High-skilled outsiders? Labor market vulnerability, education and welfare state preferences

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Accepted for publication in Journal of European Social Policy (June 2014)

Abstract

Recent research has established that employment risk shapes social policy preferences. However, risk is oftentimes conceptualized as an alternative measure of the socio-economic status. We show that employment risk and socio-economic status are distinct, cross-cutting determinants of social policy preferences. More specifically, we analyze the policy preferences of high-skilled labor market outsiders as a cross-pressured group. We first establish that labor market vulnerability has spread well into the more highly educated segments of the population. We then show that the effect of labor market vulnerability on social policy preferences even increases with higher educational attainment. We conclude that that labor market risk and educational status are not interchangeable and that the high skilled are particularly sensitive to the experience of labor market risk. Thereby, our findings point to a potential cross-class alliance between more highly and lower skilled vulnerable individuals in support of a redistributive and activating welfare state. Thus, they have far-reaching implications for our understanding of both the politicization of insider/outsider divides and the politics of welfare support.

Keywords: Education, Preferences, Political Economy, Europe, Social Policy, Part-time Employment

JEL Classification: Health, Education, and Welfare

Acknowledgments

Earlier versions of this article have been presented at the 'workshop for welfare state analysis' in Odense, Denmark, April 12-13 2013. We would like to thank Elias Naumann, Marius Busemeyer and the participants of the workshop for their valuable comments.

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1. Introduction

The link between individuals' situation in the labor market and their preferences for social policy has become a crucial area of research over the past years (Rueda, 2007; Rehm, 2009; Margalit, 2013), especially as labor market risks are increasingly unequally distributed between labor market insiders and outsiders (Rueda, 2007; Palier and Thelen, 2010; Emmenegger *et al.*, 2012). However, labor market vulnerability is oftentimes too quickly assumed to be a close correlate of the socio-economic status in terms of education, skill level or income (Piore, 1980; Rueda and King, 2008). Put differently, outsiders are equated with "cheap labor". We question this assumption: given the stark expansion of employment in the typically less protected service sector, we argue that the distribution of employment risk is distinct from the distribution of skill in post-industrial societies. Indeed, we find labor market outsiders also among the high-skilled. In this article, we analyze the social policy preferences of highly educated individuals in vulnerable labor market positions as a cross-pressured group in Western Europe.[i]

Knowing the socio-structural profile and distributive preferences of high-skilled outsiders is crucial to understand the political consequences of the increasingly unequal distribution of employment risks. Our findings indeed point to an increasing potential for large pro-welfare alliances between higher and lower skilled vulnerable individuals in support of redistributive and activating social policy. Acknowledging the social policy preferences of the high-skilled, yet vulnerable parts of post-industrial societies is particularly important, since these high-skilled outsiders – unlike lower skilled outsiders – are likely to be a politically informed and active group (Häusermann and Schwander, 2012), receptive to political mobilization. Our findings thus have far-reaching implications for our understanding of both the politicization of insider/outsider divides and the politics of welfare support.

We argue that highly educated individuals in vulnerable labor market positions are cross-pressured regarding their social policy preferences: their high level of human capital enable them to perform well in the labor market. At the same time, they are only weakly integrated in the labor market, which prevents them from capitalizing on their earnings potential. In this article, we test which of these two determinants affects their social policy preferences more strongly.

Our argument regarding preference formation is based on a rational choice logic: people will be in favor of state intervention if they expect to gain from it (Meltzer and Richard, 1981; Moene and Wallerstein, 2003; Jaeger, 2006; Häusermann and Schwander, 2011). Regarding education, research has consistently shown a negative relationship between human capital and the demand for social policy. Individuals with low human capital prefer a generous, redistributive welfare state, while higher skilled individuals are more inclined to let the market determine labor market outcomes, because their human capital pays off in the market. Putting forward another causal mechanism for the negative relationship between education and preferences for redistribution, Rehm and Kitschelt (2005) argue that education provides insurance against adverse labor market dynamics in post-industrial labor markets, thereby reducing the need for redistribution. Consequently, if anything, individuals with higher educational attainment should prefer a welfare state based on social insurance and the equivalence principle (Moene and Wallerstein, 2003).

The relationship between labor market vulnerability and the demand for generous and redistributive social policy, by contrast, is positive (Moene and Wallerstein, 2001; Walter, 2010; Fernàndez-Albertos and Manzano, 2011; Rehm, 2011b). Labor market outsiders need either compensation for their discontinuous labor market attachment in the form of redistributive policies, or they need activation policies which support their integration into the labor market. Individuals with stable and protected jobs, by contrast, benefit from a social

insurance welfare state based on contribution-based, because they have full and complete contribution records that entitle them to high benefits.

To analyze how education and employment risk influence social policy preferences, we proceed in two steps. We first show empirically that insider/outsider divides and education are cross-cutting: atypical forms of employment are also common among certain highly educated segments of the labor force. However, one may question whether atypical employment among the highly skilled is indeed related to labor market disadvantages (which the notion of 'outsiderness' implies), or whether it is just an unproblematic, flexible form of employment. Hence, we will subsequently demonstrate that labor market vulnerability is associated with labor market disadvantages in terms of income, job satisfaction, replaceability, and training opportunities also among the highly educated. In a second step, we examine the preferences of the cross-pressured group of highly educated outsiders with regard to three distributive principles of social policy: redistribution, activation and social insurance. In contrast to existing studies, we do not analyze preferences for 'more' or 'less' welfare state, but preferences for distinct distributive principles of the welfare state.

Our article demonstrates that labor market vulnerability has a clear positive impact on preferences for redistribution and activation and a clear negative impact on social insurance preferences, whereas education has exactly the opposite effect. Furthermore, we find that labor market vulnerability matters even more for explaining social policy preferences among the high-skilled than among the low-skilled. In other words, high-skilled outsiders are particularly sensitive to the experience of labor market risk.

The article is structured as follows: we first discuss why labor market vulnerability has spread into the highly educated middle class. We then present our argument about the social policy preferences of high skilled but vulnerable individuals as a cross-pressured group. Empirically, we demonstrate that a substantial part of the high-skilled indeed is confronted with adverse labor market dynamics and show that this exposure is linked to actual disadvantages in the labor market. We then examine the impact of labor market vulnerability and education on social policy preferences, both separately and jointly. The final section summarizes the findings and discusses their implications for the literature on welfare state support, insider/outsider divides and comparative political economy.

2. Labor market vulnerability among the highly educated

In this section, we explain first why employment vulnerability in the post-industrial economy affects not only the lower skilled, but also skilled and even high-skilled workers. We then present our argument about the conflicting influences of labor market vulnerability and education on social policy preferences.

The highly educated in increasingly unstable labor markets

The dominant view within the dualization literature conceptualizes dualization as a divide *within* the working class. This implies that many key contributions to this literature associate outsiders with low income and low skill, and others explicitly exclude upscale groups from the analysis (as for example Rueda, 2006; 2007). King and Rueda (2008) equate outsiderness with 'cheap labor' and call the outsiders the 'employment underclass'. In their discussion of a trade-off between cheap standard labor and cheap outsider labor they focus explicitly on low pay, low benefit and low protection jobs, as this is 'the standard for almost all non-standard employment' (2008: 280). Also, in the original formulation of the theory of segmented/dual

labor markets, jobs in the secondary labor market are assumed to be characterized by unpleasant work conditions and to require low or no skills (Piore, 1980). The assumed correlation between outsider status and low skill level is also particularly pronounced in contributions examining the link between migration and dualization (Piore, 1980; Rueda and King, 2008; Emmenegger and Careja, 2012).

To be clear, we do not argue that skill levels or educational attainment are irrelevant for the individual level of risk exposure or that higher skilled individuals face the very same labor market risks as lower skilled individuals. Indeed, labor market prospects have become dire for lower skilled workers as cognitive skills are more crucial than ever in dealing with the rising complexity of jobs in modern economies (Murnane *et al.*, 1995; Carbonaro, 2007). The decline in jobs with medium skill levels additionally increases competition for lower skilled jobs as parts of the middle-skilled workers are forced to compete for these jobs too (Autor *et al.*, 2003; Goos and Manning, 2007). Nevertheless, labor market vulnerability is spreading to the skilled workforce as a consequence of the massive growth and heterogenization of the educated middle class in the post-war period. Three socio-economic trends have been driving this massive expansion of middle class employment: the tertiarization of the employment structure, the educational revolution, and the expansion of the welfare state (Oesch, 2006: 7). The expansion of service sector employment was both driven and supported by the expansion of higher education, which promoted a wide array of professional and managerial occupations and hence a broader middle class (Crouch, 1999). This resulted in an increased heterogeneity within the highly educated middle class in terms of work settings and labor market positions across Europe (Kriesi, 1993; Müller, 1999). Equally, the employment conditions of skilled and high-skilled occupations of a larger and more heterogeneous middle class have diversified. A skilled white collar occupation is no guarantee of employment security and high income anymore. In

particular, service sector jobs at all skill levels involve more atypical, non-standard or discontinuous employment (Oesch, 2006). As the European welfare model is built on the premise of permanent full time employment, weak labor market integration or deviation from the standard model of employment (i.e., full time, permanent employment) results in risks of income and welfare losses. Consequently, we consider atypical employment forms as vulnerable.

Socio-structurally, gender and age stand out when thinking about these highly skilled yet vulnerable groups.[ii] Women's labor market attachment has traditionally been less stable than men's. They are particularly likely to belong to these highly skilled yet vulnerable groups, especially in Continental and Southern Europe (Esping-Andersen, 1999, 2009; Fellini and Migliavacca, 2010; Schwander and Häusermann, 2013). For women in Continental Europe, for example, atypical employment is the norm rather than the exception, regardless of their educational level (Esping-Andersen, 1999, 2009). Similarly, young adults encounter a variety of labor market risks when entering the labor market, especially unemployment or temporary work (Esping-Andersen, 1999; Chauvel, 2009; Esping-Andersen, 2009; Ranci, 2010). The current employment crisis in Europe exacerbates the difficulties for young workers to find a stable job even in the longer run of their careers. In 2011, youth unemployment (15 to 25 years) in the European Union was at 22 percent and 31.3 percent of the young adults under the age of 30 had a non-permanent contract (OECD, 2012: 14; for temporary work: EU-SILC, 2012; own calculations). Part of the labor market vulnerability of young adults results from their lack of work experience. However, labor market institutions, such as strong employment protection legislation and the importance of internal labor markets in the hiring process can exacerbate the labor market vulnerability of young adults (Gangl, 2001, 2003).[iii]

Hence, young adults and women might experience labor market vulnerability despite high skill levels. In the next section, we will present our argument about the repercussions of this cross-pressure between labor market vulnerability and human capital.

