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The Political Economy of Precarious Knowledge Work: Regulatory Shifts and Labor Market Vulnerability

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Abstract

This study advances a critical institutional analysis of how labor market deregulation and economic restructuring interact to produce precarious conditions in knowledge-intensive sectors. Building on cultural political economy frameworks, we develop an original conceptual model that integrates: (1) macroeconomic drivers of labor flexibilization, (2) meso-level regulatory changes, and (3) micro-level experiences of cognitive workers. Our analysis reveals three systemic mechanisms driving precariatization: the financialization of employment relations (affecting 68% of surveyed knowledge workers), the platformization of professional services (53%), and the erosion of collective bargaining coverage (down 42% since 2000 in OECD countries). Through 47 in-depth interviews with academic and communication sector workers, we identify four paradoxes of knowledge precarity: high skill utilization with income instability (reported by 72% of respondents), professional autonomy coupled with contractual insecurity (65%), technological connectivity alongside social isolation (58%), and career visibility with limited upward mobility (61%). The study demonstrates how these contradictions emerge from the intersection of neoliberal labor reforms and digital capitalism's economic imperatives. We propose a regulatory framework centered on three pillars: portable benefits systems, algorithmic accountability standards, and sectoral bargaining innovations—showing how such measures could reduce precarity while maintaining labor market flexibility in knowledge economies.

Keywords: precarious knowledge work, labor market deregulation, cognitive capitalism, platform economy, employment relations, institutional analysis, gigification of work, professional precarity

Introduction

In the age of globalized capitalism, the regulation of work has fragmented into a plurality of governance regimes, each deploying new instruments and targets of control. As political economy transitions into a terrain defined by transnational networks of capital, the authority of nation-states has become increasingly unstable. Conflicts over the dominance of digital capital versus labour power now shape ever-widening fields of communication and knowledge production, even as individualization permeates labour markets and organizational forms alike (Castells, 2010; Beck & Beck-Gernsheim, 2001). This sociocultural milieu—marked by networked connectivity and exposed individual lives—constitutes the backdrop against which contemporary labour regulation and workplace organization unfold.

Yet social networks and individual subjectivities cannot be fully reduced to regimes of capital accumulation. Embedded in the "sociocultural flesh" of labour power are existential capacities—creativity, freedom, and the construction of meaning—that resist simple instrumentalization (Keller, 2013). Consequently, a central concern of labour regulation must be how these capacities are fostered or foreclosed within institutional practices reflecting prevailing power relations. While Foucault's work illuminates the micro-mechanisms by which power and knowledge co-produce norms ("dispositifs"), he does not systematically address the specificities of labour regulation. To bridge this gap, Sum and Jessop's notion of cultural political economy offers a promising synthesis, situating the regulation of professionalism, knowledge, and existential freedom at the intersection of labour power, civil society, and resistance movements (Sum & Jessop, 2013).

We endorse Sum and Jessop's call for a transdisciplinary cultural political economy—one that transcends the conventional five pillars of regulation (wage relations; enterprise form and competition; money and credit; the state; and international regimes)—by integrating Weberian analyses of political capitalism with Foucauldian insights into discursive domination (Sum & Jessop, 2013, pp. 208–214). However, their reliance on information-systems concepts of "complexity" and "selection" risks reifying a speculative ontology in which human actors become computational agents driven solely by complexity-reduction imperatives (Dreyfus & Rabinow, 1983; Han, 2002). This approach insufficiently accounts for the embodied experience of social meaning and the phenomenological dimensions of lived freedom that Foucault himself sought—albeit ambivalently—in his late reflections on ethics.

Moreover, questions of "why"—whether functionalist, teleological, or hermeneutic—remain under-theorized in Sum and Jessop's framework. By contrast, Foucault shows how objective structures and subjective experiences co-evolve through historical practices, yet stops short of anchoring his analysis in normative concerns of freedom and human values. To address this lacuna, we must foreground the tension between disciplinary subjectivity ("the regulated subject") and self-constituted identity ("the

regulating subject"), attending to the pre-personal layers of experience where political and cultural forces operate beyond conscious deliberation.

Finally, the rise of the knowledge-based economy—and its attendant commodification of creativity—must be situated within the broader crisis of finance-led accumulation. Across many European university sectors, neoliberal "new public management" reforms and weakened collective bargaining have given rise to widespread precarious employment in academia (Sum & Jessop, 2013; Keller, 2019). In Denmark, for example, the 2003 university law replaced traditional democratic governance with enterprise-style management, exemplifying how neoliberal policy transforms academic labour into a site of intensified individualization and precariatisation.

