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OUTSIDE LOOKING IN: NON-STANDARD WORK AND THE POLITICS OF  
LABOR MARKET SEGMENTATION.

by

Kathleen Bolter

A dissertation submitted to the Graduate College  
in partial fulfillment of the requirements  
for the degree of Doctor of Philosophy  
Political Science  
Western Michigan University  
June 2019

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Kathleen Bolter

# OUTSIDE LOOKING IN: NON-STANDARD WORK AND THE POLITICS OF LABOR MARKET SEGMENTATION.

Kathleen Bolter, Ph.D.

Western Michigan University, 2019

Since the 1980s, major structural and demographic changes in the OECD have encouraged the proliferation of nonstandard work (part-time and temporary jobs). The increase in nonstandard work is viewed as a key cause for income and social inequality. Inequality creates many issues for states including the erosion of trust in institutions and a weakening of civic society as economic growth fails to benefit all of those involved in its production. Up to this point, there have been few studies examining why states vary in employment protection and regulation for nonstandard work. This study seeks to answer how the insider/outsider divide, left party composition and competition, unions, and corporatist institutions interact to influence the quality of nonstandard work.

I examine how the policy preferences of labor market insiders and labor market outsiders have evolved over the past 20-years in advanced industrialized countries, as well as their level of political enfranchisement. I find that labor market outsiders are more likely to support policies emphasizing job security as well as some types of social insurance (pensions), but not others (unemployment). When it comes to voter mobilization, labor market outsiders are less likely to vote than labor market insiders, and when they do vote, they are more likely to vote for parties on the left and far-left. The findings suggest economic insecurity plays a key role in voter mobilization for more extreme parties.

Additionally, this study uses a mixed methods approach to look at the role of left parties, unions, and corporatist institutions in influencing nonstandard work regulations. To do this, I first develop an index of employment regulation for part-time and temporary work. This index measures the strength of protection for nonstandard work. Next, performing a quantitative analysis of panel data, I find part-time employment regulations are higher when the state is a member of the European Union, the government is less traditional culturally and leans toward the economic left, and when union members have a strong partisan affiliation with left parties. Temporary work protections are higher when there is a greater concentration of labor market insiders in left parties or when the Social Democratic party faces an alternative-left competitor. Additionally, ideological distance on the economic dimension between Social Democratic and right parties in the long-term, as well as higher levels of deindustrialization, union density in the long-term, union affiliation with left parties and corporatist institutions are found to lead to higher levels of protections for temporary work. The results of the quantitative analysis are supported with case study research on the evolution of employment protection and regulation for nonstandard work in Australia, the Netherlands, Spain, and the United Kingdom.

Overall, this dissertation contributes to (1) the understanding of outsider partisanship and political behavior, (2) the role of the Social Democratic party and party competition in labor market reforms, (3) the role of corporatist institutions in perpetuating the insider/outsider divide (4) an understanding of union strategies and their implications for part-time and temporary employment reform.

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## LIST OF ABBREVIATIONS

ACTU	Australian Council of Trade Unions
AIRC	Australian Industrial Relations Commission
ALP	Australian Labor Party
AWA	Australian Workplace Arrangement
BCA	Business Council of Australia
CCOO	Workers' Commissions
CDA	Christian Democrats (Netherlands)
CDU	Center Democratic Union
CEOE	Confederation of Employers' Organisations
CME	Coordinated Market Economy
CMP	Comparative Manifesto Project
CPDS	Comparative Political Dataset
CU	Convergence and Union Party
EFA	Enterprise Flexibility Agreements
EU	European Union
FTC	Fixed-term Contract
GST	Goods and Services Tax
ICTWSS	Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts
ILO	International Labor Organization
ISCO-88	International Standard Classification of Occupations, 1988
ISSP	International Social Survey Program
IU	United Left
LME	Liberal Market Economy



### **List of Abbreviations - Continued**

NSWA	Non-Standard Work Arrangements
OECD	Organisation for Economic Co-operation and Development
PCE	Spanish Communist Party
PvDA	Social Democrats (Netherlands)
PSOE	Spanish Socialist Workers' Party
SD	Social Democratic
TUC	Trade Union Congress
TWA	Temporary Work Arrangements
UCD	Center Democratic Union
UGT	General Workers' Union
VOC	Varieties of Capitalism
VVD	Liberal Party (Netherlands)

# CHAPTER I

## INTRODUCTION

The New York Times recently featured a story of two women who started their careers as custodians. One woman, Ms. Evans, began her job in the 1980s as a full-time employee for Kodak. The other woman, Ms. Ramos, began her job in the 2010s as a contractor hired by Apple. While both women ostensibly performed the same duties, their employment circumstances were very different. As a full-time employee, Ms. Evans was eligible for paid vacation, a tuition waiver from the company to go to school part-time, and a yearly bonus. As a contractor, Ms. Ramos was eligible for none of these things. Ms. Evans was able to take advantage of the opportunities provided by Kodak to go to school. Upon graduating, she was promoted to a managerial track job and a decade later became Chief Technology Officer of the entire Kodak Corporation. The only advancement opportunities for Ms. Ramos, within her current company, were a promotion to team leader, a position that provides an additional 0.50 cents an hour (Irwin, 2017).

In the 35 years between when these two women started their professions, how corporations and other businesses employ individuals has changed immensely. Where businesses once hired the people, who were needed to get the product in the hands of consumers, they now outsource many of these jobs to firms hiring people on a part-time, temporary, and contingent basis. Where companies once needed full-time employees to complete their tasks, technology has enabled them to hire employees to work fewer hours with increased production. Where employees once knew their schedules in advance, zero-hour contracts now allow companies to call-in employees only when they are needed. As firms have become leaner, only hiring the very high-skilled to work directly for their companies, the opportunities for people to work their way up the ladder have virtually disappeared. It is this loss of opportunity, the ability to climb the to the top of the corporate world through hard-work, which has driven inequality and generally increased dissatisfaction with the status-quo.

This discontent has manifested in many ways politically in the past few years. In the United States, Donald Trump won the presidential election as an antisystem populist, promising to reverse the established order. In Europe, similar right-wing populist parties, the National Front in France, the Alternative for Germany, and the Party for Freedom in the Netherlands have managed to gain seats in parliament. On the left, support for socialism is increasing, especially among the millennial generation. Although votes for socialist-parties have been declining, the seats held by Green Parties have increased. This political mobilization away from the traditional parties of the Left, Center, and Right and to the extremes of the political spectrum serves as a signal of the dissatisfaction with the current state of affairs. Parties, across the advanced industrialized world, continue to struggle with practical ways to govern in the new economy.

As more and more individuals are exposed to less secure employment, the reaction of states has varied widely. While the Netherlands responded by passing legislation declaring its nonstandard workers to have equal rights as full-time workers, Germany responded by creating a secondary class of worker employed in so-called “mini-jobs” which expanded the number of individuals employed in marginal part-time employment. While Sweden expressly passed laws aimed at preventing “the part-time trap,” the U.S. and Great Britain saw a marked increase in the number of individuals working “zero hour contracts” under which employees are temporarily and have no guaranteed minimum number of hours they are scheduled to work.

The purpose of this dissertation is to understand why this dissimilarity among countries exists by examining: **Why states vary in their employment regulation and protection for workers in non-standard work arrangements?** In order to do so, I intend to examine how the policy and party preferences of labor market insiders (those who are most likely to find themselves employed in standard work) and labor market outsiders (those who are least likely to find themselves employed in standard work) impact the willingness of states to legislate on non-standard work arrangements. I also examine how unions, parties, and institutions have responded to the needs of individuals in non-standard work. In doing so, I provide a better understanding of what policies labor market insiders and outsiders want, how these wants have aligned with particular parties, and the impact of this alignment on employment protection and regulation for non-standard work arrangements (NSWA).

## **Labor Market Segmentation: An Overview**

Labor market segmentation occurs when labor markets are divided into primary and secondary markets. The primary labor market offers jobs with relatively high wages, good working conditions, and job stability. Lower wages, poorer working conditions, and job insecurity characterize the secondary labor market (Davidsson & Naczyk, 2009). Over time, a variety of political and economic institutions have reinforced the divide between markets in advanced economies, creating two distinct groups of workers, labor market insiders and labor market outsiders. Insiders are defined as employees in positions that are protected by various job-preserving measures making it costly for firms to fire these individuals and hire replacements to fill their positions, they are generally employed in the primary labor market. Insiders are more likely to be employed in standard work arrangements involving full-time, permanent employment for one employer at a time. Because this type of employment is the most typical, various legal obligations and protections are strongly associated with this line of work. Outsiders lack this protection and are either unemployed or employed in jobs offering little security, therefore finding themselves employed in the secondary labor market or not at all.

While standard work indisputably remains the most prevalent work arrangement, since the 1990s, on average, 40% of new job growth has been in the form of non-standard work (OECD, 2015). Labor market outsiders typically find themselves employed in nonstandard work arrangements which are defined as forms of work that fall outside of the scope of standard employment relationships. These include jobs that are part-time, temporary, and ambiguous (ILO, 2015). Across the OECD the number of individuals employed in part-time jobs constitutes 17% of the workforce, while the share of individuals employed in temporary jobs constitutes 11% of the workforce. It is important to note that there is some overlap between these two categories (OECD, 2017). One-quarter of all workers are estimated to be employed in NSW. Individuals employed in NSW are more likely to live in poverty, less likely to be able to access workplace benefits, and are more likely to face employment insecurity.

One of the areas where one sees the starkest contrast between labor market insiders and outsiders is in employment protection legislation. Employment protection legislation is a major reason firms hire workers in NSW. When employment protection legislation is strong for

standard workers, it encourages firms to hire individuals in NSW to circumvent employment protection laws (Buddelmeyer, et al., 2008). The number of employees working under temporary employment contracts, is evidence of this. Countries with more stringent labor regulations and rules for dismissing employees, such as France, Spain, and Portugal, have higher levels of workers hired under temporary contracts and have seen a large amount of employment growth under such contracts (Bentolia & Dolado, 1994). Australia has a special class of “casual” part-time worker that lacks certain rights such as notice of termination or severance pay accounting for 23.9% of the working population (May, Campbell and Burgess, 2005). The combination of strict employment protection for permanent workers and liberalization of regulations for temporary workers is responsible for the growth of temporary work (Blanchard and Landier, 2002).

Across the OECD, states also vary in terms of regulation for NSW. While paid holidays, paid sick leave, entitlement to unemployment insurance, entitlement to paid parental leave, and participation in public pension schemes are statutory rights for workers in most advanced industrialized countries, access to such provisions is conditional on minimum periods of employment, working hours provisions, minimum earnings thresholds, and minimum contribution periods. As some forms of NSW are not based on the traditional 40-hour, five-day work week, it is difficult for individuals in such positions to meet these minimum qualifications. Furthermore, many states lack legislation requiring other forms of equal treatment such as equal-pay and access to training for individuals employed in NSW.

Within advanced economies, labor market segmentation or the division of labor into secure and insecure jobs is a major source of inequality. As labor market segmentation has become more institutionalized, the division of the workforce into labor market insiders and outsiders becomes a pressing matter for the economic, social, and political health of advanced economies. Labor market segmentation hampers productivity growth (Boeri 2011), reduces the quality of life for outsiders, and reduces social cohesion (Benach et al. 2014, Berton et al. 2012). Most welfare-states have been ill-prepared to deal with high levels of labor market outsiders because the eligibility criteria for social insurance benefits was built upon the underlying assumptions of the post-war employment structure. Individuals with short and interrupted work records face significant costs for not being able to find standard work arrangements.

It is within the changing nature of the welfare state that the policy governing NSW takes center-stage. Specifically, why states differ in the protection and regulation of NSW is a crucial question to answer as massive changes in the way in which the labor market is structured pushes more and more individuals into positions of precarious employment. This segmented labor market creates an undue level of inequality within societies and fosters dissatisfaction with political and economic institutions. States face a burgeoning crisis in the wake of their late-capitalist policies as extreme parties mobilize against the status quo. Employment regulation and security play a key role in determining the quality of life for the electorate, as well as the stability of political regimes.

## **Chapter Overview**

This dissertation aims at enhancing the understanding of why different states have adopted different policies to regulate non-standard employment. To that purpose, it is organized into 5 substantive chapters. The first two chapters (Chapters 03 and 04) focus on defining outsiders and their policy preferences. Chapter 03 examines the evolution of labor markets throughout the post-war period and provides a new operationalization for labor market outsiders to better match this change. Chapter 04 investigates how the preferences of labor market outsiders differ from labor market insiders and the impact of those preferences on voting behavior. Chapter 05 takes this new operationalization and uses panel to data to determine which factors were significant in driving change for NSW protections and regulations across the OECD countries. Chapters 06 and 07 trace the causal pathways for NSW reform in four case countries. Chapter 05 examines the role of Social Democratic parties, unions, and corporatist institutions in the rise of NSW from 1980 to 1995. Chapter 06 investigates how Social Democratic parties, unions, and corporatist institutions influenced NSW reform from 1995 to 2016.

To preview each chapter, first, Chapter 03 provides a brief overview of the changes in the labor markets of advanced industrialized countries including deindustrialization, globalization, and rising levels of education which have tacitly influenced labor market segmentation. Taking these historical changes into account, I then build a new operationalization of labor market outsiders based on socioeconomic risk. This measurement differs significantly from the previously used economic risk and employment status measurements of outsidership. My

measurement focuses on both collective and occupational risk by calculating the rate of nonstandard work for different occupational groups, sexes, and ages and testing if they are statistically less advantaged in the labor market than individuals in their country. I conclude the chapter by providing a demographic overview of labor market outsiders in advanced industrialized countries based on my operationalization.

Chapter 04 examines the relationship between outsidership, policy preferences, and voting behavior. I find when compared to labor market insiders, labor market outsiders are more likely to preference job security and level of socioeconomic risk is an essential variable in explaining support for job creation. I also find there is not a significant difference between labor market outsiders and insiders in terms of their support for redistribution, especially post-fiscal crisis. I also find that outsiders are more likely to support spending on pensions than insiders, but there is no divide on this issue when it comes to unemployment spending. Regarding voting behavior, labor market outsiders are less likely to vote. When they do, they are more likely to support parties on the far-left and left, including Social Democratic parties, and are less likely to support parties on the right.

Chapter 05 uses panel data to explore the interactions between unions, institutions, and party composition and competition for Social Democratic parties, on changes to the strength of protection and regulation for temporary employment contracts, part-time work, and the difference in protections between full-time and temporary workers. To measure this, I use the content-coding of employment legislation to create a cross-national index of employment regulation for part-time and temporary jobs. I find the mechanisms underlying temporary work protections and part-time work protections are quite different. Part-time work protections are likely to be higher when the country is an EU member, the composition of the government is culturally less traditional and leans towards the left on the economic dimension, and union members affiliate with left-parties. High unemployment rates in the short-term, higher levels of wage coordination, union affiliation with right parties, and greater protections for standard work are likely to lead to decreasing protections for part-time employment protection. Temporary work protection is likely to be higher when there is either a greater concentration of labor market insiders in Social Democratic parties in the long-term or the Social Democratic party faces an alternative left-competitor in the long-term. However, when facing competition from a further left challenger on the alternative-traditional cultural scale in the long-term, insider dominance of

Social Democratic parties decreases the strength of regulation for temporary work. Additionally, ideological distance on the economic dimension between Social Democratic and right parties in the long-term, as well as higher levels of deindustrialization, union density in the long-term, union affiliation with left parties and corporatist institutions are found to lead to higher levels of protection for temporary work. Less traditional right competitors and greater protections for standard work are found to decrease protections for temporary employment.

Chapter 06 traces the political environment and policies that lead to an increase in part-time and temporary work in the selected case countries of Australia, the Netherlands, Spain, and the United Kingdom during the early 1980s to mid-1990s. I find high levels of unemployment prompted governments to add flexibility to their labor markets by making part-time and temporary jobs attractive to employers through low levels of employment protection and regulation. Unions and corporatist institutions further exacerbated the quality divide between NSW and permanent employment by allowing deregulation to occur at the margins while fighting for stringent protections for permanent positions.

Chapter 07 builds upon the findings of Chapter 06 to examine the role of Social Democratic parties, unions, and institutions in NSW protection and regulation by tracing the policy developments in the case countries from the mid-1990s to 2015. I find left-party competition plays a vital role in the policies adopted by the state. However, how left competition influences the Social Democratic party is tempered by the overall ideological orientation of the Social Democratic party. Furthermore, while unions initially served to exacerbate the insider/outsider divide, as part-time and temporary work became more prevalent within their countries, they emerged as an influential proponent in advocating for higher levels of protection for NSW. This advocacy was highly influenced by the willingness of the party in power to abide by social contracts and engage in reform. Finally, the EU is found to be an essential component to NSW reform, especially for part-time work. The EU served as an important influence both in the Directives issued on NSW and the policy goals set forth as a part of European integration.

Overall this dissertation finds that the pathway for NSW reform has been quite different from that of standard employment protections. Temporary work regulations and protections are far more politically motivated than part-time employment regulations and protections. Temporary work protections and regulations are higher when there is more union density and



stronger corporatist institutions. Electorally, Social Democratic parties play an important role in temporary work reform and are motivated to advocate for increases in protections for temporary work when facing an alternative-left competitor. However, when the Social Democratic party is insider-dominated and faces an alternative left competitor, they are less likely to increase temporary work protections and regulations. In this manner, Social Democratic parties make a trade-off between protections for standard work and non-standard work, protecting their base at the expense of labor market outsiders.

Part-time employment protection and regulation has been far less politically motivated and is primarily the result of the European Union. The Directives issued by the EU in the mid-1990s provided the impetus for part-time work reform. Left party in power was not an essential factor in part-time work reforms, rather the overall orientation of the government determined their strength with governments leaning culturally less traditional leading to overall higher rates of part-time work protections.

This project contributes to the growing research calling into question the new politics of the welfare state and the ability of governments to mediate inequality. There are two significant technical contributions of my dissertation. Firstly, regarding labor market outsiders, this dissertation contributes to the literature through the development of a definition of labor market outsiders aligned with the cultural, societal, and institutional biases impacting the type of employment individuals can find. This measurement provides a useful tool for examining how demographic characteristics impact the ability of individuals to find secure employment. Secondly, to study nonstandard work arrangements, I developed an index of employment protection and regulation for part-time and temporary jobs. Through content-coding of pertinent legislation, I created an index measuring equal treatment, access to social insurance, and regulation of work contracts for nonstandard work. The creation of this new measure allows for cross-country comparison of non-standard working arrangements.

This dissertation also sheds light on the political participation and partisan orientation of labor market outsiders, finding they are less likely to vote than labor market insiders and when they do vote, they are more likely to vote for far-left and left parties. When measuring socioeconomic risk, I find that as socioeconomic risk increases, individuals are more likely to vote for extreme parties. As political parties become more polarized at the same time labor markets do, this finding provides an interesting avenue for examining the emergence of populist feelings

towards the state and the messaging from extreme parties of promoting the economic interests of those with insecure employment. It also demonstrates the discontent felt by a growing proportion of the electorate as more individuals retreat from political life and express dissatisfaction with the political status quo.

Additionally, my dissertation explores the political issues that have arisen as a result of the fragmentation of the left. Across Europe, Social Democratic parties have seen their seats in government dwindle as voters realize that the economic promises made by the Social Democratic parties were impossible to provide to everyone within an ever modernizing labor market. I find that positive changes to NSW policy is largely the result of left party competitors to Social Democratic parties, as well as through the stability of SD coalitions. Additionally, a division of ideology between the SD party and right party competitor provides an opportunity for the SD party to differentiate themselves on the economic dimension, which gives them an electoral advantage and leads to NSW policy change. Unlike previous findings regarding the welfare state, this study finds that left party in power does not explain the strength of NSW policies. However, the positioning of the Social Democratic party within the political space does provide a more complete picture regarding the behavior of parties on the left. This dissertation also reveals that the European Union served crucial intervening variable in explaining the behavior of parties. In essence, the EU provided political cover to parties to enact labor market reforms, regardless of their popularity or the endogenous demand for such policies. These findings work to contribute to the literature of the new politics of the welfare state and uncover the role of multiple actors, including supranational institutions, in the enactment of labor policy.

Finally, this dissertation finds mixed results for the effects of corporatist institutions and unions. Overall, the impact of both appears to be constrained by the time period studied with unions and corporatist institutions exacerbating the insider/outsider divide prior to the Great Recession and serving as a less useful analytic tool post-Recession. This finding shows that despite their relative decline, unions still play an important role in labor market regulations.

## CHAPTER II

### A POLITICAL ECONOMY APPROACH TO LABOR MARKET SEGMENTATION AND EMPLOYMENT PROTECTION AND REGULATION

Political and economic institutions are important for understanding the shape and function of employment protection and regulation as well as a host of related policies that help to insure workers against loss when shocks such as technological change and market demand for skills shift. The purpose of this literature review is to identify and discuss the key theoretical debates within the political economy literature on the politics of labor policy reforms in post-industrial economies. How these policies have been developed, adapted, and structured has been of particular interest to scholars of the welfare state who have provided a rich background on how political actors have mobilized in order to mitigate employment risk. The period of transition from industrialization to post-industrialization has provoked a host of new tensions among the various actors of the welfare state.

The literature on welfare states demonstrates strong labor unions, left-led governments, and corporatist institutions among the state, unions, and employers play key roles in determining the structure of labor market institutions. However, any examination of labor market policies must be combined with literature on the new politics of the welfare state and labor market segmentation. The labor markets of post-industrial societies are much different than the post-war economies from which the welfare state emerged. Therefore, how the new politics of the welfare state and labor market segmentation impact the ability of unions, left-led governments, and corporatist institutions is particularly important to assess. The new politics literature proposes labor policy reforms become increasingly difficult over time because the existence of the welfare state itself has created constituencies that will oppose this change. The labor market segmentation literature posits the crux of this opposition will occur between labor market insiders and outsiders. It suggests the policy preferences of labor market insiders and outsiders interact to determine how states govern the primary and secondary labor markets.

The new politics of the welfare state literature focuses on how the existence of the welfare state itself has changed the politics governing it. As Pierson (1996) states “there is a profound difference between extending benefits to large numbers of people and taking benefits

away” (pg. 144). The new politics literature therefore argues the radical transformation of existing welfare institutions is unlikely because of the political unpopularity of cutting such programs (Pierson, 1994). Under this conceptualization, any adaptations to social and employment policy are likely to occur at the margins. In passing policy, governments utilize broad coalitions involving opposition parties, organized labor, and business associations in order to institute reforms (Myles and Pierson, 2001). This in turn helps to spread the blame of instituting programs such as austerity measures. Because broad coalitions become necessary, the partisan left-right composition of the government matters less than competition between parties (Kitschelt, 1994). How the actors interact to institute reform is structured by the already existing institutions of the welfare state (Hicks 1999). The new politics literature highlights two factors that are important in explaining why states will enact labor policy reform: Political competition and the institutional environment in which policy is reformed.

### **Political Competition and Social Democratic Parties**

Political competition involves parties offering positions along a policy dimension. The spatial concept of party competition argues that individuals will vote for the parties that are ideologically closest to them. The spatial model assumes voter preferences are exogenous while parties vary their policy position in order to maximize their electoral appeal (Downs, 1957). Parties attempt to maximize their appeal by following two dominant strategies. The first, the general electorate model, states parties are responsive to the median voter. This, in theory, leads to vote maximization and has a moderating influence on the positions the parties adopt. The second, the partisan constituency model, argues parties are responsive to their own supporters. When parties adopt this strategy, they are less likely to respond to shifts in public opinion or moderate their policies (Ezrow, et al., 2011). In examining these models, mainstream parties are more likely to adopt a general electorate strategy while niche parties are more likely to adopt a partisan constituency model. When niche parties moderate their policies, they see their vote shares decrease relative to the previous election (Adams, 2006; Meguid, 2005). The Downsian model suggests that mainstream parties benefit from moderation and an emphasis on the median voter.

There is evidence to suggest, that not all mainstream parties are able to respond to shifts in public opinion in the same manner. Specifically, parties on the “old” left, those arising from the Social Democratic and Communist ideologies<sup>1</sup>, may not have the same agility in the policy space as their competitors. Left parties are of particular importance to the provision of social policy because, there is strong empirical evidence that left control of government increases redistribution (Hicks & Swank, 1984; Huber & Stephens, 2001; Korpi, 1983). However, because of their strong ties to social movements and unions, Social Democratic parties are especially vulnerable to shifting their policies as they may lose the support of their core constituency (Kitschelt, 1994). Adams & Somer-Topcu (2009) find Social Democratic parties are ideologically inflexible compared to mainstream parties in the center and on the right. They are less likely to respond in the short-term to shifts in public opinion and short-term changes in the global economy. In this sense, Social Democratic parties differ from other mainstream parties in that they adopt a partisan constituency model. Instead of responding to the electorate as a whole, they respond to the preferences of their supporters (Steenbergen & Edwards, 2007).

This creates some interesting issues for the adoption of outsider-friendly policies. Rueda’s (2006, 2007) insider-outsider model suggests Social Democratic parties, have strong incentives to consider insiders their core constituency, which in turn leads to policies favorable to insiders. This does not necessarily create an issue, unless insiders and outsiders diverge in terms of their preferred policies because political parties serve as a conduit for the representation of policy preferences (Powell, 2004). The literature indicates while both labor market insiders and outsiders support increased social policy, what they emphasize differs greatly. Häusermann and Schwander (2010) find insiders are more likely to support policies promoting strong unemployment insurance, while outsiders are more likely to support policies promoting redistribution, childcare services, and job creation. Rueda (2005) finds outsiders are more concerned with active labor market policies while insiders are more concerned with employment protection. While these policies are not diametrically oppositional, if Social Democratic parties are following a partisan constituency model, they do create choices for Social Democratic parties in terms of the policies they promote.

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<sup>1</sup> For this dissertation, I use the Social Democratic Party coding from the Comparative Manifesto project to identify Social Democratic parties. While numerous scholars have identified different criteria for defining Social Democratic parties, the Comparative Manifesto groups Social Democratic and Labor parties together.

However, some scholars argue the partisan model is not always the dominant strategy used by Social Democrats. Rather, the type of electoral strategy employed by the Social Democrats and competition within the policy environment greatly impacts the policy positions adopted by the party. The dynamic party competition model may help explain under what conditions Social Democratic parties may adopt outsider-friendly policies. The dynamic party competition model argues parties systematically respond to voters and change their positions in the same direction as shifts in voters' preferences (Stimson et al., 1995). Under this conceptualization, parties deviate from the policy preferences of their traditional electorate when it helps them to secure an electoral majority or when the shift in public opinion is disadvantageous to the party (Adams et al., 2004). Under this model, Social Democratic parties do change their policies to appeal to the median voter and are therefore responsive to the labor market policy demands of the entire electorate, not just their core constituency.

Parties can adopt a strategy as either “policy-seeking” (position changes occur when the voters of the party change their preferences), “vote-seeking” (position changes occur when the median voter changes their preferences), or “office-seeking” (shifting towards the position of the government when excluded from the government). While the partisan constituency model argues Social Democrats will adopt a policy-seeking strategy, other cases seem to indicate this is not always the norm. Schumacher et al (2012) find when the median voter shifts to the right and Social Democrats adopt a vote-seeking or office-seeking strategy they are more likely to enact retrenchment reforms, a policy direction directly in conflict with the desires of their base.

One factor impacting how Social Democratic parties will shift is the presence of left-party, center-party, or right-party competitors. Social Democratic parties generally face competitors on the far-left in the form of Communist or left-libertarian<sup>2</sup> (Green) parties (Przeworski and Sprague 1988). Using the logic of spatial competition, if a party emerges on the radical left or right, more moderate parties should be under pressure to move their position to more extreme ends of the spectrum in order to prevent the more extreme parties from permanently stealing votes from them. Electoral defeat especially influences parties to modify their policy profiles (Sommer-Topcu, 2009). Lutz (2013) finds in the case of Germany, the Social Democratic party was able to shift towards the center regarding labor reforms, reducing

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<sup>2</sup> While Kitschelt (1994) uses the terms libertarian and authoritarian to describe the cultural policy dimension, I elect to use the terms alternative and traditional to remove jargon from my dissertation.

employment protection, because they faced little competition from left party challengers, while in the case of France, competition from the left made such a shift nearly impossible for the Social Democratic party. Kitschelt (2001) argues Social Democratic parties engaging in office-seeking may adopt retrenchment reforms and shift rightward when facing competition from liberal-market competitors to the center and right because they are able to position themselves as the “lesser evil” and enjoy more credibility in “protecting the system.” Green-Pedersen (2001) finds in the case of the Netherlands, the Social Democratic parties had to condone retrenchment to regain governmental power after the Christian Democratic (Center Party) reached a consensus on the issue. Without doing so, the Social Democratic party would have lost both seats and votes.

The literature leaves a lot to unpack in terms of how Social Democratic parties will behave towards outsider preferences. If Social Democratic parties are indeed engaging in policy-seeking behavior and primarily concerned with protecting the interests of their core constituencies, then the composition of Social Democratic parties matters for NSW protection and regulation. In states in which the Social Democratic party is primarily reliant on insider voters, NSW employment protection is expected to be weak because the party will focus on passing policies to protect the insider status of its constituency. In states in which the Social Democratic party has more outsiders in its constituency, stronger protections for NSW are predicted as these parties consider outsiders an important part of their electoral strategy.

However, the literature is mixed as to whether or not Social Democratic parties will engage in policy-seeking behavior as there is evidence to suggest in some circumstances they will trend towards the general-electorate model and engage in vote-seeking or office-seeking behavior. When Social Democratic parties do this, the composition of the Social Democratic party’s matters less and competition in the party space matters more. Under this model, party competition becomes more important as the willingness of Social Democratic parties to shift to the center and adopt less labor friendly policies, will be predicated on challenges from the far-left as well as challenges from the center and right. When Social Democratic parties face challenges on the left, the expectation is that they will adopt more labor-friendly policies because failing to do so will lead to defection of voters from the party. When Social Democratic parties face challenges from the center and right, the expectation is that they will adopt less labor-friendly

policies because lack of far-left competition enables the party to shift rightward without facing repercussions in terms of lost votes.

Unfortunately, the literature does not provide a clear picture as to how Social Democratic parties will respond to NSW regulation and protection explicitly. It is entirely possible that the partisan and general electorate models combine to explain how these policies are formed. When Social Democratic parties are composed primarily of labor market insiders and face left-party competition, they may protect their core constituency at the expense of labor market outsiders, enacting policy that strengthens protection and regulation for standard employment while allowing flexibility to occur at the margins for part-time and temporary jobs. However, when Social Democratic parties contain more outsiders, it is my expectation there will be higher levels of employment protection and regulation for NSW because failing to do so incentivizes the core constituency of Social Democratic parties to defect to parties further on the left. When Social Democratic parties face competition from the center and right, my expectation is that protection for NSW will be weaker regardless of the composition of the party because Social Democratic parties can pivot towards more centrist policy without facing the same electoral repercussions.

### **Outsider Political Alignment**

The literature raises several unanswered questions that will impact the role Social Democratic parties may play in promotion of regulation of NSW. Firstly, are labor market insiders the core constituency of Social Democratic parties? The new politics literature shows there has been an emergence of cross-class coalitions that will defend the status quo of the welfare state (Pierson, 1996). Traditionally, within power resource theory, the capacity for working class collective action explains cross-national differences in the distributive outcomes, size, and characteristics of social policies (Korpi, 1989; Huber, Ragin, and Stephens 1993; Hicks 1999; Huber & Stephens, 2001). However, with the emergence of labor market polarization and the diminishment of the manufacturing sector, the concept of the “working class,” is quite opaque within post-industrial societies as changes in the class structure have fundamentally altered the scope of the traditional working class. Iversen & Soskice (2009) note in post-industrial societies, the working class voters previously politically linked to social-democratic



based parties are increasingly dispersed across sectors of the economy meaning the broad-based industrial worker coalitions that once supported the old left are growing more and more diverse. Gingrich & Häusermann (2015), note this diversification has resulted in left parties now mainly relying on voters from the educated middle-classes. Lindvall & Rueda (2006), suggest the ability of left-parties to build new political coalitions mediates the impact of insider-outsider divides.

Another question left unanswered in the literature, is how outsiders will align themselves electorally. In any given election, citizens have the opportunity to choose from a menu of choices offered by political parties. The spatial model argues the proximity between voters and parties policy positions impacts whether or not individuals will turn out to vote and if so, ultimately, who they choose to vote for. Within this framework, individuals vote for the parties with the positions that align closest to theirs because they receive more benefit if those parties win the election. There is strong empirical evidence that left control of government increases redistribution (Hicks & Swank, 1984; Huber & Stephens, 2001; Korpi, 1983). Those with lower incomes tend to prefer higher levels of welfare and redistribution (Cusack et al., 2008). Because the poor are more likely to support government redistribution, they are expected to lean more towards left parties (Cusack et al., 2008; Rehm, 2009, Giger, Rosset, & Bernauer, 2012). Labor market outsiders tend to have lower incomes than their insider counterparts because outsiders lack access to “good” jobs. The same logic that applies to low-income voters may also apply labor market outsiders. This would suggest that labor market outsiders might align themselves with parties on the left and far-left.

However, another compelling case is made for outsider alignment with right and far-right parties. Facing both economic insecurity (threat of joblessness) and status insecurity (feeling left behind by modernization) many working-class voters have moved towards the right (Betz & Meret, 2012). Kurer (2016) finds working-class voters who remain in working class jobs are far more likely to support right-wing populist parties than working-class voters that find themselves unemployed or transitioning to service-sector work. He notes fear of status decline is a primary motivator for these individuals rather than their actual economic status which prompts a stronger association with identity politics. Kriesi (1999) finds that voters who fear a deterioration of their economic status are more likely to support far-right parties. The same economic insecurity and status insecurity also impacts outsiders who increasingly are unable to gain access to jobs located

in the primary market. Rueda (2007) theorizes outsiders will support conservative parties when Social Democratic parties do not attend to their interests.

Another potential behavior of outsiders is to engage in protest voting or abstain from voting altogether. In his analysis of the 2009 German election, Marx (2014) shows that outsiders hold the government responsible for their economic situation and therefore tend to punish the incumbent party through protest voting or abstaining from voting. Protest voting is used to signal dissatisfaction with the status quo (Rosenthal & Sen, 1973). In this context, outsiders may vote for anti-establishment, extreme parties when none of the mainstream parties provide a policy platform that is favorable to them. Individuals choose not to vote when they feel indifference to or alienation from existing policy platforms (Adams et al., 2006). Alienation occurs when there is a large difference between the policy position of the voter and the closest party. This may pose a problem for democracy because it excludes individuals from the political process creating a situation where electoral democracy does not serve as an effective medium for policy representation for some individuals (Lefkofridi et al., 2014).

One reason outsiders may feel alienated is because of their lower income levels. Giger et al (2013) find the poor are systematically underrepresented by political parties and governments in comparison to middle-income and high-income citizens. When there is a disagreement in policy direction between lower and higher income groups, parties are tremendously more likely to promote policy that benefits the higher income groups (Gilens, 2012). This creates a feedback loop in terms of political participation because higher income groups receive constant benefits from the political system which in turn encourages them to participate in the political system. As the inequity becomes more pervasive, low income individuals, recognizing the system is unresponsive to their preferences regardless of which party is in power become disillusioned and less likely to participate in the political process. This leads to economic and social inequalities being reinforced through biases in political representation (Bartels, 2008).

Overall, the literature leads in a variety of directions as to how labor market outsiders may behave electorally. Labor market outsiders may back Social Democratic parties. However, this will be contingent on the composition of Social Democratic parties and their ideological congruence with outsiders. Outsiders may support redistributive policies and therefore vote for other parties on the left or far-left. Another possibility is that outsiders fearing a deterioration in economic and social status may align with parties on the right or far-right. And yet another

potential behavior for labor market outsiders is they will abstain from voting altogether. Overall, the literature is unclear as to the direction of outsider voting behavior.

## **Institutions**

The new politics literature also suggests institutions are important in determining labor policy reform. As North (1990) states institutions are the “rules of the game” which guide the manner in which various political actors are able to engage in policy development. In this context, political institutions themselves shape the bargaining power of rival groups. The varieties of capitalism (VOC) literature is based on the premise that countries develop different types of production regimes because of their institutional configurations. Within the literature, two separate production regimes are examined. The first are business-coordinated market economies (CME’s) in which there is a great deal of coordination between companies with the state playing a framework setting role. The second are the liberal market economies (LME’s) in which there is little coordination between companies, an exclusion of labor, and the state plays virtually no role in their interaction.

As all CME’s have to some extent a consensus political system, this is predicted to be important to the passage of legislation protecting NSW. The consensual political system is found in CME’s because different groups such as firms and unions need to be able to negotiate with each other to enact policy change, especially under conditions of changing sociodemographic characteristics (Soskice, 2005). Consensual decision-making institutions help to incorporate a wider range of interests in the policy making process. This is achieved by centralizing bargaining structures among nationally represented interest groups (Schmitter, 1977). Firms in coordinated market economies benefit from the political and economic institutions encouraging collective control of policy, which in turn encourages policy stability. Policy stability then reinforces firm decisions to invest in longer term commitments and product strategies (Wood, 2001). Policies, such as protection against job loss, reduces future uncertainty of wage premiums which are generally considered beneficial to both firms and employees (Schettkat, 1993).

Consensual decision-making institutions are expected to influence the type of NSW policies promoted by the state. In CME’s, neoliberal responses such as weakening labor

institutions, deregulating markets, and reducing wages has not been a preferred policy goal. The same is not true in LME's (Kitschelt et al. 1999). In CME's, the business community is less likely to call for deregulation because firms draw competitive advantage from the regulatory regime supporting them. Because of this, firms are more likely to reach compromises with trade unions to support high-quality, high value-added production (Hall & Soskice, 2001). Genre et al (2003) found a high level of coordination between unions, business, and the state lead to improvements of working conditions for part-time employees which encouraged their willingness to take such positions.

However, Rueda (2007) argues these corporatist institutions magnify the impact of insider-outsider differences which will lead to less employment protection for individuals employed in NSW. This is because corporatist structures can be used to promote inequality, especially when the groups accessing them are not representative (Rueda, 2007). The impact of corporatism is therefore dependent on how much insiders are represented by strong interest groups (such as unions) than outsiders are. In this sense, labor market insiders have access to institutional mechanisms to foster collaboration and to negotiate with employers collectively. When outsiders lack these mechanisms, they are less likely to solve their collective action problem and therefore more likely to face fewer protections regarding their employment.

## **Labor Unions**

How labor unions will utilize corporatist institutions is therefore an additional question raised by the literature. While labor unions provided a powerful counterforce to capital in the early emergence of the welfare state, in the post-industrial era they carry far less clout than before. At their peak in the 1970s 42% of all workers in the OECD belonged to a labor union, by 2015 that number had declined to 17% (OECD, 2015). Changes in the labor market have prompted many reforms for labor unions such as the decentralization of bargaining structures. As employers have demanded more flexibility, unions have had to compromise their maximalist policies in order to focus on their core members.

Job security is key to furthering the power and strength of the union itself. When union members have more employment protections, they are more willing to participate in union activities which in turn reinforces the strength of the union (Davidsson & Emmengger, 2012).

While unions have been unsuccessful in preventing a decline in membership (Blanchflower & Oswald, 2005), they have been successful in insulating their member's wages, working hours, and employment protections from the impact of external forces. As a result, there is a self-reinforcing relationship between unions and labor market insiders. Belonging to a union provides for increased job security and protection. As a result, labor market insiders are more likely to be represented by unions. Therefore, the primary job of unions becomes to oppose reforms that specifically disadvantage labor market insiders. As outsiders tend to be underrepresented in unions, there is more of an incentive for unions to push against reforms that add flexibility to the labor market at the expense of outsiders (Rueda, 2007).

It is expected the role of labor unions in providing for employment protection and regulation for NSW is conditional on the relative strength of labor and the composition of its members. When unions are encompassing and include workers employed in NSW, it is predicted to lead to more employment protection and regulation for such positions. However, the lower the representation of NSW workers within unions, the more likely unions are to protect the privileged insider status of union members therefore leading to less employment protection and regulation for NSW. In terms of union strength, the more powerful labor is, the more likely it will protect the interests of its members. Furthermore, the less powerful labor is, the less likely there will be strong levels of employment regulation or protection for workers in the first place.

## **Theoretical Model**

Labor market segmentation impacts policy preferences and mobilization as occupational and demographic factors divide workers into insiders and outsiders and magnify the vulnerabilities associated with participation in the labor market. This increase in risk has a profound impact on how parties must respond to the concerns of their constituents. Prior to the 1980s, the industrial coalitions of welfare states held strongly together to promote favorable levels of employment protection and regulation. However, as the industrial base eroded, and the cross-class coalitions of the early welfare state wore away, parties found they needed to respond to an electorate discovering itself more and more divided by insider/outsider status. This causes a dilemma for parties. Do they support policies that benefit insiders therefore risking the exodus

of the growing constituency of outsiders to other parties? Or, do they support policies that benefit outsiders, potentially isolating insiders within their party if there is disagreement over policy direction? The existing labor market institutions, the power of organized labor, and the composition of Social Democratic parties is expected to play a large role in determining the ability and willingness of states to promote legislation for NSW. Compounding this, party competition may impact how far parties are able to pivot to provide encompassing policies that do not abjectly favor insiders or outsiders.

From the literature, it is possible to derive several hypotheses concerning the behavior of labor market outsiders and insiders as well as the response of parties, unions, and the role of corporatist institutions. Based on the review of the relevant literature, I have several expectations concerning employment protection and regulation for non-standard work:

Labor market insiders and outsiders will have different policy preferences which influence the willingness and ability of parties to support NSW protection and legislation.

***H1: Labor market insiders will prefer policies that support employment protection.***

***H2: Labor market outsiders will prefer policies that support job creation.***

***H3: Labor market outsiders will prefer policies that support redistribution and reject policies that support social insurance.***

Labor market insiders and outsiders will support different political parties and engage in varying levels of political participation.

***H4: Labor market outsiders are more likely than labor market insiders to vote for left parties.***

***H5: Labor market outsiders are more likely than labor market insiders to vote for right parties.***

***H6: Labor market outsiders are more likely than labor market insiders to abstain from voting.***

***H7: Labor market outsiders are more likely to vote for parties on the far-left or far-right.***

The heterogeneity of both Social Democratic parties as it relates to insider/outsider divides will be an important determinate of employment protection and regulation for NSW. The ability of the SD parties to cater to any one constituency will be tempered by party competition.

***H8: Ideological distance between Social Democratic Parties and other left parties will be associated with higher levels of employment regulation and protection for NSW when Social Democratic Parties are outsider dominated.***

***H9: Ideological distance between Social Democratic Parties and other left parties will be associated with lower levels of employment regulation and protection for NSW when Social Democratic Parties are insider dominated.***

***H10: Ideological distance between Social Democratic Parties and center parties will be associated with lower levels of employment regulation and protection for NSW.***

***H11: Ideological distance between Social Democratic Parties and right parties will be associated with lower levels of employment regulation and protection for NSW.***

Consensual decision-making institutions are expected to influence the type of NSW policies promoted by the state and will interact with labor.

***H12: Strong Corporatist institutions will result in stronger employment protection and regulation for NSW.***

***H13: Strong Corporatist institutions will result in weaker employment protection and regulation for NSW.***

***H14: The impact of corporatist institutions will be mediated by the make-up of unions.***

The role of labor unions in providing for employment protection and regulation for NSW will be conditional on the relative strength of labor and the composition of its members.

*H15: The greater the composition of outsiders in unions, the stronger employment protection and regulation for NSW will be.*

*H16: The greater the composition of insiders in unions, the weaker employment protection and regulation for NSW will be.*

### **Empirical Strategy**

This dissertation uses multiple methodologies to explain why NSW employment legislation varies across countries. I utilize both quantitative and qualitative analysis to answer the proposed questions. These methodologies work to complement each other and strengthen my overall conclusions.

For the cross-national statistical analysis of insider/outsider preferences and voting behavior, I draw upon individual-level data from the International Social Survey Program (ISSP). The ISSP provides panel data on a variety of topics concerning government policies for 45 countries around the world (however, data is not available for every country every year). It is one of the most comprehensive datasets available to study individual preferences and the only dataset with survey data available covering the variables of part-time employment and occupational group during my time frame. I use this data for three purposes. Firstly, I use it to estimate the proportion of insiders and outsiders in left, center, and right parties. Secondly, I use the 1996/1997, 2005/2006, and 2015/2016 waves of the survey to examine the policy preferences of insiders and outsiders concerning expectations of state policies governing work and redistribution. Finally, I use the 2015/2016 wave of the survey to test the impact of outsidership on voting and party choice.

For the cross-national statistical analysis of employment regulation and protection for NSW, I use data from a variety of different datasets including the Comparative Manifesto Project (CMP), the ISSP, OECD, Database on Institutional Characteristics of Trade Unions,



Wage Setting, State Intervention and Social Pacts (ICTWSS), and Comparative Political Data Set (CPDS). I use the data from the CMP to calculate ideological distance between the different parties in my model. The CMP provides content coding on a variety of different topics that enable me to situate political parties in their economic left/right and cultural authoritarian/liberal policy space. From the ISSP, I am able to gather data on party homogeneity with special regard to the insider/outsider divide. The OECD provides data for many of my control variables. The ICTWSS provides data on corporatist institutions and union density. And the CPDS provides data on Party in Power as well as consensus institutions.

For my dependent variable, I construct a time-series index of employment regulation for part-time and temporary workers. I do this by content-coding pertinent legislation on measures related to part-time and temporary work including measures of equal treatment; access to social insurance, and regulation of work contracts. To analyze the data, I run an error-correction model with panel corrected standard errors.

For the qualitative analysis of my data, I use process tracing to validate the findings of the quantitative portion of my dissertation. I use secondary data analysis, as well as primary analysis of legislative debates, to examine how part-time and temporary work became a dominant form of employment in my case countries. I then build upon these findings in order to test my hypotheses on partisanship, party competition, unions, and institutions in order to tease out the pathways by which states have addressed the issue.

## CHAPTER III

### LABOR MARKET SEGMENTATION AND THE CONCEPT OF OUTSIDERS

The previous chapter outlined a broad theoretical approach to the study of employment protection and regulation for labor market outsiders and hypothesized close linkages between unions, left-parties, and corporatist institutions. This chapter ties together national and international changes that have occurred within the welfare state leading to the emergence of outsiders as a relevant political group. The main purpose of this chapter is twofold. Firstly, this chapter provides background information on how deindustrialization, globalization, and increases in educational levels have fundamentally altered labor markets within advanced industrialized countries. Secondly, using the theoretical explanations for labor market change, I construct a socioeconomic risk-based operationalization for measuring labor market outsiders.

#### **From Secure to Insecure: How Labor Market Segmentation Evolved in Advanced Economies**

The emergence of welfare states in the 1950s, 1960s, and 1970s took place under unique and highly favorable conditions. Europe's productive capacity was decimated by WWII leading to capital scarcity. The conservative political parties and organizations that served as an opposing force to organized labor were largely discredited by their compliance with the Nazi war effort. Finally, the looming specter of the Cold War and threat posed by the Soviet Union prompted a concerted effort by the governments of the West to develop national policies that would spur economic growth. While the eventual outcome and delivery of these policies would vary across countries, the primary mechanism for their development came in the form of centralized bargaining structures in which labor, employers, and the state worked cooperatively in order to coordinate wages and create social welfare arrangements. Healthcare, unemployment insurance, and pension schemes were provided by many governments to incentivize workers to train in specific rather than general skills which would have been risky to develop without the state providing insurance against loss of employment. Unions worked to negotiate for high levels of job protection and regulations on working hours and overtime. Employers benefited from this system as wages were determined collectively meaning investment in their firms did

not automatically translate into worker demands for higher wages. This assurance, in turn, led to higher levels of investment both in capital and vocational training (Eichengreen & Iversen, 1999).

These institutions thrived because of several key factors. Firstly, the post-war time period featured an unprecedented level of economic growth. The economic destruction wrought by WWII meant most economies in Europe were operating below capacity. Economic growth was spurred by repairing wartime damage, rebuilding capital stock and putting to commercial use new technologies developed during the war (much of which was imported from the United States). Secondly, the adoption and continued growth of a large stable manufacturing sector and the Fordist model of production, which relies on division of labor and semi-skilled workers provided for a homogenous workforce. This enabled centralized bargaining to have an egalitarian impact where most workers benefited from wage coordination. This led to political coalitions between the working-class and middle-class and the emergence of strong unions that pressed effectively for benefits and services to meet the specific needs of workers. Finally, labor markets based on a single-male breadwinner model helped to reinforce nuclear families and provided for a tidy gender division between paid and domestic work (Taylor-Gooby, 2004).

The initial structures of the welfare state were built upon a particular perception concerning how work operated. Full-time employment, for a single employer, with many states creating welfare structures that would incentivize long job tenures, was the standard form of employment. Therefore, the eligibility criteria for most social insurance benefits was built upon the assumption that workers would have long, uninterrupted work records. It is important to note the conditions enabling states to create such systems were extraordinarily unique and based upon social, cultural, and demographic features that were exclusive to this time period in particular.

In the 1970s and 1980s, the global economy faced a series of economic shocks combined with slowed productivity growth which led to high levels of unemployment and inflation. Institutional features such as wage bargaining, legislation on working hours, and strong employment protection that previously served the welfare state during its expansion, now worked against the labor market encouraging high unemployment rates. Systems such as generous unemployment benefits, now viewed as discouraging the finding work, were seen to need major reform. Job protection, once viewed as providing incentives for workers to invest in specific skills, was now viewed as a costly proposition for firms who found the onerous

regulations to be impediments to shifting firm needs. It quickly became clear, the present economic structures were obstructing the creation of enough jobs for all workers to have full-time employment (Cordova, 1986). As a result, the 1980s ushered in an era of welfare state reform in which many benefits schemes were restructured or had eligibility criteria added to them (such as minimum hours worked). and labor protections relaxed.

The 1970s and 1980s also marked the emergence of several key influences on labor markets. Firstly, globalization became a dominant feature of advanced industrial countries. The opening of markets around the world worked to erode the power of labor because capital owners could now move their enterprises to places with more favorable conditions. This in turn allowed firms to engage in “social dumping” whereby they could either move or threaten to move to nations with lower labor costs, lower taxes, more flexible working regulations, and fewer social protections (Mishra, 1999). Because this strategy was available to them, capital owners were able to enhance their bargaining power over government and labor therefore constraining the ability of government to execute redistributive policies leading to overall reductions in social expenditures (Bonoli et al., 2000). Workers in developed countries were made more insecure as market integration rendered them more interchangeable. The less educated, less skilled workers became easier to replace (Rodrik, 1997).

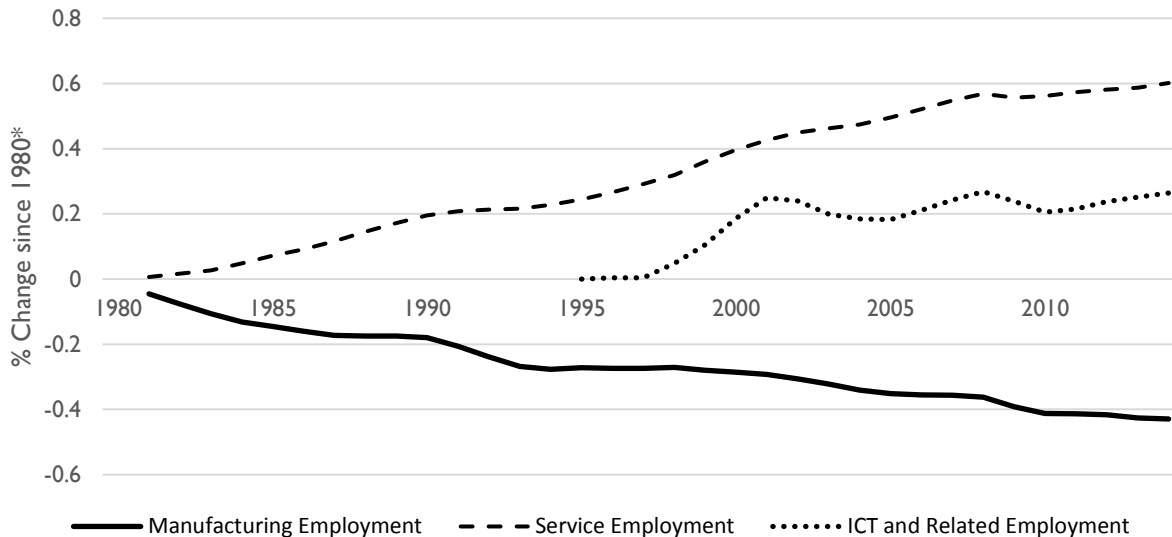
Secondly, deindustrialization, the transition from a manufacturing-based economy to one based on services, began to accelerate in the 1980s. This led to the breakdown of the Fordist model as more decentralized systems of manufacturing (such as just in time production) and automation begin to dominate the industrial structure. Automation led to a large amount of displacement for industrial workers who found that their routine labor was replaced by technological processes. This led to a hollowing out of the middle of the wage distribution as good paying, middle-class jobs were replaced by machines (Autor, Levy, & Murnane, 2003). Between 1980 and 2014, the OECD countries lost 43% of their manufacturing jobs.