The cross-cutting impact of labor market vulnerability and education on social policy preferences

Our theoretical arguments are based on the premise that welfare state preferences are mainly shaped by economic self-interest. Hence, the main reason for diverging preferences lies in the *distributive implications* of social policies.[iv] Social rights are either based on employment or on need (social insurance vs. redistribution) and have different goals (activation vs. passive protection). In this section, we discuss how labor market vulnerability and education affect social policy preferences. In particular, we argue that the effect of labor market vulnerability on support for social policy should be even stronger among the high-skilled than among the low-skilled: among the low-skilled, generalized support for the welfare state is likely to be high for both insiders and outsiders for a number of reasons (such as lower levels of income and wealth), with labor market vulnerability being just one more factor that pushes in the same direction. However, among the high-skilled, generalized support for welfare state generosity is lower. Hence, they should be less inclined towards expansive policies, *unless* they are in a vulnerable labor market situation.

Insiders and outsiders have different social policy preferences because welfare policies affect them in distinct ways. The crucial distinction between labor market insiders and outsiders is (in)stability of employment. Social insurance favors insiders given their full contribution records and stable employment careers.[v] By contrast, individuals who have paid only irregularly or low contributions to the social insurance systems due to unstable employment do

not qualify at all or only for low benefits. Hence, the main preference divide in terms of the insider/outsider differentiation is straightforward: insiders favor employment- and insurance-based social policies that grant social rights and benefits according to contributions, while outsiders prefer redistributive social policies, which allocate rights and benefits on the basis of need. Hence, *outsiders prefer compensation for their discontinuous and tenuous labor market attachment in the form of needs-based redistribution (H1a). At the same time, we expect a negative relationship between outsiderness and support for social insurance (H1b).*

Welfare states also differ with regard to whether they aim at passively compensating individuals for income loss, or at activating the beneficiaries. While activation can be achieved in a punitive 'workfare' logic through cutting benefits and lowering social minima, we think here of non-punitive activation policies that are in the interest of outsiders. These policies enhance opportunities for employment or reduce barriers for labor market entry by means of training, education, childcare, and active labor market policies (Bonoli and Natali, 2012). Such policies support labor market integration, thereby representing an alternative to needs-based redistribution. Outsiders should be particularly inclined to these policies, because stable and continuous access to the labor market is exactly what they lack. Hence, *we expect a positive relationship between labor market vulnerability and support for activation (H1c).*

While we expect the relationship between labor market vulnerability and social policy preferences to hold across the entire workforce, we also argue that the effect of labor market vulnerability interacts with education levels and is particularly strong among the higher skilled. The previous section has argued that education and labor market vulnerability are cross-cutting. We expect social policy preferences to differ between higher and lower skilled outsiders, because their labor market prospects and their specific social policy needs are not the same.

High-skilled individuals have both the cognitive resources and the marketable skills to perform well in the labor market once they have the opportunity to make use of their human capital. *We therefore expect a positive interaction effect between outsiderness and education levels on support for activation policies (H2a).* An example may help to illustrate this idea: imagine a young university graduate who cannot find a stable job and an unemployed supermarket cashier. Both are exposed to strong labor market risks. We assume that the former wants to make use of her education in the labor market, while the latter is concerned with covering his daily expenses with income from whatever source, be it labor market income or social transfer payments.

Regarding redistribution, we hypothesize that individuals with lower skill levels find it hard to earn a sufficient income through the market even if they have a stable job, given that they are generally disadvantaged in post-industrial labor markets. Hence, even lower skilled *insiders* may support redistribution. The more highly educated, however, have a higher earnings potential, which should make them less inclined toward redistribution *unless* they are in a vulnerable labor market position (this is where the cross-pressure is most evident). Hence, we expect the higher educated to support redistribution *only* if they are in a vulnerable labor market position. Consequently, we hypothesize that *the level of education reinforces the effect of labor market vulnerability on support for redistribution, the lower skilled being more similar in their social policy preferences than the high-skilled (H2b).*

Similarly, we predict a *reinforcing interaction effect of education with regard to the impact of outsiderness on social insurance preferences (H2c).* As outlined above, individuals with higher education have a higher earnings potential, which also results in higher contributions to social insurance schemes and, accordingly, higher benefits. For lower skilled and lower paid workers,

on the other hand, social insurance is always a problematic deal, as the expected benefits are proportional to their low earnings.

Our argument about the high-skilled individuals as a cross-pressured group has far-reaching consequences for the study of welfare politics and the politicization of insider/outsider divides. Whereas dualization and insider/outsider divides in policy preferences are portrayed as a conflict *within* the working class, our article reveals that these developments do not stop short of the middle class. Hence, our findings highlight the potential of a cross-class alliance of vulnerable individuals with different educational backgrounds in support of a redistributive and activating welfare state. Since higher skilled outsiders are likely to be politically active and engaged (see Häusermann and Schwander 2012), this impacts the politics of welfare states but also the potential of a politicization of insider/outsider divides. In this sense, our argument relates to a recent contribution by Rehm et al. (2012) on the effects of unemployment risk and income on social policy support. They find that support for unemployment insurance is higher in countries where unemployment is less concentrated among the poor. While testing their argument at the macro-level, they implicitly make an assumption about the preferences of middle-income earners as a cross-pressured group. In this article, we shed light on the micro-foundations of such an argument.

There is an alternative explanation to the support of some high-skilled social groups for generous social policies that we want to address. Both the preferences and attitudes of these people, as well as the occupational profile they have chosen may be explained by an unobserved third variable, in particular post-materialist values or specific socialization processes in the family etc. A post-materialist value orientation embraces values like social justice, equality and solidarity with the weaker members in society (Inglehart, 1977). One

might thus expect post-materialists to be more supportive of the welfare state than materialists, a hypothesis for which Gelissen (2000) provides empirical evidence. In a similar vein, Scheepers and Grotenhuis (2005) find that post-materialist are more likely to donate money for poverty alleviation. The question of the direction of causality between the labor market position of an individual and his/her attitudes is a relevant and open one (Kitschelt and Rehm forthcoming). Self-selection may indeed to some extent be an alternative or additional mechanism for explaining the link between vulnerability and preferences, especially since vulnerability among the high-skilled is concentrated among certain social groups.[vi] However, while it might well be that certain individuals self-select into structurally more vulnerable occupations, vulnerability as such still poses a problem for them and we assume that they would still favor measures to ease this problem. Even if the occupational class was self-selected, vulnerability is not the choice the individuals made, which is why we think that the direction of the causal link between risk and preferences remains plausible.

3. Empirical Analysis

The structure of the empirical analysis is as follows: we first show that labor market vulnerability is not unfamiliar to certain segments of the high-skilled population. In accordance with the concept of outsiders as a structurally disadvantaged segment of the workforce, we present evidence for the incidence of atypical employment among high-skilled individuals and show that labor market vulnerability is related to actual disadvantages in the labor market, even for high-skilled individuals. In a second step, we examine the effects of labor market vulnerability and education on social policy preferences.

The incidence of atypical employment among highly skilled women and young adults

To show that labor market vulnerability affects specific segments of the highly educated as well, we compare the labor market vulnerability among the highly educated with the one among the entire workforce by discussing the incidence of the three most common forms of employment risk, i.e. temporary employment, involuntary part-time employment and unemployment. Based on the EU-SILC survey 2007, Table 1 displays the rates of temporary work for the entire workforce, for the high-skilled and for the two high-skilled sub-samples we expect to be particularly vulnerable: young adults aged between 18 and 40, and women.[vii] Higher education is defined as post-secondary or tertiary educational degree. About a third of all respondents are counted as highly educated.[viii] We chose 40 as age threshold because most European countries still have a considerable part of young adults in education at the age of 30 (Couppié and Mansuy, 2003). Considering that acquiring a firm position in the labor market takes another couple of years, a substantial share of people in their thirties must still be counted as labor market entrants. Highlighted fields indicate groups with a rate exceeding the one observed in the overall workforce. Table 2 shows the same information with regard to involuntary part-time employment for the same groups[ix] while Table 3 refers to unemployment.

[INSERT TABLE 1]

[INSERT TABLE 2]

[INSERT TABLE 3]

Overall, Tables 1 to 3 confirm that high-skilled individuals are not particularly exposed to labor market risks in comparison with the entire workforce (columns 1 and 2). The only labor market risk that high-skilled workers are confronted with is temporary employment, but only in half of the countries under consideration (see Table 1). However, the columns referring to the potentially vulnerable segments of the high-skilled workforce show that these segments are

indeed exposed to labor market vulnerability. For example, column 3 of Table 1 shows that temporary employment is an employment reality for young adults with post-secondary or tertiary education: in all countries, high-skilled individuals aged between 18 and 40 have a higher rate of temporary employment than the entire workforce. This does not surprise, as temporary work has often been used as a means of transition from school to work. Young labor market entrants start with fixed-term contracts in the early phase of their career to gain work experience and then move on to a permanent contract.[x] However, the increased use of temporary contracts over the past decades has extended the phase of job insecurity beyond the initial phase of labor market access over a longer career period (Ranci, 2010). Thus, as employers are more reluctant to employ new employees on permanent contracts, it has become more difficult for younger cohorts to acquire a stable position even in the medium and long run of their careers.

Further, Table 2 suggests that not only temporary work but also involuntary part-time employment affects young high-skilled adults. While in Denmark, Greece, and Italy, part-time employment is more widespread among young high-skilled adults than among the entire workforce, it is still quite frequent in the other countries. For example, almost 39 percent of young adults work part-time in the Netherlands, while in Switzerland and Germany more than 20 percent of high-skilled young adults work part-time. Additionally, as column 3 in Table 3 shows, highly educated young adults in Italy and Greece are more often unemployed than the entire workforce (7.0 percent, respectively 7.3 percent). Despite the fact that the rate of unemployment among young adults does not exceed the national average in Spain and Portugal, a substantial share of young adults are unemployed in these countries (6.8, respectively 6.4 percent). In Southern Europe, the rates of unemployment, part-time and temporary employment of young adults with post-secondary or tertiary education exceed the

national averages indicating that the rigid labor markets in Southern Europe do not spare young adults with higher education. This confirms previous findings that the transition from university to work is most protracted in Southern Europe (Blanchflower and Freeman, 2000; Pozzoli, 2009; Ranci, 2010). We would like to emphasize that this refers to the time *before* the unemployment crisis hit Southern Europe. Since 2007, the employment situation has deteriorated especially for younger workers (Worldbank, 2013).