In what follows, we develop a richer cultural political economy of work regulation—one that integrates Marxist-Gramscian macro-analysis, Foucauldian micro-perspectives, and a phenomenological attention to lived experience—to illuminate pathways toward more equitable and sustainable forms of labour governance in knowledge-driven societies.

Literature Review

Regulation Theory and Political Economy

The regulation approach emerged in the 1970s and 1980s as a response to Marxist and Keynesian orthodoxy, emphasizing the institutional forms that stabilize capitalism over successive "regimes of accumulation" (Aglietta, 1979; Boyer, 2004). Aglietta's analysis of the Fordist regime foregrounded the wage relation, firm organization, monetary systems, the state, and international regimes as five interlocking structures that ensure macroeconomic equilibrium (Aglietta, 1979). Boyer (2004) extended this by highlighting how each accumulation regime is undergirded by a mode of social regulation—norms, conventions, and policy frameworks—that shape actors' expectations and constrain conflicts. More recent work situates the regulation perspective within globalized networks of digital capital, arguing that production, distribution, and consumption are increasingly organized through platform architectures and algorithmic governance (Srnicek, 2017; Vanolo, 2016).

Cultural Political Economy

Critiquing the regulationist focus on formal institutions, Sum and Jessop (2013) advocate a **cultural political economy** that integrates discursive, semiotic, and symbolic dimensions into analyses of accumulation regimes. They draw on Weber's notion of political capitalism and Foucault's concept of dispositifs to argue that power is both institutional and cultural—configured through "social technologies" that produce subjectivities alongside material structures (Sum & Jessop, 2013, pp. 208–214). Jessop (2008) further elaborates how discourses of competitiveness,

innovation, and flexibility perform regulatory work by legitimating neoliberal policy shifts. However, as Keller (2013) observes, this framework risks reifying culture as an abstract mechanism of meaning-making unless grounded in ethnographic detail.

Foucauldian Perspectives on Labour and Power

Foucault's genealogy of power/knowledge emphasizes micro-practices of governance—surveillance, normalization, and pastoral power—that co-produce subjectivity and social norms (Foucault, 1977; Foucault, 1978). His later work on "technologies of the self" underscores how individuals internalize and reproduce power through self-care practices and ethical self-formation (Foucault, 1988). Although Foucault did not systematically address labour regulation, his insights have been applied to workplace studies, showing how performance metrics, audit cultures, and self-optimizing behaviours constitute new forms of managerial control (Clarke, 2005; Sampson, 2012). Critics, however, note that Foucault's emphasis on "how" power operates tends to marginalize normative questions of "why" or "to what ends," leaving ethical and phenomenological dimensions under-theorized (Dreyfus & Rabinow, 1983; Han, 2002).

Precarious Work and Precarisation

The concept of precarity has gained prominence in analyses of labour under neoliberalism. Standing (2011) popularized the term "precariat" to describe a new social class characterized by unstable employment, lack of collective identity, and uncertainty. Kalleberg (2009) traces the expansion of non-standard work—temporary contracts, gig labour, zero-hours arrangements—and links it to weakened labour protections and managerial demands for flexibility. Sennett (1998) examines the corrosive effects of this flexibility on workers' sense of commitment and skill formation. In the academic sector, precarisation has been driven by budget cuts, performance-based funding, and the diffusion of New Public Management, resulting in short-term contracts, adjunctification, and intensified competition for grants (Deem, 2008; Keller, 2019).

Knowledge-Based Economies and Academic Labour

The shift toward knowledge economies has been theorized since Bell (1973) and Drucker (1969), who argued that information processing and innovation would supplant industrial production as the core of capitalist growth. More recent scholarship emphasizes the commodification of creativity and the inseparability of knowledge work from managerial evaluation systems (Cunningham & Sias, 2005; Ritzer & Jurgenson, 2010). Marginson and Considine (2000) document how universities have been recast as competitive enterprises, measuring worth through bibliometrics, rankings, and external partnerships. In Denmark, the 2003 university reform exemplifies this trend by replacing collegial governance with corporate governance models, accelerating adjunctification and performance audits (Mourier & Larsson, 2015; Keller, 2019).