Service industries are unable to match the productivity of the manufacturing sector because services are themselves comprised of labor (Baumol, 1967). Replacing labor with technology benefits the manufacturing process as machines allow for the same or greater productivity than a single person could accomplish. The service sector is different in that additional productivity requires the additional input of labor. In order for many service sector positions to be profitable, they need to have low wages because lower wages in the service sector

translate into cheaper prices which in turn promotes higher demand for said services. As a result of this, a majority of the jobs generated in the service sector are either low-skilled, low-paying and temporary or high-skilled, high-paying, and permanent, there is very little middle-ground (King & Rueda, 2008; Pontusson, 2005).

Finally, the 1970s and 1980s witnessed the increased participation of women within the workforce. Cultural shifts in the 1960s and 70s enabled women to have greater access to contraceptives which allowed women to have greater efficacy over when and if to have children. Consequently, many women were able to delay starting families instead focusing on their education and careers. The burgeoning service sector provided women opportunities to enter into employment and the expansion of public sector employment in some countries particularly favored women as these occupations were primarily in fields already dominated by women. For women with children, part-time work became more prevalent and was seen as an attractive option because it allowed for flexibility in their work schedule, provided supplemental income, and acted as a substitute when they were not able to find a full-time job (Christensen & Staines, 1990). For many working women with young children, the shortage of childcare facilities made part-time work a particularly attractive option (Visser et al., 2004). Part-time work structures helped to mobilize many women, especially those that were married or had children, into the labor force who otherwise may not have sought employment.

Figure 3.1 shows employment growth in the employment changes in manufacturing, services, and information and communications technology since the 1980s. The 1990s and early 2000s saw a compounding of the trends started in the 1980s because of increased adoption of technology. Improvements in ICT and the use of computers allowed firms to more efficiently produce goods both domestically and abroad. Routine jobs, those that can be codified into repetitive step-by-step procedures such as production and clerical work, were the primary targets of automation. As manufacturing jobs declined and the service sector employment grew, employment growth began to shift from nearly equal growth rates among different occupations to a more divergent pattern with the largest share of growth among high-wage and low-wage occupations. Termed “job polarization,” the increasing concentration of employment at opposite ends of the earning spectrum signaled the disappearance of the middle-skill occupations, upon which welfare structures had been built (Acemoglu & Autor, 2010; Goos, Manning, & Salomons, 2014).



Source: OECD STAN Industrial Analysis Database

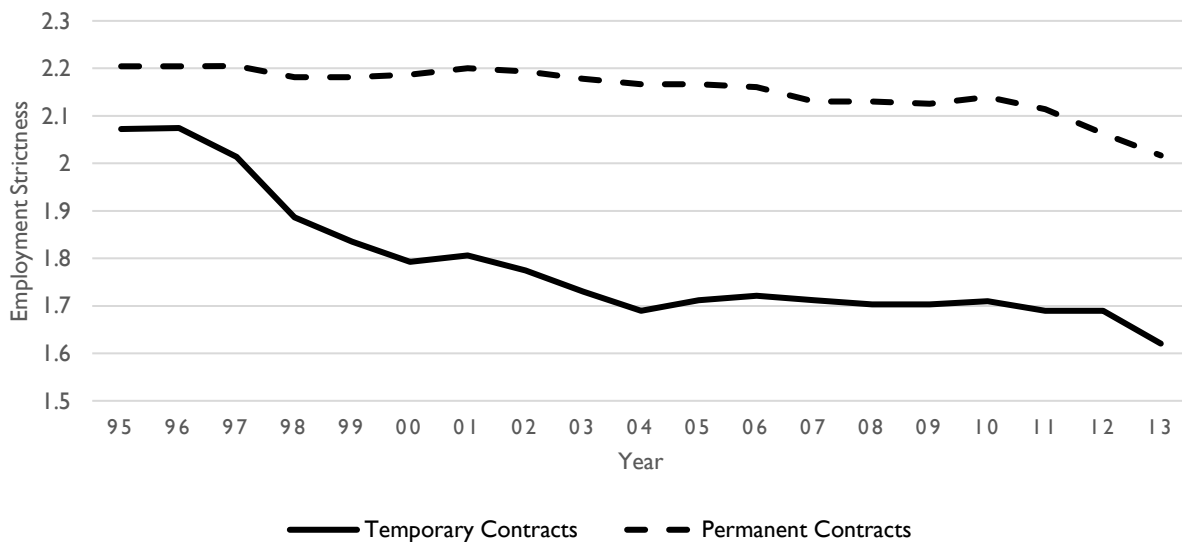
**Figure 3.1. Percentage Change by Type of Employment in OECD Countries Since 1980**

The adoption of information communications technology increased demand for better skilled employees, especially in decentralized firms (Bresnahan & Malerba, 1999). This skill-biased technological change was accompanied by an increasing upskilling of the workforce. In 1995, 23.3% of 25 to 34 year old's in the OECD had a university degree, by 2016 that number had increased to 43.3% (OECD, 2017). As advanced industrialized countries moved into their post-industrial period, professional and skilled occupations were highly in demand. Semi-skilled and middle-skilled occupations had largely been replaced by technology. And the demand for low-skilled labor was primarily driven by the ability to keep wages down for such positions (Esping-Andersen, 2000).

The 1990s also ushered in several prominent neoliberal reforms to reduce trade barriers and increase the mobility of capital. The European single market was formalized in 1992 guaranteeing the free movement of goods, capital, services, and labor throughout the Euro zone. In 1994, the North American Free Trade Agreement (NAFTA) eliminated many tariffs on goods sold between the U.S, Canada and Mexico. The formation of the Asia-Pacific Economic Council (APEC) reduced the cost of business transactions among Pacific Rim countries. While automation was the primary driver of middle-skill job loss, in advanced economies, trade, on

average, contributed to about 20% of the decline of manufacturing employment (Rowthorn & Ramaswamy, 1999).

As Figure 3.2 demonstrates external economic shifts prompting many countries to engage in employment protection reforms in the 1990s and 2000s. The bulk of these reforms targeted deregulation of labor-markets “at the margins.” As a result, while non-standard work arrangements lost many of their protections, such as time-limits and renewals of temporary contracts, standard employment contracts largely remained unchanged (Van Vliet & Nijboer, 2012).



Source: OECD Employment Protection Database

**Figure 3.2. OECD Average of Strictness of Employment Protection Legislation (1995-2013)**

The ease of hiring and firing individuals in part-time and temporary work arrangements lead to large increases in individuals hired under such contracts. Since 1995, on average the proportion of individuals employed in non-standard work has increased by 2% per year. Roughly 56% of all jobs created between 1995 and 2013 were part-time or temporary (OECD, 2015).

The Great Recession created another employment crisis for advanced economies wherein the unemployment rate increased from 5.4% to 8.3% between 2007 and 2010. By the end of 2012, in what many pundits dubbed a “jobless recovery,” the unemployment rate had only

declined to 8.0% (Blanchard et al. 2014). Men were more impacted by the recession than women as the male dominated construction industry shed jobs. Young workers (15-24) were also particularly disadvantaged as many of them were working on fixed-term contracts. Their unemployment rate was on average twice as high as overall unemployment (Pissarides, 2013).

Many workers who were able to hold on to their jobs experienced a reduction in their work hours, wages, and benefits as firms attempted to reduce labor costs in order to stay afloat. As part of fiscal stimulus packages, most OECD countries devoted greater resources to labor market and social policy measures in order to cushion workers from the negative effects of the crisis. This included additional funding for unemployment benefits and active labor market policies, use of short-term working arrangements wherein the government subsidizes part of the forgone income of employees who have their working hours reduced and employer-initiated reductions in average hours allowed within collective bargaining agreements. These measures served to avoid excessive layoffs for many workers, especially in continental Europe (OECD, 2013). However, for those already employed in part-time and temporary jobs, the impact of the Great Recession was particularly devastating. A large proportion of temporary workers were laid off, in countries such as Portugal and Slovenia, this accounted for 30% and 40% of the total drop in employment (OECD, 2015). In some countries, such as Ireland and Japan, part-time workers were unable to access the unemployment benefits.

The Great Recession led to the destruction of many standard jobs and an accelerated growth of part-time and temporary employment. This also helped to accelerate job polarization as the destruction of middle skill occupations accelerates during recessions. Routine workers, the majority of which were once employed in standard jobs, now needed to find suitable employment in other sectors of the economy (Jaimovich & Siu, 2012). A large portion of these workers were forced to downgrade to low-wage service sector jobs resulting in a loss of both status and wage (Cortes, 2016). Consequently, the shrinking job opportunities in routine jobs resulted in higher unemployment for such workers (Jung & Mercenier, 2014). Secondly, the Great Recession increased the skill demands of firms. Realizing they could hire better qualified applicants, the skill requirements for many jobs remained high which increased the education needed to obtain them. Post-Great Recession, many occupations that would have required less education and training, now required more education and training to obtain entry into the occupation (Hershbein & Kahn, 2016).



From the Post-War to the Post-Recession period a variety of political and economic forces have encouraged the division of the labor market into separate sub-markets distinguished by discrete employment protections and work characteristics. The industrial structure upon which labor protection laws were built has largely been dismantled and the ascendant service sector has become the primary source of employment for most people. The demographic composition of workers has shifted to become more equitable among the sexes. And globalization, adoption of new technologies, and tertiarization have produced labor market polarization. The post-industrial labor market, especially following the Great Recession, is one that is characterized by higher levels of atypical work, labor market segmentation, and a greater amount of economic insecurity for those in nonstandard work positions. This labor market dualization is best distinguished by the primary market in which jobs are protected and have relatively high wages. And the secondary market where jobs are insecure and have relatively low wages (Reich et al., 1973). A variety of political, economic, and institutional barriers stand in the way of reforming labor market segmentation leading to an increasing clear division between labor market insiders, those with secure employment, and labor market outsiders, those with insecure employment.

The rising number of labor market outsiders is expected to have far-reaching consequences for welfare states. Yet understanding those consequences, first means understanding who labor market outsiders are. Identifying who is most likely to find themselves disadvantaged in the labor market is an important step in comprehending what policies may work in reducing this inequality.

### **Measuring Outsiderness in Segmented Labor Markets**

How labor market outsiders are operationalized plays an important role in understanding the economic and social risk accompanying labor market segmentation. Currently, there is no clear, consistent, universally accepted definition of labor market insiders and outsiders. Instead, there are several competing operationalizations within the contemporary political science literature. These measurements of outsiders fit into two dominant categories, those that use employment status as proxies for measuring outsiderness (Lindbeck & Snower, 1988; Rueda 2006, 2007; Emmenegger, 2009; Guilliard & Marx, 2014). And those that employ occupational

class groups to calculate social risk (Häusermann & Schwander, 2010, Rehm, 2009, Hense, 2017).

Within the employment status measurement scheme, individuals classified as working in part-time or temporary positions, or those that are unemployed are considered outsiders. Those working full-time are considered insiders. Employers (also referred to as “upscales”) and the self-employed are sometimes classified as their own separate category, but not always. The employment status measurement assumes that one’s current labor market position is indicative of their policy preferences.

There are several issues with using this type of classification for examining preferences of outsiders. Firstly, it is quite crude and neglects greater cultural, societal, and institutional biases that may impact the type of employment individuals are able to find. This makes deriving preferences based on the nature of work one is currently doing at a single point in time an unrewarding undertaking. Secondly, it fails to recognize job volatility based on life trajectory. Working in an “outsider” position may be a temporary issue. For example, a new labor market entrant may take an internship to gain job skills. Based on the level of skill of the person in this temporary position, this type of outsider employment may be of short duration. A recent college graduate is more likely to find full-time employment in the future than a recent high-school graduate. However, being in short-term outsider employment is less likely to have an impact on overall preferences, especially if there is an assumption of future reward based on temporary hardship.

The second type of measurement scheme for outsidersness focuses on occupational class and social risk. Häusermann & Schwander’s (2010) research on labor market insiders and outsiders makes a convincing argument that “outsidersness” within the labor market should not be measured based on current employment status, but rather on overall employment risk. They note other social and economic characteristics are important to the classification of outsiders, including occupational class, age, and sex. These demographic characteristics help to shape preferences because employment risk is extensively shaped by the social group to which one belongs. Rehm (2009), also calculates risk exposure based on occupational class, looking at the rate of unemployment for nine different occupational categories and calculating the probability of becoming unemployed. Using employment risk rather than employment status allows for an analysis that considers the socio-cultural landscape in which outsidersness occurs.

Under the social risk measurement scheme, individuals employed in occupations with many part-time/temporary workers and/or high-levels of unemployment are considered outsiders even if they are working in standard jobs. Therefore, it is country specific group-based workforce characteristics and not an individual's current status that determine outsidership. As Rovny & Rovny (2017), point out, this may lead to an ecological fallacy in classifying labor market outsiders as inferences about their risk position is based on characteristics of the group rather than their individual life circumstances.

As the literature review demonstrates, the manner in which labor market outsiders are classified is important in determining their political behavior. However, both the employment status and social risk classifications contain some major issues in terms of how they categorize workers. Essentially, this tension lies in what "outsidership" means. Is someone an outsider based on what they are doing? Or are they an outsider based on what they will have the opportunity to do? There is an elegant simplicity of the employment status categorization. However, what is traded is an understanding of the institutional biases that permit labor segmentation to occur. Because the sociological and cultural environment in which the labor market operates is ultimately expected to be important, I intend to use a social risk operationalization in order to categorize labor market insiders and outsiders.

There are two primary categorizations of labor market outsiders based upon social risk found in the literature. First, is the social risk categorization derived by Häusermann & Schwander (2010) who take into account age, sex, and occupational class in defining labor market outsiders. In order to categorize individuals based on occupational class, they use Oesch's (2006) classification of jobs based on post-industrial class schemes. Oesch classifies post-industrial jobs along two different levels, firstly separating occupations based on the level of marketable skills attached to an occupation and secondly along the different type of work logics (technical, organizational, and interpersonal). This leads to 17 different economic classes who share a common economic position. Häusermann & Schwander then follow Kitschelt and Rehm (2004) to aggregate these economic classes into five occupational class groups based on similar qualities of job autonomy within the occupational categories. Under their classification, capital accumulators include professionals and large employers, socio-cultural professionals include high-skilled professionals such as teachers and doctors, blue-collar workers include production

workers, low service functionaries include service and sales workers, and mixed-service functionaries include office workers and technicians.

Rehm (2009) uses the unemployment rate of an individual's occupation at the first-digit ISCO-88 level in a given country and year in order to determine their level of economic risk. Rehm assumes risk exposure is high for those employed in occupations with high unemployment rates. While the measurement created by Häusermann & Schwander (2010) is binary, the measurement created by Rehm is continuous and measures degree of risk. However, while Häusermann & Schwander (2010) divide their demographic groups based on age and gender, Rehm categorizes all individuals within the occupational category assigning the same economic risk level to men and women, older and younger workers. Rehm also does not calculate part-time or temporary employment in his measure.

While both operationalizations contain elements that are important, neither fully provides a comprehensive measure of labor market outsiders. My primary issue with the categorization created by Häusermann & Schwander is their use of class as a demographic grouping. As the workplace has become less structured and the classes have diversified, this type of combination becomes problematic because individuals employed in different occupations within the same class structure are likely to face different levels of overall employment risk. In fact, this was one of the factors that lead Oesch (2006) to create a new grouping of occupations. However, while the initial 17 categories differentiate these factors nicely, regrouping the occupations into broader categories adds some noise to the model. For example, Häusermann & Schwander categorize shop keepers, engineers, and office workers into one singular category. While this class may share similarities in terms of their working conditions, this does not necessarily translate into their level of economic risk as these groups span a variety of different skill levels and work logics. Another issue, I find with this grouping is the mixture of the self-employed and employers into the occupational classes. As Emmenger (2009) and Rueda (2005) argue, these groups cannot be insiders or outsiders because they are not in an employment relationship. Because they have almost complete control of their working conditions, designating them into a separate category provides a more appropriate distinction.

Because of these issues, I follow Rehm in calculating the rate of unemployment and part-time work for each occupation based on their 2-digit ISCO-88 code, rather than grouping individuals into social classes. Focusing on economic risk at the occupational level allows for

neutral cross-country comparisons and provides a standard measure for occupations along a vertical grouping of skill. However, strictly using Rehm misses some major components pointed out in the literature by not recognizing labor markets are different for women and younger workers. Therefore, I also divide my occupational groups into two different age categories, following Häusermann & Schwander I use under 40 and over 40, as well as by sex, female and male.

**Table 3.1. Comparison of Outsiders Based on Author’s Definition**

	<b>Bolter (2019)</b>	<b>Häusermann &amp; Schwander (2010)</b>	<b>Rehm* (2009)</b>	<b>Rueda (2007)</b>	<b>Emmenger (2008)</b>
<b>% OF LABOR FORCE OUTSIDERS</b>	29.0%	46.1%	48.09%	23.25%	31.38%
<b>% OF WOMEN OUTSIDERS</b>	52.7%	82%	51%	55%	47%-80%
<b>MEDIAN AGE OF OUTSIDERS</b>	40.6	47.5	49.6	39.1	36-44

\*based on a binary scoring with a cut-off at the median.

Source: Rovny & Rovny, 2017

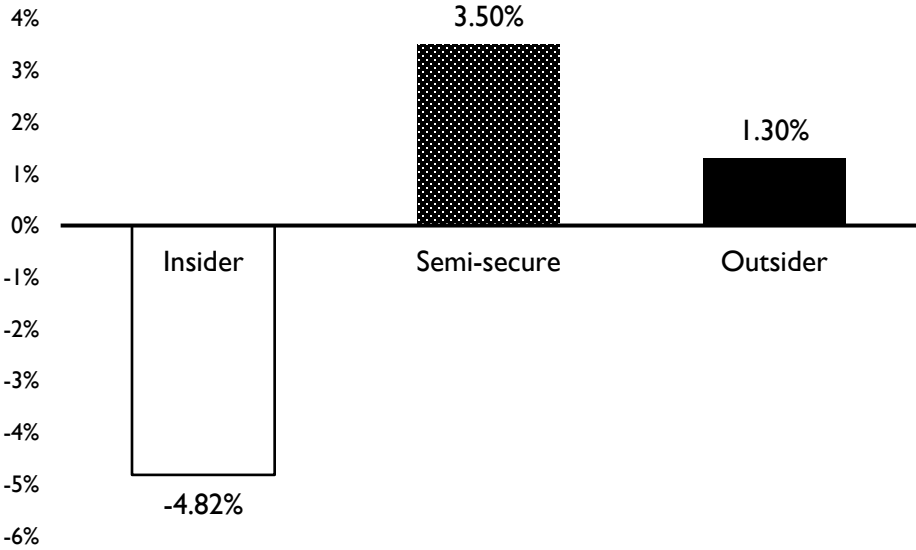
In comparing my measure with the other dominant operationalizations, it is apparent that it falls into the more conservative estimation of labor market outsiders. While I use an economic risk approach, I find my measurement in terms of total outsiders is far more in line with the estimates made by the employment status scholars. Furthermore, my gender divide falls more in line with the majority of scholars, suggesting that Häusermann & Schwander may be the outliers in terms of their operationalization. My measurement also skews younger than the other economic risk scholars aligning a bit more with what the literature suggests in terms of the risks facing younger workers.

## **Outsider Operationalization**

I define a labor market outsider as an individual with a high probability of being employed in nonstandard work arrangements. To operationalize this, I examine if an individual has a higher than average risk of finding themselves in part-time work and/or unemployment based on their occupational group, sex, and age. Ideally, I would also include individuals employed in temporary employment in this measure. However, my dataset does not include this variable. Unemployment does serve as a decent proxy measure for temporary work as workers on temporary-contracts are more likely to move into unemployment than workers on permanent contracts (OECD, 2006; Houseman & Polivka, 2000). It is important to note, under this operationalization an individual may be working full-time, yet still be considered an outsider because of other factors (type of occupational group, age, sex) putting them in the high-risk category.

One area in which I diverge from previous studies, which categorize insiders and outsiders in a binary manner is to explicitly classify only individuals with a lower than average risk of finding themselves in part-time work and/or unemployment as insiders. This classification does not presume that because you are not an outsider you are an insider. In using this ordering, I also identify a third category of economic risk for workers, those I dub the “semi-secure.” This category includes those that are neither at high risk or low risk of atypical employment, but somewhere in-between. These may entail groups that are transitioning between outsidersness and insidersness and vice versa or those with weak but existing institutional protections for secure employment. For example, “elementary workers” in the United Kingdom comprise occupations that are low-skilled. Most of these workers belong to demographic groups that are labor market outsiders. However, some of these demographic groups are not outsiders, but statistically they are not insiders either i.e. older female elementary workers are classified as outsiders, but older male elementary workers are classified as the semi-secure. As they are the semi-secure, they do not belong to an occupational group with a high probability of being employed in nonstandard work arrangements. However, they also do not belong to a demographic group with a lower probability of being employed in nonstandard work arrangements. In this sense, they are not particularly advantaged or disadvantaged in the labor market, they are semi-secure.

As Figure 3.3 demonstrates, in the past twenty years, individuals in the semi-secure group have grown the most out of any of the other labor market positions. While insiders are still the dominant group, they have seen the most decline. As insider work becomes less and less secure, this semi-secure group increases. I expect this group to be important in evaluating policy adoption as they serve as a bit of a “swing” voter. Aligning with insiders or outsiders may help to tip policy direction in some countries. Furthermore, including this group in my assessment, helps to pull my analysis more in line with what has been documented within the changing labor market. Insecurity has increased all around and assuming that if one is not an outsider, they are an insider can lead to some erroneous conclusions concerning the divides within the labor market.



Source: ISSP

\*Australia, Great Britain, Ireland, New Zealand, USA, France, Germany, Netherlands, Switzerland, Denmark, Finland, Norway, Sweden, Spain, Portugal, Czechia, Hungary, Poland, Slovakia, Slovenia

**Figure 3.3. Change in Labor Market Position for 20 OECD countries\* (1996-2016).**

**Methodology**

To define my labor market insiders, outsiders, and semi-secure, I use individual-level data from the International Social Survey Program (ISSP). The ISSP uses the International Standard Classification of Occupations (ISCO). developed by the International Labour Organization (ILO). to organize jobs into clearly defined sets of groups. ISCO-88 groups jobs

together based on their skill level, range and complexity of the tasks involved, and skill-specialization (ILO, 2017). Using data for the ISSP survey years 1996 through 2016, I classify individuals into their occupational groups based off their 1-digit ISCO-88 reported occupation. For years 2013 through 2016 I use a crosswalk provided by the ILO to translate the ISCO-08 variable to ISCO-88. Years 2008 through 2012 provide ISCO-88 categorizations for all countries. Years 1996 & 1997 require crosswalks from ISCO-68, French National Occupational Codes, Swedish National Occupational Codes, UK National Occupational Codes, and US National Occupational Codes. In order to reclassify, I use the coding utilized by Iversen (2005).

After categorizing individuals in the datasets into their occupational groups, I then further divide everyone into demographic categories based on their age and gender. I do this because the literature has shown young workers and women, especially those who have incurred an employment interruption i.e. leaving the workforce to care for children, are at the highest risk for atypical employment (Mills et al., 2005, Kitschelt and Rehm, 2006, Schwander & Häusermann, 2009, Emmenegger, 2010). For many labor force participants factors out of their control expose them to insecure positions within the labor market. I define younger workers as those who are 40 and under and older workers as those who are 41 and over. I breakdown the category of sex between male and female workers. This distinction leads to a combination of 9 occupational categories, 2 sexes, and 2 age groups giving me a total of 36 demographic groups to calculate if they have an above average risk of finding themselves in insecure employment.

Table 3.2 shows the socioeconomic risk score for each demographic group over the period of study. I use these demographic groups to compare the group-specific rate of part-time work and unemployment with the average rate within the workforce. I calculate part-time work based on the national definitions for part-time work as defined by labor legislation for a country (See APPENDIX A). I derive this value from the WRKHOURS variable present as a demographic question on the ISSP surveys<sup>3</sup>. I define unemployment as currently not being employed but searching for work. I derive this value from the MAINSTAT (years 2015-2010).

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<sup>3</sup> Up until 2009, the ISSP surveys contained the variable WRKST which allowed individuals to specify if they were working full-time, part-time or less than part-time. Initial coding of the rate of non-standard work using this measure yielded a correlation of .98 between classification of the individuals within the labor force using WRKST and classification of individuals within the labor force using WRKHRS. A high degree of correlation suggests that either definitions is a good measure for determining the rate of non-standard work. I use WRKHRS as my measurement because it is available for all years of interest.



and WRKSTAT (years 2009-1996) variable also present as a demographic question on the ISSP surveys.

**Table 3.2. Demographic Groups for Calculating Economic Risk and Percentage of Outsiders in each Demographic Group (1996-2016)**

ISCO-88 Classification	Male		Female	
	Young	Older	Young	Older
01-Legislators, Senior Officials, & Managers	1.29%	0.35%	0.71%	0.0%
02-Professionals	2.54%	0.27%	47.53%	66.19%
03-Technicians & Associate Professionals	1.38%	0.95%	53.03%	52.94%
04-Office Clerks	3.91%	1.3%	59.30%	63.52%
05-Service Workers and Sales Workers	17.16%	3.68%	84.80%	71.95%
06-Skilled Agricultural and Fishery Workers	0.0%	1.82%	11.79%	14.01%
07-Craft and Related Trades Workers	2.87%	14.97%	18.61%	37.74%
08-Plant & Machine Operators and Assemblers	5.72%	6.94%	21.89%	33.24%
09-Elementary Occupations	36.57%	29.03%	81.43%	89.18%

Source: ISSP

To calculate the group-specific and country-specific rates of non-standard work and unemployment, I combine 7 years of survey cycles into one sample. I do this to increase my sample size and reduce my sampling variability (Dillman, Smyth, & Christian, 2009). Because I am dividing the population into 36 different demographic groups, using single years of survey

data results in having some demographic groups where there are not enough respondents to conduct a meaningful analysis. For example, in the continental countries, the number of young women in craft and related trades jobs tends to be low year to year. Making a judgement about probability of nonstandard work is likely to be biased for this group because the sample is small. Instead, pooling surveys from multiple years and then disaggregating into the individual countries and demographic groups helps to increase the precision of the results. This method of disaggregation is used frequently in studying public opinion data when samples are collected at the national level, but the researcher wishes to study a smaller unit of analysis (Erikson, Wright, and McIver, 1993; Gelman & Little, 1997; Brace et al., 2002; Clinton 2006; Lax & Phillips, 2009).

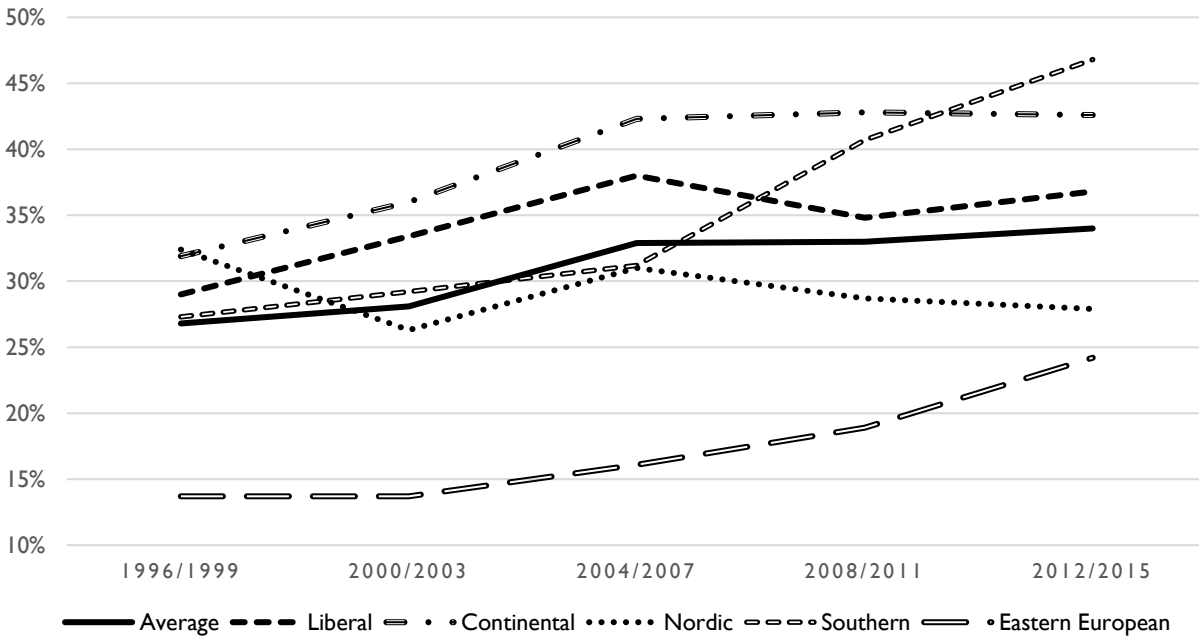
Using this method, two assumptions guide my analysis. One, as this is a randomly collected survey, I am assuming that respondents are unique and one person did not answer multiple waves of the survey. Unfortunately, because the survey is reported anonymously, there is no way to validate this. Although, the probability of this occurring is exceptionally low. Secondly, I am assuming that the rate of outsidership of different demographic groups changes slowly. This is also a fair assumption to make as the annual rate of part-time employment in my 7-year bands fluctuates less than 1% between years. The unemployment rate is more volatile changing more than 5% between years in some cases, however because the purpose of this classification is to identify demographic groups that face persistent economic risk, this works in my favor by normalizing the results of economic downturns over time and not misclassifying groups that have faced economic shocks, but recovered.

Using the seven-year bands (2010-2016, 2003-2009 & 1996-2002), I calculate the group-specific and country-specific rates of part-time work and unemployment for each country in the sample. I use a t-test to determine if a particular demographic group has a significantly higher rate ( $p < 0.05$ ) of non-standard work or unemployment as compared to the country average. Demographic groups that have a significantly higher rate of non-standard work or unemployment as compared to the country average are classified as “outsiders.” Demographic groups that have a significantly lower rate of non-standard work or unemployment as compared to the country average are classified as “insiders.” Groups that are not significantly one or the other are classified as “semi-secure.”

In this categorization all members of the demographic group regardless of their current employment status are classified as outsiders, insiders, or semi-secure because they share a similar risk profile. For example, in Germany, older, female workers employed as a service worker (for example, a waitress) consistently have a higher rate of non-standard work or unemployment than the country average. Using an economic risk classification means that all older women that fall into that demographic category are classified as labor market outsiders. So, an older female waitress working full-time and an older female waitress working part-time are both classified as labor market outsiders. While the full-time waitress may be in standard employment now, if she loses her job, she faces a much higher probability of finding herself in non-standard work or remaining unemployed. As a result, she and the part-time waitress share the same level of economic risk and therefore the same level of outsidersness.

### **The Outsiders**

Across the OECD, there has been a steady growth of individuals in the labor force who are outsiders. From 1996 to 2016, the overall growth rate for labor market outsiders was 26.8%. The Eastern European and Southern states experienced by far the highest growth of outsiders with percentage changes of 76.6% and 71.4%. The Continental states experienced the next highest amount of growth (33.5%), followed by the Liberal states (26.8 %). During this time period, the Nordic states actually experienced a drop in labor market outsiders (-13.8 %). The time period after the Great Recession (2008/2011) shows the greatest amount of growth for labor market outsiders. Figure 3.5 shows the growth in labor market outsiders over the time period.



Source: ISSP

**Figure 3.4. Outsiders as a Percentage of the Labor Force (1996-2015)**

Table 3.3 shows the percent of outsiders in each regime by sex, age, and skill-level. Women, the young, and low-skilled workers are the groups most likely to find themselves involved in non-standard work arrangements (de Vries & Wolbers 2005, Gash and McGinnity 2006, Blossfeld & Hofmeister, 2006). In examining the demographics of outsiders, the majority of women in the labor force are labor market outsiders. However, across the OECD, the number for female outsiders diverges quite a bit with women more likely to be outsiders in Continental and Southern regimes and less likely to be outsiders in Nordic and Eastern European regimes. The likelihood of young workers (under 40) entering the workforce as outsiders also varies across the regions. High youth outsider rates are seen in the Southern countries, while the Nordic countries have seen a decrease in the number of young outsiders. Conservative and Eastern European states have both seen increases, while the Liberal states have seen more variation. Finally, individuals employed in low-skill occupations are more likely to find themselves labor market outsiders. This trend holds steady across the different regimes and across time.

**Table 3.3. Percent of Outsiders in Associated Groups for Twenty OECD Countries (1996–2015)**

	1996/1999	2000/2003	2004/2007	2008/2011	2012/2015
<b>WOMEN</b>	<b>54.1</b>	<b>51.7</b>	<b>60.1</b>	<b>56.9</b>	<b>56.5</b>
Liberal <sup>a</sup>	53.6	57.0	66.9	58.7	57.7
Conservative <sup>b</sup>	69.5	71.5	81.3	79.4	81.5
Nordic <sup>c</sup>	62.7	49.0	55.9	49.4	46.5
Southern <sup>d</sup>	65.3	61.0	62.4	66.5	65.2
E. European <sup>e</sup>	25.4	23.1	27.4	30.2	38.3
<b>YOUNG WORKERS<sup>f</sup></b>	<b>29.0</b>	<b>29.4</b>	<b>33.9</b>	<b>33.8</b>	<b>34.4</b>
Liberal	32.2	35.9	40.7	37.0	39.6
Conservative	32.6	35.1	42.3	46.3	47.8
Nordic	32.0	26.7	31.6	25.0	18.3
Southern	29.5	33.3	36.5	46.7	51.2
E. European	19.3	15.7	15.2	17.6	24.3
<b>LOW-SKILL<sup>g</sup></b>	<b>62.1</b>	<b>62.7</b>	<b>63.7</b>	<b>64.3</b>	<b>62.9</b>
Liberal	69.1	72.1	69.7	72.1	72.4
Conservative	66.2	67.2	79.7	80.5	75.6
Nordic	78.3	65.8	62.7	59.6	62.7
Southern	54.3	61.6	58.2	65.1	65.5
E. European	44.4	43.9	45.1	44.2	47.6

Source: ISSP

a. Australia, Great Britain, Ireland, New Zealand, USA

b. France, Germany, Netherlands, Switzerland

c. Denmark, Finland, Norway, Sweden

d. Spain, Portugal

e. Czechia, Hungary, Poland, Slovakia, Slovenia

f. Includes workers under 40 years old.

g. Includes workers in ISCO occupations 05-Service Workers & 09-Elementary Occupations

There are many recent trends throughout the OECD that are likely contributors to the composition of labor market outsiders. For women, in the welfare regimes that emphasize family-centered childcare (Conservative and Southern) women are more likely to be labor market outsiders. Women often accept more flexible forms of employment, so they can meet familial obligations when other measures to promote care/work compatibility are lacking within a country (Blossfeld et al., 2009). While this keeps women in the labor force, it does not necessarily improve their labor market position and women disproportionately bear the employment costs of care work.

Another factor impacting the quantity of women in the pool of outsiders is occupational segregation. Figure 3.5 shows the gender composition of the different occupational groups in the OECD. Women form the minority in senior management positions, craft and related trades, and plant and machine operators, all occupations whose work requirements, structure of work, and traditional protections reduce the likelihood of contingent work. Instead, women dominate occupations such as clerks and service workers, occupations with a higher likelihood of non-standard work arrangements.



Source: ISSP

**Figure 3.5. Occupational Segregation of the Labor Force in 20 OECD countries (1996-2015)**

The continued growth of young outsiders is a direct consequence of the previously mentioned shifts within the labor market. Employers continue to create new jobs that are contingent in nature, and the young are more likely to accept these new positions. Older workers who, have the benefits of job protection, generally through grandfathered contracts, are not as susceptible to outsidership. Newer workers are more likely to enter a job market where low levels of job protection are the norm, especially as states continue to institute policies adding flexibility to the labor market. They are therefore more likely to face nonstandard working arrangements. Younger workers who find themselves in temporary work face lower opportunities for regular employment and higher unemployment risks, but only in countries where employment protection for standard workers is high. In more liberal markets, temporary work often functions as an intermediary step between education and standard work (Fervers & Schwander, 2015). For young people, being segregated into atypical employment has the negative side-effects of delaying a transition into adulthood and family formation (Barbieri, 2015). This particularly disadvantages young workers who begin their careers with lower wages than their older counterparts and reduces the opportunities for these workers to accumulate experience and training which can help develop their careers.

Finally, low-skill workers find themselves particularly disadvantaged by the changes in the labor market. Exposure to globalization, deindustrialization, and tertiarization of the workforce have reduced the demand for low-skill workers and organizational restructuring has incentivized employers to cut costs by deskilling and subcontracting low-skill jobs (Kalleberg, 2009). While the general trend for low-skill workers has remained relatively steady, lack of education and employment in low-skill positions across the advanced industrialized countries greatly increases the level of outsidership in these positions.

## **Conclusion**

This chapter has outlined the economic and labor market changes that have come to define the post-industrial labor markets of the advanced economies. The emphasis has been on tracing how globalization, deindustrialization, and demographic changes have led to labor market polarization and consequently labor market segmentation. Using the historical narrative of welfare regimes as a guide, I then provide a new conceptualization of outsidership based upon

the socioeconomic risk profile of particular demographic groups. This conceptualization shows that women, the young, and low-skilled workers are particularly vulnerable to being labor market outsiders. I also show the number of labor market outsiders have grown as a proportion of the labor force.



## CHAPTER IV

### LABOR MARKET OUTSIDERS AND POLITICAL PREFERENCES

Across the OECD, the proportion of labor market outsiders, defined as individuals most at risk for nonstandard work, has steadily increased. The political economy literature demonstrates exposure to labor market risks helps to shape political preferences. As job vulnerability increases, workers are more likely to demand the safeguarding of redistributive policies and lean towards political parties that promote them (Garrett, 1998; Burgoon, 2001). Because labor market risks inflict uncertainty on future income, this leads individuals to demand insurance against future income losses (Moene & Wallerstein, 2001). While the literature has shown that level of skill specificity (Iversen & Soskice, 2001), occupational risk profile (Rehm, 2009), & exposure to globalization (Burgoon, 2001) help to spur demand for redistribution, the impact of being an outsider on political preferences is less understood. The main questions addressed in this chapter are how outsidership is translated into preferences for employment protection, job creation, social insurance, redistribution and patterns of party support.

The presence of job security marks an important distinction between labor market insiders and outsiders. Labor market insiders are assumed to possess a relatively high level of job security, while labor market outsiders do not. Labor market insiders use employment protection to their advantage in order to bargain for beneficial working conditions. Because of this, labor market insiders have a vested interest in maintaining the status-quo. Rueda (2005) finds outsiders are more concerned with active labor market policies while insiders are more concerned with employment protection. However, the literature on this effect is mixed as Guillaud & Marx (2014) demonstrate permanent and temporary workers do not have significantly different preferences in terms of employment protection. Employment protection serves as both a protective measure for workers against dismissal and a barrier for entry to the primary labor market. Outsiders are expected to view employment protection negatively as it stands as an impediment for them in terms of obtaining better employment. Therefore, it may be hypothesized that labor market outsiders will have a weaker preference for maintaining employment protection than labor market insiders (H1). Conversely, labor market outsiders are expected to view policies promoting job creation more favorably (H2).

Several authors have found that labor market outsiders have increased preferences for redistribution (Alt & Iverson, 2013). While insiders benefit from a social welfare state based on contribution-based insurance. Outsiders are more likely to support policies compensating them for their disjointed labor market attachment or policies supporting their incorporation into the labor force (Häusermann et al., 2014). This is an important distinction to make because social insurance is based on the idea that social benefits are proportional to contributions. As a result, the social insurance an individual qualifies for is strongly linked to their employment history. Benefits are conferred to those continuously employed full-time, a policy benefitting insiders to the detriment of outsiders. Outsiders are therefore expected to view redistributive policies, those providing benefits and services independent from their contributions positively, and social insurance policies negatively (H3).

Finally, the insider/outsider theory hypothesizes within post-industrial societies, political conflict occurs between insiders and outsiders. Some scholars find because left-parties focus on redistribution and workers' rights, outsiders are equally likely to preference Left-parties (Emmengger, 2009) (H4). However, other scholars have found left-parties, traditionally supporters of labor market reforms and working rights side with labor market insiders. This is especially true for Social Democratic parties who primarily focus on insider interests (Rueda, 2008, 2009). In this scenario, because their interests are not well represented by left-parties, outsiders are expected to not support left-parties and rather support parties on the right (H5).

Still, other studies find labor market outsiders are often excluded from the political process and likely to not vote at all (H6). King & Rueda (2008) note that it is difficult to mobilize outsiders as greater salience is given to sources of identity, such as ethnicity, race, or gender, than to their status as workers. This in turn distances outsiders from insiders who are more connected to existing parties and mechanisms for integration into the political process. As a result, outsiders may turn away from mainstream parties and instead align themselves with parties on the far left or right (H7).

## **Data**

I use multiple waves of data from the International Social Survey Program (ISSP) to assess my hypotheses. The ISSP is a collaborative annual survey which provides cross-national

research on a variety of topics relevant to the social sciences. To examine the impact of increases in labor market outsiders and changing labor market conditions, I limit my study to 11 OECD countries<sup>4</sup> that participated in all six years of the study. I do this to make sure the results are comparable across time. Fortunately, the 11 countries in my sample provide for good representation of the different welfare regimes.

## **Dependent Variables**

To assess support for employment protection, I use a question available in years 1997, 2005, and 2015 of the ISSP survey: “How important is job security?” The answer scales range from 1 “Very important” to 5 “Not at all important.” In order to evaluate support for job creation, I use a question available in years 1996, 2006, and 2016 of the survey which asks respondents if they agree or disagree that the government should finance projects for new jobs. The answer scales range from 1 “Strongly Agree” to 5 “Strongly Disagree.” I analyze support for job security and job creation with a multiple linear regression model with robust standard errors.

To examine support for redistribution, I use a question on government responsibility available in years 1996, 2006, and 2016 of the survey which asks whether or not it is the government’s responsibility to reduce income differences between the rich and poor. The answer scales range from 1 “Definitely should be” to 4 “Definitely should not be.” To assess support for social insurance programs, I use a 2 spending questions available in years 1996, 2006, and 2016 of the survey which ask whether the respondent would like to see more or less government spending on unemployment benefits and pensions. The answer scales range from 1 “Spend much more” to 5 “Spend much less.” As part of the question, each respondent was warned that more spending may require an increase in taxes. I analyze support for redistribution and social insurance with a multiple linear regression model with robust standard errors. I reverse code all dependent variables so that higher numbers indicate more agreement and lower numbers indicate less agreement.

In order to review voting behavior I use data from 2015/2016 on whether or not a respondent voted. I then use the PARTY\_LR variable to determine the left-right orientation of the party vote. This variable was developed by the International Social Survey to facilitate

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<sup>4</sup> Czechia, France, Germany, Hungary, New Zealand, Norway, Slovakia, Spain, Sweden, UK, USA

comparison of party support across countries. It is based on expert classification of parties. The 2015/2016 variable is based on which party a respondent voted for. I use a logit model to analyze voting and partisanship.

## **Independent Variables**

To define my labor market insiders, outsiders, and semi-secure, I use individual-level data from the International Social Survey Program (ISSP). To operationalize labor market outsider, I examine if an individual has a higher than average risk of finding themselves in part-time work and/or unemployment based on their occupational group, sex, and age. It is important to note, under this operationalization an individual may be working full-time, yet still be considered an outsider because of other factors (type of occupational group, age, sex) putting them in the high-risk category. Using data for the ISSP survey years 1996 through 2016, I classify individuals into their occupational groups based off their 1-digit ISCO-88 reported occupation. After categorizing individuals in the datasets into their occupational groups, I then further divide everyone into demographic categories based on their age and gender. I define younger workers as those who are 40 and under and older workers as those who are 41 and over. I breakdown the category of sex between male and female workers. This distinction leads to a combination of 9 occupational categories, 2 sexes, and 2 age groups giving me a total of 36 demographic groups to calculate if they have an above average risk of finding themselves in insecure employment.

Using seven-year bands (2010-2016, 2003-2009 & 1996-2002), I calculate the group-specific and country-specific rates of part-time work and unemployment for each country in the sample. I use a t-test to determine if a demographic group has a significantly higher rate ( $p < 0.05$ ) of non-standard work or unemployment as compared to the country average. Demographic groups that have a significantly higher rate of non-standard work or unemployment as compared to the country average are classified as “outsiders.” Demographic groups that have a significantly lower rate of non-standard work or unemployment as compared to the country average are classified as “insiders.” Groups that are not significantly one or the other are classified as “semi-secure.”

**Outsider:** Labor market outsiders are defined as individuals belonging to a demographic that has a higher than average probability of finding themselves in non-standard work arrangements. According to my operationalization, this does not mean they are necessarily employed in part-time or temporary work. Labor market outsiders are expected to view job security negatively, view job creation positively, support redistributive programs and not support social insurance programs. They are expected to support either left, right, or extreme parties (the far left or far right), although they are also expected to be less likely to vote overall.

**Semi-Secure:** Semi-secure workers are defined as individuals belonging to a demographic group that does not have a higher than average or lower than average probability of finding themselves in non-standard work arrangements. Because the literature has not studied the semi-secure as a group, the findings concerning their behavior are exploratory in nature.

**Insider:** Labor market insiders are defined as individuals belonging to a demographic group that has a lower than average probability of finding themselves in non-standard work arrangements. This does not necessarily mean they are employed in permanent full-time contracts. Within the regressions, labor market insiders serve as the reference group for labor market outsiders and the semi-secure.

**Socio-economic Risk:** In addition to measuring labor market outsiders and the semi-secure as a binary measurement, I also create a continuous measure of outsidership combining rate of unemployment and part-time work and assigning that rate to the members of the various demographic groups. The continuous measurement allows for a finer measurement of labor market vulnerability and is designed to measure socioeconomic risk exposure. It assumes socioeconomic risk levels are high for those belonging to demographic groups with greater levels of non-standard work and unemployment.

## Control Variables<sup>5</sup>

**Part-Time Employment:** Part-time employees are often in vulnerable labor market positions which is expected to impact their views on job security and redistribution. In terms of job security, part-time employees may either view it positively because it reduces their employment risk or negatively because they benefit from more flexible labor markets. Part-time employees are expected to align with outsiders and view job creation and redistribution positively and social insurance programs negatively. Part-time employees, however are expected to align with left parties and be less likely to vote.

**Unemployed:** The unemployed are expected to support job security, creation of new jobs, redistribution, and government spending on unemployment insurance, but not pensions. The unemployed are expected to support left parties but be less likely to vote.

**Self-Employed:** The self-employed benefit from flexible labor markets and therefore are predicted to favor low levels of job security, social insurance, and redistribution. They are unlikely to favor government sponsored job creation. The self-employed are expected to align with right parties and be less likely to vote.

**Employers:** Employers also benefit from flexible labor markets and have costs imposed upon them by social welfare programs. They are expected to view job security, social insurance, and redistribution negatively although they are likely to favor government sponsored job creation. Employers are expected to align with right parties and be more likely to vote.

**Non-Employed:** The non-employed represent a very heterogeneous group including retirees, students, the disabled, and homemakers. They are included to control for the likely possibility that they have different attitudes than the employed.

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<sup>5</sup> The control variables for this study are modelled from Iversen (2005) for their study of social preferences and skill regimes.

**Public Employment:** Public employees benefit from larger welfare states. They are included because it is possible that the preferences of private sector workers diverge from those of public sector workers. They are expected to view job security, job creation, redistribution, and social insurance positively. They are expected to align with left parties and be more likely to vote.

**Age:** Older workers are expected to be more concerned with job security than younger workers because their ability to find new employment will be limited. Younger workers are expected to view job creation and redistribution favorably. Older workers are expected to view social insurance more positively. Younger workers are expected to be less likely to vote and will vote for left parties. Older workers are expected to be more likely to vote and will vote for right parties.

**Gender:** Because women face greater institutional barriers to full-time continuous employment, they are expected to view job security more favorably. Women are also expected to be more likely to support job creation and redistribution and less likely to support social insurance programs. Women are expected to vote more and for left parties.

**Union Membership:** One of the main functions is ensure job security for their members, therefore, they are likely to view job security positively. Union members are also expected to be pro-job creation, pro-redistribution, and pro-social insurance. They are expected to align with left parties and be more likely to vote.

**Partnership Status:** It is possible that individuals who are in multi-people households view job security, job creation, redistribution, and social insurance differently than individuals in single person households. This is controlled for in this variable.

**Income:** Higher-wage earners do not necessarily benefit from job security as much as low earners and are therefore expected to view job security less favorably. In terms of job creation, low earners are expected to view this more favorably than high-wage earners. As those they derive a cost from welfare programs high wage earners are likely to view redistribution and social insurance programs negatively. High-wage earners are expected to support right parties

while low-wage earners are expected to support left parties. High-wage earners are expected to be more likely to vote than low-wage earners.

Education: The more education an individual has, the less favorably they are expected to view job security. Low-educated individuals are expected to view job creation and redistribution more favorably. Highly educated individuals are expected to view social insurance positively, be more likely to vote for left parties and more likely to vote.

Partisanship: Attitudes concerning economic policy and social spending may be a reaction of people's ideological leanings (Gerber & Huber, 2009). Several studies have shown that partisanship influences individual's perceptions of economic issues which influences their support of different initiatives (Rudolph 2003, Marsh and Tilley 2010, Tilley & Holbolt, 2011). This possibility is controlled for using the respondents declared support for political parties.

Information: It is possible that higher levels of political knowledge will impact individual's perceptions concerning redistribution, social insurance, party position, and voting (Iversen, 2005). The ISSP survey provides a variable to measure information in the 1996, 2006, and 2016 surveys only.

Controlling for these variables is intended to ensure my measurement of labor market outsidersness captures one's level of vulnerability in the labor force. While being a woman, young worker, or low-skilled (measured by proxy by education and income) is likely to increase one's chances of socioeconomic risk, possessing these demographic traits does not explicitly make someone an outsider. People in partnerships are likely to have dual-incomes and union members and public sector employees are likely to have increased job protections which influence their level of risk. I also include type of job because I am measuring socioeconomic risk and not current employment status. My operationalization of outsider means one can be in a standard job yet still be a labor market outsider. Finally, including partisanship and level of information are well demonstrated as impactful in explaining policy preferences. All models



were testing for multicollinearity and none was present<sup>6</sup>. All models were also testing for heterogeneity which was found and corrected for by specifying robust standard errors. All models were also run with dummy variables to control for country level effects. The results of country-level dummies are not reported.

## Results

**Table 4.1. Regression Estimates for Job Security for 11 OECD countries\***

Independent Variables	1997	1997	2005	2005	2015	2015
Outsider	.016 (.018)	--	.075*** (.022)	--	.052** (.019)	--
Semi-secure	.066** (.025)	--	-.002 (.031)	--	.047 (.026)	--
Socioeconomic Risk	--	.115 (.073)	--	.301*** (.073)	--	.256*** (.061)
Part-Time	-.166*** (.027)	-.176*** (.029)	-.100*** (.025)	-.109*** (.025)	-.059** (.021)	-.068*** (.021)
Unemployed	-.049 (.031)	-.052 (.031)	-.051 (.041)	-.051 (.041)	-.111*** (.031)	-.119*** (.031)
Self-Employed	-.234*** (.074)	-.228** (.074)	-.216*** (.038)	-.214*** (.038)	-.293*** (.039)	-.291*** (.039)
Employer	-.018 (.056)	-.022 (.056)	-.178*** (.041)	-.176** (.040)	-.274*** (.059)	-.271*** (.059)
Inactive	-.063*** (.023)	-.055** (.027)	-.044 (.026)	-.011 (.029)	-.060** (.023)	-.026 (.026)
Public	.034 (.021)	.031 (.021)	.034 (.017)	.032 (.017)	.073*** (.015)	.073*** (.015)
Union Member	.081*** (.018)	.081*** (.018)	.149*** (.020)	.149*** (.020)	.089*** (.018)	.087*** (.018)

<sup>6</sup> Test of the variance inflation factor (*VIF*) show no correlation among the dependent or independent variables. Mean *VIF* for all models was below 2. Correlation tables are available in the APPENDIX.