With regard to the labor market vulnerability of high-skilled women, the tables show that high-skilled women face a high risk of involuntary part-time and temporary work but less so of unemployment. The general gender-bias of part-time employment is echoed in higher involuntary part-time rates among high-skilled women in all countries but Finland, Portugal and Greece (see last column in Table 2) . Most scholars explain this with the need to reconcile family and work in the absence of affordable childcare facilities (O'Reilly and Fagan, 1998; Esping-Andersen, 1999, 2009). Also, in many countries, temporary work is more widespread among highly educated women than among the workforce in general. In Belgium, Spain, Portugal, France and Greece, the rates of female temporary employment do not exceed the country average, but temporary employment is still frequent with rates between 14.2 and 31.4 percent (see Table 1). This corresponds to the findings of Fellini and Migliavacca that women have lower access to stable (i.e. open-ended) contracts than men and that unstable employment is more strongly feminized than overall employment throughout Western Europe (Fellini and Migliavacca, 2010). Hence, high-skilled women often work in atypical employment, but their human capital largely seems to shield them from unemployment.

Three conclusions can be drawn from the numbers discussed above. First, labor market vulnerability is not confined to the low-skilled, but affects segments of the highly educated

workforce as well, namely young and female workers. Second, we have seen that labor market vulnerability among the highly educated results first and foremost from temporary work (in the case of young and female high-skilled) and involuntary part-time work (in the case of high-skilled women). Third, we find that the incidence of labor market vulnerability among young high-skilled, respectively female high-skilled individuals varies between countries, probably due to differences in labor market institutions, welfare states, and educational systems. As implication for the further empirical analysis, we conclude that we need to control for composition effects by including gender, age and country-dummies as additional variables.

The effects of atypical employment on labor market disadvantages and preferences

In this section, we demonstrate that labor market vulnerability leads to objective and subjective disadvantages in the labor market for the highly educated and test whether it affects their social policy preferences.

To assess the effects of atypical employment, we construct a composite measure of labor market vulnerability as an independent variable that takes the different forms of atypical employment into account. We call this variable 'outsiderness'. The degree of outsiderness is the risk of being unemployed or in atypical employment (involuntary part-time employment, temporary employment, or helping in family business). For every respondent, we quantify this risk on the basis of the frequency of unemployment and atypical employment within his or her occupational class (for an extensive discussion and validation of this measure, see Schwander and Häusermann 2013). Similarly to Rehm's work on unemployment risk, we rely on occupational classes for the measurement of risk, because the probability of experiencing unemployment or atypical employment is very unequally distributed across occupational classes (Rehm, 2011a). We use the class scheme by Oesch in the collapsed version of Rehm

and Kitschelt (2005). They distinguish five occupational classes: capital accumulators (high-skilled managers, self-employed and experts), socio-cultural professionals (high-skilled professionals in the public and private service sector), blue-collar workers (unskilled and skilled workers mostly in the industry), low service functionaries (unskilled and skilled employees in interpersonal services), and mixed service functionaries (routine and skilled clerks). We further distinguish those five classes according to gender and age. As before, the age threshold is set at the age of 40.

The combination of five classes, two sexes and two age groups leaves us with 20 occupational groups, which are the basis of our measurement. We compute the rates of unemployment, involuntary part-time employment and temporary employment[xi] from data of the EU-SILC survey 2007 for each occupational group and the average workforce in every country.[xii] We then subtract the average rate of the national workforce from the group-specific rates in order to obtain the group-specific deviations (over- or underrepresentation) in unemployment, involuntary part-time and temporary employment. The reason for subtracting the national average from the group-specific value lies in the relational nature of labor market risks. A group-specific unemployment rate of 10 percent has a different meaning in a country with an average unemployment rate of 5 percent than in a country with a national unemployment rate of 15 percent. The average of these three standardized deviations indicates the value of labor market vulnerability, i.e. the degree of outsiderness of each occupational group in each country. Occupational groups with a lower labor market vulnerability than the entire workforce have negative values of outsiderness, while groups with an over-proportional labor market vulnerability have positive values of outsiderness. We then attribute the value of his or her occupational group to each respondent of the ESS datasets we use.

As we would expect from Tables 1-3 above, labor market vulnerability as measured by our variable outsiderness is not distributed equally across the occupational groups: female and

young labor market participants experience atypical employment more strongly than men and elderly employees. In all countries, young female low-skilled service employees have the highest risk, while elderly male capital accumulators have the lowest risk of atypical employment and unemployment (see Schwander and Häusermann, 2013). For this article, it is particularly important to note that the high-skilled are not shielded from labor market vulnerability. Roughly between 25 and 40 percent of the high-skilled belong to groups experiencing positive values of outsiderness. In other words: at least 25 percent of high-skilled respondents have rates of unemployment and atypical employment that lie significantly above the national workforce average (see Appendix Figure A.1), in many countries substantially more (e.g. Belgium, Switzerland, Germany, Denmark, Spain, France, Netherlands and UK).[xiii] High-skilled outsiderness is particularly concentrated among female socio-cultural professionals and mixed service functionaries.

As we argued before, the dominant view within the dualization literature is that the privileged segments of the working force are not affected by atypical employment. Our analysis refutes this view: atypical employment is widespread also among the highly skilled. Yet, one might argue that even then high-skilled atypically employed are not outsiders in the sense that their labor market vulnerability is associated with disadvantages in the labor market. Rather, atypical employment might be seen as an unproblematic expression of a flexible and mobile labor force. We use the presented measure of labor market vulnerability and indicators of subjective labor market disadvantage and lower job quality to show that atypical employment has real negative effects on labor market outcomes even for the high-skilled. We use two indicators for subjective labor market disadvantages: job satisfaction and satisfaction with the household income. Objective lower job quality is also measured by two indicators: the replaceability of an individual at his/her workplace and the possibility to improve his/her knowledge or skills since

outsider jobs tend to be characterized by little security or career advancements (Piore, 1980). We expect even high-skilled outsiders to fare worse than insiders on all indicators.

The analysis is based on data from the European Social Survey 5 from 2010, including 14 countries.[xiv] Job satisfaction is measured by means of a question asking respondents how satisfied they are with their main job (their answers are coded on an 11 point scale). The respondent's feeling about their household income (ranging from 'very difficult to get by' to 'living comfortably') is our second indicator of subjective labor market disadvantage. We measure objective job quality with two variables as well: the first question asks about replaceability, i.e. respondents evaluate how long it would take someone with the right qualifications to do his or her job right (with answers ranging from 1 'one day or less' to 8 'more than five years'). The last indicator we use refers to the possibility of updating skills and knowledge in the current job by asking whether the respondent had the possibility to improve his or her skills or knowledge in the last 12 months. Both variables indicate how the respondent feels about his or her chances for career advancement and value for the employer: Employers are more interested in retaining and investing in employees that are difficult to replace. Employees with low replaceability are indeed less concerned about their job security (Goldthorpe, 2000; Emmenegger, 2009). In addition, prospects for career advancement should be lower for employees who are easy to replace or who undergo less on-the-job or vocational training. A detailed operationalization of all variables is described in Appendix 1.

As we want to show the effect of outsiderness on these different dependent variables at varying levels of education, Figure 1 presents marginal effects of labor market vulnerability at different levels of education. The results of the underlying OLS and ordered logistic regressions, which

include a range of control variables that may affect both outsiderness and labor market (dis)advantages, as well as country fixed effects are shown in Appendix 2.

Figure 1 clearly demonstrates that an increase in labor market vulnerability is significantly and consistently related to lower labor market outcomes among the high-skilled respondents. When it comes to subjective job satisfaction and feeling about household income, the marginal effect of labor market vulnerability is even significant *only* among the more highly educated. We assume this to be the case because the low-skilled are generally more strongly disadvantaged, hence, the variance in labor market disadvantages is lower among the low-skilled. To give an idea of the substantive impact of labor market vulnerability, we calculate the predicted probability to be satisfied with job and income for a high-skilled individual with the highest and lowest value of outsiderness.[xv] This respondent's probability to be fairly or completely satisfied with her main job (values 7 and higher on the 11 point scale) is 57 percent if she is a maximum outsider compared to 80 percent if she has the lowest value of labor market vulnerability. With regard to satisfaction with household income, the difference for the same individual with highest and lowest value of labor market vulnerability is 10.5 percentage points.

[INSERT FIGURE 1]

Similarly, the bottom part of Figure 1 shows that labor market vulnerability is associated with lower job quality. This holds for the entire workforce, even for the highly educated subgroup. The higher the labor market vulnerability a respondent is exposed to, the lower he or she estimates the time span that it would take someone to do his or her job right and the lower the chances to improve their skills. In substantive terms, the probability that a maximum outsider with tertiary education estimates the time it would take to replace her to be *at least* a year is

only seven percent. On the contrary, the same probability is 33 percent for the same individual with the lowest value of outsiderness. Similarly, highly educated yet vulnerable respondents fall behind their insider peers in the chances they got to improve their knowledge or skills in the last 12 months by 21 percent. Again, these findings suggest that labor market vulnerability is associated with lower job quality and higher insecurity in the labor market even for the highly educated.

In sum, high-skilled outsiders seem to be afflicted with labor market disadvantages in both subjective and objective terms, despite – or maybe because of – their high levels of human capital resources.