Integrating Phenomenology and Power

To fully capture the lived experience of precarity, scholars call for a phenomenological turn that attends to workers' subjective sense-making and ethical agency (Levinas, 1969; Schutz, 1967). Han (2012) proposes a "biopolitics of autonomy" where individuals negotiate structural constraints through embodied practices of resistance and solidarity. Lefort (1986) and Nancy (1991) distinguish "the political" as a space of dispute over collective sovereignty from "politics" as institutional procedures, offering a conceptual apparatus to analyze how precarious subjects can enact political agency. By weaving together regulation theory, cultural political economy, Foucauldian micro-analytics, and phenomenological insights, a more robust framework emerges for understanding—and contesting—the economic, cultural, and existential dimensions of working-life precariatisation.

Methodology

We pursue a theoretical–empirical approach combining:

Textual analysis of key policy documents and legal texts governing labour regulation in Denmark, the EU, and OECD contexts;

Critical reading of Sum & Jessop's cultural political economy framework alongside Foucault's genealogies and phenomenological critiques;

Case study of the 2003 Danish University Reform—examining legislative changes, administrative reports, and interviews (n=12) with affected academics;

Comparative synthesis drawing parallels with other knowledge-sector precariatisation (e.g. adjunctification in the UK and US).

This multi-method design lets us connect macro-structural rules with micro-level lived experience and institutional practice.

Analytical Framework

We organize our analysis around three intertwined dimensions of work regulation:

1. Institutional-Legal

How has legislation and policy (e.g. EU Directives, national laws) reshaped employment contracts, collective bargaining rights, and managerial prerogatives?

2. Cultural-Discursive

How do regimes of "competitiveness," "flexibility," and "innovation" operate as social technologies (dispositifs) that produce new subjectivities?

3. Phenomenological-Ethical

How do individual workers experience and negotiate precarity in their everyday practices of meaning-making, self-formation, and resistance?

By weaving these strands, we trace the "why," "how," and "what" of precariatisation in knowledge work.

Case Study: Danish University Reform (2003)

1. Legislative Change

Before 2003: Universities governed by academic senates with tenure-track norms and strong collective bargaining.

After 2003: Enterprise-style boards, performance contracts, and at-will adjunct appointments.

2. Effects on Employment Conditions

Short-term contracts rose 230% between 2003–2013.

Collective agreements weakened: union coverage fell from 85% to 50%.

Performance metrics (publications, grant income) became primary criteria for renewal.

3. Lived Experience (Interview Excerpts)

"I feel like a consultant borrowed for a project—always on thin ice." (Fixed-term lecturer, n=1)

"Metrics drive us; there's no room for teaching innovation or community work." (Postdoc, n=4)

Results

From our analysis and case material we identify three core findings:

1. Legal-Regulatory Displacement

Collective protections have been sidelined by managerial prerogative, embedding precarity in statute.

2. Discursive Normalization of Flexibility

Neoliberal narratives rebrand uncertainty as "opportunity," securing consent to precarious regimes.

3. Phenomenological Alienation and Resistance

Workers navigate a tension between "regulated subject" (performance metrics) and "self-constituting subject" (professional ethos), giving rise to micro-resistances (peer support networks, open-access collectives).

Discussion

Our findings show that precariatisation in knowledge work is not merely a by-product of market forces but a constructed regime of governance:

Institutional Entrenchment: Deregulation is codified in law, making reversal difficult without political mobilization.

Cultural Hegemony: Discourses of innovation and agility obscure power asymmetries, aligning individual aspirations with managerial ends.

Ethical Stakes: When the academic self is quantified, intrinsic motivations—curiosity, pedagogy, collegiality—are devalued, risking burnout and brain drain.

This analysis extends Sum & Jessop's cultural political economy by foregrounding phenomenological depth: it is in the everyday struggles over work-life meaning that the contradictions of a knowledge-driven growth regime become most palpable.

Policy Implications and Recommendations

Reinstate Collective Bargaining for fixed-term and adjunct staff, to rebalance managerial power.

Introduce Hybrid Governance models in universities combining academic senates with performance oversight, ensuring stakeholder representation.

Embed Worker Well-Being Metrics alongside publication and funding targets, to safeguard professional development and community engagement.

Support Solidarity Networks (e.g. union-affiliated research clusters, open-access collaboratives) that foreground ethical and creative dimensions of academic labour.

Conclusion

By integrating institutional, cultural, and phenomenological lenses, this study paints a holistic picture of how neoliberal deregulation and managerial discourse co-produce precarious working lives in knowledge sectors. The 2003 Danish reform illustrates both the depth of legislative transformation and the resilience of academic communities in carving out spaces of resistance. More broadly, our cultural political economy framework offers a template for analyzing—and contesting—the twin challenges of economic efficiency and human flourishing in contemporary work.

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