**Table 4.1. - continued**

Age	.000 (.005)	.000 (.005)	.001 (.006)	.001 (.005)	-.007 (.005)	-.007 (.005)
Female	.057*** (.016)	.052** (.017)	.029 (.018)	.025 (.017)	.063*** (.015)	.051*** (.015)
Partnered	.019 (.016)	.019 (.016)	.032** (.015)	.032 (.015)	-.007 (.021)	-.008 (.014)
Income	-.029*** (.006)	-.028*** (.006)	-.026*** (.006)	-.024*** (.006)	-.018** (.006)	-.017** (.006)
Education	-.052*** (.007)	-.053*** (.007)	-.059*** (.007)	-.056*** (.007)	-.051*** (.007)	-.048*** (.007)
Far Left	-.053 (.074)	-.057 (.097)	.039 (.041)	.038 (.041)	.004 (.030)	.006 (.030)
Left	-.009 (.024)	-.010 (.024)	.014 (.023)	.015 (.023)	.047** (.018)	.048** (.018)
Center	-.071** (.027)	-.072** (.028)	-.034 (.025)	-.029 (.025)	-.037 (.027)	-.036 (.027)
Right	-.037 (.026)	-.036 (.027)	-.024 (.023)	-.022 (.023)	-.005 (.021)	-.003 (.027)
Far Right	.190** (.075)	.187*** (.057)	-.046 (.089)	-.047 (.089)	.064 (.058)	.063 (.057)
Adjusted R2	.036	.036	.054	.055	.0697	.0702
N	7,628	7,628	8,705	8,705	8,874	8,899

\*\* Significant at the .05 level, \*\*\*Significant at the .001 level, one-tailed test (standard errors in parentheses).

\* Czechia, France, Germany, Hungary, New Zealand, Norway, Slovakia, Spain, Sweden, UK, USA

**Table 4.2. Regression Estimates for Job Creation for 11 OECD countries\***

Independent Variables						
	1996	1996	2006	2006	2016	2016
Outsider	.012 (.030)	--	.069** (.028)	--	.051 (.027)	--
Semi-secure	.023 (.037)	--	.066 (.041)	--	.111*** (.038)	--
Socioeconomic Risk	--	.183 (.095)	--	.305** (.088)	--	.212** (.093)
Part-Time	.004 (.037)	-.008 (.037)	-.032 (.034)	-.041 (.034)	-.038 (.035)	-.045 (.036)
Unemployed	.175*** (.052)	.181*** (.052)	.015 (.058)	.015 (.058)	.041 (.044)	.036 (.044)
Self-Employed	.038 (.057)	.040 (.056)	-.153*** (.047)	-.153*** (.047)	-.085 (.047)	-.084 (.047)
Employer	-.186*** (.071)	-.184** (.071)	-.107 (.057)	-.111 (.057)	-.024 (.064)	-.023 (.064)
Inactive	.043 (.032)	.069 (.035)	.003 (.032)	.036 (.036)	-.057 (.032)	-.042 (.036)
Public	.016 (.023)	.015 (.023)	-.021 (.022)	-.024 (.022)	.008 (.022)	.008 (.022)
Union Member	.084*** (.023)	.084*** (.023)	.099*** (.024)	.098*** (.024)	.077*** (.027)	.076*** (.027)
Age	-.025*** (.007)	-.025*** (.007)	-.010 (.058)	-.009 (.006)	.004 (.007)	.004 (.006)
Female	.070*** (.023)	.054** (.023)	.056** (.022)	.051** (.021)	.014 (.021)	.010 (.021)
Partnered	-.017 (.021)	-.018 (.021)	-.007 (.019)	-.008 (.019)	-.022 (.018)	-.022 (.019)
Income	-.040*** (.023)	-.039*** (.009)	-.033*** (.009)	-.032*** (.009)	-.046*** (.009)	-.046*** (.009)
Education	-.033*** (.010)	-.031*** (.010)	-.027** (.009)	-.025*** (.009)	-.013 (.009)	-.014 (.009)
Interest	.000 (.010)	.000 (.010)	.002 (.009)	.002 (.009)	.014 (.009)	.014 (.009)
Far Left	.154** (.056)	.152** (.056)	.099** (.048)	.099** (.048)	.109*** (.039)	.109*** (.039)

**Table 4.2. – continued**

Left	.153*** (.026)	.152*** (.026)	.106*** (.026)	.106*** (.026)	.110*** (.026)	.111*** (.026)
Center	.002 (.031)	.002 (.031)	-.050 (.027)	-.051 (.027)	-.058 (.032)	-.056 (.032)
Right	-.113*** (.029)	-.113*** (.029)	-.138*** (.030)	-.139*** (.103)	-.071** (.027)	-.070** (.027)
Far Right	-.014 (.098)	-.014 (.098)	-.128 (.103)	-.133 (.103)	-.069 (.071)	-.069 (.071)
Adjusted R2	.132	.132	.098	.099	.104	.104
N	8,481	8,481	9,731	9,731	8,480	8,480

\*\* Significant at the .05 level, \*\*\*Significant at the .001 level, one-tailed test (standard errors in parentheses).

\*Czechia, France, Germany, Hungary, New Zealand, Norway, Slovakia, Spain, Sweden, UK, USA

Table 4.1 and Table 4.2 present the results of regressions of importance of job security and job creation as well as a range of control variables<sup>7</sup>. Regarding outsiders, the findings do not support the hypothesis derived from the insider-outsider literature that labor market outsiders are less-likely to preference job security, at least following the 2000/2001 recession. In fact, I find the opposite, that being a labor market outsider is an important factor in explaining the importance of job security across the countries in the sample. It is interesting to note, using only current part-time status or unemployment as the measurement for outsider status would present the opposite results, lending further evidence to the earlier assessment that how outsidership is measured is important. However, these results are not surprising and indicate there is a difference in how one’s current labor market status impacts preferences versus exposure to systematic biases and risk within the labor market. Both my measurements of outsidership capture the preferences of individuals who face an uphill battle for “good” jobs within the labor market. It makes sense that they would value job security, especially since procuring standard work is more difficult for them.

Employers view job security more negatively. As noted in the previous chapter globalization and tertiarization have decreased the benefits employers derive from long job tenures. Post-recession, being a public sector worker has become an important variable in terms

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<sup>7</sup> Both logit and ordered logit models were also run on the data and produced similar results, although they are not reported in the dissertation. Logit models dummy variables were coded “1” for strongly agree and “0” for all other responses.

of rating job security importantly. It is likely this is due to the retrenchment efforts adopted by a variety of governments following the 2008 market crash, as well as the general lack of governmental growth in the past decade. The more educated and more income an individual earns is negatively associated with personal importance of job security, this may be because better educated and skilled workers have more employment security. In the knowledge-based economy, the distinction between employment security and job security is an important division to make. While job security refers to the ability to remain within a job within a company, employment security refers to the ability to stay in secure employment for the duration of a career, but not necessarily within the same job with the same employer (Muffels & Withagen, 2012). Highly skilled employees have a better chance of finding replacement employment at the same level if they lose their job. As a result, staying in the same job is less important.

In terms of job creation, there are mixed results regarding how outsiders differ from insiders. Based upon the findings I am unable to confirm the hypothesis that labor market outsiders prefer job creation more than labor market insiders. There seems to be a time when this division occurred, in the 2006 sample. However, in 2016 the division seems to have manifested between the semi-secure and labor market insiders. It is possible that because the Great Recession caused a great amount of unemployment among insiders themselves, they would additionally like to see job creation, therefore eroding this division. Why the semi-secure now view job creation favorably, is a bit more mysterious. It is possible the semi-secure prefer job creation in lieu of unemployment. The question does not specify what type of new jobs would be created. It is feasible that the semi-secure view any employment better than no employment.

The continuous measurement of socio-economic risk suggests another interpretation of the results, as one's precariousness increases the likelihood of supporting governmental creation of new jobs increases. In this interpretation, it is fair to say the more socioeconomic risk one faces in the labor market, the more an individual is willing to support governmental intervention towards the creation of new jobs. As socioeconomic risk captures both the rate of part-time work and unemployment for the various demographic groups, it is possible a similar logic to the semi-secure applies as well, having any job is better than unemployment. However, it is also worth noting being unemployed does not increase support for creation of jobs. Also, in contrast to job security, being employed part-time has little impact on support for job creation. Being

better educated or earning a higher income is negatively associated with support for these policies.

Labor market outsiders support job security and the higher one's level of socioeconomic risk, the more likely an individual is to support the creation of more jobs. In this sense, outsidership is a more significant in terms of explaining support for job security than it is for the creation of more jobs. Breen (1997). argues that employers are less interested in long-term commitments to their employees regardless of skill level. Instead, employers will elect to provide secure jobs to highly skilled workers while transferring market risks to those who are less qualified and well trained. The creation of more jobs does not necessarily equate to the creation of high quality jobs, but having any job is preferable to many people than having no job. In comparing the policy preferences of labor market outsiders to insiders, employment security is a more important policy goal than simply providing more opportunities for employment, unless one already faces a large degree of socioeconomic risk and then employment is a better option than being unemployed.

**Table 4.3. Regression Estimates for Redistribution for 11 OECD countries\***

Independent Variables	1996	1996	2006	2006	2016	2016
Outsider	.051 (.031)	--	.071** (.028)	--	.050 (.028)	--
Semi-secure	.115*** (.038)	--	.070 (.042)	--	.105** (.042)	--
Socioeconomic Risk	--	.289*** (.097)	--	.285*** (.091)	--	.288*** (.093)
Part-Time	-.041 (.038)	-.057 (.038)	-.038 (.034)	-.045 (.034)	-.035 (.036)	-.047 (.036)
Unemployed	.007 (.052)	.010 (.052)	.160*** (.050)	.160** (.051)	.047 (.044)	.039 (.044)
Self-Employed	-.057 (.062)	-.054 (.062)	-.122** (.055)	-.122** (.049)	-.072 (.048)	-.069 (.048)

**Table 4.3. – continued**

Employer	-.286*** (.065)	-.284*** (.065)	-.273*** (.055)	-.278*** (.055)	-.199*** (.063)	-.195*** (.064)
Inactive	-.061 (.034)	-.039 (.037)	-.081** (.032)	-.053 (.036)	-.039 (.031)	-.006 (.035)
Public	.101*** (.023)	.098*** (.023)	.090*** (.022)	.087*** (.022)	.046** (.022)	.046** (.021)
Union Member	.162*** (.023)	.164*** (.023)	.139*** (.024)	.139*** (.024)	.133*** (.026)	.131*** (.026)
Age	.044*** (.008)	.043*** (.008)	.039*** (.007)	.040*** (.007)	.040*** (.007)	.039*** (.007)
Female	.063** (.024)	.051** (.024)	.009 (.022)	.007 (.022)	.003 (.021)	-.007 (.020)
Partnered	-.050** (.021)	-.051** (.021)	-.060*** (.019)	-.061*** (.019)	-.071*** (.019)	-.072*** (.019)
Income	-.131*** (.009)	-.131*** (.009)	-.106*** (.009)	-.105*** (.009)	-.091*** (.009)	-.090*** (.009)
Education	-.142*** (.010)	-.141*** (.010)	-.078*** (.009)	-.076*** (.009)	-.048*** (.010)	-.048*** (.010)
Interest	.006 (.010)	.006 (.010)	.004 (.009)	.005 (.009)	.007 (.097)	.0076 (.009)
Far Left	.410*** (.055)	.408*** (.055)	.430*** (.041)	.426*** (.041)	.349*** (.034)	.349*** (.034)
Left	.256*** (.026)	.255*** (.026)	.124*** (.026)	.124*** (.026)	.147*** (.025)	.147*** (.025)
Center	-.050 (.032)	-.048 (.032)	-.093*** (.028)	-.093*** (.028)	-.059 (.033)	-.056 (.033)
Right	-.415*** (.030)	-.415 (.030)	-.418*** (.029)	-.417*** (.029)	-.451*** (.028)	-.450*** (.028)
Far Right	-.000 (.090)	.0004 (.090)	-.230*** (.088)	-.235*** (.088)	-.244*** (.070)	-.244*** (.070)
Adjusted R2	.251	.253	.204	.205	.193	.193
N	8,340	8,340	9,642	9,642	8,454	8,454

\*\* Significant at the .05 level, \*\*\*Significant at the .001 level, one-tailed test (standard errors in parentheses).

\* Czechia, France, Germany, Hungary, New Zealand, Norway, Slovakia, Spain, Sweden, UK, USA

**Table 4.4. Regression Estimates for Pension Spending for 11 OECD countries\***

Independent Variables						
	1996	1996	2006	2006	2016	2016
Outsider	.018 (.026)	--	.014 (.024)		.056** (.025)	
Semi-secure	-.012 (.034)	--	.052 (.039)		.036 (.039)	
Socioeconomic Risk	--	.079 (.081)	--	.233*** (.078)	--	.401*** (.089)
Part-Time	-.031 (.031)	-.033 (.032)	-.063** (.030)	-.077** (.030)	-.114*** (.035)	-.133*** (.035)
Unemployed	.052 (.046)	.055 (.046)	.027 (.045)	.028 (.045)	-.052 (.042)	-.062 (.042)
Self-Employed	-.005 (.049)	-.004 (.049)	-.096** (.039)	-.095** (.039)	-.135*** (.041)	-.130*** (.041)
Employer	-.104** (.052)	-.103** (.052)	-.193*** (.044)	-.193*** (.044)	-.189*** (.056)	-.179*** (.056)
Inactive	.035 (.028)	.046 (.030)	-.018 (.027)	.021 (.030)	-.091*** (.028)	-.029 (.032)
Public	.043** (.019)	.044 (.019)	.021 (.019)	.018 (.019)	.001 (.020)	.003 (.020)
Union Member	.079*** (.019)	.078*** (.019)	.015 (.021)	.014 (.021)	.043 (.024)	.041 (.024)
Age	.051*** (.006)	.051*** (.006)	.069*** (.005)	.069*** (.005)	.062*** (.006)	.061*** (.006)
Female	.069*** (.020)	.066*** (.020)	.051*** (.019)	.032 (.018)	.064*** (.018)	.047** (.019)
Partnered	-.029 (.017)	-.030 (.017)	-.053*** (.016)	-.053** (.016)	-.051*** (.017)	-.051*** (.017)
Income	-.048*** (.008)	-.047*** (.008)	-.051*** (.007)	-.050*** (.007)	-.081*** (.008)	-.078*** (.008)
Education	-.113*** (.008)	-.112*** (.008)	-.081*** (.007)	-.080*** (.007)	-.079*** (.009)	-.078*** (.009)
Interest	-.032*** (.008)	-.032*** (.008)	-.025*** (.007)	-.025*** (.007)	.005 (.008)	.005 (.008)



**Table 4.4. - continued**

Far Left	.217*** (.047)	.217*** (.047)	.127*** (.039)	.123*** (.039)	.064 (.038)	.062 (.038)
Left	.119*** (.022)	.119*** (.022)	-.017 (.023)	-.017 (.022)	-.047** (.024)	-.047 (.025)
Center	.006 (.027)	.005 (.027)	-.114*** (.024)	-.115*** (.024)	-.097*** (.030)	-.095 (.030)
Right	-.050** (.024)	-.050** (.024)	-.088*** (.024)	-.089*** (.024)	-.122*** (.025)	-.120 (.025)
Far Right	.129 (.085)	.128 (.086)	-.027 (.079)	-.030 (.079)	.237*** (.054)	.235 (.054)
Adjusted R2	.172	.172	.125	.125	.154	.155
N	8,466	8,466	9,802	9,802	8,531	8,531

\*\* Significant at the .05 level, \*\*\*Significant at the .001 level, one-tailed test (standard errors in parentheses).

\* Czechia, France, Germany, Hungary, New Zealand, Norway, Slovakia, Spain, Sweden, UK, USA

**Table 4.5. Regression Estimates for Unemployment Benefits for 11 OECD countries\***

Independent Variables	1996		2006		2016	
Outsider	.038 (.031)	--	.024 (.027)		.027 (.029)	
Semi-secure	.024 (.042)	--	.023 (.043)		.073 (.043)	
Socioeconomic Risk	--	.261*** (.095)	--	.123 (.090)	--	.145 (.101)
Part-Time	-.016 (.037)	-.029 (.037)	.025 (.033)	.022 (.033)	.013 (.036)	.008 (.037)
Unemployed	.478*** (.051)	.487*** (.510)	.474*** (.051)	.474*** (.051)	.395*** (.049)	.391*** (.049)
Self-Employed	-.139** (.060)	-.136** (.060)	-.135*** (.042)	-.135*** (.042)	-.099** (.046)	-.099** (.046)
Employer	-.332*** (.059)	-.329*** (.059)	-.253*** (.050)	-.255*** (.050)	-.254*** (.059)	-.253*** (.059)
Inactive	-.066 (.035)	-.032 (.037)	-.050 (.030)	-.035 (.034)	-.010 (.031)	.003 (.036)

**Table 4.5. - continued**

Public	.012 (.024)	.012 (.024)	-.017 (.021)	-.019 (.021)	.029 (.022)	.029 (.022)
Union Member	.119*** (.024)	.118*** (.024)	.077*** (.023)	.076*** (.023)	.107*** (.026)	.106*** (.026)
Age	.012 (.008)	.011 (.008)	.052*** (.006)	.052*** (.006)	.048*** (.007)	.048*** (.007)
Female	.045 (.025)	.029 (.025)	.007 (.022)	.004 (.021)	-.010 (.021)	-.015 (.021)
Partnered	-.050** (.022)	-.051** (.022)	-.084*** (.018)	-.084*** (.018)	-.085*** (.019)	-.085*** (.019)
Income	-.075*** (.009)	-.074*** (.009)	-.066*** (.008)	-.065*** (.008)	-.062*** (.009)	-.061*** (.009)
Education	-.071*** (.010)	-.069*** (.010)	-.032*** (.008)	-.031*** (.008)	-.023** (.010)	-.023** (.010)
Interest	.005 (.010)	.005 (.010)	-.005 (.008)	-.005 (.008)	.003 (.010)	.003 (.010)
Far Left	.431*** (.063)	.429*** (.063)	.275*** (.048)	.2737*** (.048)	.185*** (.042)	.185*** (.042)
Left	.168*** (.026)	.168*** (.026)	.157*** (.025)	.157*** (.025)	.068** (.028)	.069** (.028)
Center	-.094*** (.033)	-.093*** (.033)	-.109*** (.027)	-.109*** (.027)	-.115*** (.034)	-.113*** (.034)
Right	-.204*** (.029)	-.205*** (.029)	-.199*** (.027)	-.199*** (.027)	-.245*** (.028)	-.244*** (.028)
Far Right	-.117 (.103)	-.119 (.102)	-.279*** (.094)	-.281*** (.094)	-.181*** (.068)	-.181*** (.068)
Adjusted R2	.159	.160	.246	.246	.233	.233
N	8,441	8,441	9,723	9,723	8,469	8,469

\*\* Significant at the .05 level, \*\*\*Significant at the .001 level, one-tailed test (standard errors in parentheses).

\* Czechia, France, Germany, Hungary, New Zealand, Norway, Slovakia, Spain, Sweden, UK, USA

Table 4.3, Table 4.4, and Table 4.5 present the results of regressions concerning redistribution and social insurance. In terms of redistribution, being a labor market outsider is not currently a significant variable in explaining support for redistribution. In the 2006 wave of the survey it did represent a significant division. Again, as the Great Recession eroded the

economic security of insiders disproportionately to outsiders, it is likely this division has become less stark than in the past. Olivera (2014), finds following the Great Recession support for redistribution significantly increased among the total population in most European countries regardless of labor market status.

It is interesting to note the semi-secure have gone through waves where they face a division between themselves and insiders. It is possible that when their economic security is questioned, they are more apt to support redistribution. Support for redistribution helps individuals absorb income shocks and keep a minimum level of income even in uncertain times. This is supported by the significance of level of socioeconomic risk level. As level of socioeconomic risk increases, support for redistribution also increases. This finding is further supported in literature as even the anticipation of unemployment increases support for redistribution (Frey & Stutzer, 2002).

Partisanship plays a large role in support for redistribution with left-party allegiance increasing support for redistribution and right and far-right-party allegiance decreasing support for redistribution. Again, higher levels of income and education are negatively associated with support for redistribution while being a union member and working in the public sector are all positively associated with support for redistribution. This finding is in line with the literature showing support for redistribution is the best single predictor of partisan preferences (Kitschelt & Rehm, 2004).

Support for social insurance is more mixed as labor market outsiders view some forms (pensions) more favorably than other forms (unemployment benefits). This is likely a result of the restructuring of many unemployment insurance schemes in the early 2000s as benefits were tightened and restrictions added as to who could access such benefits. While many outsiders now are able to access such benefits, how they are compensated for employment loss varies from country to country. Increases in funding for pensions are viewed favorably by labor market outsiders most likely for how they reallocate resources. The payout in retirement for most pension systems is based on the annual income of the retiree and in many cases the consecutive employment of the individual. It is possible the affirmative answer to this question had to do with increasing funding and therefore the amount paid to outsiders as their labor market position means they earn less throughout their work history than their insider counterparts. Insurance-based welfare states make life-time earnings dependent on a favorable entry into the labor

market, something particularly disadvantaging individuals entering highly segmented workforces (Chauvel & Shroder, 2014).

Level of socioeconomic risk is also a significant factor in explaining support for pensions, but not for unemployment insurance. As socioeconomic risk increases, the likelihood of remaining in stable employment and therefore qualifying for unemployment benefits decreases (many countries require a certain amount of time that one has to be in a job before they can qualify for unemployment benefits). However, in most countries pensions are paid out to those who qualify based on age. Although the amount will significantly lower if one's income was low during their employment tenure. The increasing number of older individuals finding themselves in an outsider position may also be a factor. Increases in age is also positively associated with support for increased pension funding. While being in a semi-secure position is positively associated with support for redistribution, it does not have an impact on support for social insurance.

The above regressions demonstrate labor market outsiders have policy preferences that differ from their insider counterparts. Labor market outsiders indicate job security is important and level of socioeconomic risk increases support for job creation. Higher levels of socioeconomic risk are associated with support for redistribution and some forms of social insurance, but not all. What is left to understand is how these policy preferences manifest in terms of partisanship. Is the insider/outsider divide a salient variable in explaining voter mobilization and preferences? Table 4.6 summarizes the coefficient directions for partisan support of the variables of interest.

**Table 4.6. Direction of Coefficients for Outsider and Partisan Support of Dependent Variables (2015-2016)**

Variable	Outsiders	Socioeconomic Risk	Far left	Left	Center	Right	Far Right
<b>JOB SECURITY</b>	+	+		+			
<b>JOB CREATION</b>		+	+	+		-	
<b>REDISTRIBUTION</b>		+	+	+		-	-
<b>PENSIONS</b>	+	+		-		-	+
<b>UNEMPLOYMENT BENEFITS</b>			+	+	-	-	-

Based upon the preferences of labor market outsiders, there is no clear party they are likely to support. Additionally, the literature is quite mixed on what parties labor market outsiders are predicted to vote for suggesting labor market outsiders will vote for either left parties, right parties, or parties in the far-left and far-right. This may be an indication that parties are not specifically appealing to outsider demands, or at least tailoring their platforms around pleasing outsiders. There may be other reasons for this, but most notably the finding that labor market outsiders, regardless of how they are defined, are much less likely to vote than labor market insiders. This may reduce the desire of parties to cater to outsider demands (Rovny & Rovny, 2017).

**Table 4.7. Regression Estimates for Voter Mobilization and Partisan Support (2015-2016) for 27 OECD Countries\***

Independent Variables	Vote	Far Left	Left	Social Dem	Center	Right	Far Right
Outsider	-.111** (.043)	.193** (.091)	.099** (.046)	.113** (.051)	.081 (.052)	-.195*** (.045)	.053 (.123)
Semi	.000 (.050)	.006 (.129)	.119** (.056)	.263*** (.062)	.100 (.057)	-.142*** (.053)	-.033 (.153)
Part-Time	.063 (.051)	.246*** (.098)	.002 (.053)	-.092 (.059)	-.000 (.061)	-.025 (.052)	-.268 (.150)
Unemployed	-.151** (.062)	.076 (.129)	.207*** (.076)	.152 (.084)	-.122 (.091)	-.138 (.080)	-.179 (.211)
Self-Employed	.227*** (.067)	.041 (.138)	-.122 (.073)	-.297*** (.085)	-.048 (.075)	.102 (.063)	-.001 (.193)
Employer	.197** (.096)	-.240 (.212)	-.343*** (.102)	-.436*** (.119)	.130 (.100)	.351*** (.080)	-.378 (.269)
Inactive	-.011 (.047)	-.036 (.095)	.114** (.049)	.097 (.054)	.019 (.056)	-.014 (.047)	-.289** (.127)
Public	.267*** (.033)	.282*** (.066)	.232*** (.032)	.170*** (.036)	-.016 (.037)	-.281*** (.032)	-.188** (.087)
Union Member	.314*** (.042)	.296*** (.075)	.342*** (.038)	.422*** (.042)	-.084 (.043)	-.330*** (.037)	-.054 (.102)
Age	.311*** (.009)	-.009 (.021)	.049*** (.011)	.075*** (.012)	.000 (.012)	.038*** (.010)	-.101*** (.030)
Female	.109*** (.031)	-.420*** (.068)	.033** (.033)	.034 (.037)	.044 (.037)	.021 (.032)	-.448*** (.090)
Partnered	.301*** (.028)	-.278*** (.058)	-.151*** (.030)	-.025 (.033)	.063 (.034)	.274*** (.029)	-.193** (.081)
Income	.143*** (.012)	-.160*** (.026)	-.009 (.012)	-.021 (.014)	.059*** (.014)	.074*** (.012)	-.161*** (.035)
Education	.307*** (.015)	.227*** (.031)	-.061*** (.016)	-.098*** (.017)	.194*** (.019)	-.067*** (.015)	-.201*** (.044)
Adjusted R2	.132	.122	.078	.106	.083	.063	.189
N	35,478	20,794	27,178	27,178	27,178	27,178	17,516

\*\* Significant at the .05 level, \*\*\*Significant at the .001 level, one-tailed test (standard errors in parentheses).

\*Australia, Austria, Belgium, Chile, Czechia, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Israel, Japan, South Korea, Latvia, Mexico, New Zealand, Norway, Poland, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom, United States.

**Table 4.8. Regression Estimates for Voter Mobilization and Partisan Support (2015-2016) for 27 OECD Countries\***

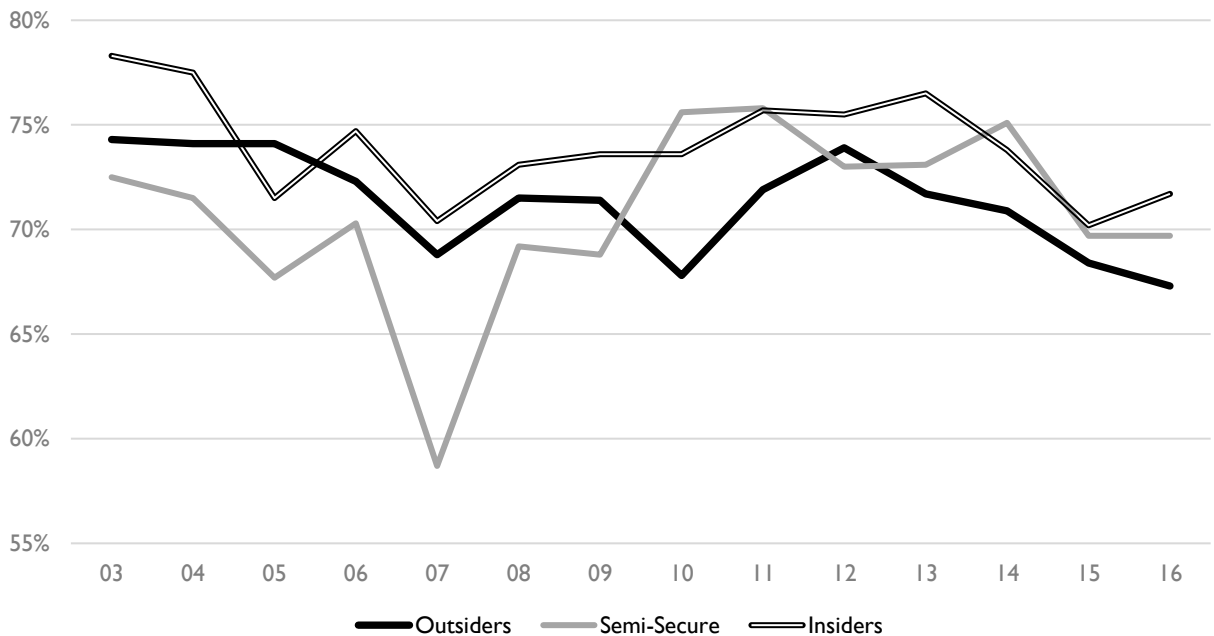
Independent Variables	Vote	Far Left	Left	Social Dem	Center	Right	Far Right
Socioeconomic Risk	-.802*** (.150)	.850*** (.290)	.478*** (.164)	.182*** (.080)	-.306 (.195)	-.720*** (.159)	1.19*** (.449)
Part-Time	.092 (.053)	.231** (.098)	-.009 (.053)	-.112 (.060)	.028 (.061)	-.009 (.052)	-.343** (.150)
Unemployed	-.114 (.062)	.059 (.128)	.201*** (.075)	.141 (.083)	-.106 (.090)	-.128 (.079)	.231 (.204)
Self-Employed	.209*** (.069)	.062 (.137)	-.115 (.073)	-.292*** (.084)	-.059 (.075)	.098 (.063)	.002 (.190)
Employer	.163 (.100)	-.212 (.212)	-.338*** (.102)	-.437*** (.118)	.103 (.100)	.349*** (.080)	-.350 (.271)
Inactive	-.155*** (.055)	.105 (.109)	.174*** (.056)	.145** (.063)	-.101 (.065)	-.079 (.053)	-.089 (.145)
Public	.287*** (.035)	.287*** (.065)	.232*** (.032)	.169*** (.036)	-.015 (.037)	-.283*** (.032)	-.197** (.087)
Union Member	.335*** (.043)	.294*** (.075)	.342*** (.038)	.421*** (.042)	-.084** (.043)	-.330*** (.037)	-.060 (.100)
Age	.326*** (.009)	-.012 (.020)	.049*** (.010)	.075*** (.012)	.003 (.012)	.037*** (.010)	-.098*** (.028)
Female	.187*** (.033)	-.437*** (.067)	.065 (.033)	.017 (.037)	.093** (.038)	.028 (.032)	-.559*** (.095)
Partnered	.321*** (.029)	-.275*** (.058)	-.150*** (.030)	-.025 (.033)	.062** (.034)	.274*** (.029)	-.193** (.079)
Income	.145*** (.013)	-.150*** (.026)	-.005 (.012)	-.018 (.014)	.052*** (.014)	.071*** (.012)	-.153*** (.033)
Education	.316*** (.016)	.232*** (.031)	-.059*** (.016)	-.096*** (.017)	.190*** (.019)	-.069*** (.015)	-.191*** (.042)
Adjusted R2	.142	.122	.077	.105	.083	.063	.193
N	35,478	20,793	27,178	27,178	27,178	27,177	17,516

\*\* Significant at the .05 level, \*\*\*Significant at the .001 level, one-tailed test (standard errors in parentheses).

\*Australia, Austria, Belgium, Chile, Czechia, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Israel, Japan, South Korea, Latvia, Mexico, New Zealand, Norway, Poland, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom, United States.

Tables 4.8 and 4.9 present the results of a logistic regression model explaining participation in voting and partisan orientation. I use data from the 2015 and 2016 ISSP survey

to examine the partisan orientation of outsiders and include all OECD countries in the sample. One significant impact of being a labor market outsider is an increased likelihood of voter absenteeism. This is a significant difference between labor market outsiders and insiders as well as those exposed to higher degrees of socioeconomic risk. This confirms the hypothesis that labor market outsiders are more likely than labor market insiders to abstain from voting. The reasons for this are not explicitly made clear in the data. Labor market outsiders may face more institutional hurdles to voting. Not receiving their preferred policy goals, they may not view the benefits of voting as outweighing the costs. Or they may be signaling their dissatisfaction with the current state of affairs by not voting, as suggested by some scholars.



Source: ISSP

\*Australia, Great Britain, Ireland, New Zealand, USA, France, Germany, Netherlands, Switzerland, Denmark, Finland, Norway, Sweden, Spain, Portugal, Czechia, Hungary, Poland, Slovakia, Slovenia

**Figure 4.1. Labor Market Outsider, Semi-secure, and Insider Voter Turnout in 20 OECD countries\* (2003-2016)**

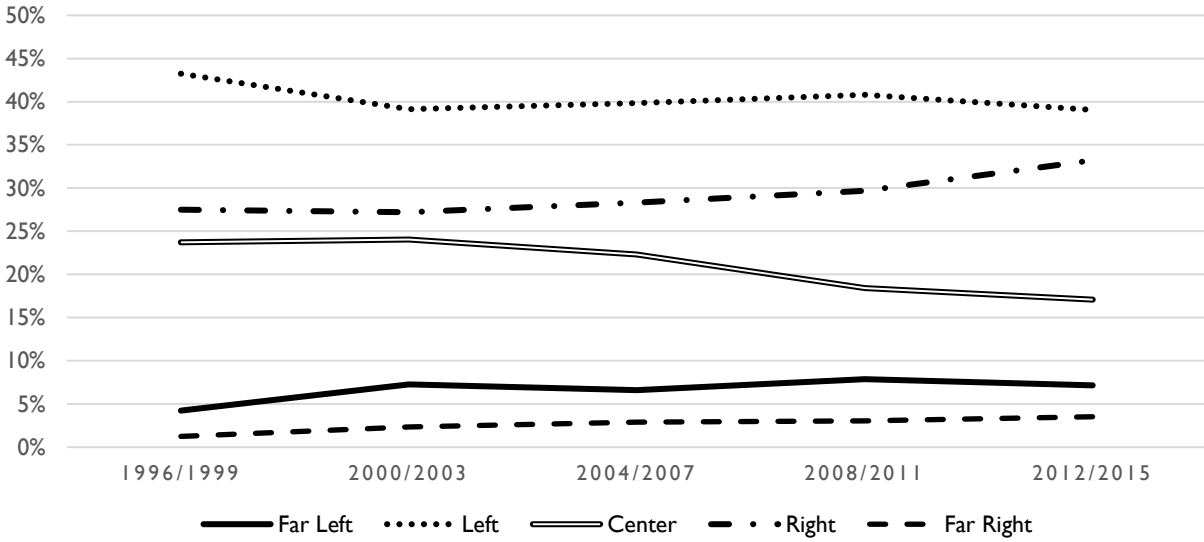
Since 2003, the ISSP survey has asked if respondents voted in the last general election. For the most part, on average, voter turnout for labor market outsiders has been lower than that for labor market insiders. It should be noted that outsider absenteeism from voting appears to be an



increasing trend. As labor market outsiders have diversified and grown in numbers, the number of outsider individuals who refrain from voting has increased. This has the potential to have ramifications for parties, especially if labor market outsiders are expressing discontent with current systems.

In terms of partisanship, there is evidence that labor market outsiders are more likely to support far-left parties and left parties, including Social Democratic parties, and are less likely to support right parties. This confirms the hypothesis that labor market outsiders are more likely than labor market insiders to vote for left parties and disproves the hypothesis that labor market outsiders are more likely than labor market insiders to vote for right parties. It also partially confirms the hypothesis that labor market outsiders are more likely to vote for parties at the extreme. While the insider/outsider measurement and socioeconomic risk variables both show outsiders prefer far-left parties, the socioeconomic risk variable alone shows that as risk level increases, support for far-right parties is more likely. Overall, the preference seems to be geared towards parties of the far-left rather than the far-right. However, the far-right finding for higher levels of socioeconomic risk is important, especially as a signal that outsiders may vote for parties at the extreme. Voters facing high levels of socioeconomic insecurity face conflicting electoral choices in the era of deindustrialization. As the labor market segments and the employment opportunities available to those with limited skill sets becomes increasingly insecure, the migration to parties that promise a mitigation of risk for those in the labor market, becomes an increasingly seductive choice.

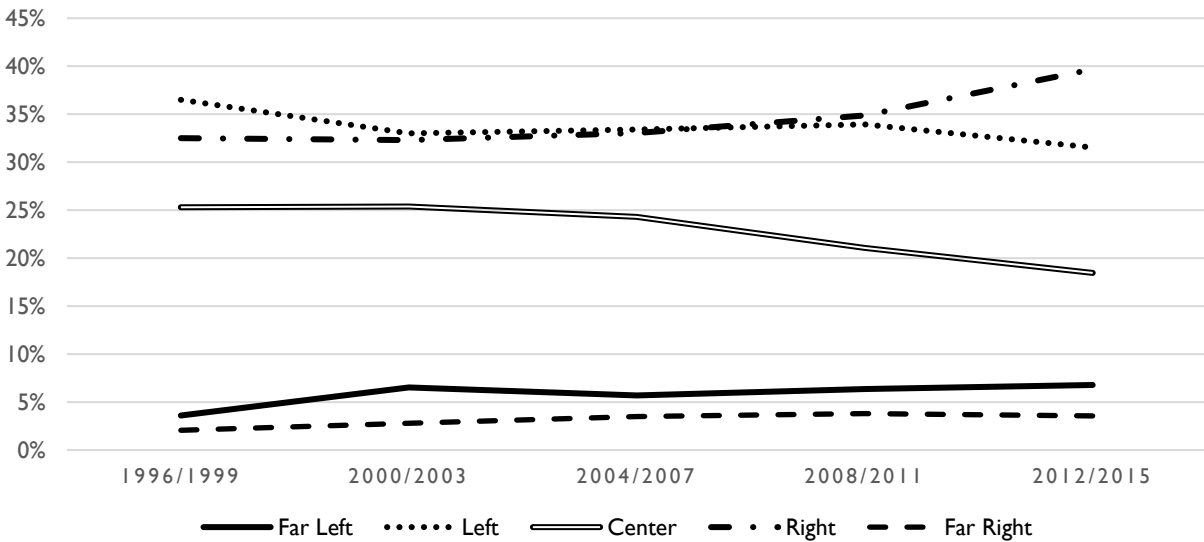
As Figure 4.2 and Figure 4.3 show, across time, labor market outsiders have consistently supported left-parties above the other party choices. However, post-Great Recession there has been a trend towards polarization for labor market outsiders. There have been small increases in the number of outsiders supporting either far-right or far-left parties, support for parties in the center has vastly declined, and there is increased support for right parties. However, this may also reflect a difference in how the ISSP survey collected data as they used party affiliation prior to 2011 and party voting post 2011. Another way of interpreting this Figure is that outsiders who considered themselves centrist are more likely to vote for right parties.



Source: ISSP

\*Australia, Great Britain, Ireland, New Zealand, USA, France, Germany, Netherlands, Switzerland, Denmark, Finland, Norway, Sweden, Spain, Portugal, Czechia, Hungary, Poland, Slovakia, Slovenia

**Figure 4.2. Labor Market Outsider Partisan Preferences in 20 OECD countries\* (1996 to 2015)**



Source: ISSP

\*Australia, Great Britain, Ireland, New Zealand, USA, France, Germany, Netherlands, Switzerland, Denmark, Finland, Norway, Sweden, Spain, Portugal, Czechia, Hungary, Poland, Slovakia, Slovenia

**Figure 4.3. Labor Market Insider Partisan Preferences in 20 OECD countries\* (1996 to 2015)**

Comparing the partisan preferences of labor market outsiders to labor market insiders, one sees that while labor market outsiders have traditionally supported left parties, this has not always been the case for labor market insiders. For much of the 00s, labor market insiders supported both left and right parties equally. However, post-recession there appears to be a trend towards greater support of parties on the right. Both support for left and center parties have declined for labor market insiders. There appears to be a bit of polarization occurring with labor market insiders supporting parties on the center and right and labor market outsiders supporting parties on the left.

## **Discussion**

The proliferation of labor market outsiders in advanced industrialized countries poses some significant issues in terms of the policy direction of welfare states. At their very core, outsiders represent a group of people disadvantageously exposed to the risks of globalization and the changing nature of work. They find themselves employed in jobs with lower pay, fewer protections, and greater insecurity than their insider counterparts. Welfare states, designed to protect the rights of workers with full-time, long-term jobs have found themselves ineffective in designing policies protecting such workers from globalization, automation, and tertiarization. While such workers had previously found themselves apathetic to the situation at hand, the post-Great Recession time period has awakened a collective fervor demanding change within the current political system.

In many regards, the differences between labor market insiders and outsiders have softened in the past twenty-years, however, some divisions remain. Firstly, labor market outsiders are far more likely to view job security as a priority. For labor market insiders this is less important. This is likely due to labor market insiders having a higher level of skills than labor market outsiders. As a result, they have less of a need to retain jobs that provide for their needs as they will have less difficulty procuring employment that provides the same benefits. Non-standard workers on temporary and part-time contracts, with fewer job protections have less efficacy in moving from one position to another. For some workers, especially low-skill workers, finding a job that provides benefits and decent pay can be akin to winning a lottery.

Conversely, losing such a position can be a devastating blow leading to a prioritization of job security.

Redistribution and job creation are two priorities that labor market outsiders have waned on in terms of their support. For better or worse, the Great Recession has fundamentally changed the way labor markets are structured and organized. However, while belonging to the outsider group is not a significant variable in support for these policies, level of socioeconomic risk is. As workers belonging to demographic groups that have higher levels of part-time work and unemployment are far more likely to support these policies. As insiders feel more and more vulnerable within the labor market the divide between these groups' decreases. It is important to note that belonging to a group that was semi-secure was an important variable in explaining policies preferences.

Social insurance also plays an interesting role in terms of outsider preferences as pensions, across time have become more important than unemployment insurance. This is likely because the amount of money paid out to pensioners is based on the amount of money earned during one's productive years. Labor market outsiders, already disadvantaged in their employment opportunities, do not want to be similarly disadvantaged in retirement. It stands to reason they would prefer policies that ameliorate these occupational disadvantages.

In regard to partisanship, the data show labor market outsiders are less likely to vote than their insider counterparts. This creates some major issues that will be explored in the next chapter. Namely, as labor market outsiders become more disenfranchised, what does this mean for the adoption of policies that benefit outsiders? I have shown that when labor market outsiders do vote, they favor far-left and left parties and disfavor right parties. As level of socioeconomic risk increases, individuals are more likely to preference far-right parties as well. How left parties respond to this is expected to be an important factor in explaining why outsider-friendly policies get adopted. However, there lies a large conundrum for the parties of the left, especially Social Democratic parties, in terms of how much of their policy platform they should base on appeasing a group of unreliable voters, even if this group is one that is growing in numbers.

## Conclusion

The purpose of this chapter was three-fold. Firstly, I set out to determine if labor market outsiders and insiders have different policy preferences in regard to job security, job creation, redistribution, and social insurance. I found that outsiders are more likely to preference job security than insiders, but not job creation. In terms of social insurance, the type of program matters in terms of outsider support. Pensions are more supported than unemployment insurance and there is no difference between the groups in terms of support for redistribution. Secondly, I wanted to examine if outsidership has become a more salient feature in explaining preferences over time. I found that for job security being a labor market outsider has become a more significant variable in determining support for such policies, however for redistribution it has become a less important variable. Finally, I aspired to look at how policy preferences manifested in terms of voter mobilization and party support. I found that labor market outsiders are less likely to vote. When they do, they are more likely to prefer far-left and left parties than insiders and less likely to prefer right parties. As level of socioeconomic risk increases, so does the likelihood of voting for far-right parties.

Labor market outsiders comprise a growing segment of the population. Those at risk of insecure employment are increasingly feeling the compressing vice of limited job opportunities, decreased pay, and scarce benefits. The economy that has emerged from the Great Recession is mired in unstable employment and reactionary political alignments that could have far reaching impacts on the welfare state, especially as the proportion of outsiders within advanced industrialized countries continues to grow.

## CHAPTER V

### LABOR PROTECTION AND REGULATION FOR NONSTANDARD WORK

The purpose of this chapter is to test if labor unions, corporatist institutions, and left parties had an influence on the regulation and protection of non-standard work. I use a panel error-correction model to examine the short-term and long-term effects of these variables on employment regulation for part-time and temporary work arrangements. I find support of a hybridization of the dynamic party competition model and partisan model in explaining temporary employment protections and strong evidence of an impact of the European Union and partisan affiliation of the government impacting part-time employment regulations.

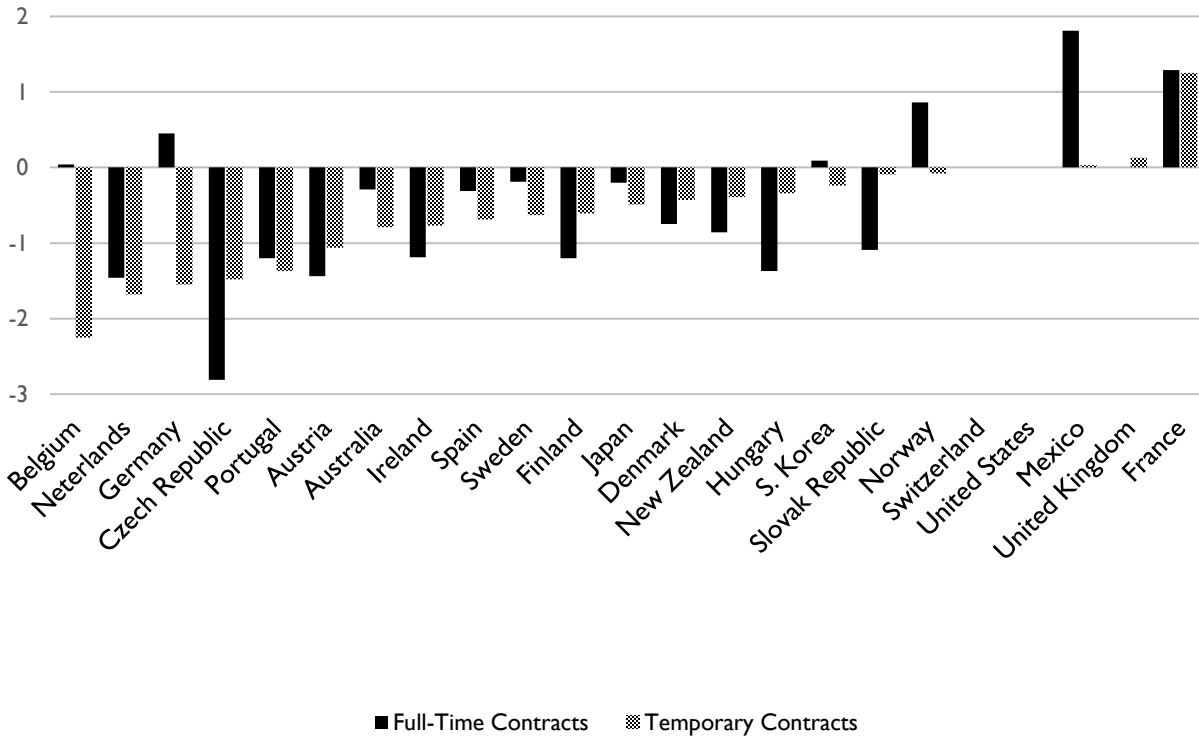
The proportion of individuals employed in nonstandard work arrangements has grown across the advanced industrialized world putting pressure on governments to address the decent work deficits between those in standard employment and those in nonstandard work. Nonstandard work carries with it many penalties including lower pay, lack of social protections, and reduced opportunities for advancement. As nonstandard work becomes more ubiquitous, there has been an increased demand to address the inequality perpetuated by such working arrangements. The response of states in addressing this issue has been, at best, mixed. Forces such as globalization and deindustrialization make it difficult for countries to strengthen their labor policies. Lack of social cohesion, especially labor market insider/outsider divides, make many of the preferred policy goals unclear. In an era of insecurity, states face dwindling options for resolving such divisions.

Labor markets and employment relationships operate within economic, political, and ideological contexts that are country specific and vary across nations. These contexts reflect various historical and socio-political institutions which regulate the interaction between the family, state, and market (Esping-Andersen, 1990). The intervention of governments in the labor market occur for a variety of reasons. Employment regulation is often implemented to alleviate discrimination of workers belonging to groups with little power, decrease inadequate information between workers and employers including health and safety hazards, and provide insurance against risks such as unemployment, disability, and old age. Additionally, the nature of employment protection is quite similar across countries requiring the termination of individual

employees to be motivated and that workers are given reasonable notice of their firing or financial compensation in lieu of notification.

Labor regulations are established to protect the interests of workers and ensure a minimum standard of living for the individuals within a country. Freeman & Rogers (1993) argue there are two primary approaches to viewing labor market regulation. The institutionalist approach views labor market regulation as providing important social protection for workers through training and job security. In this conceptualization, employment protection is designed to protect workers from unfair behavior, counter economic shocks, and preserve firm-specific human capital. The distortionist approach underscores how labor market regulation impedes adjustments to economic shocks, discourages the hiring of standard workers, and favors insiders at the detriment of outsiders by providing better job protections for already existing positions. In this viewpoint, the rules governing employment regulation and protection can interfere with the ability of firms to adjust to overall economic conditions creating adverse consequences for employers. In this vein, relaxing employment regulation and protection legislation is often suggested as a policy for reducing joblessness.

Over the past few years, many labor market reforms have been targeted at reducing the gap in employment regulation and protection between standard and nonstandard work. While some reforms were directed at reducing the restrictions on firing individuals employed in standard work, most reforms were directed at easing the restrictions on the use of temporary contracts. These reforms served to maintain regulations and protections for those in permanent jobs, while creating the incentive for firms to create temporary, less regulated, jobs. In the 1990s nine OECD countries deregulated employment protection for temporary workers. Only three relaxed protections for permanent contracts. In the 2000s eight countries eased protections on temporary contracts and four countries eased protections on permanent contracts. Only five strengthened protection for temporary contracts (Martin & Scarpetta, 2010).



Source: OECD Employment Protection Database

**Figure 5.1. Change in Employment Protection Full-time and Temporary Contracts (1996 to 2015)**

The literature suggests there are several possible reasons why countries have responded differently to labor market reforms. Firstly, Social Democratic<sup>8</sup> parties are expected to be important in the passage of labor friendly reforms. Traditionally, Social Democratic parties have shared close ties to social movements and unions. Power resources theory shows these ties are important variables in leading to larger, more generous welfare states (Korpi, 1989, Huber, Ragin, and Stephens 1993; Hicks 1999; Huber & Stephens, 2001). Yet, while Social Democratic parties are an important component to understanding the development of the welfare state, their place in preserving the welfare state in an era of deindustrialization, globalization, and tertiarization has been called into question (Green-Pedersen, 2002, Ward, 2015, Clements, 2017). While Social Democratic parties may have once been able to push for broad, blanket labor

<sup>8</sup> For this dissertation, I use the Social Democratic Party coding from the Comparative Manifesto project to identify Social Democratic parties. While numerous scholars have identified different criteria for defining Social Democratic parties, the Comparative Manifesto groups Social Democratic and Labor parties together.



reforms, today, they are far more constrained and must make difficult political choices in policies they promote.

