffused in advanced services and creative industries, it is argued that creative economy policies could be a panacea for revitalizing economies and allow the overcome of precarity. Existing policy instruments are mostly uncoordinated but can be divided into four categories entitled 'education and training', 'awards and contests', 'business support' and 'social security policies', with the greatest emphasis on the first three. Escaping the precarity trap – existence without security – typical of much cultural work requires a rehabilitated notion of 'flexicurity' that includes exceptional, sub-sectoral, and generalist strategies to support cultural workers. Therefore, a more holistic policy framework that uses a rights-based perspective and emphasizes social security measures could be valid.

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<sup>9</sup> See C. Morini, "La cognizione dell'impermanenza: il lavoro a tempo indeterminate paradigma della precarietà contemporanea", in Quaderni di San Precario, n. 3, maggio 2012, pp. 175-198

<sup>10</sup> See. G. Standing, *The precariat. The Dangerous Class*, Bloomsbury, London, 2011

<sup>11</sup> See, for instance, C. Murray, M. Gollmitzer "Escaping the precarity trap: a call for creative labour policy", in *International Journal of Cultural Policy*, Volume 18, Issue 4, 2012, pp. 419-438

In these two interpretation, precarity traps can be solved if adequate policy are implemented. But, according to our analysis, precarity is a structural and generalized phenomenon. It follows that it could be eliminated only if labour market dynamics drastically changes. Hence, precarity trap is physiological, overall in short term. It is constantly “fueled” by the peculiarities of the existing labour activity, based on the exploitation of life faculties and subjectivities of human beings.

Our opinion is that precarity trap is the result of the existence of a new type of the industrial reserve army. The traditional definition of the industrial reserve army is based on the idea that the presence of unemployment acts as a pressure towards the employees by reducing their bargaining power. It is known Kalecki's famous essay on the political origins of unemployment<sup>12</sup>, in which the Polish economist argues as in a system of industrial relations is quite convenient for the entrepreneurial class to give up to the optimization of profit (which will lead to full employment) to artificially create a pool of unemployment, which reduces the bargaining power of Trade Unions. This assumption makes sense if the distinction between labour and non-labour time (ie between employed and unemployed) is clear and precise, as it was during the Fordist period. But today, in the era of bio-cognitive capitalism, this distinction tends to vanish and the modality of labour control will increasingly tend to be based on income blackmail and on the individualization of the same labour relationship. As we have already argued, that is the main reason why the precarious condition is generalized and structural. And it is precisely this precarious condition, individually perceived in a different way, which nourishes and defines the new industrial reserve army: an industrial reserve army no longer outside the labor market, but directly inside.

It follows that there are good political reasons, despite any public and official declaration, whose aim is to keep a certain amount of precarity as in Fordist free market was not “convenient” to reach a full employment situation (partially achieved only with the implementation of public policies). Precarity trap plays today the same role played in the last century by unemployment trap: with a difference, that makes the current situation even worse. In fact, today, precarity is added to unemployment with an anti-

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<sup>12</sup> Cfr. M. Kalecki. “Political Aspects of Full Employment”, in *The Political Quarterly*, Vol. 14, n. 4, pp. 322–330, October 1943

cyclical dynamics. In recovery stage, as it was in first half of the last decade, before the big financial-economic crisis of 2007, unemployed could decrease and transforms in precarity, whilst in recession phase, as today, it is the opposite: precarious workers are the first that become unemployed, assuming the appearance of discouraged or Neet. In any case, the biopolitical dispositive to subsume labour force is guaranteed together with the crisis of traditional trade unions and the fall of social claims and conflict.

## **6. Basic Income and the precariat**

Basic income is the provision of a certain monetary amount to adjust deadlines and perpetual able to ensure a decent life, regardless of the labour performance. Basic income must have two fundamental characteristics: it must be universal and unconditional, ie it must join the circle of human rights. In other words, it should be given to all human beings in a non-discriminatory way (gender, race, religion, income). It is enough the mere fact "to exist". Hence, it is not subject to any form of constraint or condition (ie, does not require to take particular responsibilities and / or behavior). The two attributes - universal and unconditional - clarify many misunderstandings. The concept of income falls exclusively within the sphere of the redistribution, once given the level of total wealth: it is an instrument of welfare. All redistributive proposals that reference either to employment status (unemployment or / precarity, insufficient to guarantee a minimum income) or to the obligation to make contractual commitments, even if detached from labour performance (such as the Rma in France), are discriminatory and do not conform to the status of "inalienable individual right."