We argue that labor market vulnerability has a particularly strong effect on social policy preferences for the cross-pressured group of highly skilled outsiders. To reiterate, we expect labor market vulnerability to have a positive effect on preferences for redistribution and activation but a negative effect on support for social insurance (H1). We hypothesize further that the effect of labor market vulnerability on social policy preferences increases with increasing educational attainment because the high-skilled are cross-pressured, whereas the low-skilled generally support generous welfare benefits due to a range of factors (H2). Again, we test our expectations by modeling an interaction effect between labor market vulnerability and education levels.[xvi] The analysis is based on data from the European Social Survey 4, 2008, because it contains specific questions that allow differentiating between different social policy principles. Data is available for 13 countries.[xvii]

Preferences for the different distributive principles are our dependent variables. *Preferences for redistribution* are measured on a 5-point-scale question asking respondents whether they think that the government should reduce income differences, which is a commonly used variable to

measure redistribution preferences. Regarding *preferences for activation*, we use a question that asks whether the government should provide a job for everyone who wants one (measured on a 11-point scale), as this variable clearly focuses on employment instead of passively compensating income loss.[xviii] Finally, *preferences for the equivalence principle of the social insurance state* are measured by a variable that asks respondents whether they think that individuals who have contributed more to the pension system should be entitled to higher benefits (as opposed to individuals in greater need being entitled to higher benefits). To the best of our knowledge, this is one of the only two comparatively available questions to capture the difference between needs- and employment-based social policy. Each variable is recoded so that higher values reflect stronger support for the specific distributive principle. We include household income[xix], a dichotomous variable measuring whether a person lives in a couple household, public employment, and union membership as control variables. To control for the influence of cultural values on welfare state preferences we also control for church attendance and cultural liberalism (De La O and Rodden, 2008; Rehm, 2009, 2011a,b).[xx] Based on the insights of our previous analysis, we include gender, age and country fixed effects to control for compositional effects of labor market vulnerability.

Table 4 presents the estimates for the determinants of social policy preferences. For each dependent variable we specified two models, one that tests the linear relationship between outsiderness and preferences, and one that includes an interaction term for outsiderness and education levels.

[INSERT TABLE 4]

Let us first briefly discuss the linear effects. Models 1 and 3 show that labor market vulnerability is linked to higher support for redistribution and activation and Model 5 indicates that labor market vulnerability is associated with lower support for social insurance. This corresponds exactly to our first set of hypotheses: due to their weaker labor market attachment, outsiders favor redistribution and activation, while insiders are supportive of social insurance. Turning to our second variable of theoretical interest, we find that education has a negative effect on support for redistribution, which is again in line with the expectations we draw from the literature. Education also affects preferences for public job creation negatively, probably due to the overall better chances of individuals with higher educational attainment in the labor market (Shavit and Müller, 1998; Carbonaro, 2007; Oesch and Rodriguez Menes, 2011). By contrast, higher educational attainment is associated with higher support for social insurance. Hence, the linear models in Table 4 confirm that the effects of education and outsiderness are consistently countervailing.

We now turn to the interaction effects between labor market vulnerability and educational attainment. Figure 2 shows the marginal effects of outsiderness on preferences at different levels of education and thus provides a detailed picture of the conditions under which the interaction is significant.

[INSERT FIGURE 2]

Regarding preference for redistribution, the marginal effect of outsiderness is positive and significant, but only for respondents with an upper secondary degree or higher (which, however, represent a majority of respondents, about 67 percent). Below that level, labor market vulnerability has no impact on preferences for redistribution. This finding concurs with hypothesis 2b: we argued that the preferences of the lower skilled are more similar than the

preferences of the higher skilled because even low-skilled *insiders* should favor redistribution for reason of the generally low income of low-skilled workers. In other words: among the low-skilled, the effect of education prevails over the effect of outsiderness. The high levels of support for redistribution among all low-skilled respondents further bolster this argument: the probability of a low-skilled individual *supporting* redistribution is 68.3 percent with a significant difference between insiders and outsiders of 15.4 percentage points.[xxi] Among the high-skilled, support is generally lower (55.2 percent), but the difference within the high-skilled group based on the level of outsiderness is higher: an individual with the highest value of labor market vulnerability has a likelihood of 65.4 percent to support redistribution, while the same probability is 18 percentage points lower for a high-skilled individual experiencing the lowest level of outsiderness.

Regarding preferences for activation, we hypothesized that the effect would become stronger with increasing skill levels because high-skilled outsiders should have particularly strong incentives to favor investment in human capital and jobs: what they want first and foremost is an opportunity to work. Hypothesis 2a is fully confirmed by the data: Model 4 indicates a positive and significant interaction effect for activation preferences. Figure 2 shows that the higher the educational level, the stronger labor market vulnerability impacts preferences for activation. The predicted probabilities substantiate this finding: the likelihood of an individual with the highest degree of outsiderness and tertiary education to strongly support activation (i.e. meaning a score of 7 or more on a scale from 0 to 10) is 52 percent, while the same individual exposed to the lowest degree of labor market vulnerability has only a chance of 36.3 percent to strongly support activation. The difference between a low-skilled individual with highest and lowest degree of labor market vulnerability is around 15.9 percentage points.

To reiterate, we expect preferences for social insurance to be particularly strong among high-skilled insiders (H2c). While social insurance is relatively unattractive for all the low-skilled in account of their inherently low contributions, the higher the human capital of a respondent the stronger we expect the marginal effect of vulnerability to be. We therefore expect the insider/outsider divide to widen with increasing levels of education. Figure 2 confirms this interaction effect graphically. The results corroborate our theoretical reasoning: high-skilled insiders support the equivalence principle more strongly than high-skilled outsiders. A high-skilled insider (lowest degree of outsiderness) has a likelihood of 81.9 percent to agree that individuals with higher contribution records should receive larger old age pension benefits. For the same individual being an outsider (highest degree of labor market vulnerability), this probability is 15 percentage points lower.

To conclude our analysis, we examine the relative impact of education and labor market vulnerability on social policy preferences. Table 5 reports the predicted probabilities of an average individual at lowest (primary education or less) and highest (tertiary education) levels of education to support each of the three distributive principles, compared to the same individual at minimum and maximum values of labor market vulnerability. We find that differences between low and highly educated respondents are much smaller than differences between individuals with the lowest and highest value of outsiderness with regard to all three social policy preferences. The importance of labor market vulnerability for social policy preferences is striking: differences in predicted probabilities between individuals with highest and lowest values of labor market vulnerability are around 16 percentage points while differences between individuals with highest and lowest levels of education range between 8.4 and 13.1 percentage points. The same analyses calculated for different model specifications of the average individual (different countries, men instead of women and different ages) lead to

the same conclusion that the degree of labor market vulnerability is more important for social policy preferences than the level of education.

[INSERT TABLE 5]

Conclusion

Increasing divides between labor market insiders and outsiders concern policy makers and academic scholars alike. While labor market vulnerability is often seen as a phenomenon that affects the low-skilled segment of the labor market, our article demonstrates that dualization and educational attainment are not collinear phenomena. Rather, labor market vulnerability spreads well into highly educated segments of the population with striking implications for the preference formation of both high and low-skilled outsiders.

We have shown that high-skilled women experience an over-proportional risk of temporary or involuntary part-time work, while the labor market vulnerability of highly educated young labor market participants results mainly from temporary work. We also produced clear evidence that labor market vulnerability is linked to an inferior labor market status even for the highly educated. High-skilled outsiders experience lower job satisfaction and income security than high- skilled individuals with low labor market vulnerability. Hence, atypical work among the high-skilled is not just an unproblematic, deliberate choice they make. Labor market vulnerability leads both individuals with lower and higher education levels to fear that they might easily be replaced and lowers their chances to improve their skills. Our evidence suggests that labor market vulnerability is associated with stronger preferences for redistribution and activation but lower support for social insurance. Regarding the joint effect of labor market risks and education, highly educated outsiders are cross-pressured when it

comes to social policy preferences. Their high level of human capital would predispose the high-skilled to oppose redistribution and activation and instead favor social insurance, while their labor market vulnerability pushes their preferences in the opposite directions. Comparing the relative importance of education and labor market vulnerability, we conclude that the effect of labor market vulnerability on social policy preferences exceeds the one of education.

Our findings contribute to the literature on insider/outsider divides, comparative political economy as well as the literature on social policy preferences and welfare support. First, our analysis underlines the importance of distinguishing between different distributive principles of social policy. We clearly need to study insider/outsider preferences with regard to specific distributive policies, because different welfare policies affect them in distinct ways. Just as large welfare states do not need to be redistributive welfare states at the macro-level (Esping-Andersen, 1990; Huber and Stephens, 2001), welfare state preferences on the individual-level are not to be equated with preferences for 'more' or 'less' welfare state (Moene and Wallerstein, 2003; Fernàndez-Albertos and Manzano, 2011) as distinct policies have different distributive consequences for different social groups.

Second, the findings emphasize the importance of treating labor market vulnerability and education levels as two separate dimensions in determining individuals' labor market position. Most importantly, our article has important implications for both the insider/outsider literature and the study of welfare state support. High-skilled outsiders are a cross-pressured group: while they possess a high earning potential, their labor market vulnerability prevents them from capitalizing on this earning potential. Our analysis indicates that labor market vulnerability is particularly relevant for explaining the preferences of precisely these individuals. For them, the

effect of labor market vulnerability prevails over the effect of the positive prospects of being highly qualified.

Our findings therefore point to the potential of cross-class alliances between highly and lower skilled vulnerable individuals in support of an redistributive and activating welfare state. This has far-reaching implications for our understanding of both the politicization of insider/outsider divides and the politics of welfare support. In contrast to low skilled outsiders, higher skilled outsiders are likely to be a politically informed and active group (Häusermann and Schwander, 2012), which is why insider/outsider divides are more likely to become politicized once higher skilled individuals are affected, too. In addition, besides enlarging the pro-redistribution and pro-activation coalition, their preferences should weight more strongly in the politics of welfare state reforms, given the stronger political mobilization of more high-skilled groups. Yet, further research needs to explore the conditions under which such a cross-class alliance emerges at the macro-level and whether these social policy preferences are translated into political processes. What this article provides is a micro-foundation of potential dynamics in welfare politics, the realization of which depends on the organization and mobilization efforts of political organizations.

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[iii] Note that we use the notions of 'highly skilled' and 'highly educated individuals' interchangeably.

[ii] There is a clear relation between the spread of outsiderness (not only among the high-skilled) and what has been called 'new social risks' (Bonoli, 2005;(Bonoli, 2005; Taylor-Gooby, 2005), because they originate in the same structural processes: an increasingly post-industrial social structure and labor market clashes with labor markets and welfare states that have been built in and for the industrial age. This explains why atypical work creates particular risks of insufficient social policy coverage. However, the new social risk literature is mainly concerned with new poverty risks for low-skilled risk groups.