The willingness of Social Democratic parties to support employment protection and regulation for NSW is predicted to be based on two factors, the composition of Social Democratic parties and the policy space in which they operate. The insider-outsider model argues that labor itself is not a homogenous group, rather it is divided into labor market insiders, individuals employed in positions that are protected by various job-preserving measures and outsiders, those that lack those protections. Regarding employment protection and regulation for NSW, whether Social Democratic parties are insider-dominated or outsider-dominated is expected to impact the policies they promote. Rueda (2005, 2006) argues that Social Democratic parties are expected to consider labor market insiders their core constituency and will implement policies to benefit insiders at the expense of outsiders. However, as the traditional electoral constituencies that supported the Social Democratic parties have broken down, especially with the decline of manufacturing employment, left parties have been forced to expand their constituencies. Some expansion has occurred among the educated middle-classes (Kitschelt, 1994). While other expansion has occurred among lower-income groups who are less likely to be labor market insiders (Cusack et al., 2008; Rehm, 2009, Giger, Rosset, & Bernauer, 2012). The previous chapter of this dissertation showed an alignment with labor market outsiders and left parties. The partisan constituency model argues that political parties will work towards promoting the policy preferences of their core constituencies. If this model holds true, then the composition of Social Democratic parties in terms of labor market insiders and outsiders matters when examining the strength of employment protection and regulation for nonstandard work.

However, the behavior of parties does not occur in a vacuum, the dynamic party competition model argues the ability of political parties to shape their policies is mediated by the type of competition they face. The literature shows that when Social Democratic parties face competition on the left, they are more likely to support labor regulations (Lunz, 2013). Who regulations benefit is expected to be based on the composition for the Social Democratic party. Additionally, the degree of ideological distance is expected to be a salient variable in terms of how far a Social Democratic party is pressured to pivot towards more leftist or liberal policy, one that is likely to support protection for NSW. Greater ideological distance between Social Democratic Parties and other left parties is expected to be associated with higher levels of

employment regulation and protection for NSW, but only when Social Democratic Parties are outsider dominated (H8). However, when Social Democratic Parties are insider dominated, the employment protection and regulation for NSW is expected to be lower (H9). However, when facing center and right challengers, Social Democratic parties are at a smaller risk from defection and can shift their policies to the right (Schumacher et al., 2013). In this case, the composition of the party is less likely to matter. Social Democratic parties have been shown to institute reforms at opposition with their base when they are less likely to be blamed for unpopular policy changes (Ross, 2000). In some cases, with lack of political competition from the left, Social Democratic parties have been more successful than right parties at cutting back entitlements (Green-Pedersen, 2001). In this case, it is expected that ideological distance between Social Democratic and center parties will lead to less employment regulation and protection for NSW (H10). Ideological distance between right parties is equally expected to reduce NSW protection and regulation (H11).

Another factor that is likely to have an influence on the strength of protection and regulation for NSW are political and welfare state institutions. Institutions act as constraints on the decisions individual actors can make. Ljiphart (1984) finds consensus democracies are more likely to be generous welfare states because their institutional framework allows for a more accurate and inclusive representation of minority interests, something that is beneficial for labor market outsiders. Skocpol (1992) supports this, finding both the rules of electoral competition and the institutional features of government determine the policy outcomes of the welfare state. Consensual decision-making institutions also help to incorporate a wider range of interests in the policy making process. Corporatist institutions are expected to play a role in NSW regulation as the ability of actors to shape policy outcomes is mediated by the institutionalized bargaining structures between labor, business, and bureaucrats (Hicks, 1999). Corporatist institutions may work in two ways, firstly they may play an important role in mediating the power of different political actors leading to greater levels of employment protection and regulation for NSW (H12). Or, as Rueda (2007) suggests, they may be coopted by insider protecting unions leading to lower rates of protection and regulation for NSW (H13). For this reason, the make-up of unions is expected to impact how corporatism influences NSW protection (H14). When outsiders comprise a large proportion of unions, protections for NSW is expected to be high

(H15). When insiders comprise a large proportion of unions, employment regulation and protection for NSW is expected to be weaker (H16).

## **Methodology**

I test if homogeneity of SD parties, party competition, corporatism/cooperative institutions, and labor unions are important variables in determining the strength of regulation and protection for NSW. I use the 34 OECD countries as the initial starting point for the study, however, because of data availability only 21 countries<sup>9</sup> are part of the final analysis. These countries were selected because advanced industrialized countries have a greater scope of NSW and therefore policy governing it. Among the OECD countries, there is substantial variation in the regulation and protection of NSW. I use the time-period between 1996 and 2015 for the study. 1996 is used as the base year and 2015 is chosen as an endpoint because of data availability.

Like many datasets in comparative political economy, my dataset is hampered by the few cases, many variables problem. This creates several issues that must be addressed in determining the model and type of analysis to be conducted. In comparative political economy, the analysis of time-series cross-section data (TSCS) are highly susceptible to the type of model used. TSCS data have repeated observations on fixed units (in this case countries) and time period's that range from 20 to 50 years (Beck & Katz, 1995). Misspecification of the model may lead the researcher to erroneous conclusions. Therefore, great care must be taken in determining model selection (Beck, 2006).

The first issues to remedy in my data are those of autocorrelation, heteroskedasticity, and cross sectional dependence, all of which are present. Autocorrelation occurs when there is observed correlation between the error terms across observations in the model. When present, autocorrelation violates the assumptions of the OLS model and effects the efficiency of the standard errors. Autocorrelation is a common issue in TSCS as both the time series and

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<sup>9</sup> Australia, Austria, Belgium, Czechia, Denmark, Finland, France, Germany, Hungary, Ireland, Japan, Netherlands, New Zealand, Norway, Portugal, Slovakia, Spain, Sweden, Switzerland, United Kingdom, United States

geographic units have the potential to be related. Heteroskedasticity occurs when the variance of the error term is not constant across observations. This again violates the assumptions of OLS and leads to biased OLS estimators. Again, heteroskedasticity is very common in TSCS data, especially when country-level observations are used.

To resolve the issue of autocorrelation, I follow the frame-work set up by Beck and Katz (1995) to introduce a lagged dependent variable to my regression ( $DV_{t-1}$ ). However, simply introducing a lagged dependent variable to my model does not work to solve the issue of autocorrelation meaning I must resolve this issue another way. Autocorrelation with a lagged dependent variable leads to a situation where the OLS estimators are not consistent (Greene, 2000). Additionally, adding a lagged dependent variable with autocorrelation and country dummies at the same time leads to endogeneity in the model (Nickell, 1981).

One reason this autocorrelation may exist is because of stationarity in the model. To test for this, I use the Fisher-type unit-root test to determine if my dependent variables have a unit root, or if they are stationary. I use the Fisher-type test over other unit root tests because the assumptions made in the test best fit my data, namely that I have a fixed number of units (N) while the time dimension of my data (T) trends towards infinity. The Fisher-type unit-root test shows my dependent variables have a unit root and are not stationary. According to the literature, utilizing an error correction model will work well in this situation because it can estimate non-stationary data and correct for autocorrelation (Beck, 1991, Iversen & Cusack, 2000, DeBouef & Keele, 2008). The error correction model (ECM) assumes the dependent and independent variables are in a long-run equilibrium, but there are also short-term or temporary effects impacting the dependent variable. Theoretically, this works well for my data as the previous chapters have demonstrated that shocks (such as the Great Recession) have had impacts on how countries structure their labor markets. Additionally, the literature is unclear as to when the variables of interest may impact the policy process, the error correction model allows me to test these relationships by estimating the short-run impacts on the dependent variable, as well as their long-term impacts.

The general version of the error-correction model looks like this (Segura-Ubiergo, 2007):

$$\Delta Y_{i,t} = D\alpha + Y_{i,t-1} \cdot \Phi + \Delta X_{i,t-1} \cdot \beta_k + X_{i,t-1} \cdot \beta_j + T\lambda + \varepsilon_{i,t}$$

Where D represents a vector of country dummies (fixed effects) and T represents a vector of time effects. The dependent variable is measured as the first-difference and the independent variables are measured as the lagged-level of each independent variable, as well as yearly changes ( $\Delta$ ). The benefit of this model over the more familiar Beck and Katz (1995) model is that it allows for an uninflated r-squared as the lagged dependent variable does not overestimate the total amount of variance explained in the model. The ECM overcomes the issue of autocorrelation because it includes the dynamics directly in the model. This, in turn works to correct for endogeneity because it controls for autocorrelation and introduces lags for the slow moving dependent variables. Theoretically, the ECM also provides several benefits because the literature is extremely mixed on the impact of the variables of interest. Using the ECM allows me to see if changes in NSW policy result from short-term or long-term trends. This allows for a very nuanced empirical story and the ability to determine at which point in the policy process the casual variables are influencing changes in NSW policy.

Interpreting the error-correction model is a bit different than the interpretation of a stationary OLS model. The first-difference estimates measure the short-term changes in the variable and the levels estimates measure the long-term changes of the variable. For example, change in Left-government from year to year would be measured by the first-differences while the overall impact of Left-government in power over the time-period would be captured by the levels estimate. In this sense, the interpretation has less to do with the strength of the Left-government and more to do with the presence and change in its power. An increase in the strength of the left government is assumed to be associated with an increase in NSW regulation and protection, the absolute power of the left-party is not factored into the analysis. A significant coefficient for the differences measurement indicates that the variable impacts NSW policy in the short-run. A significant coefficient for the levels measurement indicates the variable impacts NSW policy in the long-term.

While use of the error correction model works to address the issues of autocorrelation and unit roots, I still must address the issues of heteroskedasticity and cross sectional dependence. Because I have corrected for autocorrelation in my model, to correct for heteroskedasticity, I follow Beck and Katz (1995) and use panel corrected standard errors (PCSE). PCSE is shown to produce accurate standard errors in the presence of heteroskedasticity. I additionally test my data for cross-sectional dependence using the Pasaran CD (cross-sectional dependence) test.

While there is initially cross-sectional dependence found in the model, the use of PCSE also works to correct for this bias in the estimation. For data that are heteroskedastic, cross sectionally dependent, and autocorrelated, the PCSE model is the correct estimator to address these issues in the data (Hoechle, 2007).

### **Dependent Variables**

For the dependent variables, I use employment protection and regulation for part-time and temporary employment as proxies for NSW policy. I choose these because they have definitions that can be standardized across OECD countries and have the most systematic and complete information that are collected on them by national governments. To measure employment regulation and protection I have created an index of employment regulation for both part-time and temporary work by content coding pertinent legislation on part-time and temporary work regulations and protections. I follow the same index creation procedure used by the OECD in the design of their Employment Protection Index wherein each of the inputs is expressed in either unit of time (e.g. number of hours needed before eligible for maternity leave), or as a score on an ordinal scale specific to each item (0, 1, 2, 3 or yes/no). To begin, I coded the first-level measures. Next, I converted the measures into cardinal scores normalized from 0 to 6 with higher scores representing more regulation. Both indexes are restricted to language and permissions contained within the legislation. Data was accessed from two ILO databases. The TRAVAIL legal database contained information pertinent to part-time work and EPLex contained information pertinent to protections for temporary workers (For detailed coding scheme, see APPENDIX C).

### **Independent Variables**

To measure left-party competition, I use data from the Comparative Manifesto Project (CMP). The CMP uses content analysis of electoral manifestos to derive party positions on a variety of topics ranging from attitudes on foreign relations to civic mindedness to agriculture. To operationalize competition between Social Democratic parties and competitors, I measure the ideological difference between the dominant Social Democratic party (SD) (measured by total

votes in the preceding election) and the next largest (as measured by total votes in the preceding election) competing left, center, and right party. To remain consistent with the data from the ISSP surveys, I use the expert-coding of each party from the surveys to place parties within the ideological spectrum from left to right i.e. determine if they are left, center, or right competitor. However, the ISSP survey does not explicitly code for Social Democratic parties, therefore, to determine if a party is considered Social Democratic, I use the party groupings provided by the CMP (please see APPENDIX D).

As the economy has dramatically changed over the past 25 years, SD parties have presided over deregulation, privatization, and retrenchment of the welfare state. Unable to fully halt the charge of economic change, SD parties have, at best, blunted the full force of reform. As the literature suggests, the ability of parties to do so is predicated on party competition. From where this party competition comes, is expected to be important in explaining the policies SD parties support. Following Kitschelt's (1994) seminal work on the European Social Democracy, I elect to measure party competition both on the economic issues (left-right) and cultural issues (libertarian-authoritarian<sup>10</sup>) measures. The left-right alignment of parties corresponds to the traditional debate among parties with those on the left arguing for greater governmental regulation and mechanisms for redistribution and those on the right advocating for a more laissez-faire economy with minimal governmental intervention. Yet, with the transformation of the political landscape and waning of class politics, this political cleavage is not sufficient for fully explaining party competition (Inglehart and Flanagan 1987; Kriesi 1989; Flanagan and Lee 2003).

Scholars have found globalization and the integration of markets has constrained the ability of parties to differentiate themselves from each other in terms of economic policy (Hellwig & Samuels, 2007; Steiner, 2010, Ward et al., 2015) and regulatory policy (Ganghof, 2006; Plumper, Troeger, & Winner, 2009, Wilson & Wildasin, 2004). As a result, this leads to convergence in the adoption of neoliberal positions to remain competitive within the global economy (Adams et al., 2009; Burgoon et al. 2017; Haupt, 2010). Because of this, cultural divisions among the alternative/traditional alignment have become a more salient division among the parties. The alternative pole finds parties emphasizing progressive issues, tolerance, and

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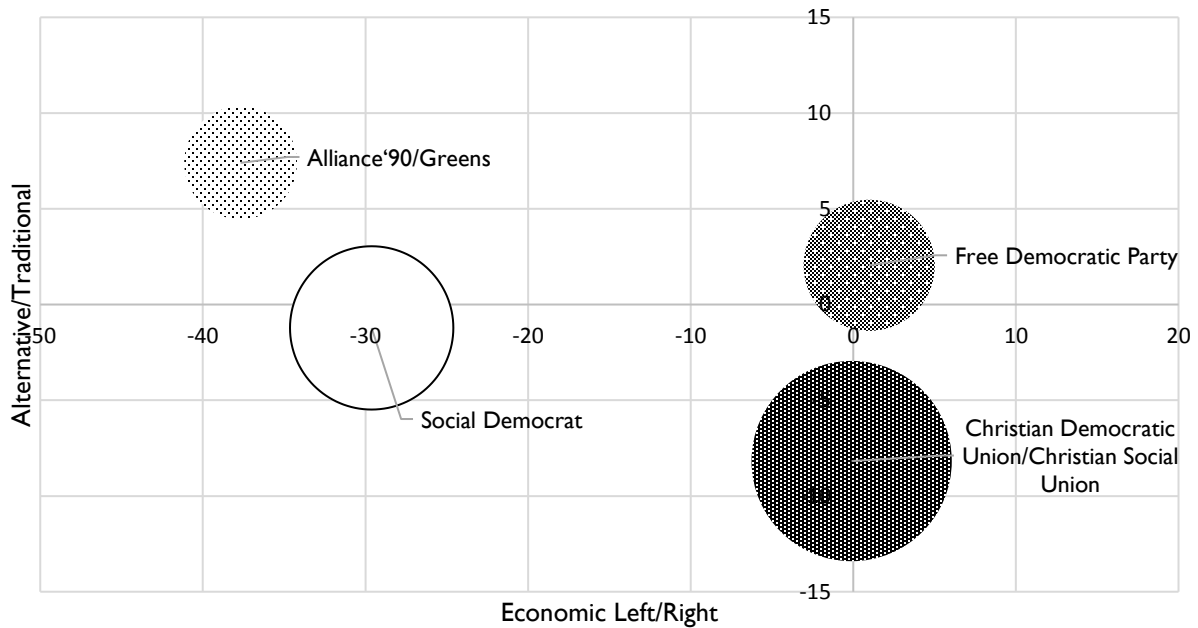
<sup>10</sup> While Kitschelt (1994) uses the terms libertarian and authoritarian to describe the cultural policy dimension, I elect to use the terms alternative and traditional to remove jargon from my dissertation.

personal autonomy. Traditional parties are more likely to endorse conservative values and protectionist viewpoints.

Competition on both axes are important to measure because they underpin the logic by which parties view labor regulation. The economic dimension determines to what extent a party prefers governmental regulation of the labor market i.e. the strength of regulation. The cultural-value dimension defines to whom this regulation should be endowed i.e. the scope of the regulation. The dynamic party competition model argues that unless SD parties face competition from the left and/or liberal parties, they are less likely to advocate for labor market reforms that go beyond their core demographic. Being ideologically further away from center and right parties is likely to lead to lower levels of regulation as Social Democratic parties can pivot towards the right with little consequence.

To measure where each party falls on the left/right, alternative/traditional dimension, I utilize the construction of the Economic Left/Right and alternative/traditional scale derived by McDonald & Mendes (2001). One issue that arises with left/right coding is a lack of consensus on what variables should be included to determine a party's policy position. To create ideologically different categories, McDonald & Mendes use factor analysis to derive which categories belong in the different dimensions. In doing so, they develop scales in which there are two distinct dimensions and no overlap between the CMP variables used (See APPENDIX D for coding). Next, I calculate where each party is located in the multidimensional party space using the election preceding the time period of interest, so for the United States in the 2011 time-period, I use the party platforms from the 2008 election. As an example of how ideological distance is calculated, compare the German election results from 2009:





Source: Comparative Manifesto Project

**Figure 5.2. Ideological position of German Parties (2009)**

Based on the election results, there was both a left (Alliance '90), center (Free Democratic Party), and right (Christian Democratic Union/Christian Social Union) competitor to the Social Democratic Party of Germany. To calculate the ideological distance of each, I first compute the left/right and alternative/traditional score based on the variables in the manifesto project. The Social Democrats have an economic left/right score of -29.61 and a cultural value alternative/traditional score of -1.22 meaning they are solidly to the left in terms of their economic leanings and slightly lean towards traditional values. The CDU/CSU right competitor has an economic left/right score of -.01 and a cultural values alternative/traditional score of -.17 meaning they do not significantly lean towards the left or right regarding economic issues but do lean towards traditional values. To compute the ideological difference between each party, I subtract the alternative/traditional score of the right party competitor from the Social Democratic party ( $-8.17 - (-1.22)$ ), and get an ideological difference score of -6.95. I interpret this to mean the right party competitor leans 6.95 points more towards traditional values than the Social Democratic party. I perform the same calculation for economic dimension to reach a score of 29.5. I interpret this score to mean the CDU/CSU party leans 29.5 points more to the right on economic issues than the Social Democratic Party.

One of the challenges with this operationalization is how to account for states in which there is no left-party. For example, the United States is a two-party system in which the Democrats occupy the Center and the Republicans occupy the Right. The manifesto project only codes parties that have won seats in the legislature making challenges from Green candidates, for example, something that is not included in the data. To account for this, I code any election cycle in which there is no challenger as a 0. Coding a missing party as missing in the data removes almost half of my observations and biases the sample to only states that have multi-party systems. The logic behind using 0 is that if there is no challenger, there is also an absence of ideological difference. Essentially, there is no divide and no alternative for individuals to vote for. Since they are absent, they are considered to not be a threat to the Social Democratic party. Since they do not occupy the party space, they then cannot have an ideological divide between themselves and the Social Democratic party. If there is no ideological divide, they occupy the same space on the ideological spectrum and are therefore assigned as score of 0, there is no ideological challenge to the Social Democratic party.

The literature also suggests the make-up of Social Democratic parties' matter, but only when there is a left challenger. To operationalize the make-up of the SD party, I use data from the ISSP and my insider/outsider operationalization from Chapter 03 to calculate the ratio<sup>11</sup> of labor market insiders to outsiders and the semi-secure in Social Democratic parties. From 1996 to 2010, this percentage ratio to party affiliation. From 2011 onwards, this ratio refers to which party an individual indicated they voted for in the survey. A higher ratio indicates the party is more insider dominated.

To measure labor union density, I use union membership as a percentage of employed wage and salary earners taken from the OECD (Brady, Huber & Stephens, 2014). In order to measure labor union composition, I again calculate the ratio of labor market insiders to outsiders and semi-secure in labor unions. A higher ratio indicates the labor union is more insider dominated. I additionally control for union member partisanship, which I operationalize as the percentage of union members in left, center, and right parties. Rueda (2006) suggests that the close ties between Social Democratic parties and unions leads to worse outcomes for labor market outsiders. Controlling for union partisanship helps to explore this linkage and determine

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<sup>11</sup> Using the percentage of insiders as opposed to the ratio of insiders to outsiders yields similar results.

of this is an additional avenue for unions to influence NSW reform. Additionally, Rueda (2007) finds that the insider-outsider divide is exacerbated by the overall level of protections for standard work, I additionally control for employment protections for standard workers in the models taken from the OECD Indicators of Employment Protection Database.

In operationalizing corporatism, there are two primary meanings from which to choose. Schmitter (1979) argues that corporatism represents a system of interest representation, in this case the ability of labor market insiders and outsiders to have a voice in policy-making. The other usage of corporatism refers to the institutions of policy formation that work to shape the economy (Lehmbruch, 2003). While many scholars have cited the underlying importance of corporatism, few have given it a comprehensive definition (Siaroff, 1999). Ideally, I would be able to use the same measure of corporatism that Rueda (2008) uses, the Martin and Swank (2004) cross-national index of employer organization. However, this database has not been updated since 2004 and using it would require me to remove a significant number of observations from my study to end at that time period. Instead, I must interpret the literature to determine appropriate measures of corporatism. Because I am looking at the institutional environment of labor policy reform and the ability of outsiders to enact policy reform that is favorable to them, I must include measures of corporatism that encapsulate interest representation. Because the literature suggests unions are the primary proponents of labor market reform and the actors using corporatist institutions in order to influence policy, I operationalize corporatism by using the measures of coordination of wage-setting and government intervention (a measure that indicates the degree of Tripartite organization) taken from the Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts (ICTWSS). The coordination measure provides a categorical variable measuring to what degree firms, unions, and the state work together to set wages. And the government intervention variable provides a measure of how involved the state is in setting wages. High levels of wage coordination are expected to lead to higher levels of protection for union members which may harm outsiders if they are not represented in unions. Higher levels of governmental intervention are expected to foster cooperation among interest groups which, if labor market outsiders are well represented in unions, may serve to their benefit by increasing regulations on NSW.

The institutions of policy formation may also be important to understanding how NSW is regulated. This is because consensus institutions help to foster collaboration in the policy process, something that could be advantageous for outsiders in having their interests met. Additionally, I also employ a measure of the Executive-parties dimension from Ljiphart (1994). The Executive-parties dimension measures how easily a single party may take control of the government. It is the dimension that serves as measure of coordination and cooperation needed to enact policy. Political institutions are important because they shape the bargaining power of rival groups and help to foster complimentary industrial regimes. The more a country leans towards consensus democracy, the more likely I expect there to be higher levels of regulation for NSW.

Additionally, I add a variable measuring the political ideology of the government on the left-right economic dimension and alternative/traditional cultural dimension. I calculate this by measuring each parties' location on these dimensions according to the data from the Comparative Manifesto Project and then weighting the party orientation by the number of seats each party has in the government. I include this measure because the overall orientation of the government has been shown to be an important determinant of labor market policy, not simply the party in power (Hieda, 2013). Additionally, the willingness of parties to form policy within corporatist institutions is not simply a reflection of the type of party they are, but also where their policy preferences fall. Regini (2001), shows social pacts are based on the will of those involved, simply having a left party in power is no guarantee social pacts will be adhered to. In the institutional competition model, I control for left party in power operationalized as the share of seats in parliament won by left parties in the most recent government as a percentage of seats needed for a parliamentary majority (Brady, Huber & Stephens, 2014).

I also control for EU membership, which I measure as a binary variable. In the late 90s the EU required member countries to institute reforms to improve the quality of life for part-time and temporary workers, so its inclusion is important. I also control for globalization which I operationalize as level of trade openness and use the total exports and imports of goods and services as a percentage of GDP (Iversen & Cusack, 2000). Deindustrialization is operationalized as service-sector employment relative to overall employment (Iversen & Cusack, 2000). Unemployment rate, GDP growth, and immigration rate are also controlled for. All

models were also run with dummy variables to control for country level and time effects. The results of country-level and time dummies are not reported.

## Results

**Table 5.1. Regression Estimates for Part-time protection and regulation – Partisan Model**

<b>Independent Variables</b>	<b>Model 1 DV=<math>\Delta</math>Part-time Employment Protection</b>	<b>Model 2 DV=<math>\Delta</math>Part-time Employment Protection</b>	<b>Model 3 DV=<math>\Delta</math> Part-time Employment Protection</b>
Employment Protection(t-1)	-0.287*** (.040)	-0.346*** (.040)	-0.346*** (.041)
<b><i>Partisan Variables</i></b>			
$\Delta$ Insiders SD Parties	-0.029 (.073)	0.0109 (.069)	0.0186 (.087)
Insiders SD Parties (t-1)	-0.010 (.101)	0.0624 (.100)	0.0311 (.118)
$\Delta$ Insiders Center Parties	-0.062 (.043)	-0.083 (.043)	-0.079 (.043)
Insiders Center Parties (t-1)	-0.042 (.050)	-0.060 (.052)	-0.059 (.052)
$\Delta$ Insiders Right Parties	-0.038 (.049)	-0.041 (.048)	-0.047 (.049)
Insiders Right Parties (t-1)	-0.044 (.058)	-0.046 (.060)	-0.054 (.060)
<b><i>Ideological. Dimension Economic</i></b>			
$\Delta$ Median Voter	--	-0.000 (.006)	-0.001 (.006)
Median Voter (t-1)	--	-0.006 (.004)	-0.005 (.004)
<b><i>Ideological. Distance Economic Dimension</i></b>			
$\Delta$ SD & Left Competitor (LC)	--	-0.001 (.003)	0.0005 (.006)
SD & Left Competitor (LC) (t-1)	--	-0.010 (.003)	-0.002 (.007)
$\Delta$ SD & Center Competitor (CC)	--	-0.000 (.003)	0.0000 (.003)
SD & Center Competitor (CC) (t-1)	---	0.0029 (.002)	0.0025 (.002)
$\Delta$ SD & Right Competitor (RC)	--	0.0055 (.003)	0.0051 (.003)
SD & Right Competitor (RC) (t-1)	--	0.0048 (.002)	0.0048 (.002)
<b><i>Ideological. Dimension Cultural</i></b>			
$\Delta$ Median Voter	--	0.0314 (.012)	0.0299** (.012)
Median Voter (t-1)	--	0.0106 (.008)	0.0090 (.008)

**Table 5.1. - continued*****Ideological. Distance Cultural Dimension***

$\Delta$ SD & Left Competitor	--	0.0028 (.006)	0.0092 (.014)
SD & Left Competitor (t-1)	--	0.0166 (.004)	0.0237 (.018)
$\Delta$ SD & Center Competitor	--	0.0040 (.008)	0.0041 (.008)
SD & Center Competitor (t-1).	--	0.0053 (.005)	0.0049 (.005)
$\Delta$ SD & Right Competitor	--	-0.005 (.006)	-0.007 (.007)
SD & Right Competitor (t-1).	--	-0.000 (.005)	-0.002 (.005)

***Interaction Terms***

$\Delta$ Insiders SD * Ideological Distance SD/ LC Economic	--	--	-0.001 (.005)
Insiders SD * Ideological Distance SD/ LC Economic (t-1).	--	--	-0.007 (.005)
$\Delta$ Insiders * Ideological Distance SD/ LC Cultural	--	--	-0.006 (.013)
Insiders * Ideological Distance SD/ LC Cultural (t-1).	--	--	-0.006 (.016)

***Control Variables***

$\Delta$ EU Membership	0.7071*** (.239)	0.7299*** (.227)	0.7576*** (.228)
EU Membership (t-1).	0.5507*** (.207)	0.6920*** (.212)	0.7139*** (.214)
$\Delta$ Deindustrialization	0.0101 (.079)	-0.044 (.076)	-0.050 (.076)
Deindustrialization (t-1).	-0.011 (.031)	0.0017 (.033)	0.0069 (.034)
$\Delta$ Globalization	-0.007 (.006)	-0.008 (.006)	-0.009 (.006)
Globalization (t-1).	-0.005 (.004)	-0.005 (.004)	-0.006 (.004)
$\Delta$ GDP Growth	-0.021 (.017)	-0.025 (.016)	-0.027 (.016)
GDP Growth (t-1).	-0.020 (.021)	-0.020 (.021)	-0.025 (.021)
$\Delta$ Immigration Rate	0.0701 (.172)	0.0054 (.164)	0.0102 (.164)
Immigration Rate (t-1).	-0.000 (.117)	0.1802 (.119)	0.1684 (.119)
$\Delta$ Unemployment Rate	-0.076** (.033)	-0.066 (.032)	-0.071** (.032)
Unemployment Rate (t-1).	-0.003 (.014)	-0.001 (.014)	-0.005 (.015)
N=	243	241	241
R <sup>2</sup>	.35	.45	.45

**Table 5.2. Regression Estimates for Temporary Employment protection and regulation – Partisan Model**

<b>Independent Variables</b>	<b>Model 4 DV=<math>\Delta</math>Temp Employment Protection</b>	<b>Model 5 DV=<math>\Delta</math>Temp Employment Protection</b>	<b>Model 6 DV=<math>\Delta</math>Temp Employment Protection</b>
Employment Protection(t-1)	-0.571*** (.046)	-0.586*** (.047)	-0.577 (.046)
<i><b>Partisan Variables</b></i>			
$\Delta$ Insiders SD Parties	0.0699 (.040)	0.0748 (.040)	0.0655 (.048)
Insiders SD Parties (t-1)	0.0731 (.056)	0.0924 (.058)	0.1730*** (.066)
$\Delta$ Insiders Center Parties	-0.027 (.023)	-0.023 (.025)	-0.017 (.024)
Insiders Center Parties (t-1)	0.0092 (.027)	0.0065 (.029)	0.0080 (.029)
$\Delta$ Insiders Right Parties	-0.008 (.027)	-0.012 (.027)	-0.035 (.027)
Insiders Right Parties (t-1)	-0.011 (.032)	-0.000 (.034)	-0.020 (.034)
<i><b>Ideological. Dimension Economic</b></i>			
$\Delta$ Median Voter	--	0.0053 (.003)	0.0054 (.003)
Median Voter (t-1)	--	0.0049 (.002)	0.0064** (.002)
<i><b>Ideological. Distance Economic Dimension</b></i>			
$\Delta$ SD & Left Competitor (LC)	--	0.0005 (.002)	0.0011 (.003)
SD & Left Competitor (LC) (t-1)	--	-0.001 (.001)	0.0021 (.003)
$\Delta$ SD & Center Competitor (CC)	--	0.0001 (.001)	0.0009 (.001)
SD & Center Competitor (CC) (t-1)	---	-0.000 (.001)	-0.000 (.001)
$\Delta$ SD & Right Competitor (RC)	--	0.0009 (.001)	0.0010 (.001)
SD & Right Competitor (RC) (t-1)	--	0.0042*** (.001)	0.0047*** (.001)
<i><b>Ideological. Dimension Cultural</b></i>			
$\Delta$ Median Voter	--	0.0021 (.007)	0.0032 (.007)
Median Voter (t-1)	--	0.0102** (.004)	0.0079 (.004)
<i><b>Ideological. Distance Cultural Dimension</b></i>			
$\Delta$ SD & Left Competitor	--	-0.000 (.003)	0.0025 (.008)
SD & Left Competitor (t-1)	--	0.0036 (.002)	0.0343*** (.009)
$\Delta$ SD & Center Competitor	--	0.0002 (.004)	0.0028 (.004)
SD & Center Competitor (t-1)	--	-0.000 (.003)	0.0006 (.003)

**Table 5.2. - continued**

$\Delta$ SD & Right Competitor	--	-0.000 (.003)	-0.004 (.004)
SD & Right Competitor (t-1)	--	-0.002 (.002)	-0.006** (.003)
<b><i>Interaction Terms</i></b>			
$\Delta$ Insiders SD * Ideological Distance SD/ LC Economic	--	--	-0.000 (.003)
Insiders SD * Ideological Distance SD/ LC Economic (t-1)	--	--	-0.002 (.003)
$\Delta$ Insiders * Ideological Distance SD/ LC Cultural	--	--	-0.003 (.007)
Insiders * Ideological Distance SD/ LC Cultural (t-1)	--	--	-0.028** (.009)
<b><i>Control Variables</i></b>			
$\Delta$ EU Membership	0.0012 (.133)	-0.060 (.132)	0.0086 (.129)
EU Membership (t-1)	-0.127 (.114)	-0.199 (.120)	-0.130 (.117)
$\Delta$ Deindustrialization	0.0506 (.044)	0.0808 (.044)	0.0723 (.042)
Deindustrialization (t-1)	0.1509*** (.020)	0.1603*** (.022)	0.1666*** (.021)
$\Delta$ Globalization	-0.000 (.003)	-0.001 (.003)	-0.004 (.003)
Globalization (t-1)	0.0041 (.002)	0.0065 (.002)	0.0045 (.002)
$\Delta$ GDP Growth	0.0189** (.009)	0.0159 (.009)	0.0133 (.009)
GDP Growth (t-1)	0.0140 (.012)	0.0125 (.012)	0.0118 (.012)
$\Delta$ Immigration Rate	0.1336 (.095)	0.1007 (.095)	0.1345 (.092)
Immigration Rate (t-1)	0.0689 (.068)	0.1223 (.073)	0.0977 (.071)
$\Delta$ Unemployment Rate	0.0005 (.018)	0.0010 (.018)	-0.004 (.018)
Unemployment Rate (t-1)	-0.017** (.007)	-0.011 (.008)	-0.014 (.008)
N=	243	241	241
R <sup>2</sup>	.55	.58	.62

### **Partisan and Dynamic Party Competition Models**

Table 4.1 and 4.2 show the results of Models 1-6 testing the hypotheses that ideological distance between Social Democratic Parties and other left parties will be associated with higher levels of employment regulation and protection for NSW when Social Democratic Parties are outsider dominated and lower levels of employment regulation and protection for NSW when Social Democratic Parties are insider dominated. It additionally tests the hypotheses that



ideological distance between Social Democratic parties and center and right parties will be associated with lower levels of employment regulation and protection for NSWA.

Having a left competitor in the prior election cycle that embraces more alternative cultural values than the Social Democratic party and a greater number of labor market insiders in the Social Democratic party is associated with higher levels of employment protection for temporary work. However, in combination, an ideologically distant alternative-left competitor and an insider dominated Social Democratic party, lead to less favorable temporary employment protections. This interaction effect is likely a reaction to Social Democratic parties being unwilling to pivot too far away from their base. This supports the hypothesis the dynamic party competition model and partisan competition model combine to impact regulation of temporary work arrangements. Although, this model does not explain increases in part-time employment regulation.

Additionally, a less traditional right party competitor on the alternative/traditional dimension in the long-run, leads to decreases for temporary employment regulation while more rightward oriented right parties on the economic dimension lead to increases in temporary employment protection. This suggests that when Social Democratic parties and right parties are closer together ideologically on the cultural dimension, there are weaker protections for NSWA. However, when they are further apart on the economic dimension there are stronger protections for NSWA. The mechanism for why this occurs is not clearly spelled out in the data and warrants further examination, although it is possible that the hypothesis needs refinement as to the source of the ideological distance between parties. Combined with the findings regarding left-party competition, there is evidence that when it comes to temporary employment regulation, SD parties engage more in a vote-seeking strategy, protecting their base of insiders at the expense of outsiders.

For part-time protections, the dynamic party competition model does not provide a good explanation for part-time employment protections. Median voter is significant in the third model, indicating that the less traditional the orientation of the median voter, the higher regulation for part-time employment will be. A higher unemployment rate is found to reduce part-time employment protections. But perhaps the most significant variable is EU membership which exerts a large influence on the protections and regulations for part-time work.

**Table 5.3. Regression Estimates for part-time regulation and protection – Corporatist Model**

<b>Independent Variables</b>	<b>Model 7 DV=<math>\Delta</math>Part-Time Employment Protection</b>	<b>Model 8 DV=<math>\Delta</math>Part-Time Employment Protection</b>	<b>Model 9 DV=<math>\Delta</math>Part-Time Employment Protection</b>
$\Delta$ Employment Protection	-0.237*** (.036)	-0.248*** (.045)	-0.312*** (.046)
<b><i>Union Variables</i></b>			
$\Delta$ Union Density	-0.015 (.030)	-0.017 (.033)	0.0067 (.038)
Union Density (t-1)	0.0139 (.011)	0.0120 (.012)	0.0272** (.013)
$\Delta$ Insider Dominated Unions	-0.032 (.045)	-0.001 (.003)	-0.003 (.003)
Insider Dominated Unions (t-1)	-0.027 (.050)	-0.003 (.003)	-0.006 (.003)
<b><i>Union Partisanship</i></b>			
$\Delta$ Union Partisanship – Left	--	--	0.0085** (.003)
Union Partisanship – Left (t-1)	--	--	0.0167*** (.004)
$\Delta$ Union Partisanship –Center	--	--	-0.001 (.002)
Union Partisanship – Center (t-1)	--	--	0.0023 (.003)
$\Delta$ Union Partisanship – Right	--	--	-0.010 (.005)
Union Partisanship – Right (t-1)	--	--	-0.018** (.007)
<b><i>Existing Job Protections</i></b>			
$\Delta$ Employment Protection- Standard Work	--	-1.119*** (.255)	-1.334*** (.279)
Employment Protection-Standard Work (t-1)	--	-0.065 (.160)	-0.046 (.202)
<b><i>Corporatist Institutions</i></b>			
$\Delta$ Wage Coordination	-0.161** (.063)	-0.145** (.074)	-0.060 (.089)
Wage Coordination (t-1)	-0.094 (.052)	-0.066 (.054)	-0.107 (.069)
$\Delta$ Governmental Intervention	0.1166 (.088)	0.0676 (.088)	0.0659 (.095)
Governmental Intervention (t-1)	0.1230 (.074)	0.0323 (.071)	0.0789 (.076)
<b><i>Control Variables</i></b>			
$\Delta$ EU Membership	0.976*** (.224)	0.9599*** (.234)	1.0002*** (.241)
EU Membership (t-1)	0.745*** (.175)	0.6956*** (.178)	0.8770*** (.193)
$\Delta$ Deindustrialization	0.0282 (.068)	0.0203 (.068)	0.0096 (.077)
Deindustrialization (t-1)	-0.023 (.031)	-0.018 (.033)	-0.032 (.037)

**Table 5.3. - continued**

$\Delta$ Globalization	-0.005 (.005)	-0.005 (.005)	-0.008 (.005)
Globalization (t-1)	-0.004 (.003)	-0.005 (.003)	-0.005 (.004)
$\Delta$ GDP Growth	-0.023 (.016)	-0.018 (.015)	-0.001 (.016)
GDP Growth (t-1).	-0.039 (.021)	-0.023 (.022)	-0.001 (.024)
$\Delta$ Immigration Rate	0.1101 (.144)	0.0893 (.127)	0.1401 (.154)
Immigration Rate (t-1).	0.0317 (.105)	-0.008 (.094)	-0.102 (.125)
$\Delta$ Unemployment Rate	-0.077** (.032)	-0.076** (.037)	-0.074 (.040)
Unemployment Rate (t-1).	-0.021 (.014)	-0.025 (.014)	-0.030** (.015)
N=	276	276	276
R <sup>2</sup>	.31	.35	.45

**Table 5.4. Regression Estimates for temporary regulation and protection – Corporatist Model**

<b>Independent Variables</b>	<b>Model 10 DV=<math>\Delta</math>Temp Employment Protection</b>	<b>Model11 DV=<math>\Delta</math>Temp Employment Protection</b>	<b>Model 12 DV=<math>\Delta</math>Temp Employment Protection</b>
$\Delta$ Employment Protection	-0.507*** (.045)	-0.499*** (.054)	-0.584*** (.056)
<b><i>Union Variables</i></b>			
$\Delta$ Union Density	-0.003 (.019)	-0.003 (.021)	0.0291 (.020)
Union Density (t-1)	0.0161** (.007)	0.0143** (.007)	0.0255** (.008)
$\Delta$ Insider Dominated Unions	0.0199 (.028)	0.0020 (.002)	0.0007 (.001)
Insider Dominated Unions (t-1)	0.0552 (.032)	0.0020 (.002)	0.0041 (.002)
<b><i>Union Partisanship</i></b>			
$\Delta$ Union Partisanship – Left	--	--	0.0031 (.001)
Union Partisanship – Left (t-1)	--	--	0.0051** (.002)
$\Delta$ Union Partisanship –Center	--	--	-0.002 (.001)
Union Partisanship – Center (t-1)	--	--	-0.000 (.002)
$\Delta$ Union Partisanship – Right	--	--	-0.000 (.003)
Union Partisanship – Right (t-1)	--	--	-0.000 (.004)

**Table 5.4. - continued*****Existing Job Protections***

ΔEmployment Protection-Standard Work	--	-0.455** (.203)	-0.511** (.190)
Employment Protection-Standard Work (t-1)	--	-0.027 (.121)	-0.072 (.137)

***Corporatist Institutions***

ΔWage Coordination	0.0704 (.039)	0.0765 (.045)	0.1293*** (.041)
Wage Coordination (t-1)	0.0027 (.032)	0.0120 (.039)	0.0266 (.033)
ΔGovernmental Intervention	-0.079 (.054)	-0.091 (.058)	0.0027 (.055)
Governmental Intervention (t-1)	0.0075 (.046)	-0.023 (.048)	0.0312 (.043)

***Control Variables***

ΔEU Membership	0.2324 (.139)	0.2328 (.165)	0.2152 (.139)
EU Membership (t-1)	0.0679 (.107)	0.0561 (.114)	-0.041 (.102)
ΔDeindustrialization	0.0830** (.042)	0.0697 (.049)	0.0974** (.046)
Deindustrialization (t-1)	0.144*** (.023)	0.1373*** (.025)	0.1569*** (.023)
ΔGlobalization	0.0003 (.003)	0.0004 (.003)	-0.001 (.003)
Globalization (t-1)	0.0036 (.002)	0.0033 (.002)	0.0081 (.002)
ΔGDP Growth	0.0198 (.009)	0.0204** (.010)	0.0271*** (.009)
GDP Growth (t-1)	0.0053** (.013)	0.0084 (.014)	0.0267** (.013)
ΔImmigration Rate	0.1060 (.090)	0.0895 (.103)	0.1961** (.080)
Immigration Rate (t-1)	0.0728 (.069)	0.0408 (.076)	0.1147 (.066)
ΔUnemployment Rate	-0.003 (.020)	-0.003 (.021)	0.0136 (.019)
Unemployment Rate (t-1)	-0.018** (.009)	-0.021 (.009)	-0.016 (.008)
N=	276	276	276
R <sup>2</sup>	.49	.50	.59

**Corporatism and Unions**

Table 4.3 shows the results of the regressions testing the hypotheses that strong corporatist institutions will result in stronger or weaker employment protection and regulation for NSW and the greater the composition of insiders in unions, the weaker employment protection and regulation for NSW will be. For temporary employment, I find that higher levels of union density are positively associated with greater protections for temporary employment in the long-term and wage-coordinating institutions are positively associated with higher levels of temporary

work protections, but only when union partisanship is controlled for. The level of protection for standard work exerts a negative influence on temporary work protections. Essentially, strong protections are for standard workers, lead to decreases in the protections for temporary workers. This supports the findings of the literature and the overall trend witnessed of flexibility at the margins. Although, why this disparity exists does not appear to be supported by the insider/outsider theory as insider domination of unions is not a significant variable in explaining temporary employment protections.

For part-time work, higher levels of wage-coordination are negatively associated with increases in part-time protections. Greater union partisan affiliation with left-parties is positively associated with protections for part-time work while long-term union affiliation with right parties is negatively associated with higher protections for part-time employment. Similar to temporary work protections, higher levels of employment protection for standard workers, are associated with decreases in protections for part-time work in the short-term.

**Table 5.5. Regression Estimates for NSW protection and regulation – Institutional Model**

Independent Variables	Model 13 DV= $\Delta$ Part-Time Employment Protection	Model 14 DV= $\Delta$ Temp Employment Protection
$\Delta$ Employment Protection	-0.227*** (.032)	-0.393*** (.035)
$\Delta$ Left Party in Power	-0.000 (.000)	-0.000 (.000)
Left Party in Power (t-1)	-0.000 (.000)	0.0000 (.000)
$\Delta$ Consensus Institutions	0.0515 (.135)	0.0978 (.089)
Consensus Institutions (t-1)	-0.061 (.070)	0.0402 (.047)
$\Delta$ Government Orientation (Econ Dim.)	-0.009** (.003)	-0.001 (.002)
Government Orientation (Econ Dim.) (t-1)	-0.001 (.002)	0.0016 (.001)
$\Delta$ Government Orientation (Cult. Dim.)	0.0133** (.006)	-0.006 (.004)
Government Orientation (Cult. Dim.) (t-1)	-0.000 (.004)	0.0029 (.003)
<b><i>Control Variables</i></b>		
$\Delta$ EU Membership	0.6063*** (.211)	0.1502 (.139)
EU Membership (t-1)	0.3190** (.131)	-0.038 (.086)
$\Delta$ Deindustrialization	0.1642*** (.057)	0.0941** (.038)
Deindustrialization (t-1)	0.0262 (.023)	0.0751*** (.017)
$\Delta$ Globalization	-0.001 (.004)	0.0002 (.002)
Globalization (t-1)	-0.004 (.002)	0.0018 (.001)
$\Delta$ GDP Growth	-0.007 (.010)	0.0082 (.007)
GDP Growth (t-1)	0.0013 (.015)	-0.018 (.010)
$\Delta$ Immigration Rate	-0.029 (.109)	0.0673 (.072)
Immigration Rate (t-1)	0.0172 (.086)	-0.011 (.057)
$\Delta$ Unemployment Rate	-0.052** (.027)	-0.015 (.017)
Unemployment Rate (t-1)	0.0123 (.010)	-0.009 (.007)
N=	388	388
R <sup>2</sup>	.25	.37

### **Consensus Institutions**

Table 4.4 shows the results of the regressions testing the impact of consensus institutions and left-party in power on NSW reform. One notable finding in the regressions is that left-party in power is not a significant determinant of NSW protection and regulation.

However, for part-time employment regulation overall orientation of the government is important with a culturally alternative, economically left orientation leading to higher levels of employment regulation and protection for part-time work. This is interesting because it suggests that the left as a homogenous entity is not driving reform for NSW, but rather the overall composition of the government and its parties in power is.

### **Control Variables**

In all models, for part-time protection and regulation, EU membership is a significant variable in determining increases in NSW protection and regulation. This is likely the result of the EU directives requiring EU member states to institute national laws regulating part-time work. However, EU membership was not found to be significant in temporary employment regulation. Additionally, deindustrialization had a positive impact on regulations for temporary employment. Higher unemployment rates in the short-run lead to decreases in part-time employment protection.

### **Discussion**

Overall, the regressions show there is not one primary determinant of regulation for nonstandard work. In fact, the mechanisms underlying the regulation of temporary work arrangements are quite different from those underlying regulation and protection for part-time work. Protections for temporary work appear to be influenced far more by partisanship, unions, and corporatist institutions than part-time work regulation, which is influenced by the overall ideological orientation of the government, median voter, and membership in the European Union.

What is interesting is the impact of partisanship and competition on, at least, temporary employment protections. While the literature suggests insider domination of Social Democratic parties will lead to decreased protections for nonstandard work, what I find is that is not entirely cut and dry. An increased ratio of insiders to outsiders increases protections for temporary work. While the insider/outsider theory posits a competition between insiders and outsiders within the Social Democratic party, the above regression suggests the nature of this relationship is not quite adversarial. However, that seems to be predicated on the ability of the Social Democratic party

to maneuver in the multidimensional party-space as left-competition decreases employment protection for NSWA as the proportion of insiders in Social Democratic parties' increases. So, while the nature of insider/outsider policy may not be strictly one of "us versus them." When it comes to preserving their base, Social Democratic parties are less likely to advocate for protections for temporary work when insider dominated and facing a left-competitor. This is likely a result of Social Democratic parties choosing to prioritize policies that benefit standard workers over protections for temporary workers rather than an antagonism towards temporary workers. As the new politics literature states, parties are forced to make difficult compromises, temporary employment protection reveals itself to be one of those tradeoffs for Social Democratic parties.

The models also indicate that unions and corporatism play an important role in temporary employment protection as union density and coordination are found to be significant in promoting higher levels of temporary work regulations. Additionally, an increased proportion of union members aligning with left parties is found to be positively associated with increased protections for temporary work when union partisanship is controlled for. This suggests two things. Firstly, that unions play a positive role in temporary work protections. Secondly, the overall ideological orientation of unions is important in understanding the insider/outsider cleavage. As more middle-class and educated workers align with Social Democratic parties, the models suggest the SD party will work to preserve the interests of this base. The interests of the middle-class and unions are not necessarily one and the same, the previous chapter revealed that union members are more likely to preference job security, while more educated individuals (who have increased levels of employment security) are less likely to preference job security. The models reveal that this cleavage is an important explanation for temporary work protections and warrants further exploration in the case studies.

Regarding the hypotheses, I can reject the notion that insider domination of labor unions has a negative impact on NSWA policy. The coefficients show if anything, this impact is unimportant regarding temporary employment regulation. Corporatist institutions exert a negative impact on employment regulation for part-time employment and a positive impact on employment regulation for temporary employment. This finding partially supports that of Rueda (2007), who finds that corporatist institutions are used to reinforce the divisions between labor



market insiders and labor market outsiders. However, it also reveals that policy goals of unions may be important in explaining variation of NSW policies.

Two additional findings worth pointing out is that left-party in power is not shown to be a significant factor in determining part-time employment policy, however, the overall partisanship of the government is an important factor for part-time employment reform. In many ways this supports the finding of other scholars that Social Democratic parties themselves are not the sole promoter of labor market policies to protect the most vulnerable sectors of society. Rather, the orientation of other parties in power matters regardless if they are left or right. Additionally, the impact of supranational policy via the European Union was found to exert a positive impact, especially for part-time employment regulation. How the EU influences increases in NSW protection will be important to explore in the case-studies.

## **Conclusion**

The purpose of this chapter was to test if labor unions, corporatist institutions, and left parties influenced the regulation and protection of non-standard work. I found that unions are an important variable in explaining regulation for temporary work, corporatist institutions can exert both a positive and negative influence, and Social Democratic party composition and competition do influence the regulation of temporary work, but not part-time work. Overall, insider alignment with Social Democratic parties exerts a positive influence on regulation and protection for temporary work. However, when faced with a left competitor and a shift towards a more leftist policy stance, Social Democratic parties moderate their willingness to increase regulations for temporary work, instead choosing to preserve protections for their insider base.

## CHAPTER VI

### NEOLIBERAL LABOR MARKET REFORM AND THE GROWTH OF NON-STANDARD WORK

The purpose of this chapter is to outline the history and institutional development of labor markets prior to the NSWA reforms of the 1990s and present. As states responded to deindustrialization, globalization and high unemployment rates wrought by recessions, they adopted many policy reforms designed to facilitate entry into the labor market and reduce welfare spending on unemployment, as well as other benefits. In many ways, these reforms accelerated the growth of non-standard work as unions, as well as Social Democratic<sup>12</sup> parties worked to protect insider constituencies by maintaining strong employment protections for standard work, while allowing deregulation to occur at the margins. This strategy would create the current problem faced in many labor markets today, as segmentation led way to a greater number of labor market outsiders unable to find stable and secure employment. This problem would become so ubiquitous; it would lead the European Union to issue a series of Directives in the late-1990s aimed at addressing the issue by introducing objectives to provide nonstandard workers with equal pay, pro-rata access to social insurance, and equal treatment for leave, pensions, and training. This chapter outlines how the issue of NSWA developed in selected case countries and how the European community mobilized to address the issue.

#### Case Selection

Case selection for qualitative studies is based on the dual objectives of having a representative sample as well as useful variation on the variables of theoretical interest. Keeping this in mind, I analyze four cases: The United Kingdom, Australia, the Netherlands, and Spain. These countries provide ideal comparisons for a variety of reasons. Firstly, all countries have open economies and have experienced high levels of deindustrialization. Secondly, all countries

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<sup>12</sup> For this dissertation, I use the Social Democratic Party coding from the Comparative Manifesto project to identify Social Democratic parties. While numerous scholars have identified different criteria for defining Social Democratic parties, the Comparative Manifesto groups Social Democratic and Labor parties together.

have (at one time or another had) strong-left parties and unions. Finally, all countries have a high proportion of workers employed in non-standard work arrangements.