Basic income is the most suitable distribution (not redistribution) variable of cognitive bio-capitalism. In a context, in which life is not only enslaved to labour, but is put to work, it becomes clear that basic income is the remuneration of a productive existence: thus, it is a "primary" income<sup>13</sup>.

It is no coincidence that the real labour time tends to "overflow" the labour contract, thereby eliminating the distinction between labour and non-labour

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<sup>13</sup> Primary income is the direct income which derives by the income distribution among productive inputs. On the contrary, secondary or indirect income comes out from public intervention in terms of welfare or fiscal policy, after income distribution has already occurred. It is a second level distribution, defined as redistribution level, to distinguish it from first level distribution or distribution level. See C. Vercellone, "Il giusto prezzo di una vita produttiva", *Il Manifesto* 22.11.06: <http://archive.globalproject.info/art-10097.html>.



or between income and wages. We have to start from here. Basic income is therefore defined by two components: the first component is a purely wage, on the basis of the performance of life that immediately translates into labour performance (labour time certificated and remunerated, but also the life time used for the formation the activity report and reproductive activity): the latter is a component of income (in addition to the first) as result of the distribution of social wealth to each individual, coming out from social cooperation and productivity of the territory. This latter is today entirely prerogative of profits and financial and real estate rent.

From this point of view, basic income is not only handout, a subsistence or a tool against poverty: of course, it can also perform the task of reducing poverty but in the production environment, basic income is above all the remuneration a previously productive activity.

In the context of cognitive bio-capitalism, therefore, basic income simply performs the task of contributing to remunerate the entire and effective labour social activity. From this point of view, it is part of that system of fair social cooperation proposed by Rawls<sup>14</sup>, towards the implementation of that contract of mutual solidarity that can be made possible by the introduction of the same basic income<sup>15</sup>.

From this point of view, basic income appears as a purely reformist measure. More, it can also be useful in the process of accumulation. In fact, it is not only a the remuneration of a labour activity already done, but also a stimulus to the growth of those cognitive brain activities that are now more and more central to the production structure and to the levels of competitiveness, that a short-sighted policy on wages / cost reduction or on social dumping prevents their development. If the aim is to increase R&D expenditures and innovation activity with higher content of knowledge and thus avoid competition from emerging countries and to be able to intervene in the definition of dominant technological trajectories and paradigms, it becomes increasingly necessary to develop human capital and encourage the production of general intellect

Basic Income, in theory, can play as a function of income stabilization, reduce uncertainty, enhance the learning process and ultimately foster capital accumulation, according to the following scheme:

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<sup>14</sup> Cfr. J. Rawls, *A Theory of Justice. Revised Edition*, Harward University Press, 1999.

<sup>15</sup> About political and philosophical reasons in favour of basic income hypothesis, cfr. P. Van Parijs, Y.Vanderborgh, *Reddito minimo universale*, Egea, Milano, 2006 and on English P. Van Parijs, *Real Freedom for All. What (if anything) can justify capitalism*, Clarendon Press, Oxford, 1995. See also: C.Del Bò, *Un'introduzione al Basic Income*, Ateneo, Como, 2004.

Basic income → general intellect ↑ → productivity ↑ → accumulation ↑

However, almost all the social partners are opposed to the introduction of basic income. Trade Unions because they have not yet fully understood the current transformation of labour and the new mode of valorization, fear the loss of their basis and, above all, are linked to a conception of wage labour fundamentally ethical (labour ethic)<sup>16</sup>. Entrepreneurial associations, unlike the conservative behaviour of most unions, consider the introduction of basic income as potentially dangerous for the maintenance of labour discipline. And, indeed, from their point of view, they have right. The introduction of basic income, in fact, can be considered a potential counter-power, that undermines the current system of subordination and blackmail of the precarious multitude<sup>17</sup>. In fact, to ensure a stable and continuous income regardless of labour activity, means to reduce the degree of blackmail of workers: a blackmail imposed by contractual individualism and by the need to work for living. Basic income can lead to exercise the "right to choose its own work" (instead of the traditional "right to work", whatever it may be), an element that could shake the foundations of hierarchical and social control in cognitive bio-capitalism. At the same time, the partial or total removal of income blackmail can potentially foster a process of recomposition of the precarious multitude. We say "potentially" because such recomposition is not automatic but depends on the subjectivity of the