[iii]Following these considerations, it has often been argued that a flexibilization of employment protection would smoothen labor market entry (Scarpetta, 1996; Lindbeck and Snower, 2001). In practice, however, most labor markets underwent a mostly 'selective flexibilization,' leaving the privileges of core workers untouched (Regini, 2000). Indeed, the massive use of temporary contracts is seen as a reason for the unstable position of young adults in Southern Europe itself (Polavieja, 2006).

[iv] An alternative approach assumes that welfare state preferences are also shaped by cultural norms and values. Beliefs about the deservingness of welfare beneficiaries, social mobility, luck as a determinant of economic success and religious orientations influence these norms (Linos and West, 2003; Bénabou and Tirole, 2006; Scheve and Stasavage, 2006; van Oorschot, 2006).

[v] Another reason why insiders favor social insurance systems is because they feel they have 'earned' the benefits through their contributions (Palier, 2002).

[vi] We cannot empirically test this alternative in the absence of panel data, but we do introduce control variables for post-materialistic or culturally liberal values in the regressions.

[vii] We deliberately use pre-crisis data to show that the structural patterns of employment risk are not just a short-term result of the crisis. Since 2008, the crisis has exacerbated employment risks among the young in particular.

[viii] The proportion of higher skilled individuals in the ESS 4 and ESS 5 surveys, which we use in later parts of the analysis, is roughly the same.

[ix] We define part-time employed as voluntarily part-time employed if the respondent answered „I do not want to work more hours" when asked for the reasons of their part-time employment. While this definition corresponds to the standard definition of involuntary part-time in the insider-outsider literature (see Rueda 2005: 63: 'outsiders are then defined as those [...] employed part-time (unless they do not want a full time job [...]'), the OECD defines involuntary part-time differently (see http://stats.oecd.org/glossary/detail.asp?ID=2016). Employing the OECD definition leads to a lower rate of involuntary part-time employment.

[x] If we only consider young adults at the age of 25 to 40, their rates of temporary employment are lower but still exceed the average rate of temporary employment in the vast majority of countries.

[xi] Due to their low proportion (1.2 percent of respondents), we refrained to construct a separated category for 'helping in family business' and added them to the category of temporary employment.

[xii] We do not calculate the values of outsiderness directly in the ESS data for one main reason: the number of cases. The number of respondents (3500-8500 respondents for each country) in the EU SILC household panel thus allows for a precise measurement of labor market vulnerability across countries even for those groups which are naturally small (such as old

female blue-collar workers, for example) which is even more important since we rely on labor market conditions that may affect very small portions of the workforce only.

[xiii] In addition, the boxplots in the appendix show that the variance of the outsiderness variable is relatively similar per country for the high- and low-skilled respondents. The variance between countries obviously differs, but the boxplots show that high-skilled outsiderness is not concentrated in a few countries only.

[xiv] Belgium, Denmark, Finland, France, Germany, Greece, Ireland, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. We include all countries available both in the SILC and ESS data.

[xv] All other variables are held at their median: A 41-years old women who works in the private sector, lives in a relationship, attends religious services once a year, is not a union member, has an income within the seventh income decile, agrees that gays and lesbians should live as they wish and lives in Germany.

[xvi] We present the findings for the pooled country sample in the text, but Figures A.2-A.4 in the appendix provide the marginal effects graphs for each country. Given lower case number per country and country specificities, results vary to some extent, but the results we find in the pooled analysis are robust in their structure in a clear majority of countries for all three dependent variables. We also calculated all models sequentially excluding countries one by one to test for strong effects of particular countries and the results remained robust throughout.

[xvii] The same countries as before minus Ireland which is not included in the ESS 2008.

[xviii] The literature on activation social policies has identified different types of activation policies. One important differentiation is between positive, enabling activation policies and punitive workfare activation. Activation policies can be further differentiated according to their emphasis on human capital investment and pro-market employment orientation, respectively (Bonoli, 2013). Since we want to measure outsider-friendly activation, our choice of variable – capturing the general principle of positive activation and employment creation – is well suited. A further differentiation, however, as well as a contrast to punitive activation is impossible due to data constraints.

[xix] Since we have listwise deletion of missing data in our analyses, controlling for income makes us lose about 20-25% of the cases. We have re-calculated the models without the income variable to test for a possible bias, and the results are consistently robust.

[xx] Controlling for cultural liberalism should allow us to exclude that the support for welfare state policies is just a consequence of more broadly „post-materialist“ values. The ESS does not allow for operationalizing the Inglehart-postmaterialism index. However, we have tested a range of alternative measurements of cultural liberalism: support for equal gay rights (shown in the tables), support for law and order (whether people who break the law should get harsher sentences) and gender equality (whether women should be prepared to cut down work for the family) and a composite measure of all three. We only report the results for the first indicator in the text, but all results are robust to the different specifications.

[xxi] All other variables being held at their median, i.e. a 48-years old women, who is neither a public employee nor a union member, lives in a relationship, rarely goes to church, agrees that gays and lesbians should live as they wish and lives in Germany. Low-skilled means a primary education or less. ‘Supporting redistribution’ equals the values 4 or 5 of our redistribution variable.

APPENDIX

Appendix 1 - Table Operationalization[1]

Variable	*Operationalization*	*Mean*	*Std. Dev.*	*Min.*	*Max.*
Job satisfaction	ESS 5 2010; How satisfied are you in your (main) job? Recoded from STFMJOB; 0 = extremely dissatisfied, 10 = extremely satisfied	7.52	1.87	0	10
Feeling about household income	ESS 5 2010; How do you feel about your household income nowadays? Recoded from FINCFEL; 1= very difficult in present income, 2 = difficult, 3 = coping, 4 = living comfortably	3.05	0.88	1	4
Replaceability	ESS 5 2010; Somebody with right qualification, how long to learn to do your job well? (JBLRN); 1 = 1 day or less, 8 = More than 5 years	4.41	1.55	1	8
Improve skills	ESS 5 2010; Dummy variable: Could you improve your skills or knowledge in the last 12 months? (ATNCRSE); 1 = yes, 0 = no	0.30	0.46	0	1
Redistribution	ESS 4 2008; GINCDIF: The government should reduce differences in income levels; 1 = strongly disagree, 5= strongly agree	3.79	1.04	1	5
Social investment	ESS 4 2008; GVJBEVN: It's the government's responsibility to provide a job for everyone; 0 = not government's responsibility at all, 10 = entirely government's responsibility	6.32	2.55	0	10
Equivalence principle of the social insurance state	ESS 4 2008; EARNPEN: Some people say that higher earners should get larger old age pensions because they have paid in more, whilst other think that lower earners should get larger old age pensions because they are in greater need. Please tell me which of the following three statements you agree with most? 1. Higher earners should get larger old age pensions than lower earners. 2. High and low earners should get the same amount of old age pensions. 3. Lower earners should get a larger old age pension than higher earners.	2.27	0.68	1	3
Labor market vulnerability	EU-SILC 2007; Continuous variable, standardized difference between group-specific rates of atypical employment / unemployment and the country-specific average rate, value attributed to members of occupational categories in ESS 4 2008 and ESS 5 2010	-0.05	0.69	-1.66	2.17

Education	ESS 4 2008; ESS 5 2010; Based on highest completed education (DEGREE); 0 = primary or less, 1 = lower secondary, 2 = upper secondary, 3 = post-secondary, 4 = tertiary	3.14	1.39	1	5
Classes	ESS 4 2008; ESS 5 2010; ISCO-2d codes, recoded accordingly into capital accumulators, mixed service functionaries, blue collar workers, socio-cultural professionals, low service functionaries (see Schwander and Häusermann 2013 for further information)	3.14	1.35	1	5
Gender	ESS 4 2008; ESS 5 2010; Dummy variable for gender, recoded from SEX, 1 = women, 0 = man	0.52	0.50	0	1
Young	ESS 4 2008; ESS 5 2010; Dummy variable for young, recoded from AGE, 1 = below 40, 0 = above or equal 40.	0.36	0.48	0	1
Age	ESS 4 2008; ESS 5 2010; ratio-scaled variable based on AGE, age in years.	48.84	17.55	15	110
Income	ESS 4 2008; ESS 5 2010; Monthly mean income, based on national income-variables. Individuals are attributed the mean value of their income group (deciles if not specified otherwise) in 1000 Euros. Highest income decile deleted from dataset	5.82	2.73	1	10
Church Attendance	ESS 4 2008; ESS 5 2010; based on ATTEND (How often do you go to church?).	2.35	1.43	1	7
Living with a Partner	ESS 4 2008; ESS 5 2010; Dummy measuring if respondent lives in a stable relationship; COHAB 1 = 1; MARITAL 1 = 1; MARITAL 2,3,4,5 = 0.	1.37	0.48	1	2
Public Sector Employment	ESS 4 2008; ESS 5 2010; dummy measuring if respondent works in the public sector; TPORGWRK 1, 2, 3, = 1 ‘public sector employment’, TPORGWRK 4,5 = 0 ‘private firm or self-employed’	0.29	0.45	0	1
Cultural Liberalism	ESS 4 2008; ESS 5 2010; Should gays and lesbians be free to live as they wish? Recoded from FREEHMS; 1 = ‘strongly disagree’, 5 = ‘strongly agree’	4.05	1.03	1	5