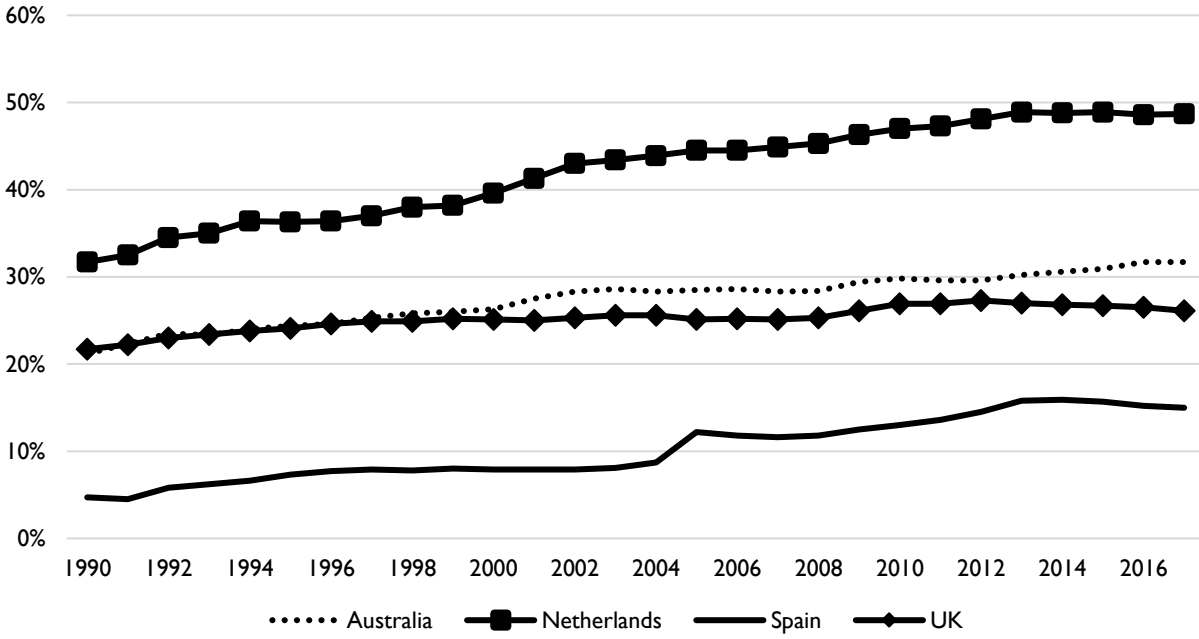
As Table 6.1 demonstrates, despite these similarities, the policy outcomes for each country between the mid-1990s and today are completely different. The United Kingdom slightly increased protection for part-time and temporary workers. The Netherlands slightly increased regulation for part-time workers and greatly increased regulation for temporary workers. Spain greatly increased protection for part-time workers and then increased and decreased protection for temporary workers. And Australia made no changes to protection and regulation for NSW workers.

**Table 6.1. Strictness of Employment Protection and Regulation in Case Countries**

(0=LOW, 6=HIGH)	Strictness of Part-Time Work Protections			Strictness of Temporary Work Protections		
	1996/2002	2003/2010	2011/2016	1996/2002	2003/2010	2011/2016
<b>AUSTRALIA</b>	1.4	1.4	1.4	1.73	1.73	1.73
<b>NETHERLANDS</b>	4.01	4.23	4.34	2.5	3.3	3.34
<b>SPAIN</b>	3.51	3.65	3.65	4.03	4.75	4.18
<b>UNITED KINGDOM</b>	2.2	3.58	3.58	1.28	2.38	2.38

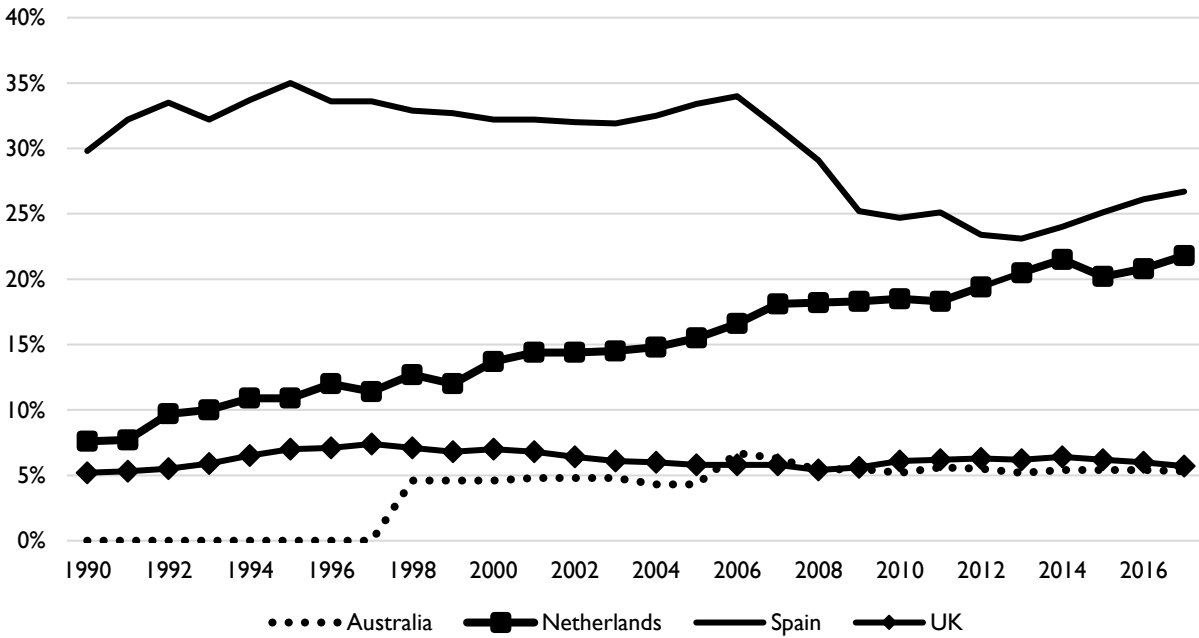
Source: OECD Employment Protection Database

Figures 6.1 and 6.2 show the change in part-time and temporary employment in the four country cases from 1990 to 2016, all countries saw increases in their number of part-time workers. Changes in temporary work have been more variable with countries like Spain specifically enacting measures to curb fixed-term contracts and therefore seeing a decrease in the temporary employment rate. Across the cases part-time work is highly feminized with women comprising 68.9% of part-time workers in Australia, 73.3% in the Netherlands, 72.8% in Spain, and 74.3% in the United Kingdom. Temporary work tends to have less of a gender bias with an equitable number of men and women employed in temporary positions across the selected cases (OECD, 2017).



Source: OECD

Figure 6.1. Part-time employment rate (1990-2016)



Source: OECD

Figure 6.2. Temporary employment rate (1990-2016)

The remaining chapter is divided into two substantive sections. Firstly, I provide brief legislative histories of the fundamental labor and social policy regulations impacting nonstandard work in the countries selected for the case studies from 1980 to 1995. In this context, I trace the role of left-parties, unions, and corporatist institutions in creating the environment that allowed for the incidence of part-time and temporary work to increase. Next, I lay out the history of the European Directives on nonstandard work and why they were deemed necessary by the EU.

## **Labor Market Reforms in the UK**

The labor market reforms of the conservative governments in the 1980s and 1990s focused heavily on deregulation of labor markets and the erosion of union power. Unions were viewed as being excessively powerful and were widely blamed for the country's economic malaise. As waves of legislation eroded union powers in the UK, this opened the door for a decline in protections for workers, especially those employed in low-wage jobs.

The 1980s ushered in over a decade of labor market policy change for the United Kingdom as the Conservative government under Margaret Thatcher weakened union power, privatized government owned businesses, and reduced unemployment benefits. Much of the rationale for this action was spurred by rising levels of unemployment in the United Kingdom. When Thatcher took office in 1979, the unemployment rate was 5.0%, by 1986, unemployment had risen to 13.1%, the second highest unemployment rate in the OECD. In the view of the government, to reduce joblessness, wages would have to drop to spur job creation.

In reshaping the labor market, the Thatcher government actively sought to create a low-cost labor supply that was flexible towards the needs of employers. One labor market reform focused on the creation of a lower-paid, less protected market for young workers. The Youth Training Scheme priced wages for young workers below the minimum wage to incentivize young workers to take better jobs or pursue further education. The program was widely criticized by trade unions as providing cheap labor to firms, a criticism supported by the lack of hiring of young workers for permanent positions following their completion of the program (Bradeley, 1995). The Youth Training Scheme was eventually replaced with the New Workers Scheme wherein the government subsidized jobs for workers between the ages 18-21. This coincided with the JobStart allowance of 20 pounds per week for up to 6 months paid to the

long-term employed if they accepted a wage of less than 80 pounds per week (McLaughlin et al., 1994).

Another method of accomplishing this was through the abolition of wage councils which set minimum wages for a variety of different industries. The argument against the wage councils was that they set wages above what employees, especially the young were worth paying. Upon winning reelection in 1993, the Conservative government headed by John Major passed the 1993 Trade Union Reform and Employment Rights Bill effectively abolishing all wage councils. This meant the United Kingdom was the only country in the European Union without a formal or informal system of minimum wages which disproportionately impacted the earnings of low-wage workers (Manning, 2013).

While unions were adamantly against these changes, their power was actively being eroded as the conservative government worked to curtail their strength. The 1984 Trade Union Act laid down specific and detailed rules for ballot initiatives prior to striking and enabled unions to be challenged in the courts if these procedures were not followed. The 1988 Employment Act enabled union members to take their union to court and eroded protections for closed shops. The 1990 Employment Act gave employers the right to fire union members for engaging in unofficial strike activities and made it illegal to deny employment to individuals who did not wish to join unions (Addison & Siebert, 2002). Between 1979 and 1989 union density in the United Kingdom decreased from 50.7% to 41.1% (ICTWSS, 2018).

During this time, the government actively diminished the role of unions in consultation and representation on tripartite bodies with employers and itself. The Trade Union Congress (TUC) adopted several strategies to regain some power including heavy fundraising for the Labour Party, which it viewed as its only conduit to favorable policy. The TUC also worked to organize part-time and temporary workers, young workers, and women in the service sector. However, these initial efforts proved unsuccessful as low retention rates and high employee turnover made these jobs exceptionally difficult to organize (Towers, 1989).

As a result of these labor market reforms and erosion of protections for unions, the number of individuals employed in part-time jobs jumped from 18.4% in 1983 to 22.1% in 1993 (OECD, 2017). Between 1983 and 1989, 60% of all jobs created were part-time and 37% of the full-time workforce earned poverty level wages (McDowall, 2000). The Conservative government had been successful in creating a low-wage, flexible labor force.

## **Labor Market Reforms in Australia**

The labor market reforms of the Australian government in the 1980s and 1990s were primarily made in conjunction with the unions. Many positive reforms came out of this partnership, however, even Australian unions at their most powerful were unable to stem the structural changes occurring in the labor market. Many of the concessions made by the Australian unions in this time period endorsed more flexible labor markets and worked to exacerbate insecurity, especially for part-time and temporary workers.

The early 1980s was a period of economic stagnation for Australia. GDP growth hovered at 2% and the unemployment rate hit 9% during the 1981 recession (Kelly, 2000). In its election campaign, the Australian Labor party argued the Liberal-National Coalition government (1975-1983) had created economic issues by decentralizing the industrial relations system. To restore the system, the Australian Labor Party (ALP) signed an Accord with the Australian Council of Trade Unions (ACTU). The Accord would represent the first and only successful formal cooperative working relationship between Australian trade unions and the Labor government. (Singleton, 1990).

Following the election of the center-left Hawke-Keating government in 1983, the Australian Labor Party sought to use this Accord to foster cooperation on economic and social development, as well as provide avenues for consultation about changes to employment protections and regulations. This led to a brief return to a centralized industrial relations system (Lansbury, 2000). The development of the Accord coincided with the attempt of the Hawke government to organize employers into a more unified and effective force for change in labor policy. This led to the formation of the Business Council of Australia (BCA) in 1983 which comprised of the largest corporations in the country (Bell, 1995). This organization was never intended to give business the same level of political power as the labor unions (Matthews, 1994). However, throughout the later part of the 1980s the BCA argued the labor market was over-regulated and proposed introducing enterprise-bargaining in order to enhance employee-management interests and add flexibility to the labor market.

The Accord differed greatly from corporatist structures in Europe because it existed only between labor and the government with no formal consultation with business associations. It is important to note that the Accord was not a single monolithic policy but represented eight

distinct Accord Agreements (Mark I-VIII). These agreements focused on three distinct areas of Australian economic and social policy.

In the first period of the Accords (1983-1986) macroeconomic stabilization was promoted with a focus on wage restraint by unions and job creation. This period was marked by a great deal of cooperation between the government and unions and ushered in social improvements such as universal health care “Medicare” and increased funding for training programs. The second period of the Accords (1987 -1991) marked a policy narrative emphasizing the need for structural changes in the economy as economic problems such as the balance of trade crisis led to the adoption of managed decentralism or the transition from a centralized system of industrial relations i.e. one governed by the Australian Industrial Relations Commission (AIRC) and State tribunals to a decentralized approach governed by bargaining at the enterprise level (Lansbury & Bamber, 1998). This resulted in the passage of the Industrial Relations Act 1988 which gave employers and employees the ability to negotiate above the existing enterprise agreements on matters that were relevant to their employment relationship, for example, overtime work or leave. Because the process was quite onerous, few establishments attempted to make these agreements (Hawke & Wooden, 1998).

The final period of the Accords (1991-1995) ushered in a new industrial relations system as both the BCA and ACTU were supportive of a further decentralized system viewing many of the decisions made by the AIRC to be capricious and unwarranted and the process of instituting reforms to be overly bureaucratic. In reaction, the Industrial Relations Reform Act 1993 was passed to amend parts of the Industrial Relations Act 1988. A key feature of the Industrial Relations Reform Act 1993 was the establishment of Enterprise Flexibility Agreements (EFAs) which could be negotiated without union involvement. While the EFA was intended to be negotiated between employers and employees, it was still required that the relevant union was notified about the negotiation regardless of whether any of the employees were members of the union. This gave unions the opportunity to identify firms with little to no union representation and the ability to intervene in agreements if desired. The AIRC was also allowed to refuse ratification of the EFA if they did not find it in the public’s interest and the majority of the firm’s workforce was required to favor the agreement if it was to be implemented (Sloane, 1994). The design of this legislation was important and beneficial to unions because it enabled them to retain a high level of influence in organizing workers and discouraged the creation of non-union



contracts. During the life of the legislation only 261 EFA's were approved covering less than 30,000 workers (Wooden et.al, 2000).

There appears to be no consensus among scholars as to why the ACTU through its partnership with the Labor government served to promote an industrial relations system that left workers with stagnant real wages and increased income inequality (Strauss, 2013). One argument is that because of the decentralized nature of union organization before the Accord, the ACTU was reliant upon the Accord and the power vested in it by the state to legitimize its role in labor relations (Briggs, 2002). Others have suggested that the ALP used political patronage to curry support with union leaders offering parliamentary seats, advisor positions, and board memberships to those that conformed to their policies (Brown, 2004). What is clear is that the Accord years ushered in a period wherein economic policy did little to bolster the security of workers and positioned the labor union movement in Australia as one that promotes policies tied to efficiency and productivity.

Between 1980 and 1993, the rate of part-time employment increased in Australia from 16.4% to 24%. Additionally, two out of every three new jobs created during this time were part-time (ABS, 1994). The share of casual (temporary and sometimes part-time) workers grew from 13% to 24% ( Gilfillan, 2018). While the Accord had successfully kept protections for standard workers in place, in aiming for further flexibility in the labor force it bifurcated the workforce increasing the number of people employed in precarious jobs.

### **Labor Market Reforms in the Netherlands**

The labor market reforms in the Netherlands leading to the expansion of part-time and temporary work were primarily made as a way for the government to respond to an increasingly unsupportable social welfare system. They were made in consultation between the unions and business associations in order to mobilize workers into the labor force. Many of the reforms would prove unpopular and call into question the role of the social partners. They would also both directly and indirectly lead to an explosion of part-time and temporary work in the Netherlands.

Between 1973 and 1983, government expenditures as a percentage of GDP increased from 40% to 58% and were used to fund generous social assistance programs with few

restrictions on qualifications for such programs. Both the center-left Uyl government (1974-1977) and successive center-right van Agt government (1977-1981) did little to curb this welfare expansion. This in turn created a moral hazard as individuals could easily live on welfare entitlements if wages did not meet their expectations. Consequently, this led to an increase in the reservation wage and sent unemployment skyrocketing as firms were unable to meet the wage demands. By 1984, 10,000 people were being added to unemployment insurance each month resulting in a 17% unemployment rate (McMahon & Thomson, 2000). One of the major issues with this entitlement spending was generous unemployment benefits and high-taxes made paid work less desirable, especially for low-wage workers. For employers, the high cost of employing individuals resulted in a reduction of low-skill, entry level jobs.

In 1982, the head of the Dutch Trades Unions and head of the Confederation of Netherlands Industry with Employers negotiated the Wassenaar Agreement to encourage wage restraint and stimulate hiring. Labor unions initially opposed the promotion of part-time work as the solution to the unemployment problem, viewing part-time jobs as inferior for their lack of protection, lower pay, fewer career prospects and low-level of unionization rate. However, the deep unemployment crisis prompted a reversal of attitude. In addition to wage restraint, the Labour Foundation (the central organization of trade unions and employers) negotiated a reduction in the number of weekly hours worked by increasing the number of days off per year as well as the promotion of part-time work and early retirement to stimulate jobs for the unemployed (Visser et al., 2004). For the unions, wage moderation meant a trade-off for employment protections for those on standard contracts. It also bolstered the legitimacy of the unions, legitimizing their role as representatives of the employed and maintaining their influence over social policy (Rueda, 2009).

The Wassenaar Agreement provided for several reforms to the Dutch economy. Firstly, it decentralized wage bargaining to the local level allowing wages to be negotiated between employers and employees at the sectoral level rather than being set in national negotiations. Next, it reduced taxes and social security contributions therefore increasing gross wages and reducing the real minimum wage. Finally, it resulted in a social compact in which employers were now able to plan for wage growth as wages were now growing in line with productivity (Watson, et al., 1999).

In the period following the Wassenaar Agreement, three-quarters of new jobs created were part-time giving the Netherlands a part-time employment rate of 37%. (Levy, 1999). Additionally, employers began introducing more temporary positions and on-call contracts. Collective agreements at the time began to reflect these new work regulations with a loosening of rules on dismissals for fixed-term contracts. As these new forms of employment grew, by the mid-1990s, only 56% of the workforce in the Netherlands worked in full-time jobs (OECD, 2015).

### **Labor Market Reforms in Spain**

The labor market reforms in Spain were heavily driven by a desire on the part of labor unions to maintain exceptionally strong employment protections for standard contracts while allowing for increased flexibility in the workforce through temporary contracts. Competition between unions further exacerbated this issue as desire for influence led to concessions at the margins. The result of these concessions resulted in the tremendous growth of temporary contracts in the country.

The death of Francisco Franco in 1975 ushered in a new era of economic policy and labor reforms in Spain. Under Franco's fascist government, employers and employees were required to belong to one central hyper-regulated "union." As part of the democratic transition, the Royal Decree of Industrial Relations in 1977 allowed for the creation of free trade unions (Aguirregabiria & Alonso-Borrego, 2014). The legislation also kept in place many of the restrictions on dismissals put in place during the Franco years.

In 1980, the Workers Statute, became the first major labor legislation to be enacted under the democratic Constitution of 1978. The bill represented a compromise between the Spanish Confederation of Employers' Organisations (CEOE) and the General Workers' Union (UGT). In debating the bill, there was substantial friction on the Left between the Spanish Socialist Workers' Party (PSOE) and the Spanish Communist Party (PCE) over how the trade unions should be modeled. 172 of the 803 proposed amendments to the bill were accepted and following a compromise between the Center Democratic Union (UCD) and the PSOE on the legislation regarding lock-out's and industrial disputes, the bill became law. The Workers Statute helped strengthen the social partners by leaving all labor ordinances that did not run

counter to the Statute in place (Sagardoy Bengoechea, 1981). Many of the protections for permanent contracts were left untouched including mandatory severance payments, the ability to sue employers for unfair dismissal, and a mandatory notice of 30 days for dismissal (Bentolila, 1997).

The Statute also added provisions designed to introduce flexibility into the labor market by allowing for fixed-term and part-time contracts. However, the initial legislation only allowed for fixed-term contracts to be used for jobs that were seasonal in nature, needed to cover absent workers, or for the start-up of a new firm. Like other countries in Europe, Spain experienced a severe recession in the 1980s and facing an unemployment rate of almost 20% introduced reforms to the labor market in 1984. The 1984 labor market reforms were introduced in the tripartite Economic and Social Agreement. While the UGT was not entirely in favor of these reforms, they were willing to trade increased institutional and financial support for their union as a trade-off for promoting the flexibility measures, but only for temporary contracts. The Workers' Commissions (CCOO), Spain's other leading trade union was against the measure and did not sign on the social pact. The principle goal of this measure was to extend the scope of work that could fall under fixed-term contracts. Under the new legislation, fixed-term contracts could be used for 6 months to 3 years, for any activity and were subject to low or non-existent severance payments. Regulations for permanent contracts remained the same (Adam & Canziani, 1998).

The 1986 factory council elections between the UGT and CCOO revealed the negative consequences of the UGT's policies as they narrowly won majority representation on the factory councils. The UGT interpreted this as a need to change their tactics and began distancing themselves from the policies of the leftist PSOE government. One policy, the Youth Employment Plan proposed by the government in 1987 was viewed particularly negatively. At the time, Spain's youth unemployment rate hovered around 40%. To remedy the problem, the government introduced measures to increase youth employment by reducing social security contributions for employers and fixing wages for young workers at the statutory minimum. The UGT immediately expressed radical opposition to the plan and organized along with the CCOO to plan a major general strike on December 14, 1988. The strike was a resounding success resulting in most Spanish employees staying home from work and the retirement of the flexible contracts of the Youth Employment Plan. The strike led to an uptick in union membership,

doubling the number of unionized workers from 1 million to 2 million. It also resulted in a loss of votes for the PSOE to the United Left (IU) left-wing coalition. Although, the PSOE again won an absolute majority in parliament, its Social Democratic credentials were severely damaged (Burgess, 1999).

Because of the reforms, the use of temporary contracts in Spain skyrocketed from 10% in 1984 to 34% by 1992 (Casals, 2004). The labor unions, in refusing to budge on strong employment protections for standard contracts while conceding to labor market flexibility at the margins had created a scenario in which labor market segmentation was dividing the Spanish labor force. While the state had attempted to solve the unemployment crisis, a new outsider crisis was waiting in the wings.

## **European Directives**

EU discussion of regulations for non-standard work began in 1979 amid a period of mass unemployment and deindustrialization. In 1982 and 1983, the Commission presented proposals aimed at creating equal treatment for part-time and temporary workers. In each of these cases, the UK used its veto to block the proposals in the Council.

Throughout the 1980s there existed a rift between the continental states and UK approaches to labor market reform producing significant tension on the European Commission. In the view of the Thatcher government, only full deregulation could provide for the flexibility needed to achieve economic efficiency. As a result, the UK delegation stood in stark opposition to any harmonized transnational approach to regulation of the labor market (Deakin & Wilkinson, 1994). The continental states took a different approach, countries such as France, supported by the European Trade Union Council and European Parliament, wanted to spur job creation by reducing working hours for full-time jobs rather than promoting part-time work. The UK, was backed by the Union of Industrial and Employers' Confederations of Europe who wanted to promote part-time and temporary work as a way to increase flexibility for firms and decrease labor costs (Bleijenbergh & Bruijn, 2004). Dissension on the policy among the member states essentially crippled the adoption of the Directives as the existing institutional structure at the time required the political will of all Member States and provided a limited legal basis for actions regarding social policy.

In 1987, the Single European Act revised the Treaty of Rome and allowed for Qualified Majority Voting removing the power of the United Kingdom to unilaterally block labor market reforms. Between 1991 and 1994, three new directives were proposed to the Council to regulate nonstandard work. The first proposal was adopted in 1991 and stipulated that fixed-term and temporary agency workers were given the same level of health and safety protections on the job as permanent employees. The other two proposals, focusing on working conditions and social security, ran into procedural issues with France and the European Parliament arguing that qualified majority voting should apply to all social issues. The directive on social security also did not garner a great deal of support with over half of Member states indicating they would not accept the proposed provisions and the UK and Denmark arguing that reduced labor costs would not significantly distort competition. As a result, the remaining two proposals did not proceed forward (Jeffrey, 1995).

In 1991, social policy making within the EU was significantly changed by the adoption of the Treaty of Amsterdam by 11 member states, the UK being the only state to opt out. Rather than the Commission developing social policies, all proposals would be presented to the European social partners consisting of union and employer organizations who would develop the policy among themselves. If they negotiated a framework agreement they could request the Council to adopt it as a binding Directive. If they did not, then policy would be determined by the usual policy-making procedures designated by the Commission (Faulkner, 1998).

Facing significant upheavals in the labor market as the growth of part-time and temporary work surged, in 1995 the European Commission reached out to its social partners to create a European framework of legislation to protect the rights of non-standard workers. This resulted in the creation of Directive 1997/81/EC in 1997 designed to remove discrimination against part-time workers and Directive 1999/70/EC in 1999 designed to remove discrimination against those on fixed-term contracts.

The Part-time Work Directive sets several stipulations for the regulation of part-time work. Most notably the principle of non-discrimination for part-time workers. The Directive is interpreted to mean that part-time workers should be given equal hourly pay to comparable full-time workers, pro-rata entitlement to provisions such as sick pay and maternity pay where appropriate, and equal treatment for holidays, maternity leave, parental leave, pension schemes, and training. However, many of these entitlements are left up the interpretation of the Member

States. The Directive also encouraged the social partners to remove obstacles for the expansion of part-time work by enabling workers to transfer from full-time to part-time work and vice versa, facilitate access to part-time work across all skill levels, and provide information on how employees may exercise these options.

The Fixed-term Work Directive had similar objectives of providing for the non-discrimination of temporary workers including equal pay, pro-rata access to social insurance, and equal treatment for leave, pensions, and training. It also contained provisions designed to curb the abuse of contracts including objective reasons for renewal of such contracts and regulations on maximum durations and successive renewals. Additionally, employers were required to inform fixed-term workers about permanent positions and provide training opportunities to fixed term workers. Like part-time work regulation, many of the thresholds for this equal treatment were left up to the interpretation of the member-states.

In 2008, the final Directive regarding nonstandard employment was implemented, this time focusing on individuals employed in temporary agency work. Directive 2008/104/EC, extends the principles of nondiscrimination to temporary agency workers and establishes they should receive equal pay and conditions as permanent employees doing the same work. This Directive has been widely criticized because of the amount of leeway given to Member States in determining what employees qualify for protection under the Directive (Countouris & Horton, 2009).

Together these three Directives provide the framework for non-standard work in the European Union. The existence of these Directives exerts a positive impact on the overall level of protection afforded non-standard workers in the EU. As Directives they serve to set out a “goal” the European countries must achieve and are transposed into law by national legislatures. Because the legislation is not binding, much of their interpretation has been left to national legislatures leading to a significant amount of variation in protections and regulations among countries. As a form of secondary law, EU member states are bound by treaty to transpose the Directives in a timely manner or face fines or other penalties. In the case of part-time work regulation, the Directive refers only to employment conditions (social security measures are excluded), employers can discriminate against employees based on “objective grounds” which are terms and conditions interpreted by the member states. They can also discriminate against casual workers, who also bear no definition (Jeffrey, 1998). The Directives on Fixed-term work

and TWA also bear similar exclusions leading to many situations in which workers are omitted from protections based on the mandate of the EU.

## **Conclusion**

The above cases demonstrate that the path towards increasing part-time and temporary work took many forms, however, several factors are common to each case. Firstly, economic stagnation served as a motivating factor for many governments to engage in labor market reform. The need to reduce unemployment and mobilize individuals into the workforce, meant a push for jobs with less security and protections. In many ways, states also pushed workers into these positions by reforming programs for workers such as the Youth Opportunities Program in the UK and the Youth Employment Plan in Spain that purposefully tied employment in lower-wage, insecure jobs to qualification for benefits provided by the state.

Another lesson to be taken from the cases is that party in power was hardly a relevant variable for explaining variation in part-time and temporary employment outcomes. With unchecked rule from the right, the UK saw the proportion of part-time and temporary employment increase. The Netherlands saw the boom in part-time employment under the center Christian Democratic Party. In both Australia and Spain under Social Democratic parties, the number of NSWAs increased. As parties responded to an increasingly global world, they were forced to make difficult choices in terms of the policies they promoted. In all these cases, labor market flexibility was a dominant policy strategy for the governments of this time period, regardless of party orientation.

The role of unions in the cases is notable in how they approached labor market reform. In the cases of Australia, Spain, and the Netherlands, the unions were willing to trade wage restraint for employment protection for labor market insiders. In both Spain and the Netherlands, allowing flexibility in the labor market to occur at the margins was written into social pacts. In the British case, the unions were so decimated by Conservative policy, they could hardly protect their status in British public opinion, let alone create policy. An interesting thread that emerges among the cases is that the unions acted in a manner of self-preservation, willing to trade their relevance and the protection of their constituency for worse working conditions for those on the outside. In the end, this would fail to stem the decline of unions, as deindustrialization and



economic change would ultimately decrease their participation. However, clinging to relevance in this moment of time and unwillingness to advocate for the rights of all workers, would ultimately lead to the labor market segmentation seen today.

While each country case demonstrates a different path towards labor market segmentation, the role of the European Union as a force for spurring labor market regulation for NSWA and therefore closing this gap will become a dominant narrative. Organizational hurdles prevented the EU from significantly influencing policy in the early 1980s and 1990s, however it would ultimately lay the framework for significant changes to NSWA regulation and protection. The influence of this supranational institution would come to serve as a positive influence towards removing the inequalities created by the country cases. The influence of the EU will be discussed in more detail in the next chapter.

Overall, the period between 1980 and 1995 saw a tremendous growth of NSWA, primarily because of the policies adopted by the state, with the consent of unions, to add flexibility to the labor market. While in some cases these policies worked to reduce unemployment, in all the cases it served to exacerbate labor market segmentation. This creation of an underclass of worker, unable to find stable and secure employment in a permanent job, would lay the foundation for discontent and inequality seen in mid-90s and beyond.

## CHAPTER VII

### THE ROLE OF SOCIAL DEMOCRACY, CORPORATISM, AND UNIONS IN PROTECTION AND REGULATION FOR NONSTANDARD WORK

#### Introduction

The purpose of this chapter is to further test my hypotheses that Social Democratic<sup>13</sup> parties, unions, and institutions interact to influence NSW policy. Chapter 05 showed that part-time employment protections were higher when the country is an EU member state and the composition of the government is less culturally traditional and leans towards the economic left. Temporary work protections were higher when there is either a greater concentration of labor market insiders in Social Democratic parties in the long-term or the Social Democratic party faces an alternative-left competitor in the long-term, there is a greater ideological distance between Social Democratic and right parties in the long-term, as well as higher levels of deindustrialization and union density in the long-term. Chapter 06 examined how these variables influenced the increase of NSW through the 1980s and early 1990s and highlighted that left-party in power was not an important variable in the rise of NSW. How unions viewed NSW reform played a role in the deregulation of labor markets to allow more part-time and temporary work. Additionally, the strength of corporatist institutions helped to magnify the ideological orientation of the unions themselves. This chapter expands on the findings of the previous chapters to examine what factors influenced the development and adoption of NSW policies.

Since 1995, part-time permanent employment has contributed to over one-third of non-standard employment growth, much of this a result of higher levels of female labor force participation. The remaining three-quarters of non-standard work has been in the form of full-time temporary employment, with part-time temporary employment contributing less than 10% of overall growth (OECD, 2015). Part-time work is viewed by as an option for mobilizing individuals into the workforce that would have otherwise not participated such as women with young children, students, individuals with health problems and the elderly. As a result, part-time

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<sup>13</sup> For this dissertation, I use the Social Democratic Party coding from the Comparative Manifesto project to identify Social Democratic parties. While numerous scholars have identified different criteria for defining Social Democratic parties, the Comparative Manifesto groups Social Democratic and Labor parties together.

workers are a very heterogeneous group, with over 70% choosing to work in part-time positions over full-time positions (OECD, 2016). Temporary work is viewed much differently by the state and employers as the relaxation of temporary employment regulations gives employers the opportunity to circumvent the strict regulations surrounding permanent contracts. As countries have eased regulations on temporary work, the rate at which individuals have been employed on fixed term contracts has grown (OECD, 2004).

The past 25 years have seen a convergence in terms of employment protection legislation for workers with many countries with formerly high levels of employment protection legislation relaxing regulations for standard work making it increasingly insecure. At the same time, employment regulation for part-time and temporary positions have increased on certain measures with legislation providing greater access to social insurance and protection from discrimination based on job type. Since the 1990s three-quarters of OECD countries have made regulatory changes regarding part-time work including requiring equal treatment of full-time and part-time workers, easing restrictions so part-time workers can receive social insurance, and making it easier for full-time workers to reduce their hours to become part-time workers. What remains unclear is why states have responded differently in designing their regulation and protection of part-time and temporary work.

This gap between non-standard and standard employment is troublesome because it affects not only present earnings, but future earnings potential. Part-time work is unlikely to be a stepping stone for a full-time job and part-time workers are twice more likely to live in poverty than full-time workers. This is not true for temporary jobs, because while temporary jobs have a defined end-date, the working hours per week for temporary positions is generally equivalent to full-time positions. Increased use of temporary employment has led to more workers going through periods of unemployment before finding a permanent position (Blanchard & Landier, 2002). Those employed in nonstandard work already find themselves in a difficult position, however, regulations and protections have been widely adopted by OECD countries in the past 20 years to help alleviate the inequities of part-time and temporary work.

## Methodology

This chapter examines my hypotheses that Social Democratic party homogeneity and competition, corporatist and consensual institutions, and union representation are central to determining the level of regulation and protection for NSW. The qualitative approach has strengths in that it allows me to formulate complex, in depth conclusions, and is beneficial in developing theory as it emphasizes both meaning and discovery. Yin (2009), notes that case studies are the preferred method of analysis when how and why questions are asked, investigators have little control over the events, and the focus is on a contemporary phenomenon within a real-world context, all criteria this research question satisfies.

I use process tracing to outline the causal pathway between the independent variables of left-party, institutions, and unions and dependent variables of employment regulation for part-time and temporary work. Process tracing, defined as “the systematic examination of diagnostic evidence selected and analyzed in light of research questions and hypotheses posed by the investigator” is a critical component to within-case analysis (Collier, 2011). The within-case analysis allows me to locate the intervening mechanisms connecting a hypothesized explanatory variable to an outcome (Mahoney, 2007). Identifying such mechanisms reduces the likelihood of mistaking a spurious correlation for a causal relationship. Because I studied an intermediate number of cases in the quantitative portion of analysis, the comparative approach is appropriate and necessary to validate the hypotheses tested in the previous chapter (Ljiphart, 1971).

To examine the evolution of NSW legislation in the case studies, I trace the causal pathways between left-parties, institutions, and unions. The following case studies reveal several emerging themes in understanding the role of each of these variables. Firstly, the Third-Way political position adopted by left-wing parties in the country cases exerted a large influence on the policies adopted by the state. The Third-Way involves several general characteristics including a concerted transition by the state to a focus on regulation over the provision of social benefits, an employment centered social policy, and an “asset-based egalitarianism” in which the state works to reduce inequality by equipping its citizens with social capital, skills, and education rather than through the redistribution of resources (White, 1998). This emphasis on the Third Way led Social Democratic parties in the country cases of the United Kingdom and Australia, and to a lesser extent the Netherlands to dismantle significant portions of the welfare state and

institute policies that emphasize work over welfare. In this manner, the growth of nonstandard work was actively promoted by these governments. The Spanish Social Democratic Party also embraced liberalization and increased flexibility of the labor force. However, they did not embrace the Third-way ideology in the same way as the leaders of the other cases instead keeping strong protections for standard work while allowing very relaxed protections for non-standard work.

With left-parties actively promoting employment over entitlement, two other factors proved important in determining the strength of NSW regulation. The power of unions reveals itself to be an important variable. Although, this is only true when left parties were willing to cooperate with unions. In the cases of the United Kingdom and Spain, the government was willing to unilaterally pass labor policy without the consent of unions leading to less favorable regulations for nonstandard workers. Supranational policy was also found to be an important variable as the Directives on non-standard work passed by the European commission provided the impetus for several member states to adopt policies protecting and regulating NSW. The difference of policy outcomes between the United Kingdom and Australia demonstrate the importance of the European Union to NSW regulation.

This chapter is divided into 3 sections. Firstly, I trace the legislative environment of the labor market reforms enacted in the country cases. Next, I test the hypotheses regarding the partisan and dynamic party competition models in the passage of NSW reform. Finally, I review the role of unions and corporatism in the strength of NSW.

## **Labor Market Reforms in the UK**

By the 1990s, Conservative attacks on unions had substantially weakened union strength and damaged their image in the eyes of the British public. This posed a substantial problem for the Labour Party whose deep ties and close association with unions was increasingly viewed as a political liability. As the leader of the Labour Party, Tony Blair, acknowledged the core constituency of the Labour Party was shrinking and primarily based on the working class and those reliant on social benefits. He argued the party needed to modernize to attract the growing middle-class and professional voter constituency (Faucher-King, 1997). Under the auspices of “New Labour,” Blair sought to reform the party as a nimble problem-solver, uniquely able to

tackle contemporary issues. In his leader's speech prior to the 1997 general election, Blair outlined several initiatives designed to tackle inequality as he pledged Labour would undertake including increased spending on education and the National Health Service, reductions in youth and long-term unemployment, and a new relationship with the European Union (Blair, 1996).

Following 18 years of Conservative rule, in 1997, the Labour Party was elected to lead the United Kingdom in an astounding victory winning 418 of the 658 seats in Parliament (64.4%) (Clarke, Stewart, Whitely, 1998). Within months the government had created the Social Exclusion unit to focus on "areas that suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health, and family breakdown" (DSS, 1999, p.23). Under Labour's conceptualization, "exclusion" involved lack of opportunities for paid work.

In July 1997, the New Deal for Young People and New Deal for Lone Parents was funded to help the long-term unemployed and the economically inactive into employment. Both programs served as a type of "welfare to work" system. Job seekers were able to choose 1 of 4 options of either subsidized work, full-time education and training, work with a voluntary organization or with an Environmental Task Force (Wilkinson, 2003). This program, like those of the Conservative party, emphasized that the solution to poverty was a reduction in unemployment, regardless of what type of job was taken.

The Blair government is often cited as a classic example of the "Third Way" strategy which attempts to move beyond the neoliberalism of the "Old" Right and the redistribution and interventionism of the "Old" Left towards a more market driven approach to public and social services. This extension of the neo-liberal reforms started under Thatcher explain why attempts were made to reduce unemployment by cutting social assistance and mobilizing large swatches of people into the labor force. In a continuation of neoliberal policies, the Blair government systematically promoted a welfare-to-work style system in which the primary view of unemployment was not lack of jobs, but rather lack of work readiness. The solution to this was to reinforce work ethic to reduce welfare dependency and generate tax revenues that could be applied to other causes (Jessop, 2009). The type of work was of little consequence, only that individuals were mobilized into the workforce.

The governing ideology of the New Labour government differed from the Conservative government in two primary ways. Firstly, its policies were designed to govern in a neoliberal

direction while maintaining its working-class and middle-class support. Secondly, New Labour sought to modernize the employment relationship by turning workers into partners. In this viewpoint, there are no separate interests between workers or employers. What is best for employers, is what is best for workers (Smith & Morton, 2006). This emphasis on the Third Way played out in Blair's dealing with the European Union. At a meeting of the Party of European Socialists, the umbrella organization for the socialist parties making up the EU member countries, Blair challenged his fellow socialist partners to abandon their "statist" policies and "modernize or die." (Helm, 1997).

The phrase "modernize or die" was not only reserved for the European partners, but one that was also stated confidently to the British unions. The Conservative governments had adopted a model of political exclusion towards the unions. Seeing an opportunity in the election of the New Labour government, representatives from the TUC met with the Prime Minister to argue for the establishment of tripartite and bipartite bodies to build national consensus of economic policy and employment legislation. The TUC advocated for a role of unions in building a social partnership to increase employment and productivity. The New Labour government showed little desire to meet the TUC in formalizing a social partnership system, instead expressing a willingness to consult union leaders on a limited, ad hoc basis (McIlroy, 2000).

The New Labour movement continually emphasized a pro-business position with a flexible labor market. Under Blair, the Labour party had managed to attract conservative voters to the party. Wanting to retain these voters, many of New Labour's policies catered to their economic interests. The "Old" Labour constituency was calculated as having a low-risk of defection leading the Labour party to emphasize its more conservative policies upfront while slowly and more quietly implementing progressive policies (Moon, 2007). As part of this rebranding, Labour's association with unions was deemphasized and the party funding mechanisms were reworked to reduce the monetary control of unions over Labour. In 1983, trade unions provided the Labour party with 96% of its income, by 1997, only 40% of the party's revenue was from trade unions (Faucher-King, 1997).

Unions, because of the Conservative reforms of the 1980s, were too hobbled to provide a counterweight to the interests of New Labour. The TUC needed to tread a very fine line regarding the Labour government because it wanted to restore some of its power with a social

partnership model and more regulation of the labor market. The Labour Party was viewed as a necessary, although not ideal partner in achieving this goal. The regulation the TUC wanted was the “over regulation” the Labour Party wanted to cut putting their interests at odds with each other. The TUC determined the best strategy it could implement would be to “play nice” to reverse the tide of conservative policies until union rights had been restored and then more thoroughly advocate policies such as higher standards for the minimum wage and cut zero-hours contracts (McIlroy, 1998).

In 1997, Blair indicated he would accept a proposed Employment Chapter and Social Chapter of the Amsterdam Treaty formally blocked by his conservative predecessors, but only after it emphasized labor market flexibility and avoided overregulation (Cowles & Smith, 2000). In accepting the Amsterdam Treaty, the Part-time Directive was extended to the UK, requiring it to implement an EU directive affording protection to part-time workers. Because the new Employment Chapter represented the more flexible British approach to labor regulation, it was left up to each sovereign state to interpret the details of the Directive.

The implementation of the EU’s Working Time Directive in 1998 through the Working Time Regulations Act was the first piece of legislation adopted by the British government giving greater statutory rights to British workers, including part-time workers. The Working Time Regulations Act set a maximum work week of 48-hours, required breaks throughout the day, created a provision for paid annual holidays and paid annual leave, and regulated night shift work (Blair, et al., 2001). Part-time workers were the primary beneficiaries of the Act with one-third of part-time employees now eligible for paid holiday (DTI, 1997). In 1999, a national minimum wage was established benefitting primarily part-time workers, women, young workers (under 22), and minorities (Metcalf, 1999).

When it came time to implement the Part-time Work Directive, the Government worked to make sure this legislation also complied with their stated goals of employability, flexibility, and competitiveness. The goal of the legislation was to encourage part-time work that would benefit the employer and to a lesser extent the employee. Under the proposed legislation 400,000 part-time workers stood to see their working conditions change for the better, around 7% of the part-time working population (Onubogu, 2002).

The Part-time Work Directive was published for consultation between unions and employer associations. This posed a unique opportunity for the TUC to advocate for stronger



regulations of part-time work, while using the European Union as cover for pushing back against the government's stance towards regulation. As the conservative government had excluded unions from the creation of social policy, the inclusion of unions for consultation represented itself a large gain for the TUC. In 1995, the TUC had launched a two-year campaign to advocate for better conditions for part-time workers, granting them entitlement to the same rights as full-time workers. The campaign had three primary goals, equal pay and treatment for part-time workers, ending discrimination against low-wage earners, and a national minimum wage (House of Commons, 2018).

The TUC had several issues with the regulations as proposed by the government. Firstly, the use of the term "employee" instead of "worker" which covered a more narrowly defined set of individuals and excluded temporary and casual workers. Secondly, that discrimination of part-time workers must be compared to an equivalent full-time worker doing the same job. This posed an issue because for many professions there were not comparable full-time employees. Finally, the bill lacked any regulation for ability of a part-time worker to transfer to full-time work or vice-versa (Lourie, 2000). Employer associations were overall happy with the proposed legislation. Although they also advocated for a more detailed definition of "comparable full-time employee."

Citing the European Directive and the potential legal challenges to the use of the term "employee," the TUC was able to convince the committee to use the term "worker" in the final draft of the legislation. Additionally, comparisons for part-time workers were more fully defined so that part-time workers must have a comparable full-time counterpart on the same type of contract to claim discrimination (Lourie, 2000). After passing both Chambers of Parliament, the provisions of the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000 went into effect on July 1, 2000.

The Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations implemented in 2002 followed a similar trajectory of policy creation. However, controversy in the law again arose over the use of "employee" vs. "worker" with the TUC again arguing that defining the regulations to only cover "employees" was against the EU Directive. In using the term "employee" those with semi-autonomous working relationships and casual workers were again excluded from protections. The government argued applying the law to only employees placed it more in line with other national labor regulations which the Directive specifically

enabled member states to do. Additionally, the regulatory assessment demonstrated it would be costlier to cover all workers instead of limiting the regulations to employees. To appease the TUC, the government elected not to change the wording, but rather add an additional provision enabling individuals on FTC to be eligible for pensions, although employers could exclude temporary workers for objective reasons (McColgan, 2003).

Additionally, the legislation required finding a comparable full-time worker to declare discrimination, allowed an employee to remain on a fixed-term contract (FTC) for a duration of 4 years before justification must be made by the employer for not converting the employee to a permanent contract, and did not specify the maximum length for FTC. One of the starkest exclusions from protections were temporary agency workers who accounted for 20% of temporary workers (Koukiadaki, 2016). The employment rights Acts of the Labour government were widely criticized for the narrow application and lack of benefits provided in the legislation, yet no legislative changes have been made to the existing regulation since and no significant legal challenges have changed the scope of the legislation. Following the passage of the legislation about 1 million workers (just over 16% of part-time workers) saw their working conditions directly impacted by the policies including receiving the same hourly pay as full-time workers, entitlements to holidays and social benefits, access to pension schemes and inclusion in trainings. Because of the requirement of a comparable full-time worker in the organization, the bulk of part-time workers were not covered by the legislation.

Overall the British case demonstrates several important aspects of reform for NSW. Firstly, the priorities of the Social Democratic party are important in levels of NSW. It is not simply that the left party is in power, but that the left party is committed to reforms that benefit part-time and temporary workers. Secondly, it shows the path dependence of prior changes to the labor system are important in determining the institutional system in which labor reforms take place. The diminished role of unions and lack of corporatist institutions led to lower levels of regulation for NSW. Without a system for union consultation and with a political party in office that was openly hostile to unions, the union leadership needed to walk a fine line to have any power over labor policy and to maintain its relevance within the British industrial system. Finally, the British case demonstrates the importance of supranational institutions. Without the EU, it is unlikely that NSW reform would have occurred at all. Implementing the EU Directive represented important political signaling on the part of Blair and the New Labour government. It

allowed them to demonstrate that European employment law could be flexible and avoid overregulation, which was his goal in agreeing to the Employment and Social Chapter. NSW reform was not something that was demanded from their constituency, but rather used to demonstrate how the Third-Way's ideal labor market reforms could look.

## **Labor Market Reforms in Australia**

When it came to power in 1983, the ALP did not set out to embrace a new political agenda. Rather the shift of the Australian Labor Party to the right was based on a combination of factors including an erosion of Labor's traditional working-class base (Jaensch, 1989). and an increasing need to respond to the pressures of globalization (Easton and Gerritsen, 1996). While the ALP engaged in market-oriented reforms, the Accord with ACTU resulted in incremental changes to labor policy that were less extreme than what was seen in other majoritarian systems such as the UK.

The 1996 election ended 13 years of Labor government and ushered in the Liberal-National Party Coalition government (center-right) who pursued more employer driven workplace change. One of the first pieces of legislation passed by the Howard government was the Workplace Relations Act 1996 which removed the stipulation that unions must be involved in the formalization of agreements between employers and employees through the establishment of Australian Workplace Agreements (AWAs). AWAs differed from the EFAs in that they did not need to be certified by the AIRC and remained confidential to the parties involved (Hawke & Wooden, 1998).

As industrial reform gathered pace, many unions went into sharp decline. By 1996, most industrial agreements did not need trade union participation, significantly reducing their influence on employment conditions (Espoto, 2015). The primary goal of this decentralized employment relations system was to introduce greater flexibility into the labor market, consequently much of the job growth in the Australian economy came from part-time, often casual jobs in industries with low levels of unionization (Lansbury, 2000).

The Workplace Relations Act 1996 represented the conservative government's signature labor policy regulation. It makes a clear distinction between regular part-time employees and other forms of non-standard work. Regular part-time workers were granted pro-rata benefits in

terms of equivalent pay and conditions given to full-time workers. However, many of these regulations applied to very select group of part-time workers as the Act also makes exceptions for the more undefined casual workers. Under Australian law, casual employees can be terminated with little to no notice and are exempt from annual leave, sick leave, parental leave, bereavement leave, and severance pay. Additionally, casual workers are not paid for public holidays. Most part-time workers in Australia are casual and therefore exempt from the part-time protections guaranteed in the legislation (Campbell et al., 2009).

Casual employment is defined by Australian common law as employees who are presumed to have a contract that is of so minimal duration it barely exists (Carter, 1990). In this sense, casual employees were intended to be used when labor demand necessitated i.e. in seasonal work. Casual workers are paid a slightly higher rate than those hired on on-going contracts to compensate for periods of unemployment and to ensure they receive a similar annual income. Because the casual work contract is presumed to be of a short duration, casual workers are exempted from employment benefits tied to continuous service. As the economy deregulated, the notion of casual work changed significantly with many casual workers finding themselves in stable jobs with predictable hours for the same employer. However, they lacked the protections of those in full-time standard work. In many ways, the casual employment system serves as a way for employers to avoid the regulatory obligations that come with a permanent employee designation increasing the number of workers in insecure, temporary work (Campbell & Burgess, 2001).

Additionally, within the Workplace Relations Act 1996, there are few regulations placed on fixed-term employment. The federal statute allows fixed term contracts to be regulated by enterprise-level collective agreements. While fixed-term contracts were not regulated in terms of length, or number of successive contracts, under Australian law, fixed term contract workers are considered employees and therefore are entitled to protections such as social insurance and paid leave (O'Donnell, 2008).

Both the ALP and ACTU strongly opposed the changes of the Workplace Relations Act 1996 citing that it would further lead to the casualization of the workforce. Members of the ALP accused the legislation of “outright discrimination between full-time and part-time employees.” (Hansard, May 22, 1996). The Howard government balked at this description, instead viewing their reforms as beneficial in creating permanent part-time employment, that would allow for a

balance of family and work responsibilities (Hansard, 1996). While the Liberal-National coalition had a majority in the House of Representatives, it did not have enough votes to unilaterally pass legislation in the Senate, requiring concessions to be made to the centrist Australian Democrats who demanded several key amendments to the legislation.

Most notably, the Democrats lobbied for the Australian Industrial Relations Commission's powers to serve as an independent arbitrator between employers and employees to serve as a safety net for minimum wages and fair working conditions. Regarding NSW, the Commission was not granted the power to limit the number of employees in a particular type of contract or set maximum or minimum total hours for regular part-time employees. However, as part of the compromise, the Commission was given the power to set a minimum number of consecutive hours an employer may require a regular part-time employee to work and require a regular pattern in hours worked by part-time employees (Boon, 1997). Satisfied with the accepted amendments, the Liberal-National Coalition and Australian Democrats passed the Work Place Relations Act 1996.

In 2004, the Howard government again won reelection, this time with majorities in the House and Senate allowing it to pursue its industrial policy uncontested. This resulted in the speedy passage of the Work Choices Act which removed protections against unfair dismissals for workplaces up to 100 employees and abolished the “no disadvantage” test for workplace contracts (Colvin, Watson, & Burns, 2007). In place of the no disadvantage test, legislative minimum conditions were created in terms of minimum pay, annual leave, sick leave, and parental leave. Protections were also removed in terms of penalty rates for working late-night or early morning hours, leave loadings (the increased pay rate for casual workers), and incentive payments (Wilkinson, et al., 2009).