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<sup>16</sup> There are numerous statements that are common to several European trade unions, leftist parties and even relevant newspapers. It is enough to analyse the Congress of the ETUC (European Trade Union Confederation), or the French and German trade unions in order to have a confirmation. Even in Italy the situation does not change. The same applies to the area of the radical left, personified by the Trockist parties, by Attac and Le Monde Diplomatique in France and left CGIL, the Communist Refoundation (PRC) and Il Manifesto in Italy. With a few exceptions, however remarkable, even antagonist unions and the most antagonist groups in principle opposed to basic income, considering it reformist tool, unable to undermine the essence of the capitalistic exploitation ratio. Are in favour of basic income, instead, some groups operating in the Social Centers movement in Italy or in some European magazines, such Moltitudes in France and Posse and Infoxoa in Italy, and, more recently, UniNomade 2.0 Network ([www.uninomade.org](http://www.uninomade.org)). Only recently, for example, the slogan "right to income" or "reclaim the money" has been fully accepted within EuroMayDay, the most visible manifestation of the precariat in Europe, which takes place in Milano on May 1 of each year. In this context, it is of fundamental importance to the birth in 2009 of the Association: Basic Income Network – Italy ([www.bin-italy.org](http://www.bin-italy.org)) and of Saint Precarious icon (see: [www.precaria.org](http://www.precaria.org)) and the review Quaderni di San Precario (<http://quaderni.sanprecario.info>)

<sup>17</sup> For a deeper analysis, see A.Fumagalli, "Bioeconomics, labour flexibility and cognitive work: why not basic income?" in G. Standing (ed.), *Promoting income security as a right. Europe and North America*, Anthem Press, London, 2005: 337-350.

involved individuals<sup>18</sup>. The outcome that would arise in any event linked, in any case, to a less availability to a supine acceptance of any labour conditions. Secondly - and this is even a more important factor, although most misunderstood – basic income presupposes that a proportion (greater or lesser extent) of the social wealth produced by the general intellect and by the structure of cooperative production should return to the same "producers". This means a reduction in profit margins, arising from the exploitation of social cooperation and common goods, unless immaterial productivity gains, generated by more stable and satisfying income conditions, are not able to compensate for this reduction.

In cognitive bio-capitalism, basic income can therefore be considered analogous to the claim for higher wages in the era of industrial Fordist capitalism. Well, in Fordism, a wages increase or a policy of high wages, according to the happy expression by Keynes, could have two effects: to undermine the productive system if this increase was not bearable by the existing cost structure and technological conditions and thus lay the foundation for going beyond the capitalist system itself, or, conversely, to ensure full employment growth with the increase in revenues and profits. The Fordist social pact had indeed intended to promote the second alternative in a disciplinary mechanism and control guaranteed by the Nation-state.

Unlike a wage increase, the introduction of basic income, however, do not bear only partially on firms' costs, since it would be disbursed to local, national or supranational public authorities. In other words, the financing of the income of existence depends on the existing tax structure.

In cognitive bio-capitalism, a new social pact could therefore consist of basic income as to be compatible with a tax constraint, yet to be defined, and does not result in a change of control over the relationship and hierarchy in the labour market<sup>19</sup>.

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<sup>18</sup> We agree with Guy Standing reflections on the risk that the precarious condition can lead to dangerous results, if the individualistic and corporative ideology becomes majority, with a risk of social dumping, racist political positions. The only antidote is a "politics of paradise"! See. G. Standing, *The precariat. The Dangerous Class*, Bloomsbury, London, 2011.

<sup>19</sup> For a more detailed discussion, see thesis n. 9 in "Nothing will ever be the same", in A. Fumagalli, S. Mezzadra, *Crisis in the Global Economy. Financial Markets, Social Struggles and new Political Scenarios*, Semiotext(e)-Mit Press, Los Angeles, Usa, 2010, pp. 254-259. In Italian, see A.Fumagalli, A.Negri, "John Maynard Keynes, capitalismo cognitivo, basic income, no copyright: e' possibile un nuovo "new deal?" in *Quaderni di Economia Politica*, Dipartimento di Economia Politica e M.Q., Università di Pavia, gennaio 2008: [www.eco.unipv.it](http://www.eco.unipv.it)

But nothing can ensure this compatibility: the potential role of monetary counter-power (ie, the independence from the income blackmail) and of counter-cultural production (the chance to choose and not to suffer own labour and to reappropriate part of the social created production) depends on the perception and the subjectivity that constitute the precarious multitude which are, by definition, not controllable. From this point of view, basic income can become subversive and affect the exploitation ratio and the production of surplus value of cognitive bio-capitalism.