Appendix 2 – Tables and Figures

Table A.1: Determinants of labor market advantages

	Job Satisfaction		*Feeling about income*		*Replaceability*		*Improve skills*	
	M1	M2	M3	M4	M5	M6	M7	M8
Outsiderness	-0.239***	-0.074	-0.217***	-0.060	-0.694***	-1.124***	-0.402***	-0.409***
	(0.05)	(0.07)	(0.06)	(0.10)	(0.08)	(0.18)	(0.06)	(0.15)
Education	0.107**	0.116**	0.136***	0.130**	0.174***	0.185***	0.310***	0.310***
	(0.04)	(0.04)	(0.05)	(0.05)	(0.02)	(0.02)	(0.03)	(0.03)
Outsiderness x education		-0.052**		-0.056**		0.131***		0.002
		(0.02)		(0.03)		(0.03)		(0.04)
Female	0.248**	0.256**	0.134	0.140	-0.081	-0.092	0.314***	0.313***
	(0.09)	(0.10)	(0.09)	(0.09)	(0.11)	(0.10)	(0.10)	(0.10)
Age	0.005	0.005	0.019***	0.019***	0.006***	0.007***	-0.046***	-0.046***
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Income	0.082***	0.081***	0.405***	0.404***	0.136***	0.137***	0.138***	0.138***
	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)
Living in a couple	0.053	0.055	-0.243**	-0.238**	-0.075	-0.078	-0.131***	-0.132***
	(0.09)	(0.09)	(0.10)	(0.10)	(0.11)	(0.11)	(0.05)	(0.05)
Public sector employment	0.141**	0.140**	0.107*	0.104*	0.121	0.122	0.474***	0.474***
	(0.05)	(0.05)	(0.05)	(0.05)	(0.13)	(0.13)	(0.08)	(0.08)
Union membership	-0.152	-0.148	-0.095***	-0.092**	0.109	0.099	0.656***	0.656***
	(0.11)	(0.11)	(0.04)	(0.04)	(0.07)	(0.07)	(0.05)	(0.05)
Church attendance	0.085***	0.084***	0.075***	0.074***	-0.009	-0.005	0.048	0.048
	(0.02)	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.04)	(0.04)
Cultural liberalism	0.057	0.056	0.078***	0.076***	0.121***	0.123***	0.155***	0.155***
	(0.04)	(0.04)	(0.02)	(0.02)	(0.03)	(0.02)	(0.03)	(0.03)
(Pseudo) R^2	0.039	0.039	0.393	0.394	0.202	0.205	0.391	0.391
N	9518	9518	17119	17119	8007	8007	17121	17121

*Notes: Values in parentheses are standard errors; OLS regression for job satisfaction; ordered regression for the other dependent variables; pseudo R^2 is the McKelvey and Zavoina R^2; regression with clustered standard errors and country dummies; country dummies and cut-points not shown; population and design weights are applied; * = significant at the 0.1 level, ** = significant at the 0.05 level, *** = significant at the 0.01 level. Data source: ESS 5, 2010.*

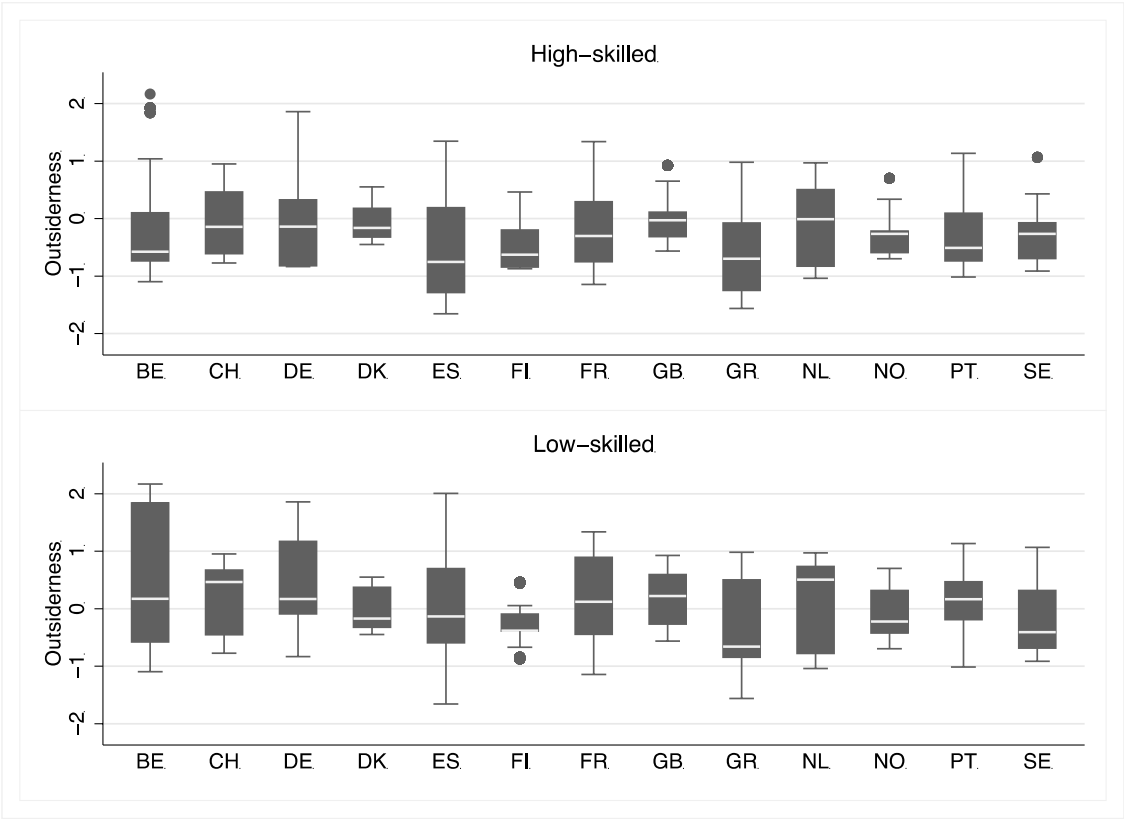

Figure A. 1: Boxplot of high - and low skilled outsiderness

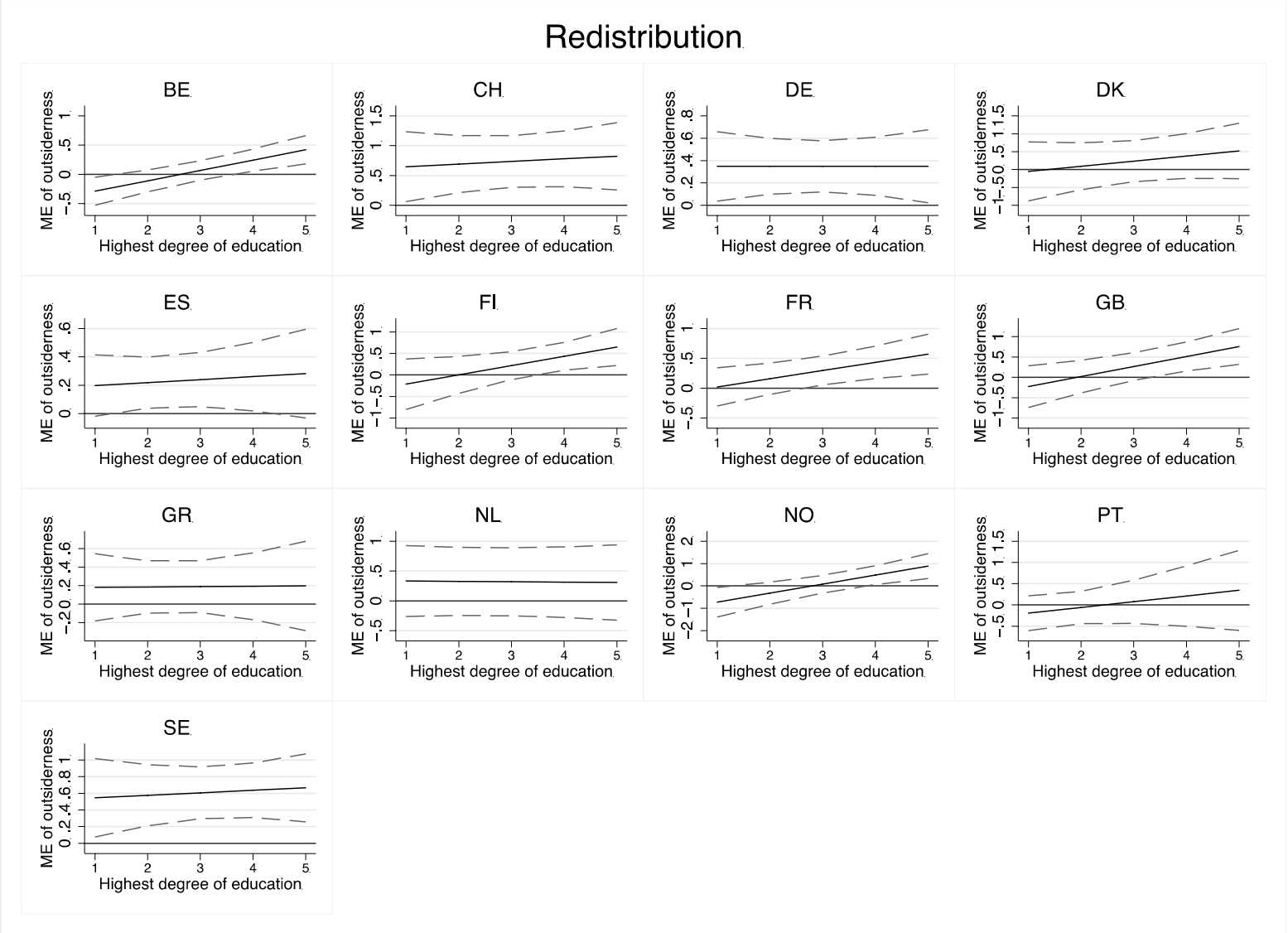

Figure A.2: Marginal effects of outsiderness on preferences for redistribution at varying levels of education per country