The ALP and ACTU quickly mobilized against the WorkChoices legislation. The ACTU organized the ‘your rights at work’ campaign against WorkChoices featuring television advertisements, posters, flyers, and rallies against the legislation. On November 15<sup>th</sup>, 2005, the ACTU organized a national day of protest against the legislation in which over 500,000 people participated. The Work Choices legislation would become a central theme of the 2007 federal election in Australia with the ALP crafting the “Forward with Fairness” plan laying out Labor’s ideas for reforming the legislation. In stark opposition to the plan, the BCA began its own public relations campaign in support of WorkChoices. Yet, despite the media campaign, a Newpoll in

April of 2007 found one-third of respondents believed they were worse off under the WorkChoices legislation and nearly half of respondents viewed it as being bad for the economy. In 2007, the ALP won the election upon promising to repeal the WorkChoices legislation (Waterhouse & Colley, 2010).

The Labor government began consulting with unions and business groups to replace Work Choices. The Fair Work Bill was introduced to the House of Representatives on 25 November 2008. The ACTU was largely in support of the bill, applauding the reduction of employer power over working hours. The BCA continued to advocate for a simplified, nationalized system of employment regulation. Most of the changes to employment regulations would come in the form of enhanced National Employment Standards including maximum weekly hours of work, requests for flexible working arrangements, and parental leave (Waterhouse & Colley, 2010). Unions were able to lobby for increased ability to collectively bargain through provisions for multi-enterprise bargaining and agreements. Employer organizations were able to focus on individual rights and flexibility with limits on the industrial actions that may be undertaken by unions (Todd, 2011). While neither side was particularly happy with the Fair Work Act 2009, it very much represented a compromise between unions and employer associations. As part of that compromise, legislation on part-time, temporary, and casual work remained unchanged.

Overall, the Australian case helps to reaffirm several of the important lessons learned from the British case. The Australian case shows the priorities of Social Democratic parties' matter, path dependence plays an important role in the institutions governing reform, and the diminished role of unions led to lower levels of regulation for NSW. Absent supranational policy guiding the legislation, protections and regulations for NSW were minor. Both the UK and Australian cases work to confirm Third-Way politics played an important role in creating a labor market with higher levels of flexibility and, in turn, higher levels of precariousness and insecurity.

### **Labor Market Reforms in the Netherlands**

In 1982, the center-right Lubbers I government was formed consisting of Christian democrats (CDA) and the conservative liberals (VVD). The government enacted several reforms

during this period including decreasing the generosity of unemployment benefits by reducing the replacement rate, reducing the duration one could qualify for such benefits, and instituting overall budgetary reductions on unemployment spending (Delsen, 2002). Following the reelection of the coalition in 1987, the government (Lubbers II) introduced a new unemployment benefit scheme under the New Unemployment Insurance Act. Under this new scheme, to receive benefits past 6 months of unemployment, the unemployed must have been employed for 3 years prior to unemployment and benefit payouts were linked to previous work history (from 3 months for those with 60 months' work history' to 54 months for those with 480 months (40 years) (Clasen & Clegg, 2006).

In 1989, the Lubbers III government was elected, however, this time it is formed from the CDA and Social Democrats (PvDA) creating a center-left government. One of the major reforms undertaken by this government was to restructure the Disability Insurance Act, a scheme that functioned like hidden unemployment insurance. Under the current legislation, individuals could be declared disabled by a doctor if they were unable to work in their current occupation, but still able to work in other occupations and for vague reasons such as "stress." Employers could use this loophole to have employees declared disabled in the case of redundancies avoiding financial fallout and granting the "disabled" former employee benefit pay higher than they would have received through unemployment (Barrell & Genre, 1999). By 1990, there were over 1 million adults receiving disability pensions (about 10% of the working age population) (de Gier et al., 2004). The Lubbers III government worked to reform the disability system introducing an age-dependent restriction on benefit duration, stricter examinations to receive benefits (for example requiring those over fifty to take a medical examination) and making eligibility for benefits dependent on work history. Following the initial reforms, the number of individuals on disability insurance decreased by 10% (Yerkes, 2010).

This reform occurred against opposition from the unions and parts of the Labour Party resulting in the organization of a 1 million strong protest march against the measures, the largest in Dutch post-war history. In drafting the reform, the Lubbers III government had been forced to issue policy without the consent of the social partners as the Social Economic Council was unable to draft a unanimous position on reforming disability insurance. This led to criticism of the social partners as operating too slowly and without transparency from both the opposition and government. This led to a series of reforms designed to curtail the powers of the social

partners and limit the influence of corporatism on social policy. In response, the central trade unions and employer organizations moved to work more closely together, proving the value of their consultation. A 1992 report outlined how the social partners and government could cleanly and transparently divide policy making, especially regarding labor (Hemerijck, et al., 2000).

The extreme unpopularity of the disability reforms coupled with a recession in the economy resulted in a substantial seat loss of one-third for the CDA and one-fourth for the PvDA in the 1994 elections. The new government formed with the PvDA, along with the VVD and the progressive liberals (D66) based on the platform of promoting work opportunities over benefits. Additionally, the social partners began working on Figuring a “new course,” one focused on a philosophy of participation and decentralization. Unions, for the first time, agreed to a differentiation of working hours by sector enabling employers to develop more part-time jobs based on business demands.

The so-called purple coalition enacted a series of reforms designed to further restructure unemployment benefits including tightening eligibility requirements and reducing the minimum benefit for those with short work histories. While the previous governments had focused on cutting welfare state entitlements, the purple coalition focused on strengthening eligibility requirements for benefits. The concept of “fitting labor” was redefined to one of “acceptable labor” meaning the unemployed now needed to accept any available job offered that was considered satisfactory, even if it did not require their education or skill level. Workers also had to show they were actively looking for work to qualify for unemployment benefits (Vis et al., 2008).

In 1996, the social partners finalized the “Flexibility and Security” agreement, a compromise between the unions and employer associations, to protect workers and introduce flexibility into the workforce. This agreement was given full legislative force in 1999 with the passing of the Act on Flexibility and Security. The Act decreased dismissal protections for fixed-term contracts by removing the need for termination of a second-fixed term contract by government officials. It also increased the number of consecutive fixed-term contracts that could be issued, if they did not exceed a three-year time-period. The Act also worked to strengthen rules around on-call contracts where the hours of work are not set in advance and may range anywhere from 0 to 40 hours a week. Under this new legislation common labor laws were extended to on-call workers and restrictions were put into place in terms of how employers were



able to structure stand-by hours and defined the relationship of the employer and employee based on hours and duration of contract use (van Voss, 2000). Essentially, unions had accepted more flexibility for employers in exchange for social security rights for NSWA.

Also, in 1999, the legislature passed the Prohibition of Discrimination by Working Hours Act which forbade employers from discriminating against employees based on their working hours. This Act essentially gave part-time employees equal treatment with full-time employees. Disputes over the equal treatment would be mediated by the Equal Treatment committee, which also dealt with discrimination cases on the grounds of sex, race, age, etc. (Wilthagen & Tros, 2004). The cooperation and compromises between employer's organizations and national trade unions resulted in the coining of the term "Polder Model" to describe the neocorporatist strategy used by the social partners. The PvdA played a large role in the success of this strategy (Woldendorp, 2005).

In the 2000s as precarious work began to increase, especially in sectors with low levels of union representation such as the hospitality and food service sectors, Dutch trade unions began to take on the issue of precariousness in the lower end of the labor market. Part-time jobs especially had few hours attached to them (under 20 hours) and comprised 70% of all low-wage jobs in the Netherlands (Salverda, 2010). Wanting to put a halt to insecurity created by these contracts, Dutch unions began campaigning for better and more decent work for labor market outsiders (Boonstra et al., 2012).

The Netherlands would not pass a major legislative change to NSWA until 2015 when it passed the "Work and Security Act." The legislation was the result of a tripartite agreement between unions, employer's associations, and the government to address precarious work. Measures of the bill included guaranteeing a minimum wage to all workers, reducing the number of consecutive temporary contracts an individual could be hired on without offering a permanent contract, prohibition of probation periods for temporary contracts shorter than 6 months, and introduction of a notice period for temporary contracts. The bill also aimed to reduce the difference between fixed-term and permanent contracts by reducing dismissal rules for permanent contracts which had remained unchanged since WWII (Clauwaer et al., 2016).

The Dutch case illustrates the importance of corporatist institutions and unions in creating NSWA policies. It also shows the need for the government to work with unions rather than against them in getting reforms passed for NSWA. The Dutch labor market reforms were largely

based on consensus building not confrontation. The case also reaffirms the importance of the positioning of the Social Democratic party. The PvdA did not adopt a traditional “third way” policy position akin to the UK or Australia, but rather worked to provide consensual welfare reform, job creation, and the maintenance of social security. Finally, the EU Directives were less significant in instituting change as many of the requirements of the Directives were previously passed into Dutch law or codified into social contracts.

### **Labor Market Reforms in Spain**

The new-found unity between the unions provided a strong front against further deregulation of the labor market. In 1991, Spain again experienced another recession and surge in unemployment which prompted the PSOE to propose further policies to add flexibility to the labor market. The unions, vehemently opposed to these suggested policies, refused to endorse the proposals put forth by the PSOE. Instead, the PSOE relied on parliamentary alliances with conservative parties and executive decrees to adopt policies opposed by the unions. These reforms included increasing the minimum work period for unemployment benefits from 6 months to 1 year, decreasing the duration of benefits from 20 months to 12 months, and delaying payments until severance payments had commenced (Rhodes, 1997). This led to the unions calling another general strike on May 28<sup>th</sup>, 1992. This strike, unlike the previous one, did little to convince the government to soften its reforms (Ojeda-Avilés, 2002).

Despite the reforms, by 1993 the unemployment rate in Spain topped 22%. The PSOE, having lost its absolute majority in the 1993 elections was governing in a left-center coalition government with the center Convergence and Union party. Unable to come to an agreement with the unions, the government unilaterally passed the “Urgent Measures to Promote Employment” which became law in January of 1994. The reform instituted several changes to the labor market and regulation of non-standard work. Firstly, it abolished some forms of temporary contracts, but replaced them with provisions for equally precarious contracts. For example, “apprenticeship contracts,” which mirrored the Youth Employment Plan that prompted a strike in 1988. Under these contracts anyone under the age of 28 could be offered a temporary contract paid at less than 75% of the minimum wage. These contracts were also exempt from unemployment benefits or social security contributions. Secondly, part-time work was redefined

from 2/3rds of full-time employment to a definition based on annual working days below full-time. This definition absorbed all temporary jobs. Thirdly, the reforms allowed for the formation of temporary work agencies, allowing private agencies to help place workers into temporary contracts (Albarracin et al., 2000).

Both the UGT and CCOO lobbied against the passing of the legislation and organized another general strike on January 24, 1994. Again, the government ignored the union demands and forged ahead with reforms to the Worker's Statute including allowing for firms to more freely use collective dismissals and a gutting of worker rights, making working conditions a condition of collective bargaining and not inalienable rights as previously specified. Individual negotiations were given preference over collective negotiations and labor ordinances were abolished leading to the removal of employment protection for hundreds of thousands of workers (Martín, 2017). The reforms proved disastrous for the UGT who lost the majority in the factory council elections in the 1995 elections because of the decline of factory councils in small firms. The PSOE also suffered an electoral defeat, losing control of the government to the conservative People's Party (PP) in a snap election held in 1996 (Burgess, 1999).

Realizing that labor market segmentation and the new Conservative government represented real challenges to the strength of unions, the UGT and CCOO changed tactics to compromise with employer organizations. This included a collective agreement with the employer association of temporary work agencies that set a minimum wage for temporary agency workers and an agreement to grant temporary workers equal wages with permanent employees. In April 1997, the Interconfederal Agreement for Employment Stability, was signed by the CEOE, CCOO, UGT and government to reform some of the more harmful aspects of the 1994 reforms. This included stricter regulations on when temporary contracts could be used, more severe qualifications for training and apprenticeship contracts, and the introduction of a new permanent contract with low firing costs to encourage the hiring of young workers (under 30), the long-term unemployed (over a year), and the over-45 unemployed. These new contracts also provided for tax benefits and reduced social security contributions to incentivize employers (Ojeda-Avilés, 2002).

Reforms in 1998 focused on regulating part-time work. Under the 1984 regulations, part-time employees were subject to the same contractual rights as full-time workers. As a result, most of these employees ended up on temporary contracts. Royal Decree-Law No.15/1998,

attempted to create stable and voluntary part-time work by redefining part-time work as 77% of full-time work, requiring advance notice of working time to eliminate the on-call nature of part-time work, and introducing equal treatment for part-time workers, pro-rata to full-time workers (Ibanez, 2011). The aim of the legislation was also to bring Spanish law more in line with the European Union's Council Directive 1997/81/EC.

Spanish employers were strongly opposed to the reform and did not sign on to the collective agreement and the 1998 reforms were not in place for long. In 2001, the conservative government amended the legislation to promote part-time employment removing the 77% limit and abolishing the need to contractually state working hours (Valdés Dal, 2004).

By the mid-2000s the share of temporary jobs remained very high (33.5%) and very few temporary jobs were converted into open-ended contracts (around 4%). Reforms were introduced in 2006 to go into effect in 2007 that further incentivized the hiring of individuals into permanent contracts with low severance pay and to place limits on the use of long-term temporary contracts, mandating that contracts lasting for two-years in the same job during a period of 30 months would automatically be converted into open-ended contracts. Law 43/2006 was put forth as a compromise between the social partners and government and additionally provided subsidies to hire socially excluded groups such as women, the elderly, and disabled, albeit into less protected contracts than other permanent workers. For a short time period, this led to a decrease in the number of workers on temporary contracts (Bentolila et al., 2008).

Following the Great Recession in 2008, the unemployment rate in Spain soared once again to over 20% of the population. The PSOE, initially reluctant to issue reforms, received pressure from the European Union to act as the unemployment and public deficit rates increased. In 2010, the Eurogroup meeting concluded that Spain institute austerity measures and Law 10/2010 was unilaterally passed by the government without approval from the unions who called a general strike in response to the measures. The primary measure of the legislation was to encourage the use of permanent contracts over temporary ones by reducing severance pay for permanent contracts and giving the employer more leeway to fire employees. Employment protection for temporary contracts was tightened making the use of such contracts more restrictive and imposing a limit of three years for their duration (Picot, 2014).

The reform of 2010 and reforms in 2011 to activate unemployed job seekers and alter collective bargaining did little to change the unemployment rate. Amid discontent with the

economy, the conservative PP was elected in 2011. Again, negotiations with the social partners were unable to come to an amiable conclusion leading to the unilateral adoption of Law 3/2012. This legislation radically modified employment protection reducing severance pay for all permanent contracts, significantly reducing the firing cost gap between permanent and temporary employees. The reform also created contracts with a one-year trial period and no severance pay and decentralized collective bargaining to the firm, rather than industry level. Since the reforms have been enacted, the rate of temporary work has been slow to fall in Spain (Garcia-Serrano & Malo, 2013).

The Spanish labor market reforms demonstrate some interesting points regarding NSWA regulation and protection. Firstly, having strong unions is of little consequence for NSWA protections if the government is not willing to work with the social partners. In several instances, especially with the right government in power, NSWA policy was pursued without the consent of the unions which resulted in weakening of NSWA protections. This demonstrates that corporatist institutions are only strong if all parties agree to abide by them. Secondly, the case also shows how unions can exacerbate insider-outsider cleavage. The UGT adopted a stance of protecting permanent contracts at the expense of temporary contracts this led to an overall increase in unregulated fixed-term contract use. This stands in contrast to the case of the Netherlands where compromise lead to beneficial outcomes for all employees, not just a select group.

### **Testing the Partisan Model and Dynamic Party Competition Model**

The partisan model argues that the constituency of Social Democratic parties is an important variable in determining what policies Social Democratic parties adopt. In the context of NSWA, the concentration of labor market outsiders and labor market insiders in Social Democratic parties was hypothesized as being an important variable in determining regulation of part-time and temporary work. According to the partisan model, the more outsiders comprise the constituency of Social Democratic parties, the higher the level of employment protection for NSWA would be. Dynamic party competition models argue that the ability of the Social Democratic party to cater to any one constituency is mediated by the amount of competition they face in the multi-dimensional policy space. When facing competition from left-parties, Social

Democratic parties push for more employment protection for their core constituency. If their core constituency is labor market outsiders they will enact labor market regulations in their favor (H8) and if their core constituency is labor market insiders, they will enact labor market regulations in their favor (H9). When the competition Social Democratic parties' face is from the center and right, they are likely to enact weaker labor market regulations regardless of partisan composition (H10 & H11). This is because the Social Democratic party is viewed as the "lesser" of the two evils and can enact weaker reform without facing electoral penalties.

The case studies reveal several interesting findings in relation to these hypotheses. Firstly, partisan composition does not appear to be a factor in determining the type of policy adopted by Social Democratic parties in regarding NSW. Public policy is an instrument that both molds public support and creates the electoral coalitions political parties depend on. Previous scholars of comparative political economy have argued that labor exists as a monolithic partner to Social Democratic parties. However, the insider-outsider theory argues differently, that labor is divided into labor market insiders, who find themselves in secure employment and labor market outsiders who find themselves in insecure employment. Who Social Democratic parties determine is their core constituency is then important in the policy decisions they make. For any political party, policy proposals impose opportunity costs because the policy is pursued in lieu of alternative policies. As the previous chapters have demonstrated, labor market insiders and outsiders have different policy preferences. Therefore, for Social Democratic parties, pursuing policies that preference one group over the other has the potential to endure members of their constituency to them, while at the same time isolating others.

Political parties are theorized to have a core constituency with additional groups they must attract to win a stable electoral coalition. Stable ideological and historic connections between political parties and social groups makes it easier for political parties to mobilize certain constituents however, as the labor market has undergone such fundamental changes, who Social Democratic parties consider their core constituency is important. As Chapter 04 of this dissertation demonstrates, labor market outsiders are more likely to support job security than labor market insiders. Therefore, any legislation that directly leads to better employment protection and regulation for non-standard work is an outsider-friendly policy.

Table 7.1 shows the outsider and insider composition of Social Democratic parties, the outsider composition of the labor force, and party in power during the major legislative reforms

to NSWA enacted in the case countries. The cases show no evidence supporting the partisan model as the singular explanation for NSWA reform. The expectation from the literature is when the percentage of labor market outsiders in the party is high, there will be positive reform for NSWA policies. Conversely, when the percentage of labor market insiders in the party is high, there will be less protection for NSWA policies. The case-studies fail to uphold these hypotheses. Even as labor market outsiders have grown as a proportion of Social Democratic constituencies and the labor force in general, there does not appear to be a pattern showing Social Democratic parties catering to this constituency solely because of their size. As Chapter 04 of this dissertation showed, labor market outsiders are less likely to vote overall than labor market insiders. It is possible that as an unreliable voting bloc, the demands of labor market outsiders are not catered to because they are not guaranteed to result in an electoral majority for the Social Democratic party.

It is also important to note party in power itself is not a determinant of positive change for NSWA policies with left party in power and right party in power just as likely to positively reform NSWA. In the three examples in which left-party was solely in power and instituted reforms to NSWA (Spain, 2010; UK, 2000; UK, 2002), the government was incentivized by the European Union to pass legislation in to meet certain demands of the EU. This suggests there may not be a strong partisan influence over NSWA policies. A finding the quantitative analysis supports.

**Table 7.1. Insider/Outsider Composition during major reforms to NSWA in Case Countries**

<i>Country</i>	<i>Major Legislation</i>	<i>Party in Power</i>	<i>Change in NSWA</i>	<i>Outsiders as % of SD Parties</i>	<i>Insiders as % of SD Parties</i>	<i>Outsiders as % of Labor Force</i>
<b>AUSTRALIA</b>	The Workplace Relations Act 1996	Center-Right	No Change	19.5%	29.8%	29.6%
	Fair Work Act 2009	Center-Left	No Change	22.3%	23.1%	46.1%
<b>NETHERLANDS</b>	Act on Flexibility and Security (1999)	Left/Center-Right	Positive/Negative	20.7%	37.7%	47.7%
	Prohibition of Discrimination by Working Hours Act (1999)	Left/Center-Right	Positive	20.7%	37.7%	47.7%
<b>SPAIN</b>	Flexibility and Security Act (2015)	Left/Center-Right	Positive	28.1%	23.2%	58.9%
	The Interconfederal Agreement for Employment Stability (1997)	Right	Positive	10.37%	21.4%	26.4%
	Royal Decree-Law No.15/1998	Right	Positive	9.5%	28.6%	29.5%
<b>UNITED KINGDOM</b>	Royal Decree-Law 5/2001	Right	Negative	13.6%	27.5%	43.5%
	Law 10/2010 Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000	Left Center-Left	Negative	33.7%	22.9%	32.7%
	Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002	Center-Left	Positive	24.1%	31.6%	39.4%



While the case studies do not affirm the partisan model, the literature also suggests party competition influences the strength of NSW regulation and protection. This hypothesis is a bit more difficult to tease out the casual effects for because having competitors to the left is more likely to be facilitated by consensual institutions which promote multi-party systems. The United Kingdom, Australia, and Spain essentially function as two-party systems with center-left and center-right parties, while the Netherlands enjoys a more robust multi-party system. However, in the time period studied, all Social Democratic parties faced far-left competition.

To test the effect of party competition, I examine the party-space in Australia, the Netherlands, Spain and the UK both prior to the passing of substantial legislative policy regarding NSW (t-1) and during the government in which the legislation was passed. I examine both because the literature suggests parties respond to electoral successes or defeats in prior election cycles which encourages them to reposition themselves within the policy space to capture the median voter (Fowler, 2005; Somer-Topcu, 2009). For this reason, the dynamic party competition model must be evaluated in two ways. Firstly, how parties shift in response to the previous election. Secondly, how the government is structured following that shift. The dependent variables differ significantly for each country during this time-period with the British reforms leading to higher levels of protection for part-time and temporary workers, the Australian reforms leading to no change in the policies for NSW, the Dutch reforms decreasing protections for temporary workers and increasing protections for part-time workers, and the Spanish reforms increasing protections for both temporary and part-time workers and later decreasing those protections.

### **Comparing the Political Spaces of Party Competition and Testing the Dynamic Party Competition Model**

The following section will map out the political space of party competition for Australia, the United Kingdom, the Netherlands, and Spain. Political space is divided into two dimensions, the left/right economic dimension and alternative/traditional <sup>14</sup>social dimension. Both dimensions are important for understanding labor policy. Where a party falls on the economic

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<sup>14</sup> While Kitschelt (1994) uses the terms libertarian and authoritarian to describe the cultural policy dimension, I elect to use the terms alternative and traditional to remove jargon from my dissertation.

left/right dimension determines how much regulation they are advocating for within the labor market, with parties to the left favoring more regulation and parties to the right favoring less regulation. The alternative/traditional scale determines to whom regulation should apply with parties on the traditional values spectrum favoring regulations for standard employment and labor market insiders and alternative cultural parties favoring regulations for NSW and labor market outsiders.

Within the dynamic party competition model, Social Democratic parties are expected to increase their chances of holding office by capturing the median voter (Adams, 2009). Two strategies allow the Social Democratic parties to pursue this aim. Firstly, they can pivot towards the center. However, this may lead to a shift in votes by left voters to more radical parties on the left. Alternatively, SD parties may first opt to squeeze out competition on the left, before pivoting to the center. Regardless of the strategy adopted, the dynamic party competition model assumes that SD parties are responsive to the electorate as a whole and not just their own political base.

The results of this analysis partially confirm the hypothesis that competition from left parties leads to higher levels of employment regulation and protection for nonstandard workers, with Australia being a notable exception to this rule and temporary work being far more influenced by this divide than part-time employment. And disconfirms the hypothesis that a greater ideological distance between Social Democratic and center and right parties leads to weaker regulations and protection for NSW. The findings again support the quantitative analysis to show that greater ideological distance between Social Democratic and right parties leads to higher levels of NSW protection and regulation. The mechanism for this appears to be the coalitions formed within the parliamentary systems and the ability of the minority party to influence policy.

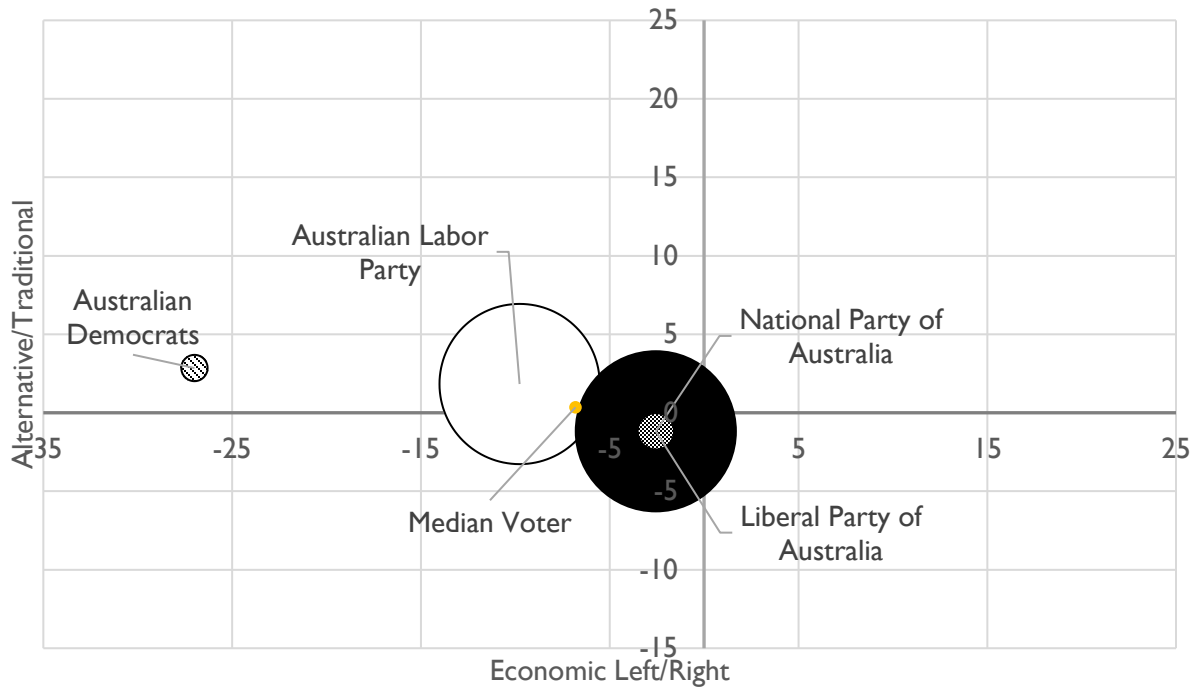
Figure 6.1 shows the political space of Australian party competition prior to the 1996 labor market reforms while Figure 6.2 shows the political space of Australian party competition during the 1996 labor market reforms. Each party is located according to its score on the economic left/right and alternative/traditional scale (See Chapter 05 for detailed discussion of how this was calculated). The size of each bubble represents the total votes earned by each party in the corresponding election year i.e. the larger the bubble, the greater the number

of votes earned in the election. The figure also displays the median voter towards whom Social Democratic and other parties are expected to shift.



Source: Comparative Manifesto Project

**Figure 7.1. Political Space of Party Competition Australia (1993)**



Source: Comparative Manifesto Project

**Figure 7.2. Political Space of Party Competition Australia (1996)**

The figures show no competition among parties to the left of the Social Democratic party in both years. Between 1993 and 1996, the Australian Labor party significantly shifted its policy position on the alternative/traditional scale, becoming far more traditional in its policy platform. The Liberal Party of Australia similarly shifted towards the left and adopted a more traditional policy stance during this time frame. The 1993 elections comprised of an office-seeking strategy for the ALP as the party attempted to cultivate new interest groups including the young, women, and people of color. The alternative cultural orientation of the party represented its commitment to equality and attempt to become a party that appealed to a wide section of the electorate. However, this strategy would come at the expense of promoting the working-class interests of the party's traditional constituency.

The 1993 win for the ALP was surprising for the Liberal/National Coalition. The Coalition's loss was widely attributed to the economic policy plan (Fightback!) released in December 1992. The Fightback! plan contained a strict neoliberal agenda with cuts to unemployment benefits, Medicare, and other welfare entitlements and tax cuts for the wealthy

and middle-class. The plan also introduced a 15% Goods and Services Tax (GST), which would operate as a value-added tax on certain categories of products. The GST was exceptionally unpopular and provided a clear dividing line in economic policy between the ALP and coalition.

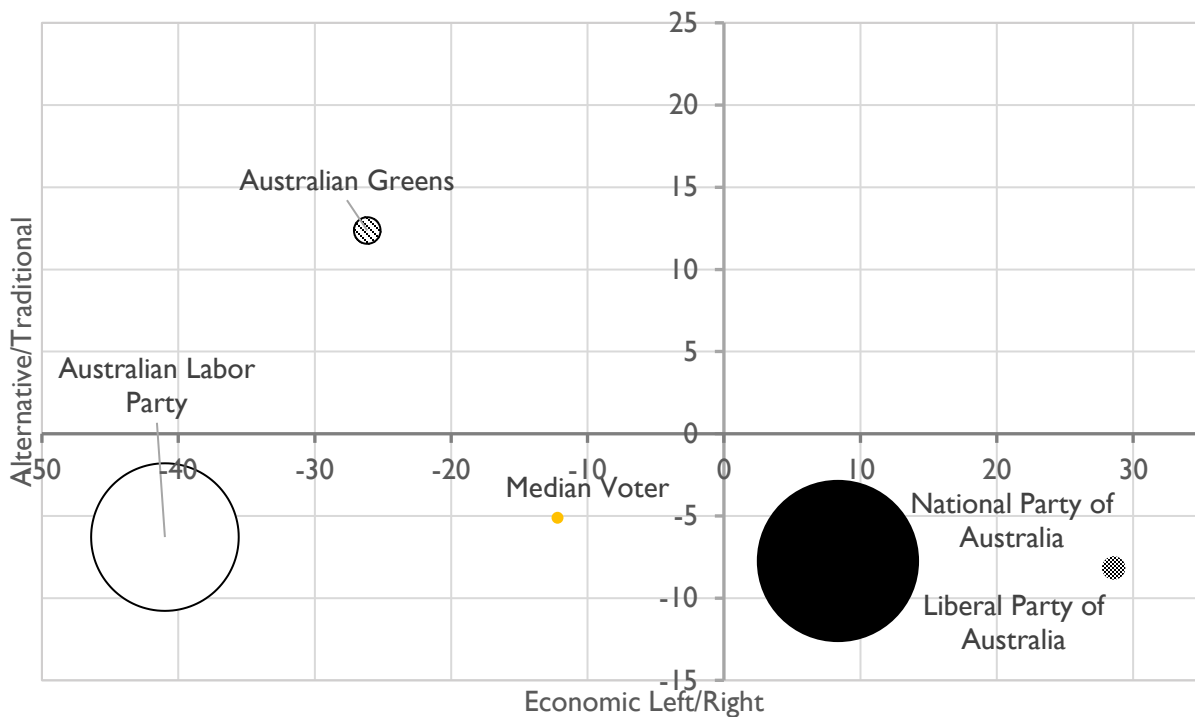
Both parties would shift their policy platforms in the 1996 election remaining vague on economic policy and emphasizing more social policy issues. The ALP especially emphasized environmental issues to appeal to the “green” vote. Political strategists for the Coalition believed the traditional working-class voters were susceptible to defection and used the ALP’s courting of various minority and social groups against the party, emphasizing how the industrial policies put in place by the ALP had harmed the interests of workers. The shift by the ALP towards a more traditional cultural platform served as an attempt to appeal once again to its working class (generally white, male, and in standard work) base. The tax hikes adopted by the ALP between 1993 and 1996 further hampered their relationship with the traditional working-class resulting in the Coalition winning working-class voters 47.5% compared to Labor's 39% and the majority in the election (Sullivan, 1997).

Following the 1996 election, the ALP found itself in the position of needing to protect what was left of its constituency and draw working-class voters back to the party. As part of this restructuring, most of the ALP opposition would be to support insider interests and to reduce the erosion of protections for standard jobs. As the opposition party, they did not have a lot of power to stop the reforms proposed by the Coalition. Instead, it would be the centrist Australian Democrats in the Senate that served as a mediating influence on the Workplace Relations Act 1996. The emergence of the Australian Democrats led to a leftward shift by the ALP, as well as the Liberal-National Coalition. In the next three subsequent elections, the ALP would remain on the economic left and traditional cultural spectrum as the Australian Democrats and later alternative-left Australian Greens entered the policy space. This would change in the 2007 election as the ALP began to distance itself from the ACTU and campaign against the Workchoices legislation.

Both the National Party and Liberal Party shifted towards the economic left in 1996 which would suggest regulations for NSW would be stronger. While this ended up being the case for permanent part-time workers, the traditional cultural orientation of the center-right coalition led to few restrictions on casual workers (temporary workers), who represent most part-time workers. While NSW regulations were codified, the loopholes then made the legislation

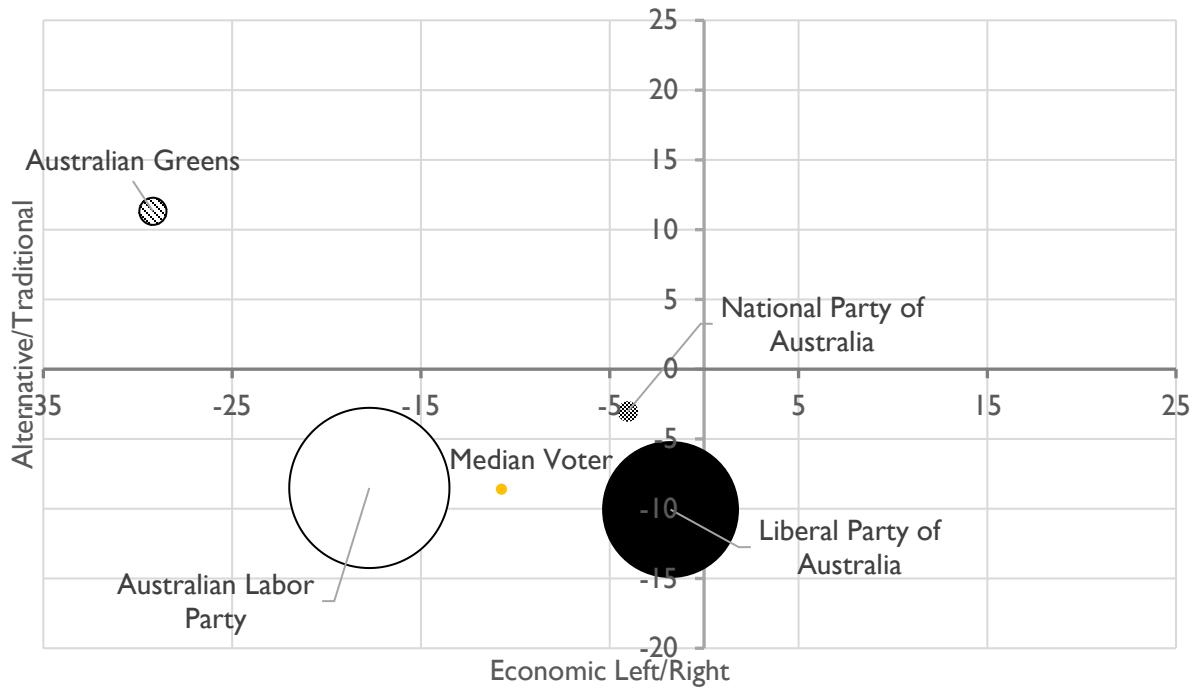
essentially moot. Regulations, when put into place, are not particularly useful if those that need protection are unable to access it.

Figures 7.3 and 7.4 shows the political space of Australia prior to and following the 2007 election. The ALP won a majority in the House of Representatives in 2007. In the Senate, the ALP needed to court the approval of the Australian Greens to get bills passed. Rather than advocating directly for changes to part-time, temporary, and casual work, the Australian Greens proposed legislation that would strengthen parental leave, care leave and flexible work arrangements. These provisions benefited women in the workforce, although primarily those in standard work arrangements.



Source: Comparative Manifesto Project

**Figure 7.3. Political Space of Party Competition Australia (2004)**



Source: Comparative Manifesto Project

**Figure 7.4. Political Space of Party Competition Australia (2007)**

By 2009, the Australian Labor Party found itself in a policy position that is quite far from primary center challenger (National Party) and right challenger (Liberal Party). As a result, they were able to shift their policy position more towards the center without facing severe electoral repercussions. The ALP even went as far as to claim the Fair Work Act 2009 was a success because neither the ACTU or BCA were particularly happy with the legislation. The emergence of the Greens as a serious threat to the ALP, would pull the Australian Labor Party in an alternative-left direction in the 2010 Australian federal election, which despite the pivot resulted in an electoral gain for the Australian Greens and the formation of a Green/ALP minority government under Julia Gillard. The Gillard government would pass several reforms benefiting workers including pension increases, the creation of a disability insurance scheme, extension of paid parental leave, the right to request more flexible working hours, consultation with employees before changing work schedules, extension of anti-discrimination laws for gay, lesbian, and transgender Australians, and restrictions against discrimination towards breast feeding mothers. While this legislation would positively benefit those working in NSW, it did

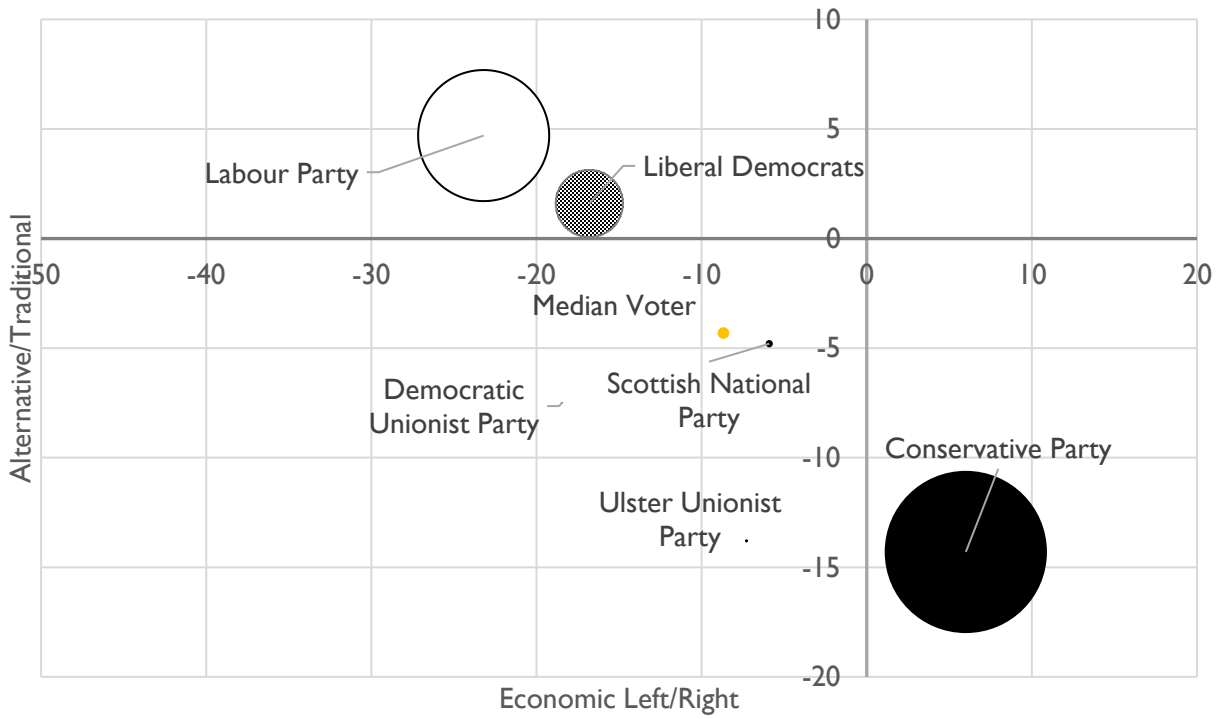
little to address the growing prevalence of part-time, temporary, or casual work or work to eliminate deficiencies between NSW and standard work.

The Australian case presents a challenge to the dynamic party competition model. Firstly, with a strong left competitor with a great deal of ideological distance between itself and the left party, I would expect to see a higher level of protection for NSW, this does not manifest. Secondly, with a left-party in power I would expect to see higher levels of protection for NSW, this does not occur. However, with moderate ideological distance between itself and the center and right parties, I would expect to see a lower level of protection for NSW. In the case of Australia, there were no changes to NSW. Three scenarios are possible. One, the presence of a far-left challenger and an ideologically distant right challenger balanced each other out, leading to no change. Two, a more likely scenario is the ideological orientation of the median voter influenced who labor market reforms favored. The median voter during the period had a strong traditional cultural orientation. As a result, one would expect to see labor market reforms which favored labor market insiders. Significant labor market reforms were passed in Australia, they just were just not accessible to those in NSW and instead favored those in standard work. Considering the ALP would not pivot strongly in an alternative-left orientation until the next election, it is likely they were trying to enact policy to maintain their center pivot and parliamentary majority. Three, because Australia did not belong to a supranational institution like the EU that required reforms to NSW, the parties did not view the legislation as a priority. The EU was identified as a significant variable for NSW reform, especially for part-time work and many of the other country cases only made reforms following the issuance of the Directives on non-standard work. Australia's failure to pass NSW reform may be a good indication that such reform does not develop endogenously but is rather a consequence of exogenous factors.

Figures 7.5 & 7.6 show the political space of United Kingdom party competition prior to the 1998 labor market reforms and during the 1998 labor market reforms. The 1992 election had been a tragic defeat for the Labour Party. Initial exit polls had suggested the election would result in a hung Parliament. However, the actual election results were an astounding victory for the Conservative Party as they won 41.9% of the votes to Labour's 34.4% giving the Conservative party a majority in the House of Commons. Between the two elections, the shift by the Labour Party from the alternative-left sphere to the traditional-left sphere is significant. The

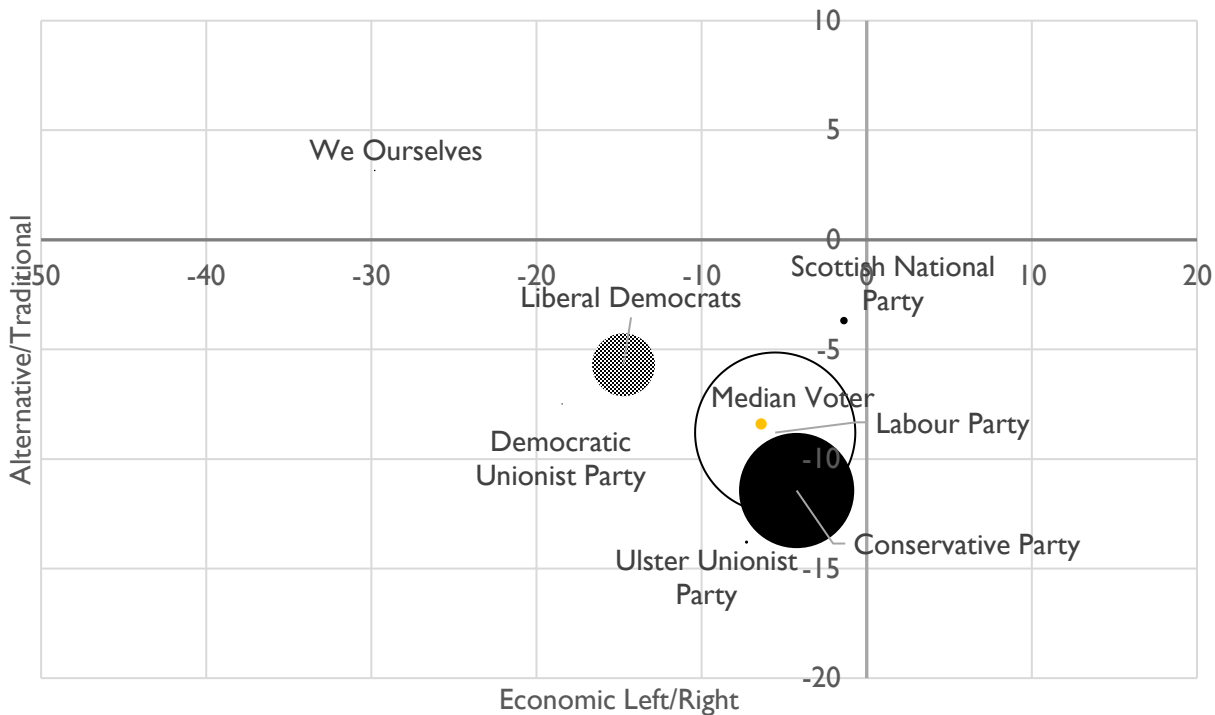


primary reason for this shift was a concerted effort by the Labour party to broaden their constituency to appeal to more middle-class voters and the median voter. In many ways, this was a direct attempt by the Labour Party to appeal to labor market insiders who increasingly saw their rights attacked under the Major government which had passed legislation allowing employers to fire workers for participating in unauthorized industrial actions and the abolishment of wage councils (and with it the minimum wage and collective bargaining agreements). Similarly, the Conservative Party shifted towards the left on the economic scale as it tamped down on its free market rhetoric which was becoming increasingly unpopular with the British electorate.



Source: Comparative Manifesto Project

**Figure 7.5. Political Space of Party Competition United Kingdom (1992)**



Source: Comparative Manifesto Project

**Figure 7.6. Political Space of Party Competition United Kingdom (1997)**

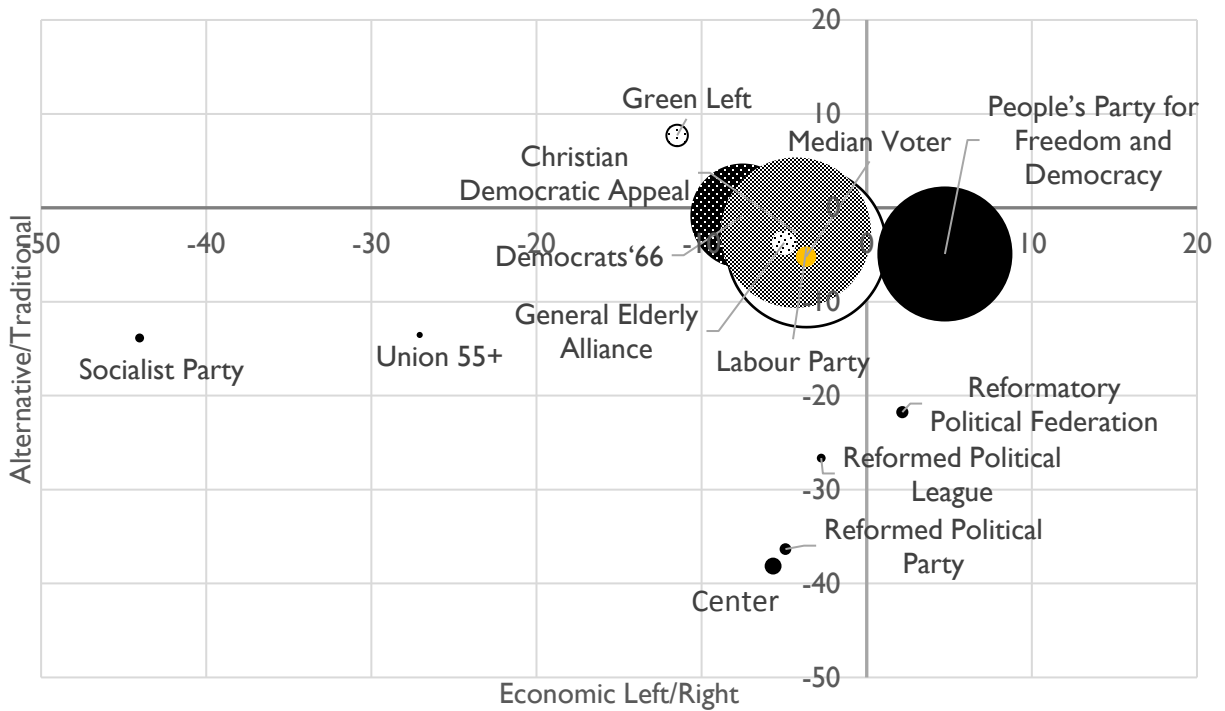
The 1997 election saw the emergence of New Labour and a convergence between the Labour and Conservative parties in terms of their policy platforms. The Labour government effectively had no left competitor, enabling them to shift both towards the center and a more traditional cultural direction with little electoral loss meaning regulation for NSWAs is expected to be weaker. The electoral strategy adopted by New Labour was exceptionally successful in 1997 as it pulled together a coalition of middle-class, working-class, and low-skill workers, although voter turnout was lower in 1997 than it was in the 1992 election (IPSOS, 1997). This new economic left, traditional cultural direction in line with the median voter suggests that changes to labor market regulations would be structured to benefit labor market insiders. Policies adopted under New Labour included the introduction of a minimum wage, extending anti-discrimination laws for LGBT Britain's, introduction of paid holidays, extension of rights including paternity leave, maternity leave and pay, increased compensation for unfair dismissal, and restoration of the legal right to trade union representation. However, while these laws were

put in place, they did not completely cover all British workers as rights such as parental leave and annual leave were based on stipulations of hours worked or length of continual tenure for a company which greatly disadvantaged those in NSW. Additionally, many of the social reforms put in place by New Labour relied on tax credits. As outsiders are compensated at a lower rate than insiders, this also served to reduce their benefits from this legislation.

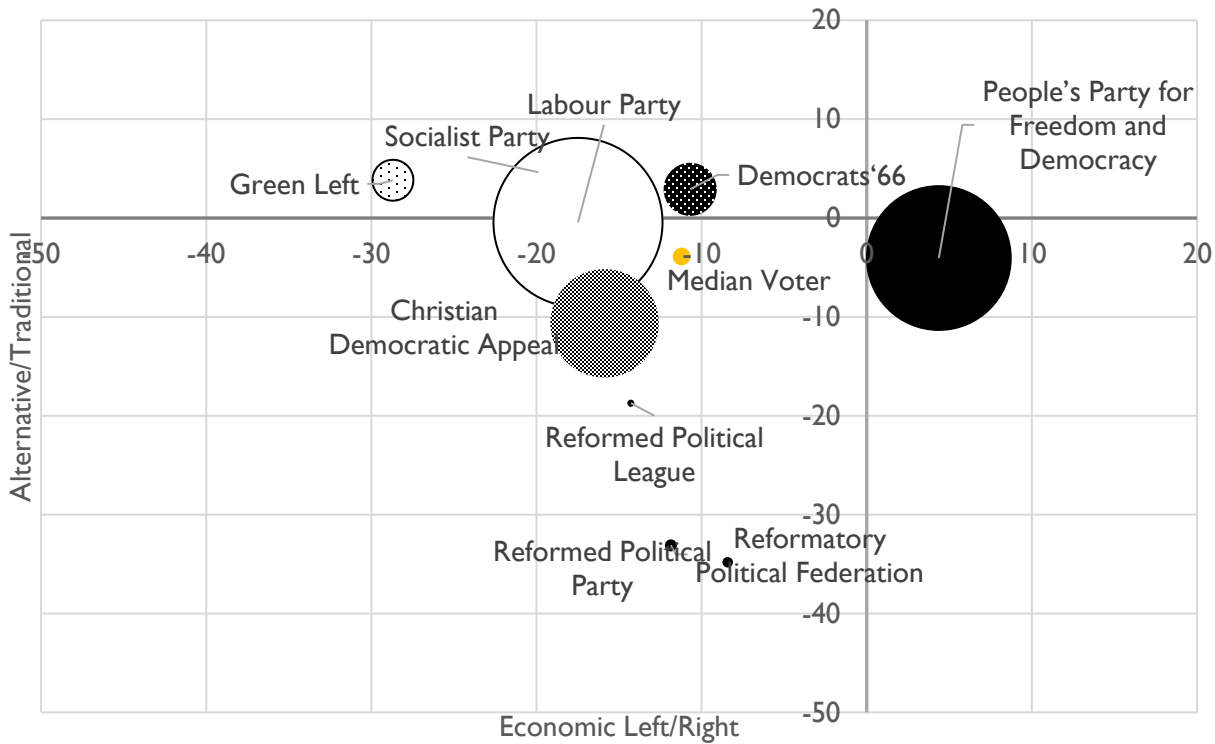
Overall, the British case is a better demonstration of the dynamic party competition model. Lack of left competitor meant the Labour party could shift towards the center without facing the risk of electoral loss. However, the convergence between the Labour Party and Conservative Party within the policy space does not support the hypothesis that regulation and protection for NSW would be higher. It does support the findings in the previous chapter that greater ideological distance between the SD party and right party leads to higher levels of protection and regulation for NSW. The UK has one of the lowest rates of regulation and protection for NSW and as the case study demonstrates, much of this was by design of New Labour to create legislation that would continue to be business-friendly. The UK case also shares similar traits with that of Australia in that the traditional cultural orientation of the government lead to increased regulations for labor market insiders, but lesser regulations for outsiders. It is possible to hypothesize that without the intervention of the EU, regulation and protection for NSW would not have been a priority for New Labour. Ascending to the EU, was the catalyst for positive change to NSW regulation, not a policy decision determined by the government.