On this basis, it can now be clear that the introduction of a basic income can be a valuable tool to escape from precarity trap. There are various reasons that lead to this conclusion:

1. The dominant economic policy has always argued that for economic growth was necessary to increase the competitiveness of enterprises, especially in the context of globalization. To this end, it is necessary to reduce production costs and increase the flexibility and mobility of the labour. Only once this is achieved (first time), it will be possible to adapt to new labour conditions, social security, improving the living conditions and well-being (second time). It's the same approach which today states that to exit European debt crisis austerity policies are unavoidable. Only now enduring the sacrifices, you can enjoy the benefits tomorrow. But we know that this second time (the benefits) will never come. As well as the austerity policies create economic recession, so, in the last twenty-five years, the flexible labour market policies have created increasingly precarity, with negative effects on the competitiveness of the economic system itself. This originates the precarity trap and the Italian case (as in other countries, primarily Spain) is a clear confirmation. It is necessary to reverse this policy, by turning the two times. First, it must enact measures to support social security and only after action on labour flexibility. Given the current characteristics of precarity as an industrial reserve army inside the labour market, the introduction of a basic income becomes, among others, an appropriate means to promote economic growth as well as a measure of social equality that can allow to escape from precarity trap itself.
2. Basic income reduces uncertainty and allows to have more degrees of freedom in choosing the desired labour. Is it likely that anyone will want to do no more hard work and less considered? Not necessarily. Every job performance has its specificity and its remuneration to make it a more or less acceptable. The guarantee of income, reducing the supply of people

willing to accept low-paying, alienating and exhausting jobs, puts enterprises at a crossroads: better pay those who perform these tasks, or adopt more complex technologies and organizational solutions in their stead. There were similar objections at the time of the debates on the reduction of working hours to 8 hours per day, and the result was not only an improvement of labour conditions but also a relevant growth, due to the necessity to modernize production systems.

3. A poverty trap is "any self-reinforcing mechanism which causes poverty to persist"<sup>20</sup>. If it persists from generation to generation, the trap begins to reinforce itself if steps are not taken to break the cycle. In the traditional literature, poverty trap describes a structural condition from which people cannot rescue themselves despite their best efforts. Poverty trap is different from "welfare trap" or "unemployment trap"<sup>21</sup>. This latter in this context, by contrast, refers to the barrier created by means tested social grants that (it is said) have in built perverse incentives. One of the most common critics to the hypothesis of basic income has to do with the persistence of poverty trap. The reasoning is as follows: the payment of a grant to unemployed people can rationally lead to prefer to remain unemployed instead to enter the labour market, with a consequent lack of efficiency in the economic system. Therefore, a wide mainstream literature tries to demonstrate how an increase in welfare benefits, especially when unconditional (like the right definition of basic income), is one of the cause of voluntary unemployed, which affect the optimal "natural" equilibrium<sup>22</sup>. But the empirical results are controversial. In the current situation, facing precarity as structural condition, this kind of reasoning is almost quite irrelevant. The mismatch, in fact, is not between the choice to work or not to work, but between a precarious work or a desired work. If, in cognitive bio-capitalism, life, directly or indirectly, is put to work and then to value, the concept of unemployment changes radically. The unemployed today is no longer the one who is inactive, in the sense of unproductive (from a capitalistic point of view), but rather

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<sup>20</sup> See C. Azariadis, J. Stachurski, "Poverty Traps", in *Handbook of Economic Growth*, Elgar, London, 2005, p. 326

<sup>21</sup> See B. Petrongolo, "The Unemployment Trap," Paper No' CEP249, CentrePiece 13 (1) Spring 2008: <http://cep.lse.ac.uk/CentrePiece/browse.asp?vol=13&issue=1>

<sup>22</sup> See for a survey of the literature, among others, see J. D. Gwartney, R. L. Stroup, R.S. Sobel, D. A. Macpherson, *Economics: Private and Public Choice*, Thomson South-Western, 2011, XIV ed.

the one who plays a productive activity, which is not certified as such and therefore unpaid.

Precarity is blackmail and induction of self-control by labour-force itself. The precarity trap is the consequence. We are in a opposite situation to that of the welfare trap, whose existence could make sense (if it is) in the Fordist era. If at the time, welfare trap could arise by the existence of social security policies, today precarity trap is the result of the absence of policies of social security.

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