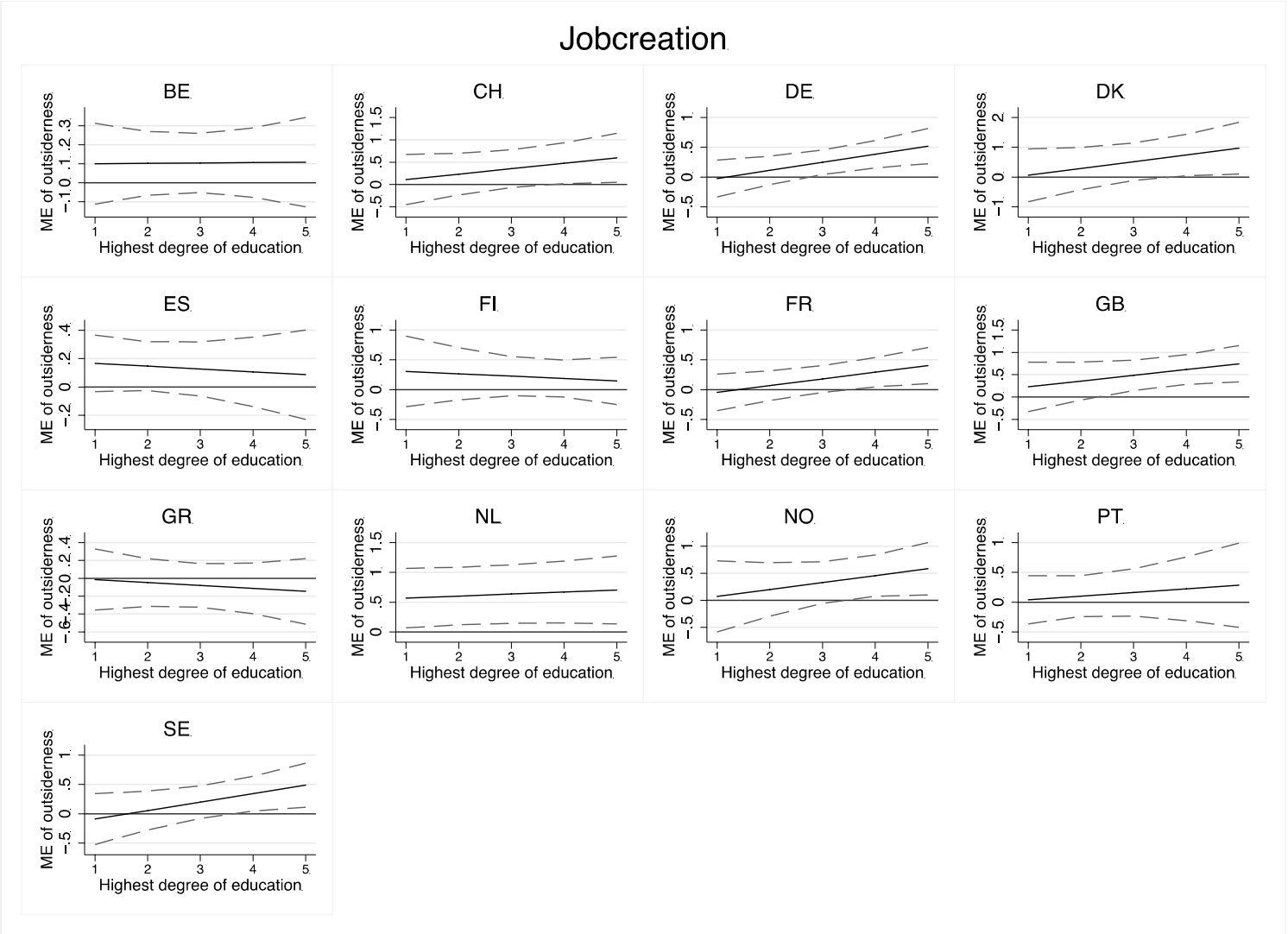

Figure A.3: Marginal effects of outsiderness on preferences for job creation at varying levels of education per country

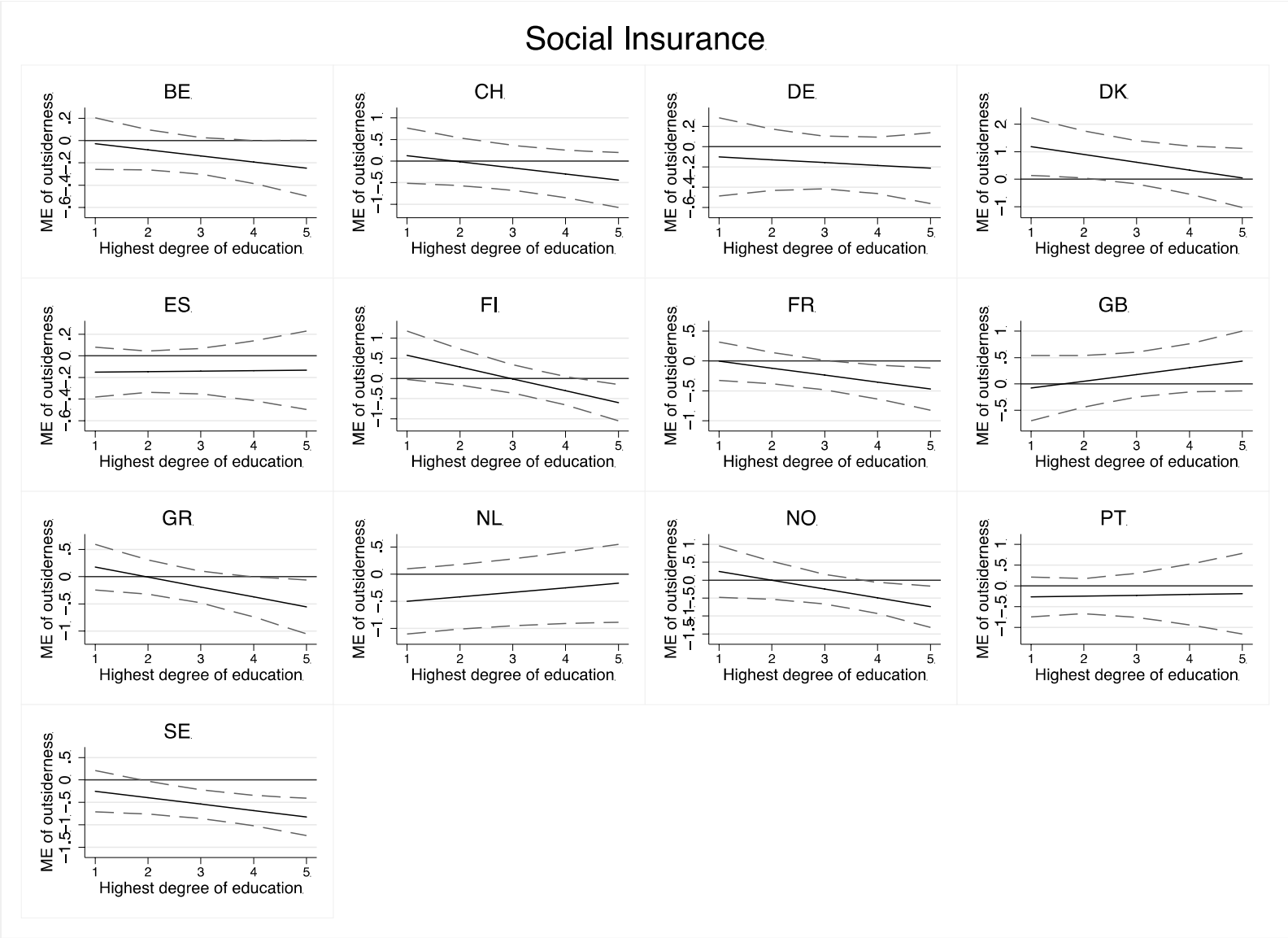

Figure A.4: Marginal effects of outsiderness on preferences for social insurance at varying levels of education per country

Tables and Figures

Table 1: Rates of temporary employment of different segments of the workforce, by country

	Entire workforce	High-skilled workforce	High-skilled aged 18-40	High-skilled women
Austria	7.9	6.0	10.2	7.3
Belgium	13.8	11.9	17.1	14.2
Switzerland	8.8	8.2	10.8	10.4
Germany	11.2	11.8	18.4	14.2
Denmark	n.a.	n.a.	n.a.	n.a.
Spain	35.7	26.2	38.4	31.4
Finland	16.5	13.4	23.9	17.8
France	18.7	14.5	21.1	16.5
Greece	24.7	18.2	26.5	21.1
Ireland	11.0	10.6	13.2	13.0
Italy	17.7	17.8	27.2	21.0
Netherlands	11.3	11.8	16.4	13.2
Norway	12.5	12.0	18.4	14.8
Portugal	23.3	23.9	43.5	24.2
Sweden	16.6	16.9	25.5	18.6
United Kingdom	4.3	5.2	6.3	5.6

Own calculation, based on data from the EU-SILC, 2007. Highlighted groups are groups with a higher rate of temporary employment than the national workforce.

Table 2: Rates of involuntary part time employment of different segments of the workforce, by country

	Entire workforce	High-skilled workforce	High-skilled aged 18-40	High-skilled women
Austria	18.9	16.8	18.6	32.0
Belgium	20.6	17.9	17.1	29.9
Switzerland	29.4	24.7	22.2	46.0
Germany	24.3	22.4	23.4	41.1
Denmark	13.3	13.8	11.8	22.3
Spain	9.8	8.2	10.7	13.0
Finland	11.0	7.0	7.6	9.5
France	16.3	14.5	15.3	23.0
Greece	9.4	7.6	10.5	10.4
Ireland	19.9	16.2	15.7	26.3
Italy	10.8	10.4	13.3	16.7
Netherlands	39.0	38.7	38.9	65.9
Norway	10.6	8.4	8.5	14.8
Portugal	7.8	6.0	7.7	7.6
Sweden	21.0	18.1	18.2	26.8
United Kingdom	16.9	15.3	14.6	25.3

Own calculation, based on data from the EU-SILC, 2007. Highlighted groups are groups with a higher rate of involuntary part-time employment than the national workforce.

Table 3: Rates of unemployment of different segments of the workforce, by country

	Entire workforce	High-skilled workforce	High-skilled aged 18-40	High-skilled women
Austria	4.4	2.5	3.5	3.4
Belgium	8.4	4.0	4.1	4.3
Switzerland	1.2	0.7	0.9	0.7
Germany	8.0	5.4	3.8	6.7
Denmark	1.5	1.4	0.8	1.7
Spain	9.2	5.2	6.8	6.7
Finland	3.3	1.7	1.8	1.9
France	6.4	4.0	4.8	4.3
Greece	6.1	4.9	7.0	6.8
Ireland	5.7	2.9	3.5	2.7
Italy	5.9	4.4	7.3	5.3
Netherlands	0.6	0.4	0.3	0.4
Norway	1.1	0.6	0.9	0.6
Portugal	7.7	4.1	6.4	4.2
Sweden	1.8	1.2	1.4	1.0
United Kindom	2.3	1.3	1.8	1.3

Own calculation, based on data from the EU-SILC, 2007. Highlighted groups are groups with a higher rate of unemployment than the national workforce.