Figures 7.7 and 7.8 show the political space of the Netherlands party competition prior to the 1999 labor market reforms and during. The general positioning of the PvdA in the 1994 election represented an office-seeking strategy by the party leaders who had determined the PvdA did better electorally when it was in government. This was a result of their attempts to deradicalize the party platform (Wolinetz, 1995). The dominant strategy of the party was therefore to remain as an attractive coalition partner to the CDA, who had served as a member of every Dutch government since 1918 and had the power to pick and choose its coalition partners. However, the CDA would have a disastrous result in the 1994 elections because of the unpopular disability reforms as well as internal divisions within the party and the retirement of former Prime Minister Lubbers from politics (Green-Pedersen, 2002). The 1994 election resulted in large gains for the VVD, D66 and two parties for the elderly. The CDA dropped from 35.3% of

the votes to 22.2%, while the PvdA fared better dropping from 31.9% to 24%. While the PvdA arose as the majority party, the formation of the government was quite tricky as any combination of the PvdA, VVD, or CDA government would have to include D66. The centrist D66 party, founded on reforming the Dutch democratic system, refused to join any coalition other than one formed from the PvdA, VVD, and D66. As this was the only feasible way government could form, this created the “purple coalition.”



**Figure 7.7. Political Space of Party Competition Netherlands (1994)**



Source: Comparative Manifesto Project

**Figure 7.8. Political Space of Party Competition Netherlands (1998)**

The alternative-left Green Left Party and Socialist Party in the Netherlands served as the largest left competitors for the PvdA. This created a dilemma for the PvdA who could either move toward the left in its policy orientation to reduce votes of its left competitor or remain in the center, capturing the median voter but losing votes to its leftist competitors. Choosing a more centrist path is the least costly strategy for SD parties when competition from alternative-left and centrist parties is weak. As both the left-competitors in the Netherlands are relatively large and the centrist competition is strong, remaining in this position was exceptionally risky for the PvdA who was likely to lose its core supporters.

To maintain its political appeal, the core policy promoted by the purple coalition was job creation and higher levels of labor market participation, promises it delivered upon. The 1998 election was quite collegial with the coalition partners agreeing again to govern. The CDA continued to find itself in a difficult position as an opposition party, shifting to the left by emphasizing improvements in social security and family policy. This gave the PvdA an

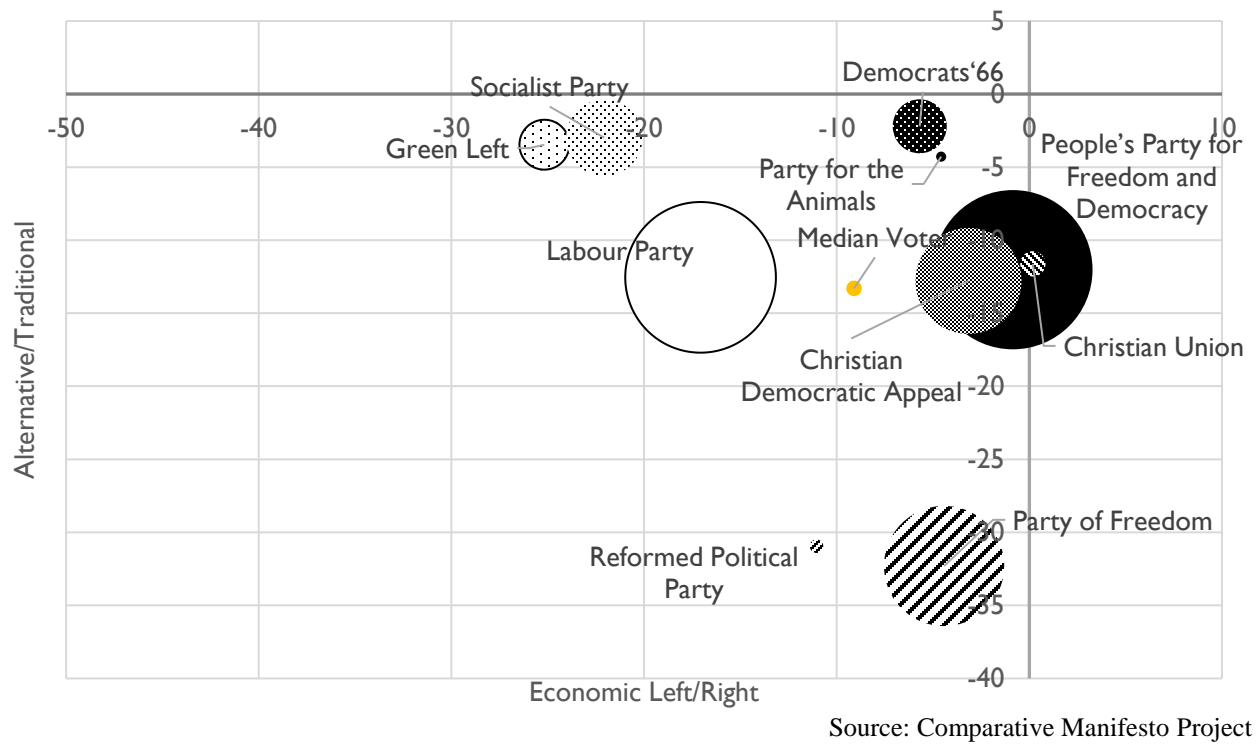
opportunity to move leftwards in its economic stance as its center competitor became weaker and its leftist competitors became stronger, this proved to be the logical choice to make. In the 1998 election, the CDA would continue to lose seats, this time only receiving 18.4% of the vote. Both the Green Left Party and Socialist Party gained seats receiving 7.3% and 3.5% of the vote.

Based upon the policy space in the Netherlands at the time, a large ideological divide between the left parties and SD party is expected to lead to higher levels of regulation for NSW. The distance between the PvdA and the VVD increased in 1998, suggesting lower levels of regulation for NSW. However, the CD party remained relatively close, suggesting higher levels of regulation for NSW. The reforms passed by the purple-coalition in 1999 were quite beneficial to part-time workers granting them equal treatment with full-time workers. The reforms in the Netherlands for temporary workers are not as generous with a reduction in regulations for fixed-term contracts. While the coalition was willing to compromise with part-time workers, the government was less inclined to tighten regulations for temporary workers. Chapter 05 demonstrated that when there is a left competitor and an insider dominated SD party, regulations for temporary work are expected to be lower. This appears to be what happened in the case of the Netherlands as insiders comprised 37.7% of the PvdA compared to outsider's 20.7%. It is possible that this constrained the ability of the SD party to pivot too far to the left, as their constituency was still primarily comprised of insiders leading to mixed reforms for NSW.

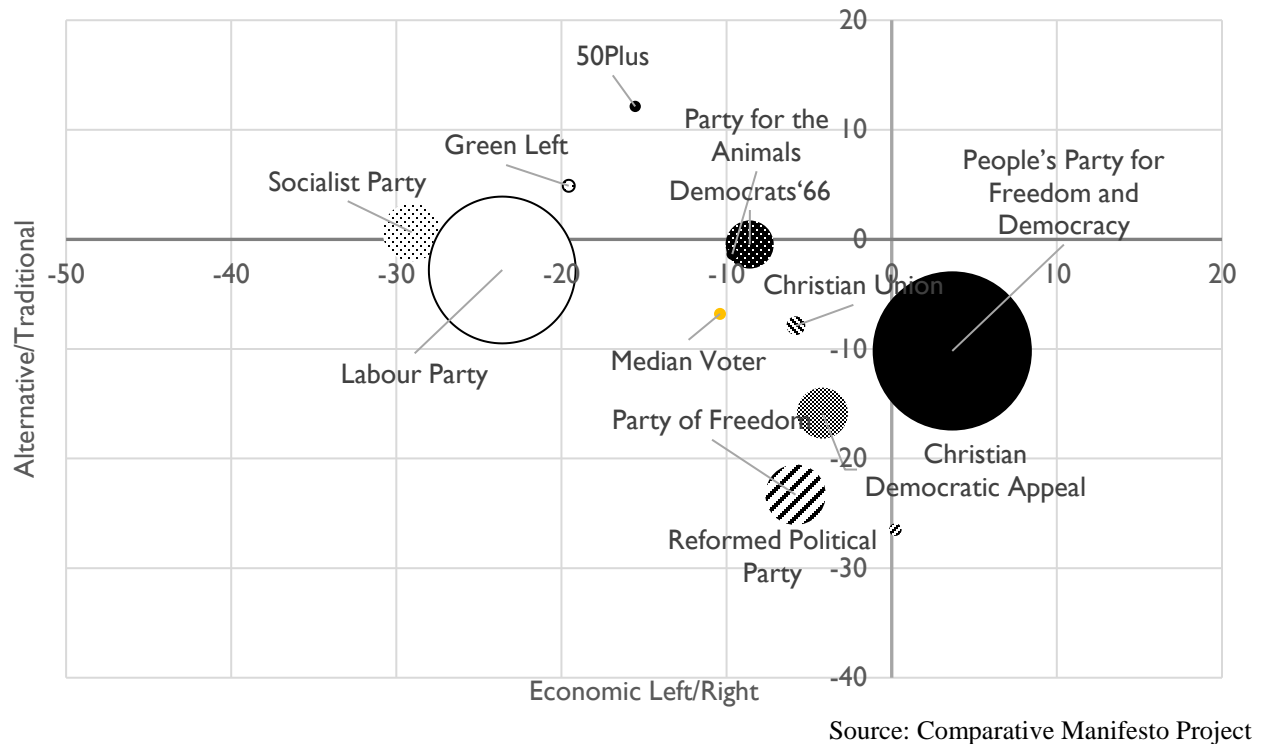
The 2010 elections in the Netherlands were an early election, triggered by the inability of the coalition partners (CDA, PvdA and CU). to agree on continued Dutch involvement in Afghanistan. The financial crisis loomed heavily on the election, as all parties proposed cuts to government spending. The election lead to a minor victory for the VVD with 20.5% of the vote, compared to 19.6% for the PvdA. Following the election, it took 127 days to form a government with the CDA, VVD and PVV finally succeeding. The 2010 election demonstrated the fragmentation of the Dutch electorate and the difficulty the new coalition would have governing (Van Holsteyn, 2011). While the three main parties received close to 90% of the vote in the 1950s, by the 2010s, combined they received less than 50% of the votes, making it difficult to form governments and influencing the electoral strategies taken by Dutch political parties.

Early elections were again called in 2012, this time amid disagreement between the coalition partners over austerity measures. The government needed to cut 16 billion Euro from the deficit to meet the measures set by the EU's Stability and Growth Pact. To compete with the

rising alternative-left challenge of the Socialist Party, the PvdA, emphasized compensation to lower-income groups and increased public investment to boost economic growth. The VVD, on the other hand, maintained its emphasis on fiscal austerity and welfare cuts, wavering little in its position from the previous election. The strategy would prove successful for both parties with both parties gaining seats. The VVD would gain a plurality with 26.6% of seats the PvdA's 24.8% (Van Holsteyn, 2014). This would lead to the formation of a VVD/PvdA coalition government. Figures 7.9 and 6.10 show the political space in the Netherlands during the 2010 and 2012 elections.



**Figure 7.9. Political Space of Party Competition Netherlands (2010)**



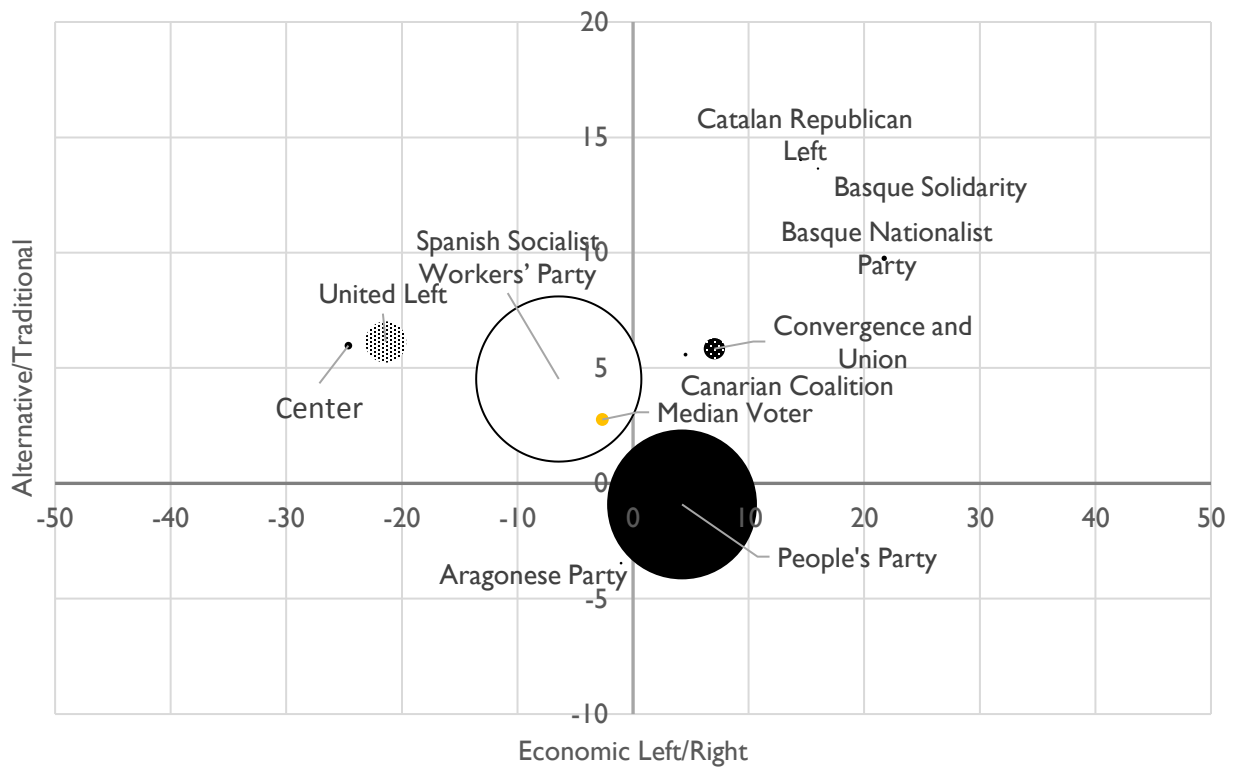
**Figure 7.10. Political Space of Party Competition Netherlands (2012)**

Based on the political space of the Netherlands in 2012, the dynamic party competition model predicts that strong party competition from the Green Left and Socialist Party would lead to increased protection for NSW, while ideological distance between the PvdA and VVD would lead to decreased protection for NSW. While protections for temporary contracts increased during this time, this was done as a trade-off for reduced protections on permanent contracts. This trade-off falls in line with the increased alternative cultural direction of the median voter. The PvdA found itself in a similar political situation as the 1998 reforms, although with one less coalition partner. What is notable is the insider dominance of the party had waned, leading to a greater vote share among outsiders and a positive reform towards fixed-term contracts. This supports the findings in Chapter 05 that the office-seeking and vote-seeking strategies intersect at least when influencing temporary employment protections.

Figures 7.11 and 7.12 show the political space of Spain's party competition prior to the 1998 labor market reforms and during the government that passed them. The 1993 election in

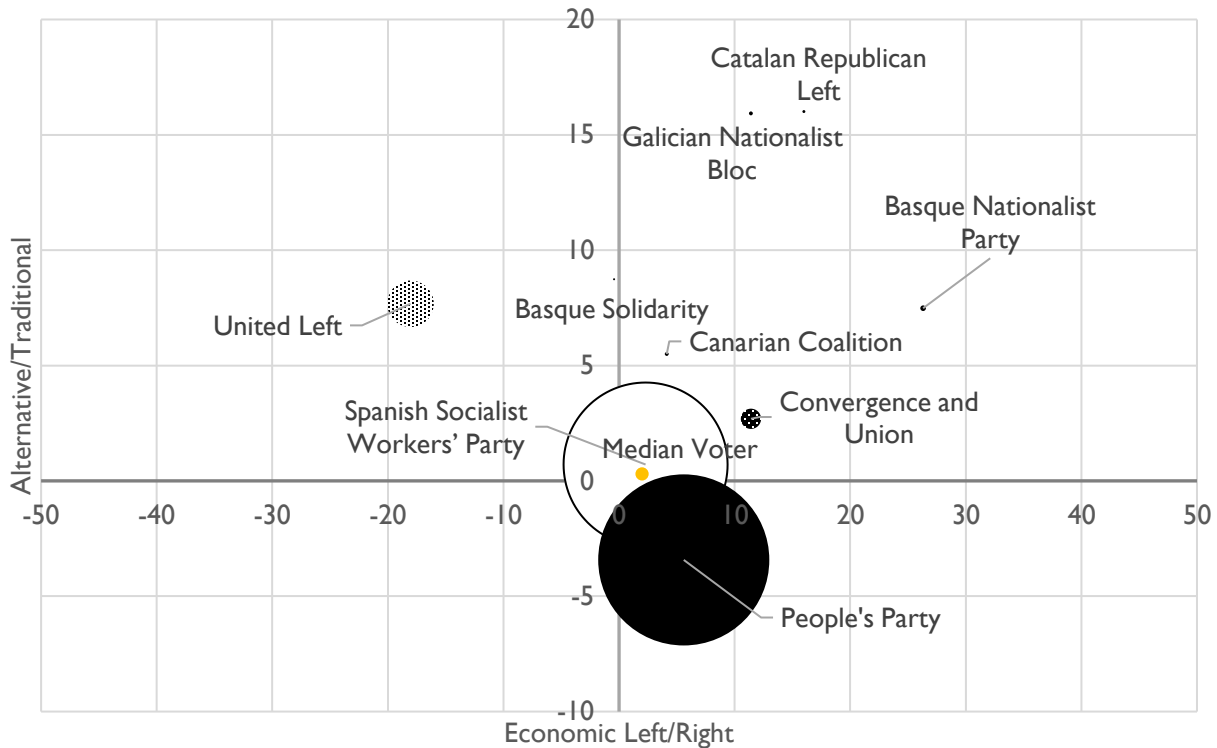


Spain had been a contentious one for the PSOE as their core working-class voters expressed dissatisfaction with the party, its labor market reforms, and the general state of the economy. The victory of the PSOE had been a surprise, only facilitated by, as exit polls showed, last minute leftist voters changing their minds and casting a ballot for the PSOE rather than abstaining or voting for the leftist competitor, United Left (Navarro, 2015). The incumbency advantage is very strong in the Spanish system, especially among undecided voters which may have helped solidify the PSOE's win (la Calle et al., 2010). The victory for the PSOE was slim as the party captured 38.8% of the popular vote to the PP's 34.7%.



Source: Comparative Manifesto Project

**Figure 7.11. Political Space of Party Competition Spain (1993)**



Source: Comparative Manifesto Project

**Figure 7.12. Political Space of Party Competition Spain (1996)**

This led to the formation of a government between the PSOE and the centre-right Convergence and Union Party (CU). The labor market reforms pushed by the government increased flexibility at the expense of insiders and without the approval of the unions. The 1994 European Parliament elections previewed the discontent with these policies leading to the loss of three and a half million voters from the PSOE. The strategy for both the PSOE and PP was to appeal to the center voter, where the vast majority of Spaniards identified themselves (Balfour, 1996). In the 1996 election, the PSOE would be defeated by the PP, receiving only 37.6% of the vote to the PP's 38.8%. Many of the defectors from the PSOE ended up supporting the far-left UL, who increased its number of seats from 18 to 21. The PP, with a stability deal from the CU and Basque and Catalan nationalist parties would form a government.

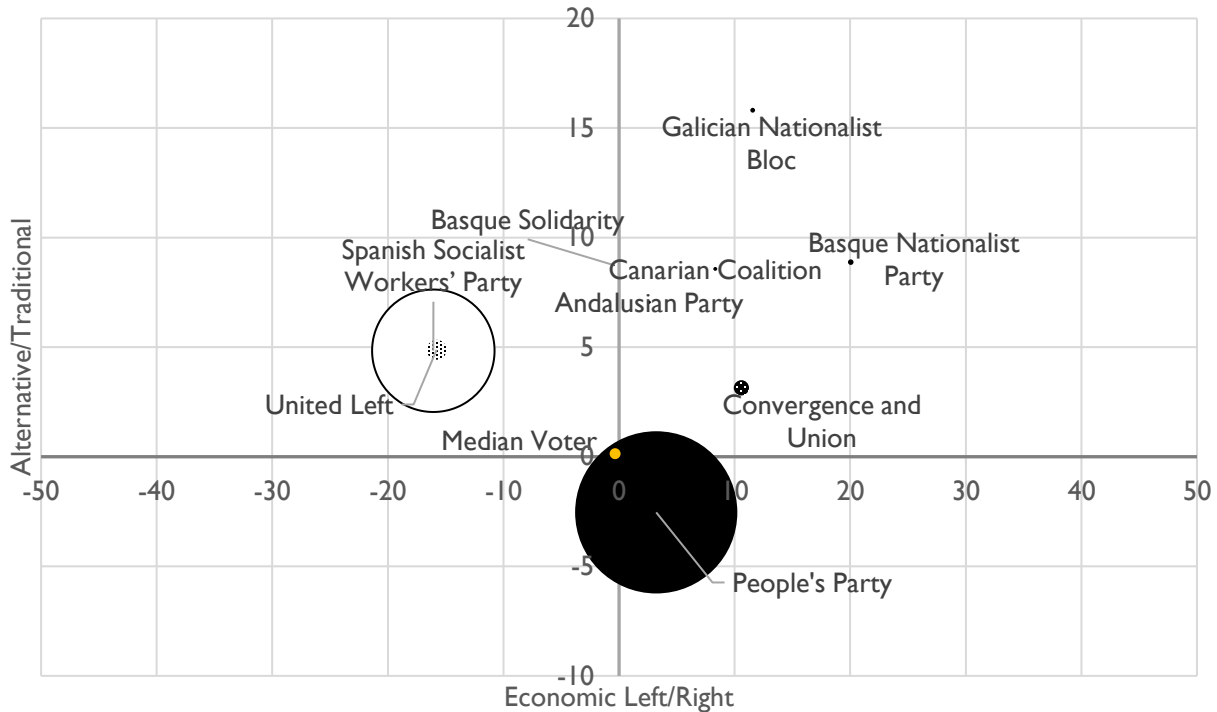
The literature suggests that with a right-centre government in power, labor market reforms in Spain at this time would be disadvantageous to outsiders. However, the relative closeness of the PSOE to its right competitor and the strength of the United Left as a left

competitor worked to make a shift towards deregulation electorally unappealing for the PP. While there was fragmentation among the left parties, the total votes for the left totaled 1 million more than the right, meaning most constituents (51.2%) supported left parties.

The first labor market reform instituted by the PP was to restructure the unpopular 1994 legislation put in place by the PSOE. This legislation was negotiated as a compromise between unions and employers associations. These reforms were aimed at creating greater opportunities for permanent contracts, albeit less secure ones. The legislation both harmed labor market insiders by reducing protections and bolstered labor market outsiders by incentivizing certain groups to be hired into full-time permanent employment. The reforms instituted by the PP had two clear motivations, firstly, to benefit employers, one of their key constituencies and secondly to attract outsiders, a demographic the PSOE had largely ignored (Rueda, 2007).

Laws strengthening part-time employment additionally had this motivation. However, they were also influenced by a need to bring Spanish law in line with European Union's Directive on Part-Time Work. In many ways the transposition of the Directive was stricter than what was in the EU legislation with a firmer cap on part-time hours and requirements that workers know their schedules ahead of time. The PP viewed these policies as important to the creation of greater levels of employment that was more stable, and supportive of their goals to reform the Spanish economy in preparation for integration into the European Monetary Union. Opposition to the legislation came from the left, who felt it did not go far enough in providing protections for part-time workers. Issues included ensuring the voluntariness of part-time employment and removing discrimination towards part-time workers in terms of benefits (Congress of Deputies, 1998). With a positive view of the legislation from the coalition government, the legislation would pass without reform.

As show in Figure 7.13, the 2000 election represented a major shift for the PSOE in terms of policy it significantly shifted its policy platform to the economic left and closer in line with the IU. The PSOE approached the IU to negotiate a pre-campaign pact. However, the final pact did not involve the parties combining to form a single-ticket, but rather the parties agreed to form a coalition government should the PSOE win a plurality. The PSOE felt that allying with the IU would serve its goal of bringing back leftist voters who had deserted the party. Regardless of this effort, the PP won a majority of the seats in the House and 44.54% of the vote, becoming the first ever centre-right majority government in Spanish history (Chari, 2000).



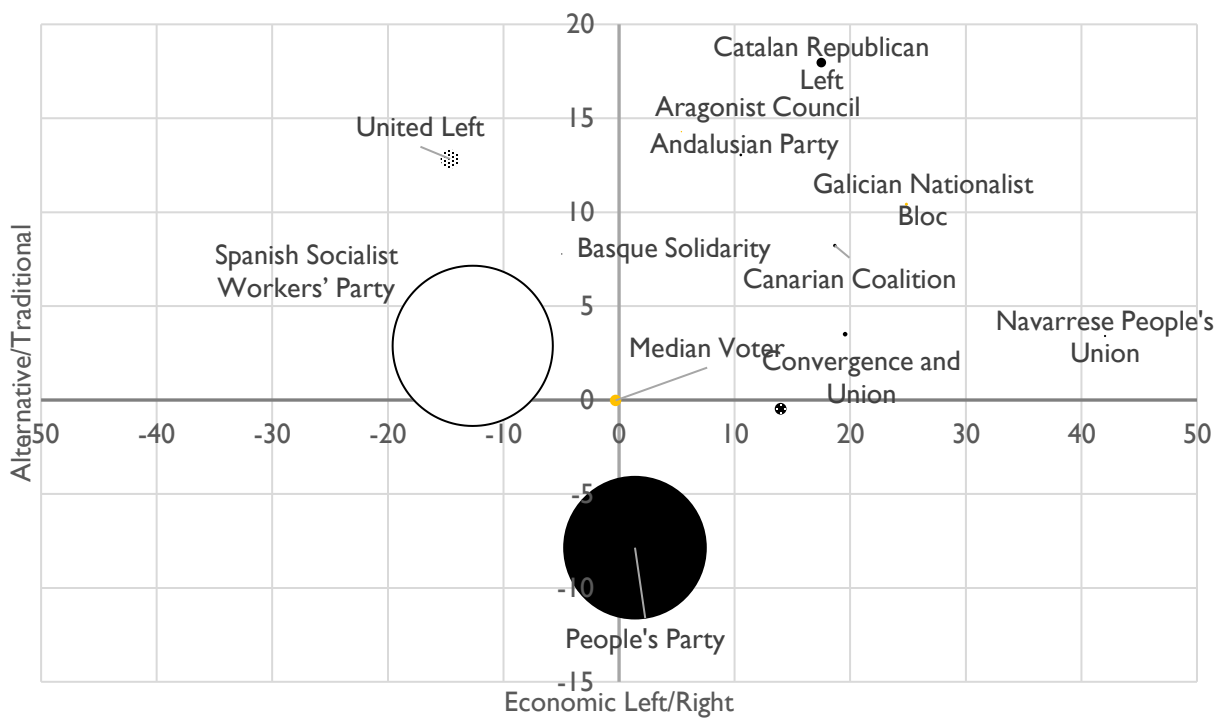
Source: Comparative Manifesto Project

**Figure 7.13. Political Space of Party Competition Spain (2000)**

The 1998 labor reforms were passed with the consent of unions, but against the wish of business associations. With the PP firmly in the majority the centre-right party introduced legislation to amend the 1998 law. The IU strongly opposed the change, advocating instead for a reduction of the working day to 35 hours. They criticized the government as focused on the quantity of jobs it was creating while ignoring the quality. The PSOE also advocated for a reduction in working hours and criticized the government for proposing changes against the wishes of the unions. The PP supported their policy by citing their party’s reductions in long-term unemployment and the need to further reform the labor market in line with the maintaining the goals set out by the EU. The PP viewed the reforms as removing rigidities within the labor market, freeing employers to hire more employees. While both the IU and PSOE tried to get alternative text to the amendments passed, both measures failed, and the PP’s labor market reforms were adopted (Congress of Deputies, 2001). Overall, the legislation both reduced protections for part-time employment and worked to incentivize the hiring of individuals into permanent contracts. The policy space in Spain in 2000 was much different than in the previous

election. With a majority government, the PP was able to pass reforms without the need for compromise.

The PSOE won a surprise victory in 2004 amid upset about the PP's handling of the deadliest terrorist attack in European history and their intervention in the Iraq war (Chari, 2004). The PSOE was able to form a minority government with several regional parties. In 2006, labor market reforms were introduced to incentivize the hiring of individuals into open-ended contracts. The main beneficiaries of this reform were women, the young, and disabled groups that are more likely to find themselves labor market outsiders. With the continued political competition of the IU, who had shifted more left economically and less traditional culturally, the vote-seeking PSOE adopted a strategy to appeal to labor market outsiders. The political space of Spain in 2004 is shown in Figure 7.14.

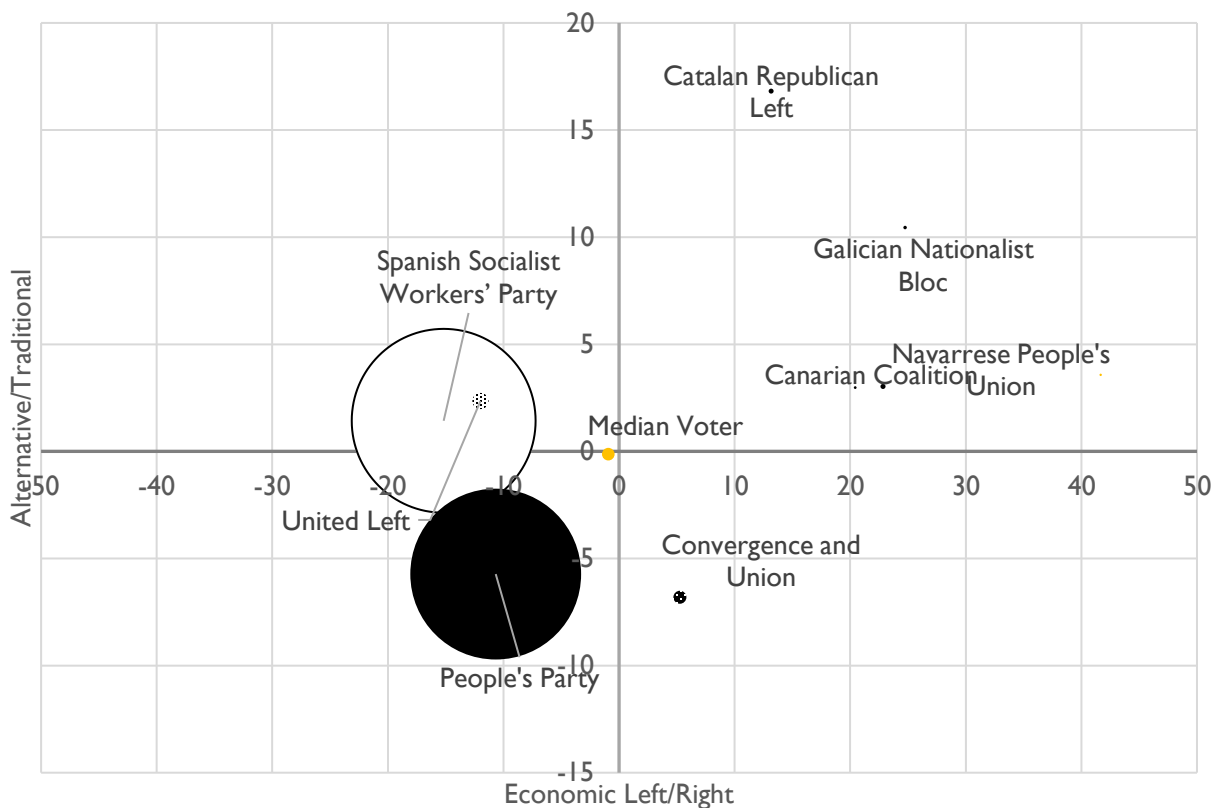


Source: Comparative Manifesto Project

**Figure 7.14. Political Space of Party Competition Spain (2004)**

This strategy was positively rewarded in the 2008 election wherein the IU lost a significant number of votes and seats, receiving less than 4% of the vote and gaining only 2 seats in the Parliament. The PSOE would again form a minority government, this time on the heels of

the Great Recession. The 2010 reforms were largely influenced by the need for austerity measures as cited by the EU, who facing a crisis in the Eurozone was desperate to reduce unemployment in Spain as well as the public debt crisis the country was facing. These austerity reforms targeted many of the employment protections insiders benefitted from including increased and eased grounds for dismissals and a decentralization of collective bargaining structures. The legislation further reduced restrictions on the use of temporary work agencies and other fixed-term contracts as a manner of adding additional flexibility to the labor market and reducing unemployment. These labor market reforms were exceptionally unpopular with trade unions who held a general strike in protest of the measures, employer associations who felt they did not go far enough and voters who would deliver a resounding victory to the PP in the next election (Suárez Corujo, 2014). The political space of Spain in 2008 is shown in Figure 7.15.



Source: Comparative Manifesto Project

**Figure 7.15. Political Space of Party Competition Spain (2008)**

Again, the intervention of the European Union stands as an important variable for understanding NSWA reform. However, while in the case of the United Kingdom, the EU's intervention led to positive change, in the case of Spain, the need for austerity measures led to negative change. This intervening variable makes it difficult to tease out what type of measures the PSOE would have introduced had they not been required to liberalize their employment protections.

The cases work to partially confirm the dynamic-party competition model plays a role in NSWA regulation. Parties react to competition within the policy space by shifting their priorities to capture the median voter. The dynamic party competition model appears to be an explanation for NSWA regulation on its own, and in some cases in combination with the partisan model. In the case of Australia, the dynamic party competition model does not fully explain labor market reforms as there is no legislative change to NSWA. However, the Australian case highlights the importance of the positioning of the median voter, as well as the influence of the European

Union on NSW reform. The case of the UK demonstrates that lack of left competitor combined with minor ideological distance from the center and right competitor led to lower levels of protection and regulation for NSW. This supports the findings from Chapter 05, but not the hypotheses derived from the literature. The UK case also reaffirms the role of the EU in NSW reform. The case of the Netherlands shows again that left party competition is an important variable and provides the clearest evidence that they dynamic party competition and partisan model combine to produce NSW results, at least in terms of temporary work protections. And finally, the Spanish case highlights that right parties are also influenced by party competition, as well as the influence of the EU in NSW reform.

One variable worth revisiting is the role of left parties in labor market reform. The cases show that left party in power is not an important variable in determining NSW protection and regulation. Parties on the left, and Social Democratic parties, were more than willing in the case studies to reform labor markets, often to the disadvantage of labor market insiders and outsiders. However, the case studies also demonstrate that in certain instances, the Social Democratic Parties realized the shrinking size of their working-class base and worked to mobilize to attract additional voters. In the case of the UK and Australia, this mobilization was more towards the middle-classes. In Spain and the Netherlands, there was some attempt to mobilize for outsider support. However, this only occurred as labor market outsiders became a larger proportion of the electorate. This suggests that as labor market outsiders comprise more and more of the electorate and therefore have more influence on the median voter, parties will be more likely to adjust their platforms to fit their needs.

### **Testing the Role of Corporatism and Unions**

The final hypotheses tested in the case studies focus on the role of corporatist institutions and unions in determining regulation for NSW. The literature suggests corporatist institutions may result in either stronger or weaker protections for NSW depending on the make-up of unions (H12, H13, H14). The greater the number of outsiders in labor unions, the stronger employment protection and regulation for NSW will be (H15). However, when insiders dominate labor unions, protections for NSW will be weaker (H16).



Table 6.2 shows a composite measure of each case country's rate of corporatism by combining measures of government intervention and wage centralization. The UK has the lowest levels of corporatism, while the Netherlands has the highest rate of corporatism in the 90s, eventually tying with Spain for the highest rate in the late 2010s. Although a liberal market economy, Australia has relatively high levels of corporatism, compared to the UK and other liberal market economies countries.

**Table 7.2. Composite Score of Corporatist Institutions**

(1=LOW; 10=HIGH)	1996/2000	2000/2005	2006/2010	2011/2015
<b>AUSTRALIA</b>	4	4	4.8	5
<b>NETHERLANDS</b>	7	7.6	7.4	7
<b>SPAIN</b>	5	6.6	6.4	7
<b>UK</b>	2.1	2.5	2.5	2.5

Source: ICTWWS

In examining the cases, the hypothesis that strong corporatist institutions will result in stronger employment protection and regulation for NSW is confirmed. In the UK, the Labour party made it very clear that it had no intention of cooperating with unions or restoring the labor relations system decimated by the Thatcher/Major reforms. In Australia, while the Australian Labor Party initially worked to establish tripartite negotiations, the reforms of the Liberal Party attempted to destroy this effort to build a corporatist structure. Despite those efforts, the overall level of corporatism in Australia remains moderately high. However, in both cases, the UK and Australia have relatively weak NSW regulation and protection despite varying levels of corporatism. The case studies reveal that the ideological orientation of the Australian labor unions of the time were not in favor of instituting labor market reforms geared at labor market outsiders. However, reforms to the labor market did occur during this time and primarily benefited labor market insiders. The literature suggests that the impact of corporatism will be mediated by the make-up of unions. The Australian case serves to provide support for this hypothesis.

Low levels of protection and regulation are not observed in the Netherlands and Spain where strong corporatist systems lead to higher levels of NSW protection and regulation. In

the case of the Netherlands, the Polder model, led to high levels of cooperation with employer's organizations to develop mutually beneficial social pacts. In the case of Spain, a period of union harmony also led to compromise with employer organizations and increased protections and regulations for NSWAs. What is interesting about these cases is that unions in both countries had to find these compromises to retain their own power and preserve the corporatist system itself. In Spain, when the unions acted in a confrontational manner and the government found the demands of the unions to be unreasonable, the government simply passed the policy without the approval of the social partners. This however resulted in mass demonstrations by the unions and a shortened tenure for the party in power. In the Netherlands, the compromises of the unions and employers were based on the threat of policy implementation without approval which spurred the social partners to further compromise.

The literature argues that the composition of unions is important in determining the levels of NSWAs protection and regulation. The gap in union membership between full-time and part-time workers has been declining as unions have refocused on gaining part-time workers as members (Kirton & Greene, 2005). The literature suggests when labor market insiders comprise the majority of union members, social pacts will be drawn to ensure their protection at that detriment of outsiders (Rueda, 2005). The cases partially support this hypothesis.

Table 6.3 shows the percent of labor union membership comprised of labor market outsiders. Despite having the highest rate of labor market outsider membership, Australia has the weakest level of protection for NSWAs. As the proportion of outsiders in the labor market has grown and within unions has grown, there is some indication that this balance has had an impact on the reforms unions push for. As outsiders have grown as a proportion of labor union's membership, the demands of labor unions to reform NSWAs have grown.

**Table 7.3. Labor Market Outsiders as a Percentage of Union Members**

	<b>1996/2000</b>	<b>2001/2005</b>	<b>2006/2010</b>	<b>2011/2015</b>
<b>AUSTRALIA</b>	38.7%	45.8%	43.6%	51.5%
<b>NETHERLANDS</b>	30.6%	33.2%	36.2%	40.5%
<b>SPAIN</b>	15.1%	23.2%	36.9%	46.0%
<b>UNITED KINGDOM</b>	33.7%	40.1%	36.8%	30.3%

Source: ISSP

In the case of the Netherlands, the increased unionization rate of women, labor market outsiders in the Netherlands, led to union's shifting course on blocking policies that enabled part-time and temporary work. Realizing that the Christian Democratic government's welfare system for childcare would lead many women into part-time work, the unions began to prioritize quality part-time and temporary employment (Visser, 2002). The campaign of the TUC in the UK for part-time worker rights came about as a need identified by the unions to become more inclusive of an increasingly diverse working population, especially for women. Part-time reforms coincided with campaigns against racism and disability discrimination at work (Heery, 1998). In Australia, the ACTU has recently begun a campaign towards fighting for greater rights for casual workers with the "Change the Rules" campaign (ACTU, 2018). This has culminated in the introduction of legislation to extend the regulations of the Fair Work Act to casual workers. Since the Great Recession, labor unions in Spain have made a concerted effort to reach out to young workers (another predominately outsider group). In doing so, they have proposed reforms that tackle reducing temporary and involuntary part-time employment (UGT, 2018).

Table 6.4 shows the labor union density of each country in the time period studied. It is important to note that both Australia and the UK have higher levels of union membership than the Netherlands or Spain. However, with weak corporatist institutions, the ability of these unions to implement policy change is minor. Both the ACTU and TUC have made strides to unionize labor market outsiders in the past 5 years. However, their ability to influence legislation has been minor. The Dutch and Spanish unions have been far more successful in this regard, advocating and adding protections for NSWAs, as well as increasing their unionization rate of outsiders.

**Table 7.4. Labor Union Density**

	<b>1996/2000</b>	<b>2001/2005</b>	<b>2006/2010</b>	<b>2011/2015</b>
<b>AUSTRALIA</b>	27.9%	23.2%	19.2%	16.7%
<b>NETHERLANDS</b>	23.8%	21.4%	19.4%	18.4%
<b>SPAIN</b>	16.8%	15.6%	16.2%	16.0%
<b>UNITED KINGDOM</b>	30.7%	28.2%	27.1%	25.4%

Source: OECD

There is some evidence that the insider/outsider divide may help to determine the policies unions choose to stand behind. The Spanish case best illustrates the idea of the insider-outsider cleavage with the Spanish trade unions allowing deregulation of temporary contracts while promoting the rights of permanent workers. However, as unemployment remained stubborn and temporary contracts became the norm, the UGT and COO reversed courses to push for better regulation of fixed term contracts. The Netherlands also sees a similar pattern with the unions allowing for the deregulation of part-time and temporary jobs to preserve permanent contract protections. This is until part-time jobs became the most common contracts and the unions began to promote better working regulations for part-time workers. This can be contrasted with the push of the ACTU in Australia, to campaign for better regulation of casual work which has yet to be passed as legislation. The TUC in the UK has additionally worked to challenge insecure work through the abolishment of zero-hours contracts. However, while in the Netherlands and Spain unions have been successful in regulating NSWAs. In Australia and the UK, the unions have not been a driving force in this regulation as they are relatively weak.

In all the countries studied the need to increase labor market flexibility was an important feature of labor reform policy in the 1980s and 1990s. High unemployment rates drove the governments of many countries to institute difficult reforms that shrank the welfare state and changed employment patterns for workers. The cases demonstrate that stronger corporatist institutions, and particularly the willingness of the government to abide by the recommendations of the social partners play an important role in determining the level of employment protection and regulation for NSWAs. The cases also show that corporatist institutions are instrumental in

passing reforms geared towards NSW, but the willingness of unions to address outsider interests also plays an important role. As the quantity of outsiders in unions has increased, labor unions have pushed for more and more reforms of NSW.

## **Discussion**

In examining the cases, there are several issues that reveal themselves as important to determining the level of NSW regulation and protection. Firstly, the change in messaging and representation of the Social Democratic parties themselves, especially as viewed from the lens of the “new left.” The Social Democratic parties instituted policy during the 1980s through today are far different from the Social Democratic parties of the 1960s and 70s. The “third way” policies of the Labour Party in the United Kingdom, Australian Labor Party in Australia, and to a lesser extent the PvdD in the Netherlands focused on a decentralization of the welfare system and emphasis on individual autonomy and self-governance. The embrace of globalization and a move away from broad attempts to regulate the labor market modified the electorate supporting left parties. In many ways, it is the beneficiaries of these policy choices that have become the core constituency of the Social Democratic parties, those who are younger, better educated and middle class, those that work in human services, and those with post-materialist values (environmentalists, feminists, etc.) (Kitschelt, 1988). Because of this realignment, an insider/outsider divide based on economic security becomes less of an issue because the Social Democratic party is not serving as an instrument of unions or the working class. Instead, the Social Democratic party served to lessen economic security for the population for the sake of job creation.

The policy tradeoffs made by the Left during this period additionally show the difficult calculus of the “new politics” of the welfare state. Amid high levels of unemployment and a fiscally untenable entitlements system, parties were forced to make difficult choices. Flexibilization of the labor market was not initially seen as one of those difficult choices, especially when the alternative was high numbers of the unemployed. In this sense, giving people opportunities for jobs was viewed as the better outcome. The old-Left was able to be tough on regulation and protection for all jobs because of unprecedented job growth during the 1950s and 60s. The new Left had to adapt or face decimated welfare systems and massive

cohorts of the unemployed. In many ways, this also helps to explain why there has not been a push from Social Democratic parties to further regulate NSWAs, the policies that created NSWAs were done so explicitly to create a secondary labor market, reducing the flexibility of this labor market could very well lead to the negative consequences that required the creation of the secondary labor market in the first place.

The dynamic party competition model works to explain the ability of Social Democratic parties to maneuver and make these difficult choices. When Social Democratic parties face competition from the left, especially alternative-left parties, the more likely they are to preserve and strengthen labor policies for fear of losing voters to their competitors. There is less evidence supporting the hypothesis that the closer Social Democratic parties are ideologically to their center and right competitors, the more they can allow labor market deregulation without facing significant electoral consequences. As found in Chapter 05, ideological distance appears to benefit SD parties as it can serve as a salient electoral issue to differentiate themselves from right parties, as the Australian and Spanish cases demonstrate.

Contrary to the insider-outsider argument, corporatist institutions serve to help strengthen NSWAs protections and regulations. There is some evidence that unions did play a role in deregulation at the margins. Again, this was in response to high and stubborn levels of unemployment. In the early part of these case studies, unions did help to exacerbate the problem. But as the level of NSWAs grew, they also served as actors that worked to ameliorate the precariousness of part-time and temporary work. It was only in systems in which corporatist institutions remained intact that they were able to do so.

Finally, the European Union stands out as an important variable in influencing governments to protect NSWAs. The Directives on part-time and temporary work served as a catalyst for many of the labor market changes seen during this period. Additionally, the harmonization of policies and the economic criteria set out by the EU required states to implement policies to fall in line with the European Union. In some cases, this proved to be positive for NSWAs. In other cases, this led to deregulation as austerity measures trumped economic security for workers. However, the EU alone is not responsible for the entire design of NSWAs systems. The Netherlands, Spain, and UK are all EU member countries and their NSWAs policies are quite different. While the EU was responsible for why these countries instituted

NSWA reform when they did, the Directives were all filtered through the domestic institutions and party politics of the various countries.

## **Conclusion**

In many ways, this chapter serves to repudiate the argument that Social Democratic parties are an important variable in determining the strength of protection and regulation for NSW. As the “new left” has replaced the “old left” regulation of labor markets has dwindled as a policy that Social Democratic parties willing to promote. It is only in systems in which they face valid electoral competition from other left parties that they work to strengthen labor protections for labor market outsiders. Corporatist and consensual institutions that promote coordination among the social partners additionally play an important role, as does the maintenance of union power within the labor relations system. Supranational institutions also serve as conduits for positive change in NSW policy.

## CHAPTER VIII

### CONCLUSION

The extraordinary growth of jobs that are part-time, temporary, and ambiguous is a relatively recent phenomenon in advanced industrialized countries. Most of the labor laws in developed states were designed to facilitate standard work, defined as full-time, permanent employment for a single employer. Beginning in the 1980s these economies started to experience significant shifts within their labor markets as industrial employment declined, their economies became more exposed to global forces, and high-skill jobs became more valuable than low-skilled or semi-skilled jobs. Inequality was exacerbated in this period as job growth accelerated in precarious work and flexible work arrangements were championed as the solution to labor market rigidity and unemployment.

In many ways, the growth of non-standard working arrangements (NSWA) was by careful design of states who faced high levels of unemployment and unsustainable welfare entitlements. States needed to mobilize more people into the labor force, which meant creating more jobs. Creating more jobs meant enticing firms. Their dominant policy to do so was through the creation of a secondary, less regulated labor market. In many places, employment protection legislation for standard work provided the catalyst for the growth of NSWA as firms created new jobs and hired individuals in part-time and temporary work to circumvent employment protection laws (Buddelmeyer et al., 2008). The ubiquity of NSWA allowed firms to become more flexible and provided a cost-effective solution to organizational issues (Wolosky, 1995). For some employees, this was also beneficial as NSWA served to enable work/life balance (Treas et al., 2011). However, for the labor market overall, the rise of NSWA served to worsen the relative position of employees, placing a growing number of them in precarious situations.

The proliferation of NSWA led to an increasingly segmented labor market, one divided into labor market insiders and outsiders. Labor market insiders are more likely to find themselves in stable, protected jobs and labor market outsiders, are more likely to find themselves in unstable, less protected jobs. As the class divisions of the welfare state reformed along the lines of job stability and security, the division between labor market insiders and



outsiders created a significant political cleavage, especially for Social Democratic parties, the past champions of the welfare state (Rueda, 2006, 2007; Häusermann & Schwander, 2010). This segmentation created an increasingly important issue for states to address, requiring them to determine their role in moderating market forces on employment outcomes.

This fragmentation between insiders and outsiders was only exacerbated by the new politics of the welfare state. Labor market insiders had every incentive to oppose changes to employment protections for standard work and to allow changes to employment policy to occur at the margins. Labor market outsiders had every incentive to demand radical transformations to existing legislation to provide more security for themselves within the labor market. Governments had every reason to utilize broad coalitions between opposition parties, organized labor, and business associations to institute reform and avoid blame for establishing any unpopular changes (Myles and Pierson, 2001).

The purpose of this dissertation was to determine through what mechanisms states were able to institute reforms and explain **why states vary in their employment regulation and protection for workers in non-standard work arrangements**. Overall, I find several factors matter for NSW outcomes. Firstly, labor market outsiders are less likely to vote. This lack of political participation dramatically diminishes the motivation to promote NSW policies as outsiders do not represent a consistent electoral constituency. Secondly, the mechanisms underlying part-time employment regulations and temporary employment protections vary greatly. Part-time employment regulations are the result of membership in the European Union and the Part-time and Temporary Directives passed by the EU in the mid-90s. They are also influenced by the overall composition of the government, with left governments and those that lean towards less traditional cultural values instituting more generous reforms. Instituting temporary work protections is more political. Social Democratic parties, when insider-dominated, tend to endorse more insider-friendly policies. A more significant divide on economic issues from right parties allows for Social Democrat parties to differentiate themselves and promote greater protections for temporary workers. Unions and corporatism also play a role in temporary work protections, with stronger corporatist institutions and higher union density promoting stronger temporary work protections. These reforms, especially those of the European Union, have worked to reduce the gap in employment regulation between non-standard

work and standard work. Employment protection between NSWA and standard work remains quite stark, especially for temporary jobs.

## **Synthesis of Empirical Findings**

My project sought to answer why states vary in their employment regulation and protection for workers in non-standard work arrangements. Several additional questions were asked to clarify this primary question. Firstly, do labor market insiders and outsiders have different policy preferences which influence the willingness and ability of parties to support NSWA protection and legislation? Secondly, does the heterogeneity of Social Democratic parties as it relates to the insider/outsider divide and party competition play an essential role in determining employment protection and regulation for NSWA? Thirdly, how do consensual decision-making and corporatist institutions influence the type of NSWA policies promoted by the state? And finally, what is the role of labor unions in providing for employment protection and regulation for NSWA? As economic insecurity increases, and individuals continue to find themselves within precarious positions in the labor market, these questions become more and more important to answer.

In answering the first question, a robust definition of labor market insiders and outsiders was first needed because how labor market outsiders are operationalized plays a vital role in understanding the economic and social risk accompanying labor market segmentation. Building off Rehm (2009) and Häusermann & Schwander (2010), I define labor market outsiders as an individual with a high probability of being employed in nonstandard work arrangements. To operationalize labor market outsiders, individuals with a higher than average risk of finding themselves in part-time work and/or unemployment based on their occupational group, sex, and age are classified as labor market outsiders.