Table 4: Determinants of welfare state preferences

	Redistribution		*Job creation*		*Social insurance*	
	M1	M2	M3	M4	M5	M6
Outsiderness	0.203***	0.011	0.214***	-0.021	-0.193***	-0.038
	(0.02)	(0.10)	(0.06)	(0.05)	(0.05)	(0.07)
Education	-0.111***	-0.104***	-0.100***	-0.091***	0.112***	0.107***
	(0.02)	(0.02)	(0.01)	(0.01)	(0.04)	(0.04)
Outsiderness x education		0.065**		0.081***		-0.053**
		(0.03)		(0.03)		(0.02)
Female	-0.088	-0.101*	-0.013	-0.029	0.185**	0.195***
	(0.05)	(0.05)	(0.05)	(0.05)	(0.07)	(0.07)
Age	0.001	0.002	-0.002	-0.002	0.002	0.001
	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)
Income	-0.135***	-0.133***	-0.083***	-0.081***	0.083***	0.082***
	(0.02)	(0.02)	(0.01)	(0.01)	(0.02)	(0.02)
Public sector employment	0.226***	0.223***	0.190**	0.186**	-0.086***	-0.085***
	(0.03)	(0.03)	(0.08)	(0.08)	(0.03)	(0.03)
Living with a partner	-0.131**	-0.128**	-0.049	-0.044	0.027	0.025
	(0.06)	(0.06)	(0.04)	(0.04)	(0.03)	(0.03)
Union membership	0.330***	0.329***	0.191***	0.190***	-0.110***	-0.109***
	(0.05)	(0.05)	(0.04)	(0.04)	(0.03)	(0.03)
Church attendance	-0.051*	-0.050*	-0.037	-0.037	0.031	0.030
	(0.03)	(0.03)	(0.04)	(0.04)	(0.03)	(0.03)
Cultural liberalism	0.187***	0.188***	-0.031	-0.030	-0.066	-0.067
	(0.05)	(0.05)	(0.06)	(0.06)	(0.04)	(0.04)
Pseudo R^2	0.142	0.143	0.101	0.103	0.198	0.199
N	18709	18709	18701	18701	18191	18191

*Notes: Values in parentheses are standard errors. Ordered logistic regressions with clustered standard errors and country dummies; country dummies and cut-points not shown; pseudo R^2 is the McKelvey and Zavoina $R^{2;}$ population and design weights are applied; * = significant at the 0.1 level, ** = significant at the 0.05 level, *** = significant at the 0.01 level. Data source: ESS 4 2008.*

Table 5: Predicted probabilities for social policy support

Predicted probability to support redistribution			
Low skill levels	67.6	Max. outsiderness	72.7
High skill levels	56.8	Min. outsiderness	54.2
	10.8		**18.5**

Predicted probability to support job creation			
Low skill levels	52.2	Max. outsiderness	60.1
High skill levels	44	Min. outsiderness	39.9
	8.2		**20.2**

Predicted probability to social insurance			
Low skill levels	64.8	Max. outsiderness	61.7
High skill levels	75.7	Min. outsiderness	76
	-10.9		**-14.3**

Data source: ESS 4 2008

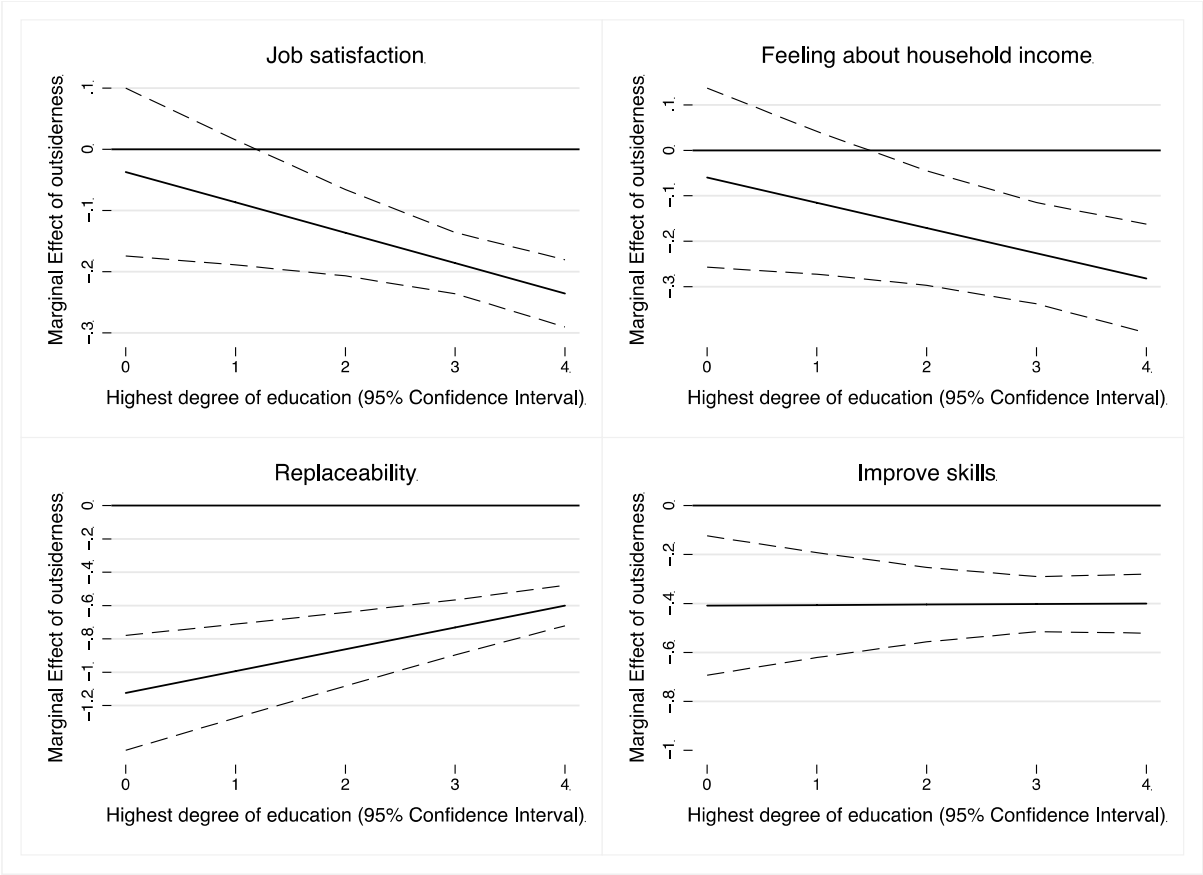

Figure 1: Marginal effects of outsiderness on labor market disadvantages at varying levels of education

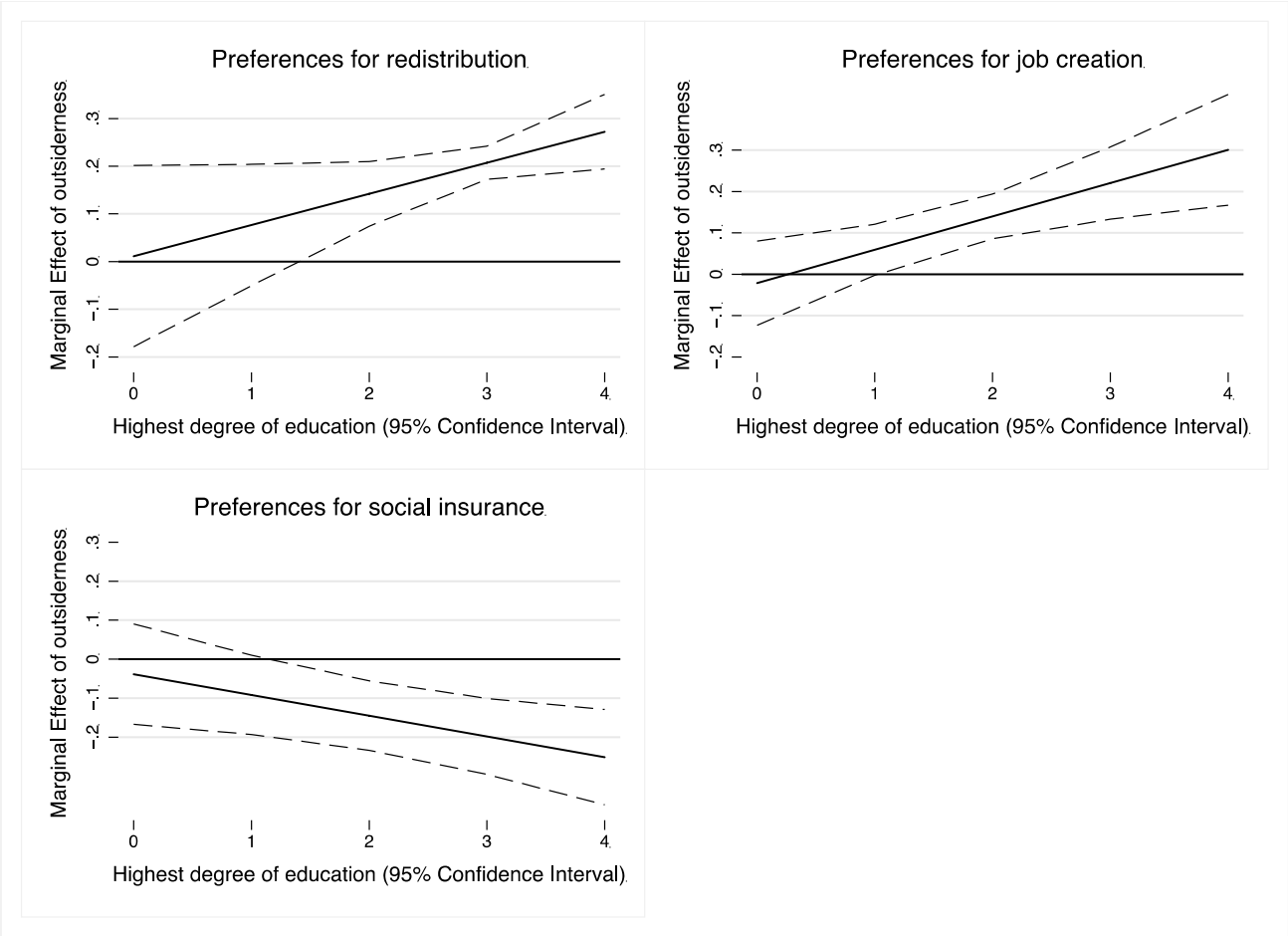

Figure 2: Marginal effects of outsiderness on social policy preferences at varying levels of education