While several scholars have worked to define what constitutes a labor market insider and outsider, this definition proves to be a more robust way to measure this divide. This is because it accounts for the cultural and institutional barriers individuals face within the labor market. More and more empirical evidence suggests these are important factors to consider when looking at how likely an individual will be able to attain a “good job.” Younger workers have both a hard time breaking into the labor market and when they do, the new jobs that are available are less

secure than previous ones. During the Great Recession, many companies adopted a two-tiered system of wages and benefits meaning new labor market entrants would face worse working conditions than their older, already established co-workers, even when doing the same work. Women face many obstacles in remaining attached to the labor market, especially once they start their families. The so called “mommy penalty” makes it difficult for women to remain in full-time employment, particularly when they are the primary care givers within their family. Finally, workers in low-skill jobs find themselves facing a lack of job security as they face inconsistent work hours and little employment protection. My definition of labor market outsiders considers these factors which aligns it well with the empirical literature on who faces part-time work and unemployment. It also provides a definition rooted in socio-economic risk, which in subsequent chapters proves to be an important determinant of political behavior. The empirical findings of Chapter 03 show the proportion of outsiders in the labor force has grown since the mid-1990s. Women, the young, and low-skilled workers are the most likely to find themselves in NSW. This finding matches other studies, as well as the empirical evidence of the continued growth of part-time and temporary employment.

Next, in Chapter 04, I determined how being a labor market outsider translated into political preferences and partisan mobilization. I conducted a quantitative analysis and found the greatest cleavage between labor market insiders and outsiders regards job security and pensions, with labor market outsiders supporting both significantly more than labor market insiders. The results of this chapter are quite contrary to the hypotheses derived from the insider-outsider literature. Labor market insiders are not found to favor policies that support employment protection. Labor market outsiders are not found to favor policies that promote job creation. And labor market outsiders are not found to favor policies that support redistribution and reject policies that support social insurance. Overall, these findings all contradict the hypotheses found in the insider-outsider literature. Although, as noted in the chapter, this overall rejection of the hypotheses may be a result of how labor market outsider is operationalized, and the time-period studied. As this study showed, the growth in labor market insecurity is largely time-period dependent. For example, while production workers were largely labor market insiders in the 1970s, today, many find themselves on the outside. Many definitions of labor market outsider do not take this into account, which is why my definition greatly improves upon current measurements for labor market outsiders because it factors in occupational group, sex, and age.

Additionally, my definition looks at insiders/outsideers beyond the Great Recession, an event which strongly impacted how individuals view the economy.

Two findings in this chapter stand out as important for further examination. Firstly, the insider/outsider divide has become less pronounced over time. This change is likely the result of the Great Recession which resulted in an increasingly insecure labor market for all workers. It also likely serves as an indication the insider/outsider framework does not have much power as an analytic frame moving forward to study economic insecurity. While the country cases demonstrate that the insider/outsider served as a salient cleavage in the 1980s and 1990s, post-Great Recession and the massive structural overhaul of the labor market that accompanied it, there are far less prominent differences between labor market outsiders and insiders. While insiders once held favored status within the labor market, this has changed, and labor market insiders themselves are increasingly finding themselves employed in insecure positions. It was full-time workers that bore the brunt of the Recession, with firms choosing to eliminate thousands of standard jobs. The effects of this economic shockwave continue to reverberate with people delaying major life decisions, such as getting married, having children and retiring because they fundamentally lack trust in the economy. Overall, this lack of belief that their jobs are safe has resulted in both insiders and outsiders seeking better protections and regulations from the government, but not necessarily at the expense of each other.

A better measurement of the divide within societies is to use a measure of socioeconomic risk. As one's level of socioeconomic risk increases, so does support for government intervention in the markets. These findings are in line with literature on redistribution which finds that lower income leads to support for redistribution (Rehm, 2009). Using a continuous measure of socioeconomic risk also has the benefit of addressing countries where many people find themselves in insecure employment relationships. Overall, it provides a better measure of overall employment risk within a country, rather than which groups are facing better conditions than others. This has important implications for the partisan decisions that individuals will make within a country.

In chapter 04, I also examine how outsidersness translates into partisan support. Using quantitative analysis, the findings of this chapter show labor market outsiders are far less likely to participate in the political process. The chapter confirms the hypothesis that labor market outsiders less likely than labor market insiders to vote. This finding supports the literature

showing when individuals feel disillusioned with the platforms of existing political parties they are less likely to vote (Adams et al., 2006.) This has important implications for democratic countries as large proportions of the population express discontent with their current political processes. Democracies function when there is political participation. When individuals feel the system does not meet their needs, they are likely to become radicalized and fall prey to ideologues who promise to break down current institutions. This is overall not healthy for democracy and highlights an important consequence of mainstream political parties not embracing platforms that ameliorate the economic insecurity issues the electorate is facing. Currently, advanced democracies are facing a crisis as public belief in the efficacy of government declines. If governments cannot establish to the electorate that they can effectively issue policies that provide security to their citizenry, citizens will feel they owe no loyalty to the government.

The analysis also shows that, when they do vote, labor market outsiders are more likely than labor market insiders to vote for left parties. This finding is directly in line with the literature showing that those with low-incomes, which includes a large majority of labor market outsiders, are more likely to support left parties (Cusack et al., 2008; Giger, Rosset, & Bernauer, 2012). This finding also demonstrates that the electorate of left parties may be less secure than initially thought. While SD parties have made attempts to shore up their base with individuals from the middle-classes, their platforms of redistribution appeal to those who are less secure. Emergence of alternative-left parties have served to fragment the left, leading a lack of cohesive messaging and strategy for SD and far-left policies as to how they intend to mitigate the risks of late-stage capitalism. When SD parties appeal to the more secure middle classes, they lose support from outsiders to far-left parties or through the abstinence of votes by outsiders.

This movement to parties at the extreme of the political spectrum is additionally confirmed with the finding that labor market outsiders are more likely to vote for extreme parties, with both being a labor market outsider and higher levels of socioeconomic risk as significant factors of far-left party support, but only higher levels of socioeconomic risk increasing support for far-right parties. This finding is in line with the literature showing that those fearing a deterioration of their economic status are more likely to vote for extreme parties (Kriesi, 1999). It also may provide a clue as to what is currently being observed within the advanced industrialized countries as parties on the far-right adopt populist and protectionist

rhetoric designed to appeal to those facing insecurity within the labor market. The vitriol towards immigrants and scapegoating of immigration as a reason for why the labor market is behaving unfavorably is presented as a perverse solution to increasing levels of economic insecurity. As individuals have become more economically insecure the messaging these parties target is to provide the very security individuals lack within the labor force. This makes them an attractive option for those whose needs have gone unmet by the more traditional parties.

After clarifying the definition of labor market outsider and determining substantial differences between labor market insiders and outsiders, the next several chapters of my dissertation determine how the relationship between Social Democratic parties, labor unions, and institutions interact to influence NSW. In studying NSW policy, the first requirement was to create an indicator of employment regulation and protection for non-standard work. This required dividing NSW into its component parts and focusing the study on part-time employment regulations and temporary employment regulations separately. To do this, I created an indicator by content-coding legislation on NSW to determine the level of protections and regulations for part-time and temporary employees.

In Chapter 05, I used panel data to determine which variables significantly influenced changes in part-time and temporary work protections. The findings of this chapter fall squarely in line with the new politics literature as multiple agents are found to be responsible for NSW reform. The models show that part-time work regulations and protections are primarily the result of the European Union Directives and the overall short-term ideological orientation of the government instituting the reform. In this sense, the Directives are filtered through the lens of the government initiating them. This supports other studies that show the overall orientation of the government is an important determinant of labor market policy, not simply the party in power (Hieda, 2013). The role of the EU is important to consider, especially within political climates where the party in power faces a high risk of punishment for enacting unpopular reforms. While NSW reforms were generally very positive for workers, in many cases there was not a large amount of political will to enact such reforms arising within the politicians of the country itself. The EU served as both the impetus for the policy and a buffer towards enacting it. As the new politics literature suggests actors seek to avoid being blamed for the policies they legislate, the EU served as an important institution that allowed political parties to institute reforms, without facing blame for doing so.

Additionally, cultural variables are found to be important in determining regulations and protections for part-time work. Median voters that trend towards less traditional cultural values in the long-term and governments that are more economically leftward and less culturally traditional are more likely to increase protections for part-time workers. This finding demonstrates the willingness of the SD party to adopt an “office-seeking” strategy matters as the median voter shifts and the party is willing to embrace policies that may conflict with their base (Schumacher et al., 2012, Stimson et al., 1995, Adams et al., 2004). It also demonstrates that shifts within the culture of the country can prompt change within the labor market. As more and more individuals embrace values such as equality, gender equity, and autonomy, parties are incentivized to shift their positions to address these values. These less traditional views of what the labor market should be and who regulation should favor serve to increase protections for part-time work.

Temporary work protections are found to be the result of multiple agents with SD parties only advocating for stronger temporary employment protections when their party is insider-dominated or when facing party competition from alternative-left parties. When facing both, temporary employment protections are not as strong because faced with unstable electoral constituencies, SD parties promote insider interests at the expense of outsider policy. This finding supports the literature demonstrating that SD parties are ideologically inflexible and vulnerable to shifting their policies away from what their core constituency’s preferences (Kitschelt, 1994; Steenbergen & Edwards, 2007). The fragmentation of the left has created many issues for SD parties who have had a difficult time retaining their legacy of protectors of working-class interests. It is telling that the further away SD parties are from their left-competitors on cultural issues, the more likely there is to be stronger protections for temporary work. This is because SD parties are unwilling to shift their policy positions to a more extreme stance, unless they are legitimately threatened by a far-left competitor who may take votes away from the old left.

Social Democratic parties do much better differentiating themselves from competitors on economic issues than cultural ones. When the SD party and right party have a more significant divide on economic issues, there are higher levels of protection for temporary work, but when both the SD party and right party are more traditional, this leads to a decrease in temporary employment protections. This finding partially confirms the dynamic party competition model,

but also shows that the axis the parties differ on matters for labor market policy. The ideological distance between SD parties and center parties is not found to be an important variable in explaining NSWA protections and regulations. Social Democratic parties do well when they can differentiate themselves on economic issues. Having an economic issue serve as a salient divide between the SD party and right competitor works in the favor of the SD party by letting the party position itself as the party that champions the needs of workers. This leads to higher levels of regulation for temporary work.

In examining the mechanisms of NSWA reform further, case studies were used to explore the linkages between SD parties, unions, and institutions in NSWA reform. Chapter 06 focuses on how NSWA increased in the case countries of the UK, Australia, Netherlands, and Spain. The findings support the notion that government policies are responsible for the insider/outsider divide. In countries where wage moderation was compromised for strong protections for standard work, unions exacerbated labor market segmentation by protecting insiders at the expense of outsiders. These union policies directly contributed to the increase of precarious NSWA to allow for flexibility in the labor market. In most cases, unions were willing to allow the creation of a less regulated job market for maintenance of their relevance and power. Coupled with an increased neoliberal orientation of both left, center, and right parties at the time led to the expansion of lesser-regulated part-time and temporary work. The European Directives on part-time and temporary employment represented an important milestone in dealing with the problem of increasingly insecure labor markets by creating a common set of standards for NSWA that called for equal treatment compared to standard workers and pro-rata access to benefits. The findings of this chapter are largely in line with what Rueda (2007) proposes. And demonstrate part of the reason why individuals have become distrustful of Social Democratic parties.

Chapter 07 builds upon both Chapters 05 and 06 to examine the passage of NSWA in the country cases and further test the hypotheses that SD parties, unions, and institutions influence NSWA reform. The case studies find the ideological distance between Social Democratic Parties and other left parties are associated with lower levels of employment regulation and protection for temporary work when Social Democratic Parties are insider-dominated. Again, part-time employment does not appear to be as impacted by partisan divides. As SD parties were forced to find voting constituencies beyond the working-class bloc, they catered to the educated middle-



class professionals. This ideological movement and a vote-seeking strategy on the part of SD parties led to weaker levels of NSWAs as they promoted policies that benefited this constituency over labor market outsiders. The case studies also revealed that the ideological distance between Social Democratic Parties and center parties are not associated with lower levels of employment regulation and protection for NSWAs. For right parties, the ideological distance between SD and right parties benefit NSWAs protections. Ideological distance allows for SD parties to promote themselves as the better party for more robust labor protections and for labor market reform to serve as a significant wedge issue. In this manner, they can cast blame on the right parties while promoting more radical labor reforms.

The case studies also show that consensual decision-making institutions influence the type of NSWAs policies promoted by the state. Strong corporatist institutions result in stronger employment protection and regulation for NSWAs. Corporatism and the willingness of governments to abide by social contracts served as a positive mechanism for both part-time and temporary work reforms. The case studies do not show a greater concentration of outsiders in unions leads to stronger employment protection and regulation for NSWAs or the higher the concentration of insiders in unions leads to weaker employment protection and regulation for NSWAs. It is only recently that labor unions have started to advocate strongly for NSWAs reform. As part-time and temporary work has become more prevalent, unions have made stronger efforts to lobby the government to institute reforms. The cases find that, like the quantitative findings, union density and the relative power of unions have determined how successful unions have been in establishing stronger NSWAs policies.

Again, like the quantitative section, the European Union reveals itself to be an essential intervening variable in explaining NSWAs reform, especially for part-time work. In the case of the UK and Spain membership in the EU catalyzed the political will to institute NSWAs reforms. Both the Directives issued by the EU and a standard set of principles designed to guide economic governance heavily influenced how states regulated and reformed their labor markets. The implications for this are essential as scholars decipher how states make policies under a complicated set of circumstances. Adherence to EU principles plays a vital role in making necessary, but not endogenously developed political decisions.

## Theoretical Implications and Contributions

This project has contributed to the growing research calling into question the new politics of the welfare state and the ability of governments to mediate inequality. Labor markets and employment relationships operate within economic, political, and ideological contexts that are country specific and vary across nations. There is growing discontent with the status quo in many advanced democracies as socio-economic security has eroded and workers find themselves the casualties of capitalism, rather than the beneficiaries of such systems. This study works to reinforce many of the findings of the new politics and insider/outsider literature.

Altogether, the theoretical contribution of this dissertation to the literature on the new politics of the welfare state is fourfold. This research contributes to (1) the understanding of outsider partisanship and political behavior, (2) the role of the Social Democratic party and party competition in labor market reforms, (3) the role of corporatist institutions in perpetuating the insider/outsider divide (4) an understanding of union strategies and their implications for part-time and temporary employment reform.

First, regarding labor market outsiders, this dissertation makes two substantive contributions. Firstly, the development of a definition of labor market outsider aligned with the cultural, societal, and institutional biases impacting the type of employment individuals can find. The classification of labor market outsiders is substantial in determining their political behavior. The definition developed in this dissertation better captures individuals who face significant socioeconomic risk and are likely to suffer adverse employment consequences as a result. This operationalization also identifies an emerging sub-group, the semi-secure, those that do not have a higher than average or lower than average probability of finding themselves in non-standard work arrangements. The identification of this group suggests precariousness is growing in advanced economies and the binary insider/outsider divide is unlikely to provide a salient cleavage for future research. However, the degree of socioeconomic risk appears to be a viable alternative to this measurement.

One theoretical contribution of this finding is to cast doubt on the use of the insider/outsider divide as an analytic framework. Even with a robust definition of who labor market insiders and outsiders are across time and across countries, the hypothesized antagonism between the two groups simply failed to manifest as a salient explanation in my study.

Furthermore, outsidership is not found to be a binary manifestation within the labor market as more and more individuals find themselves in precarious positions. The use of socioeconomic risk in explaining the labor market and partisan preferences of individuals provides a far more useful tool in analyzing the labor market conditions of different demographic groups.

Understanding individual level preferences for partisanship and policies is an important question to answer in political economy. This study contributes to that literature by proposing and supporting the notion that an individual's socioeconomic risk exposure within a country shapes both policy and partisan preferences. This has profound implications for how political scientists study post-industrial societies as individuals face increasingly levels of precariousness within the labor markets. Furthermore, it provides a useful theoretic tool for examining the building of political coalitions and the demands made by individuals upon the state.

This dissertation also sheds light on the political participation and partisan orientation of labor market outsiders. The findings show that labor market outsiders behave similarly to low-income voters and align themselves with parties on the left and far-left (Cusack et al., 2008; Rehm, 2009; Giger, Rosset, & Bernauer, 2012) or abstain from voting altogether (Giger et al., 2013; Gilens, 2012; Marx, 2014). These findings have significant implications for understanding policy reform in advanced democracies. Deprived of their security, labor market outsiders do not protest or incite political action. Instead, they withdraw from political life. This discontent with political parties' signals something wrong within the systems of representative democracy as a growing proportion of the electorate feels alienated from the political process and chooses to remove themselves from political participation because they do not feel the current political system represents their interests. This discontent should serve as a warning bell for democratic institutions as outsidership and insecurity grow this problem is only likely to reinforce economic and social inequalities.

Additionally, this study ties increasing levels of economic insecurity to the emergence of extreme parties, especially far-right parties, within advanced industrialized countries. Scholars have sought to answer what contributes to the appeal of parties presenting xenophobic and populist platforms, especially as anti-immigrant rhetoric has increased in recent years. Although not the primary question of my dissertation, this study provides support for the theory the attraction to such parties is tied to the decline of economic security and a fundamental shift of labor market risk onto the worker. This has profound impacts for politics as we tie the linkages

of economic risk to polarization and radicalization within the political space. As workers find their power eroding, they are lashing out at the establishment. This is an area of great importance which will require further study to effectively tease out the connections between risk and partisanship.

Similar to other political histories of the 1980s and 1990s, this study finds a weakening of electoral alignments and an emergence of new political issues leading to a fragmentation of the left (Kitschelt, 1988, 1994; Przeworski and Sprague 1988; Betz & Meret, 2012). Changes in the labor market have exacerbated this problem as a widening gap between expected and realized benefits manifested in political discontent with the status quo. As the promise of economic security dwindled, and opportunity for upward mobility stagnated, the appeal of Social Democratic parties diminished. Social Democratic parties themselves did little to help this issue as they increasingly adopted more and more neoliberal reforms, primarily working to erode the security of the workers that once formed their core base.

This study finds that the presence of alternative-left parties provides a far more significant explanation for NSW reform than Social Democratic Party power. Alternative-left parties provide competition for SD parties by threatening their electoral support. This threat provides the impetus for strategic SD parties to blur the interests of their traditional working-class electorate and those of the alternative-left electorate, including labor market outsiders, to present themselves as competent representatives of alternative-left causes. This study shows that this is the mechanism for temporary employment protections, although with a caveat as insider domination of SD parties in the presence of alternative-left competitors reduces the positive impacts of insider domination and left-party competition. This likely results because SD parties are less ideologically flexible than other political parties and unwilling to respond to short-term shifts in political opinions when it jeopardizes their core constituency (Adams & Somer-Topcu, 2009). This study also works to confirm that party competition plays a vital role in the policies that political parties promote. This study also adds to the theoretical findings concerning the fragmentation of the left and the unwillingness of Social Democratic parties to embrace less traditional cultural policies.

Additionally, this study contributes to the new politics literature by demonstrating that left parties are no longer the primary mechanism through which labor market reforms take place. In the case of NSW policies, left party in power was not a significant variable in explaining

part-time or temporary employment regulation and protection. Instead, both the left and right were equally willing to increase protections and regulations for workers. This dissertation reveals that the European Union was a crucial intervening variable in explaining the behavior of parties. In examining NSW, there is substantial evidence to suggest that EU integration is the primary variable explaining part-time employment regulation. There are multiple mechanisms for this. Firstly, through the European Directives, state actors were required to enact policy favorable to labor market outsiders. Secondly, the Court of Justice of the European Union served as an institution that other political actors were able to appeal to in order to strengthen labor reforms (or in the case of the UK, threaten to appeal to). Overall, the findings are essential in illustrating the overall impact of political parties in light of supranational organizations and raises additional questions about state sovereignty over domestic policies.

Finally, this study also contributes to the examination of insider/outsider divides and the impact of corporatism and unions in magnifying these issues. Overall, I find mixed results for the effects of corporatist institutions and unions. This finding is contrary to the results of Rueda (2007) who argues corporatist institutions magnify the impact of insider-outsider differences by giving unions the power to protect their insider core which leads to less employment protection for individuals employed in NSW. This study finds the result is constrained to the time-period studied. As labor market outsiders have increased and the Great Recession has so fundamentally changed the structure of the labor market, the theorized antagonism between labor market outsiders and insiders does not provide a solid theoretical frame. Post-recession unions have made tremendous strides to organize and promote better working conditions for part-time and temporary workers. Corporatist institutions have given them the power to realize these demands.

### **Suggestions for Future Research**

In this dissertation, I examine how states have responded to increasing levels of risk in their labor markets. Like many studies in comparative political economy, this study was limited by the ability and comparability of quantitative data. Most notably different comparative measures of employment were exceptionally difficult to obtain as most cross-national surveys do not ask questions regarding part-time and temporary work. As increasing numbers of people find themselves employed in these non-standard work arrangements, simply delineating between

the employed, unemployed, and non-labor force participants is not enough. Greater care needs to be taken in data collection instruments to determine the full scope of employment possibilities.

Additionally, I show that socioeconomic risk is an essential driver of partisan attitudes and political participation. Exploring these connections is an important next step in understanding modern politics. As electorates across the OECD become further polarized and constituents express more considerable displeasure with their political systems, understanding what is driving these attitudes will become increasingly important for maintaining stable regimes. I suggest that increases in socioeconomic risk may be alienating vast sections of the electorate and driving labor market outsiders towards political extremes. The aftermath of the Great Recession has been one of increasing dissatisfaction with politics as capitalism has delivered more and more unequal outcomes. It was Schumpeter (1942) who suggested that capitalism would be its own greatest foe, leading to a call for socialism as cultural contradictions became aggravated and lead to social unrest. I uncover some hints that this is already occurring. As socioeconomic risk grows, there is potential for a destabilizing force within political systems. As the insider/outsider divide appears to be a relic of the transition to post-capitalism, the study of socioeconomic risk provides a more robust frame for studying social cleavages within society.

Another avenue for future study uncovered in this dissertation is the need for further study of the role of supranational institutions in domestic policy creation. While not identified as an important variable in the literature, membership in the European Union proved to be an essential variable in determining NSW protection and regulation. Furthermore, the role of supranational institutions, their policy-making process, and adherence by states may lead to policy solutions for other collective problems faced by countries around the world, for example, climate change. As the neoliberal orientation of governments has constrained their ability and willingness to pass policies that limit business interests, the role of the EU becomes more important to understand.

One final area worth more examination regarding labor policy is the finding that left parties in power are not crucial to passing NSW reform, but the median voter is. When the median voter leans more leftward economically, and less culturally traditionally, NSW regulation is stronger. The parties likely play an important role in the messaging of the importance of these issues. However, my study shows that their ability to influence policy is not limited by their ability to attain office. This movement of the median voter is important because

it demonstrates that reform may be a cultural issue. As insecurity increases the demands on government changes within society at large may prompt the reforms sought to reduce inequalities. If anything, this is a hopeful finding and warrants further study as to how shifts in cultural attitudes are translated into political action within the new politics of the welfare state.

## **Conclusion**

The labor market has changed fundamentally over the past 40 years leading to increasing levels of insecurity for most people in advanced industrialized economies. Despite this shift in the general standard of living for most people, the political will to enact change and strengthen protections and regulations for those in non-standard forms of employment has been minimal. While people are certainly feeling the effects of increasing levels of insecurity and inequality, political parties have been slow to increase employment regulations and protections for non-standard workers. However, this appears to be starting to change as large sections of the electorate embrace more egalitarian ideals, and unions push for reforms to part-time and temporary work. The challenge moving forward will be for states to provide protection for all workers regardless of their work arrangements.

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## APPENDIX A

**Table A.1. Total Percentage Outsiders in the Labor Force**

	<i>1996/2000</i>	<i>2001/2005</i>	<i>2006/2010</i>	<i>2011/2015</i>
Australia	34.3	33.84	37.1	44.01
Austria	37.2	36.14	35.93	42.99
Belgium	--	21.67	33.64	31.85
Chile	7.16	19.75	29.38	29.62
Czechia	18.6	21.66	19.78	20.3
Denmark	26.37	34.26	28.91	17.67
Estonia	--	--	--	9.83
Finland	13.95	16.95	23.4	23.91
France	32.29	41.45	44.53	40.44
Germany	28.12	42.03	44.51	43.42
Hungary	28.35	17.16	14.39	23.59
Iceland	--	--	--	35.38
Ireland	20.98	38.75	45.43	43.27
Israel	38.25	46.79	47.43	39.45
Italy	--	--	--	--
Japan	--	17.73	23.05	29.64
Korea	--	30.65	32.19	30.09
Latvia	13.1	18.33	24.54	25.17
Mexico	--	11.42	18.77	19.88
Netherlands	29.43	32.3	38.12	42.33
New Zealand	26.43	32.85	33.35	34.74
Norway	32.12	31.84	30.64	33.31
Poland	4.83	16.34	25.12	26.89
Portugal	34.27	31.58	31.46	--
Slovakia	0.99	6.85	15.23	29.37
Slovenia	3.12	7.55	10.96	20.86
Spain	20.97	27.94	39.34	56.26
Sweden	32.31	32.44	36.23	36.77
Switzerland	38.43	39.04	43.6	44.16
United Kingdom	31.15	42.65	34.79	33.76
United States	30.29	32.44	33.29	30.9



**Table A.2. Percentage Women in the Labor Force considered Outsiders**

	<i>1996/2000</i>	<i>2001/2005</i>	<i>2006/2010</i>	<i>2011/2015</i>
Australia	74.71	67.15	72.51	83.62
Austria	69.11	65.35	67.17	79.56
Belgium	--	47.34	68.86	57.25
Chile	12.22	29.49	52.57	43.82
Czechia	33.32	33.21	34.41	36.82
Denmark	52.78	58.83	46.92	29.11
Estonia	--	--	--	8.27
Finland	26.2	27.53	33.21	27.34
France	63.19	71.59	79.8	66.59
Germany	65.34	86.4	87.3	91.25
Hungary	50.42	28.47	21.63	23.87
Iceland	--	--	--	64.56
Ireland	43.3	68.09	74.62	53.8
Israel	71.42	63.75	76.03	74.56
Italy	--	--	--	--
Japan	--	40.06	52.17	65.25
Korea	--	64.12	62.74	57.37
Latvia	23.47	23.3	28.09	31.85
Mexico	--	24.8	40.89	47.49
Netherlands	58.25	74.36	75.95	81.27
New Zealand	55.27	56.02	57.76	66.67
Norway	61.04	62.06	59.68	62.41
Poland	9.57	56.37	40.93	50.12
Portugal	72.79	56.37	54.34	--
Slovakia	2.14	12.04	20.72	32.59
Slovenia	6.63	15.47	22.27	41.7
Spain	54.35	66.34	74.83	80.62
Sweden	65.11	64.13	68.99	63.43
Switzerland	80.75	79.02	79.83	89.16
United Kingdom	55.3	72.59	59.37	53.55
United States	41.09	48.68	50.66	40.97

**Table A.3. Percentage Young People in the Labor Force considered Outsiders**

	<i>1996/2000</i>	<i>2001/2005</i>	<i>2006/2010</i>	<i>2011/2015</i>
Australia	35.16	34.48	37.95	44.9
Austria	37.18	36.14	35.93	42.99
Belgium	--	21.67	33.64	31.88
Chile	7.16	19.75	29.38	29.62
Czechia	18.67	22.19	19.89	20.43
Denmark	26.37	34.29	29.39	16.63
Estonia	--	--	--	9.83
Finland	14	16.95	23.4	23.91
France	32.29	41.45	44.53	40.44
Germany	28.13	42.1	44.64	43.46
Hungary	28.35	17.18	14.39	23.59
Iceland	--	--	--	35.38
Ireland	20.98	38.96	45.53	43.9
Israel	38.52	47.81	47.94	39.67
Japan	--	17.73	23.05	29.64
Korea	--	30.65	32.27	30.09
Latvia	13.11	18.35	24.54	25.71
Mexico	--	11.5	19.14	20.06
Netherlands	29.43	32.63	38.12	42.34
New Zealand	26.75	33.04	33.58	35.09
Norway	32.12	31.84	30.64	33.31
Poland	4.83	16.34	25.12	26.89
Portugal	34.27	31.62	31.46	10.76
Slovakia	--	7.04	15.33	29.39
Slovenia	3.12	7.56	10.96	20.88
Spain	20.97	27.94	39.41	56.26
Sweden	32.36	32.44	36.23	36.77
Switzerland	38.44	39.04	43.6	44.16
United Kingdom	31.18	42.7	34.85	33.8
United States	30.34	32.6	33.6	31.06

## APPENDIX B

**Table B.1. Coding for 2015, 2005, & 1997 Work Orientations Survey**

Variable	Operationalization	Min	Max
	ISSP 2015, ISSP 2005, ISSP 1997 “For each of the following, please tick one box to show how important you personally think it is in a job. (Please tick one box on each line)		
Job Security	How important is... Q.3a ... job security”	1	5
	Recoded “ 5 = very important, 4 = important, 3 = neither important or unimportant, 2 = not important, 1 = not important at all.)		
Outsider	See operationalization in chapter 03.	0	1
Insider	See operationalization in chapter 03.	0	1
Semi-Secure	See operationalization in chapter 03.	0	1
Socio-economic Risk	Combined unemployment rate and part-time employment rate for demographic group to which the individual belongs.	Varies	Varies
Female	ISSP 2015, ISSP 2005, ISSP 1997; Dummy variable: (SEX: Sex of respondent: 1 = female, 0 = male)	0	1
Age	ISSP 2015, ISSP 2005, ISSP 1997; (AGE: Age of respondent, based on age in years: 1 = “18-25,” 2=”26-35,” 3=”36-45,” 4=”46-55,” 5=”56-65,” 6=”66-75,” 7=”76 and older.”)	1	7
	ISSP 2015, ISSP 2005, ISSP 1997		
Education	Based on highest completed education (DEGREE): 0 = none, 1 = primary, 2 = lower secondary, 3 = upper secondary, 4= post-secondary or higher	0	4
	ISSP 2015, ISSP 2005, ISSP 1997		
Income	Annual personal income, based on national income-variables. (Standardized based on income quintiles: 1= low-income, 2=	1	5

middle-low income, 3 = middle income, 4 = high-middle income, 5 = high income.)

ISSP 2015, ISSP 2005, ISSP 1997

Public	dummy measuring if respondent works in the public sector; (TYPORG2 1 = 1 “public sector employment”; 2 = 0 “private sector employment”)	0	1
Union	ISSP 2015, ISSP 2005, ISSP 1997 dummy measuring if respondent belongs to a union: (UNION 1 = 1 “current union member” 2, 3 = 0 “not current union member.”)	0	1
Standard	ISSP 2015, ISSP 2005, ISSP 1997 dummy measuring if respondent works full-time based on national definition. Derived from (HRSWRK.)	0	1
Part-time	ISSP 2015, ISSP 2005, ISSP 1997 dummy measuring if respondent works part-time based on national definition. Derived from (HRSWRK.)	0	1
Self-Employed	Dummy measuring if respondent is self-employed. ISSP 2015 (EMPREL: 2 = 1 “self-employed, no employees” 1, 3, 4 = 0 “not self-employed.”) ISSP 2005, ISSP 1997 (WRKTYPE 4=1 “self-employed” & “NEMPLOY: 9995 = 1 “self-employed, no employees.”)	0	1
Employer	Dummy measuring if respondent is an employer. ISSP 2015 (EMPREL: 3 = 1 “self-employed, with employees” 1, 2, 4 = 0 “not self-employed, with employees.”) ISSP 2005, ISSP 1997 (WRKTYPE: 4=1 “self-employed” & “NEMPLOY >=1 = 1 “self-employed, with employees.”)	0	1
Inactive	Dummy measuring if respondent is in the labor force. ISSP 2015 (MAINSTAT: 3,4,5,6,7,8,9 = 1 “not in labor force”, 1,2 = 0 “in labor force.”) ISSP 2005, 1997 (WORKSTAT: 4, 6, 7, 8, 9, 10 = 1 “not in labor force” 1, 2, 3, 5 = 0 “in labor force.”)	0	1

	Dummy measuring if respondent is unemployed. ISSP 2015 (MAINSTAT: 2=1 “unemployed”, 1, 3, 4, 5, 6, 7, 8, 9 = 0 “not unemployed”)		
Unemployed	ISSP 2005, 1997	0	1
	(WORKSTAT: 5 = 1 “unemployed” 1, 2, 3, 4, 6, 7, 8, 9, 10 = 0 “not unemployed”)		
	Dummy measuring if respondent is married. ISSP 2015 (MARITAL: 1,2 =1 “married” 3, 4, 5, 6 = “not married.”)		
Married	ISSP 2005, 1997 (MARITAL: 1 = 1 “married.” 2, 3, 4, 5 = 0 “not married.”)	0	1
	ISSP 2015 based on party voted for in last federal election.		
Party Affiliation	ISSP 2005, 1997 based on self-assessed party affiliation. “Political party affiliation: left/right placement” 1=“Far-Left”, 2=“Left”, 3=“Center,” 4=“Right,” 5=“Far-Right.”	1	5
	ISSP 2015 based on party voted for in last federal election.		
Far Left	ISSP 2005, 1997 based on self-assessed party affiliation. Dummy variable (1=far left affiliation, 0 = no far left affiliation)	0	1
	ISSP 2015 based on party voted for in last federal election.		
Left	ISSP 2005, 1997 based on self-assessed party affiliation. Dummy variable (1=left affiliation, 0 = no left affiliation)	0	1
	ISSP 2015 based on party voted for in last federal election.		
Center	ISSP 2005, 1997 based on self-assessed party affiliation. Dummy variable (1= center affiliation, 0 = no center affiliation)	0	1
	ISSP 2015 based on party voted for in last federal election.		
Right	ISSP 2005, 1997 based on self-assessed party affiliation. Dummy variable (1=right affiliation, 0 = no right affiliation)	0	1
	ISSP 2015 based on party voted for in last federal election.		
Far Right	ISSP 2005, 1997 based on self-assessed party affiliation. Dummy variable (1=far right affiliation, 0 = no far right affiliation)	0	1

**Table B.2. Coding for 2016, 2006, 1996 Role of Government Survey**

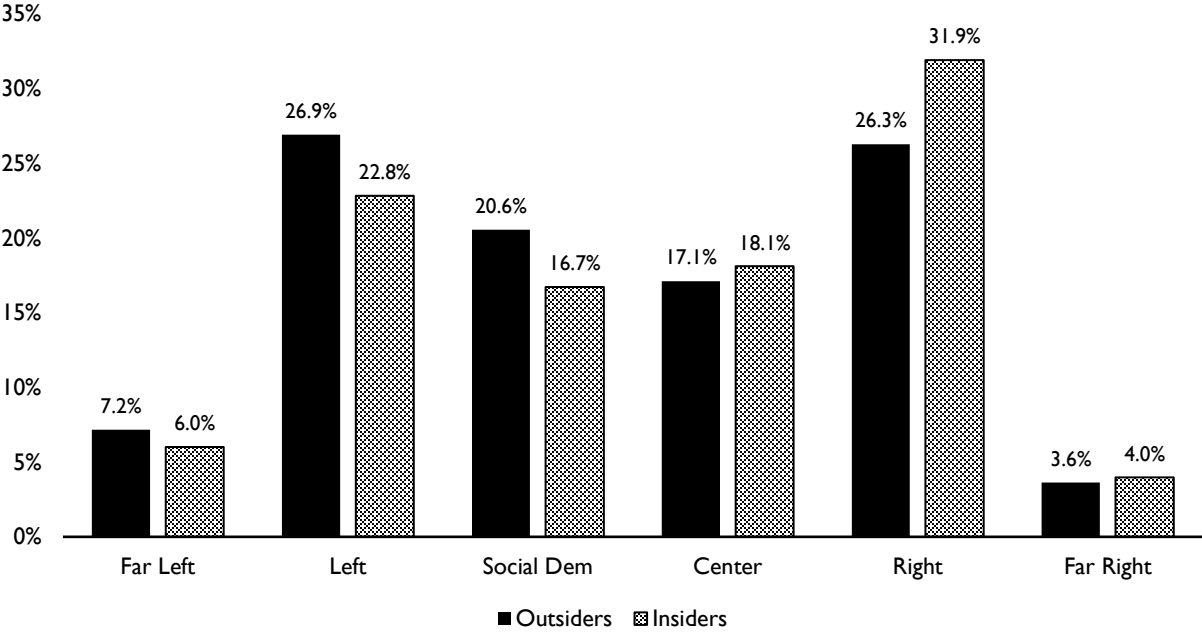
Variable	Operationalization	Min	Max
New_Jobs	Here are some things the government might do for the economy. Please show which actions you are in favour of and which you are against: Government financing of projects to create new jobs. Recoded as: 5= "Strongly in favour of", 4="In favour of", 3="Neither in favour of nor against" 2= "Against", 1= "Strongly against"	1	5
Redistribution	On the whole, do you think it should or should not be the government's responsibility to ... Reduce income differences between the rich and the poor. Recoded as: 4="Definitely should be", 3= "Probably should be," 2="Probably should not be," 1="Definitely should not be"	1	4
	Listed below are various areas of government spending. Please show whether you would like to see more or less government spending in each area. Remember that if you say "much more", it might require a tax increase to pay for it.	1	5
Pension	Government should spend money: Old Age Pensions. Recoded as 5= "Spend much more," 4="Spend more," 3="Spend the same as now," 2="Spend less," 1="Spend much less"	1	5
Unemployment Benefits	Government should spend money: Unemployment Benefits. Recoded as 5= "Spend much more," 4="Spend more," 3="Spend the same as now," 2="Spend less," 1="Spend much less"	1	5
Outsider	See operationalization in chapter 03.	0	1
Insider	See operationalization in chapter 03.	0	1
Semi-Secure	See operationalization in chapter 03.	0	1
Socio-economic Risk	Combined unemployment rate and part-time employment rate for demographic group to which the individual belongs.	Varies	Varies

Party Affiliation	ISSP 2006, 1996 based on self-assessed party affiliation. "Political party affiliation: left/right placement" 1="Far-Left", 2="Left", 3="Center," 4="Right," 5="Far-Right."	1	5
Far Left	ISSP 2006, 1996 based on self-assessed party affiliation. Dummy variable (1=far left affiliation, 0 = no far left affiliation)	0	1
Left	ISSP 2006, 1996 based on self-assessed party affiliation. Dummy variable (1=left affiliation, 0 = no left affiliation)	0	1
Center	ISSP 2006, 1996 based on self-assessed party affiliation. Dummy variable (1= center affiliation, 0 = no center affiliation)	0	1
Right	ISSP 2006, 1996 based on self-assessed party affiliation. Dummy variable (1=right affiliation, 0 = no right affiliation)	0	1
Far Right	ISSP 2006, 1996 based on self-assessed party affiliation. Dummy variable (1=far right affiliation, 0 = no far right affiliation)	0	1
Political Interest	ISSP 2006, 1996; "I feel that I have a pretty good understanding of the important political issues facing our country." Recoded as 5="Strongly agree," 4="Agree," 3="Neither agree nor disagree," 2= "Disagree," 1= "Strongly disagree."	1	5
Female	ISSP 2006, 1996; Dummy variable: (SEX: Sex of respondent: 1 = female, 0 = male)	0	1
Age	ISSP 2006, 1996; (AGE: Age of respondent, based on age in years: 1 = "18-25," 2="26-35," 3="36-45," 4="46-55," 5="56-65," 6="66-75," 7="76 and older." )	1	7
Education	ISSP 2006, 1996; Based on highest completed education (DEGREE): 1 = none, 2 = primary, 3 = lower secondary, 4 = upper secondary, 5= post-secondary or higher	1	5
Income	ISSP 2006, 1996; Annual personal income, based on national income-variables. (Standardized based on income quintiles: 1= low-income, 2= middle-low income, 3 = middle income, 4 = high-middle income, 5 = high income.)	1	5

Public	ISSP 2006, 1996; dummy measuring if respondent works in the public sector; (TYPORG2 1 = 1 “public sector employment”; 2 = 0 “private sector employment”)	0	1
Union	ISSP 2006, 1996; dummy measuring if respondent belongs to a union: (UNION 1 = 1 “current union member” 2, 3 = 0 “not current union member.”)	0	1
Standard	ISSP 2006, 1996; dummy measuring if respondent works full-time based on national definition. Derived from (HRSWRK.)	0	1
Part-time	ISSP 2006, 1996; dummy measuring if respondent works part-time based on national definition. Derived from (HRSWRK.)	0	1
Self-Employed	Dummy measuring if respondent is self-employed. ISSP 2006, 1996; (WRKTYPE 4=1 “self-employed” & “NEMPLOY: 9995 = 1 “self-employed, no employees.”)	0	1
Employer	Dummy measuring if respondent is employer. ISSP 2006, 1996; (WRKTYPE: 4=1 “self-employed” & “NEMPLOY >=1 = 1 “self-employed, with employees.”)	0	1
Inactive	Dummy measuring if ISSP 2006, 1996; (WORKSTAT: 4, 6, 7, 8, 9, 10 = 1 “not in labor force” 1, 2, 3, 5 = 0 “in labor force.”)	0	1
Unemployed	Dummy measuring if respondent is unemployed. ISSP 2006, 1996; (WORKSTAT: 5 = 1 “unemployed” 1, 2, 3, 4, 6, 7, 8, 9, 10 = 0 “not unemployed”)	0	1
Married	Dummy measuring if respondent is married. ISSP 2006, 1996; (MARITAL: 1 = 1 “married.” 2, 3, 4, 5 = 0 “not married.”)	0	1



**Figure B.1. Labor Market Outsider and Insider Partisan Preferences (2015/2016)**



Source: ISSP

## APPENDIX C

### Calculation of Indicators of Employment Regulation and Protection for Non-standard Work

For each country, employment protection and regulation is described along 16 measures. These measures can be classified into three main categories i) Measures of equal treatment; ii) Access to social insurance; iii) regulation of work contracts. Starting with these 16 measures, I construct summary indicators that allow for comparisons to be made across countries and years.

In order to create my index, the first 16-inputs were initially expressed as either units of time (i.e. months needed to access benefits), as a number (i.e. number of successive fixed-term contracts allowed), as a score on an ordinal scale (0 to 6 or yes/no), and as a proportion of full-time equivalency (i.e. threshold needed to achieve access to benefits.) The first step in creating the index was to score all relevant legislation on these first-level measures of employment regulation and protection. I used data from the ILO's TRAVAIL legal database, the Employment Protection Legislation Database (EPLex,) the United States Social Security Administration (which provides a comprehensive analysis of social security programs around the world with subsequent changes to legislation), as well as labor acts, codes, and legislation where available. After scoring each country, I then weighted each component and normalized the scores into a range of 0 to 6, with higher scores representing stricter regulation and protection.

**Table C.1. First step of the procedure: the basic measures of NSWA Regulation and Protection: Part-time Work**

Original unit and short description		Assignment of numerical strictness scores						
Item 1	Scale	0	1	2	3	4	5	6
Equal Treatment for PT workers in employment conditions and compensation.	0-No provisions	Scale (0-3) x 2						
	1-PT workers granted pro-rata benefits on some rights, but not all.							
	2-All PT workers granted pro-rata benefits on all rights.							
	3-PT workers granted equal treatment and benefits as FT workers.							
Item 2								
Part-time Laws exclude some categories of workers								
	% of PT workers excluded	None	<10%	<10%	<30%	<50%	<70%	>90%
		Score (0-6) * -1						
Item 3								
Definition of PT work								

	0-No definition	Scale (0-3) x 2						
	1-Covers workers up to 50% of FT							
	2-Covers workers up to 75% of FT							
	3-Covers workers up to 99% of FT							
Item 4								
Preferential consideration for FT work/Mechanism for requesting increased hours	Yes/no 0-No 1-Yes	No	-	-	-	-	-	Yes
Item 5								
Notification of Full Time Positions	Yes/no 0-No 1-Yes	No	-	-	-	-	-	Yes
Item 6								
Social Insurance Thresholds	% of FT work for thresholds							
Annual Leave		N/A	>80%	>60%	>40%	>20%	<10%	None
Pensions		N/A	>80%	>60%	>40%	>20%	<10%	None
Unemployment		N/A	>80%	>60%	>40%	>20%	<10%	None
Parental/Maternity Leave		N/A	>80%	>60%	>40%	>20%	<10%	None
Item 7								
Provisions for On-Call Work (Zero-hours contracts)	0-No provisions for on-call work	Scale (0-3) x 2						
	1-Limits on number of hours an employee can be stand-by							
	2-Limits on number of hours an employee can be stand-by. Standby time is considered "working-time."							
	3-Limits on number of hours an employee can be stand-by. Standby time is considered "working-time." Compensation offered for stand-by time.							

**Table C.2. First step of the procedure: the basic measures of NSW Regulation and Protection: Temporary Work**

Item 1	Original unit and short description	Assignment of numerical strictness scores						
		0	1	2	3	4	5	6
Equal Treatment for FC workers in employment conditions and compensation.	0-No provisions	Scale (0-3) x 2						
	1-FC workers granted pro-rata benefits on some rights, but not all.							
	2-All FC workers granted pro-rata benefits on all rights.							
	3-FC workers granted equal treatment with FT workers.							
Item 2								
Fixed Contract Laws exclude some categories of workers	% of workers excluded	>90	>70	>50	>30	>10	<10	None
		Score (0-6) * -1						
Item 3								
Social Insurance Thresholds	Continuous Employment for thresholds – Months							
Annual Leave		>18	>12	>9	>6	>3	<3	None
Pensions		>18	>12	>9	>6	>3	<3	None
Unemployment		>18	>12	>9	>6	>3	<3	None
Parental/Maternity Leave		>18	>12	>9	>6	>3	<3	None
Item 4								
Restrictions on use of FC contracts	0 when there are no restrictions on the use of fixed term contracts.	Scale (0-3) x 2						
	1-when exemption exist on both the employer and employee sides							
	2 - if specific exemptions apply to situations of employer need (e.g.							

	launching a new activity) or employee need (e.g. workers in search of their first job.)							
	3 - fixed-term contracts are permitted only for objective or material situation, i.e. to perform a task which itself is of fixed duration.							
Item 5								
Maximum number of successive FTC		No limit	>5	>4	>3	>2	>1.5	<1.5
Item 6								
Maximum length of single term contract		No limit	>36	>30	>24	>18	>12	<12
Item 7								
Types of work TWA can be used	0-No restrictions 3-TWA is illegal							
Item 8								
Restrictions on TWA use				No		Yes		
Item 9								
Maximum Duration of contract - months								
		No limit	>36	>24	>18	>12	>6	<6

**Table C.3. EPL Summary Indicators at Three Successive Levels of Aggregation and Weighting Scheme**

Level 3 (0-6)	Level 2 (0-6)	Level 1 (0-6)
Regulation and Protection for Part-time Work	Equal Treatment (1/3)	Equal Treatment for PT workers (1/2) PT Laws exclude some categories of workers (1/2)
	Definition (1/10)	Definition of PT Work (1/1)
	Mechanisms for Full-Time Work (1/10)	Preferential consideration for FT work (1/2) Notification of Full Time Positions (1/2)
	Social Insurance (1/3)	Annual Leave (1/4) Pensions (1/4) Unemployment (1/4) Paid Parental/Maternity Leave (1/4)
	Zero-hour contracts (1/5)	Provisions for On-Call Work (Zero-hours contracts) (1/1)
Regulation and Protection for Temporary Work	Equal Treatment (1/5)	Equal Treatment for FC (1/2) FC Laws exclude some categories of workers (1/2)
	Social Insurance (1/5)	Annual Leave (1/4) Pensions (1/4) Unemployment (1/4) Paid Parental/Maternity Leave (1/4)
	FTC Restrictions (3/10)	Restrictions on use of FC contracts (1/2) Maximum number of successive FTC (1/4) Maximum length of single term contract (1/4)
	TWA Restriction (3/10)	Types of Work TWA can be used (1/2) Restrictions on renewals (1/4) Maximum Duration (1/4)

**Table C.4. Strictness of Part-time Work Protections**

<b>Country</b>	<b>1996-2002</b>	<b>2003-2009</b>	<b>2010-2016</b>
Australia	1.40	1.40	1.40
Austria	3.53	3.53	3.53
Belgium	1.64	2.90	2.90
Canada	1.36	1.35	1.35
Chile	2.14	3.00	3.00
Czechia	1.73	2.57	3.20
Denmark	1.22	2.42	2.94
Estonia	3.46	5.00	5.21
Finland	4.11	5.40	5.40
France	3.80	4.09	4.45
Germany	2.39	3.08	3.08
Hungary	1.80	3.60	4.53
Iceland	1.80	3.00	3.00
Ireland	2.81	3.47	3.53
Italy	2.90	4.10	4.10
Japan	3.18	3.35	3.50
Korea	2.80	2.98	2.98
Mexico	1.80	1.80	1.80
Netherlands	4.01	4.23	4.34
New Zealand	1.43	1.43	1.43
Norway	1.48	2.84	4.70
Portugal	1.74	2.30	4.10
Slovak Republic	3.61	4.90	4.90
Slovenia	3.84	4.10	3.77
Spain	3.51	3.65	3.65
Sweden	3.03	4.58	4.58
Switzerland	3.17	3.40	3.40
United Kingdom	2.20	3.58	3.58
United States	0.38	0.38	0.38

**Table C.5. Strictness of Temporary Work Protections**

<b>Country</b>	<b>1996-2002</b>	<b>2003-2009</b>	<b>2010-2016</b>
Australia	1.73	1.73	1.73
Austria	3.28	3.23	3.23
Belgium	3.12	3.53	3.53
Canada	1.10	1.10	1.10
Chile	2.43	2.43	2.45
Czechia	1.60	1.65	1.68
Denmark	1.88	2.10	2.68
Estonia	4.00	4.00	4.00
Finland	2.97	3.83	3.83
France	4.13	4.13	4.13
Germany	2.65	2.28	2.28
Hungary	1.38	2.94	3.24
Iceland	1.38	2.18	2.18
Ireland	0.75	1.93	1.93
Italy	4.78	3.95	3.85
Japan	1.40	1.23	1.63
Korea	2.72	2.38	2.25
Mexico	4.00	4.00	3.54
Netherlands	2.50	3.30	3.34
New Zealand	1.28	1.75	1.75
Norway	3.70	3.86	3.90
Portugal	2.75	3.90	4.00
Slovak Republic	2.07	2.30	2.44
Slovenia	2.57	3.60	3.51
Spain	4.03	4.75	4.18
Sweden	2.72	3.20	2.78
Switzerland	1.68	1.68	1.68
United Kingdom	1.28	2.38	2.38
United States	0.40	0.40	0.40



**Table C.6. NSWA EPL time series: breaking points**

<b>Country</b>	<b>Reform Description</b>	<b>PT EPL</b>	<b>FC EPL</b>
<b>Australia</b>			
	No Changes	N/C	N/C
<b>Austria</b>			
2004	Added total number of months employed threshold for pensions.	N/C	-
<b>Belgium</b>			
1997	Reduced Restrictions on FTC		-
2002	Adopted non-discrimination legislation for PT and Temporary work	+	+
2002	Restrictions on duration of TWA contracts is increased	N/C	-
<b>Canada</b>			
1996	Increased hours needed to work per year to qualify for unemployment insurance.	-	N/C
<b>Czechia</b>			
2006	Reform of labor code adopting measures allowing for preferential consideration for PT workers, as well as legislation for 0-hours contracts. Restrictions on maximum duration of FTC	+	+
<b>Denmark</b>			
2002	Adoption of non-discrimination legislation for PT work.	+	N/C
2008	Part-time workers can receive unemployment benefits	+	N/C
2008	Adoption of non-discrimination legislation for FTC	N/C	+
2013	Lowers working hours exclusions for pension contributions	+	N/C
<b>Estonia</b>			
2002	Legally defines PT work	+	N/C
2012	Notification of Full-time positions for PT workers	+	N/C
<b>Finland</b>			
2001	Adoption of non-discrimination legislation for PT work & FTC.	+	+
<b>France</b>			

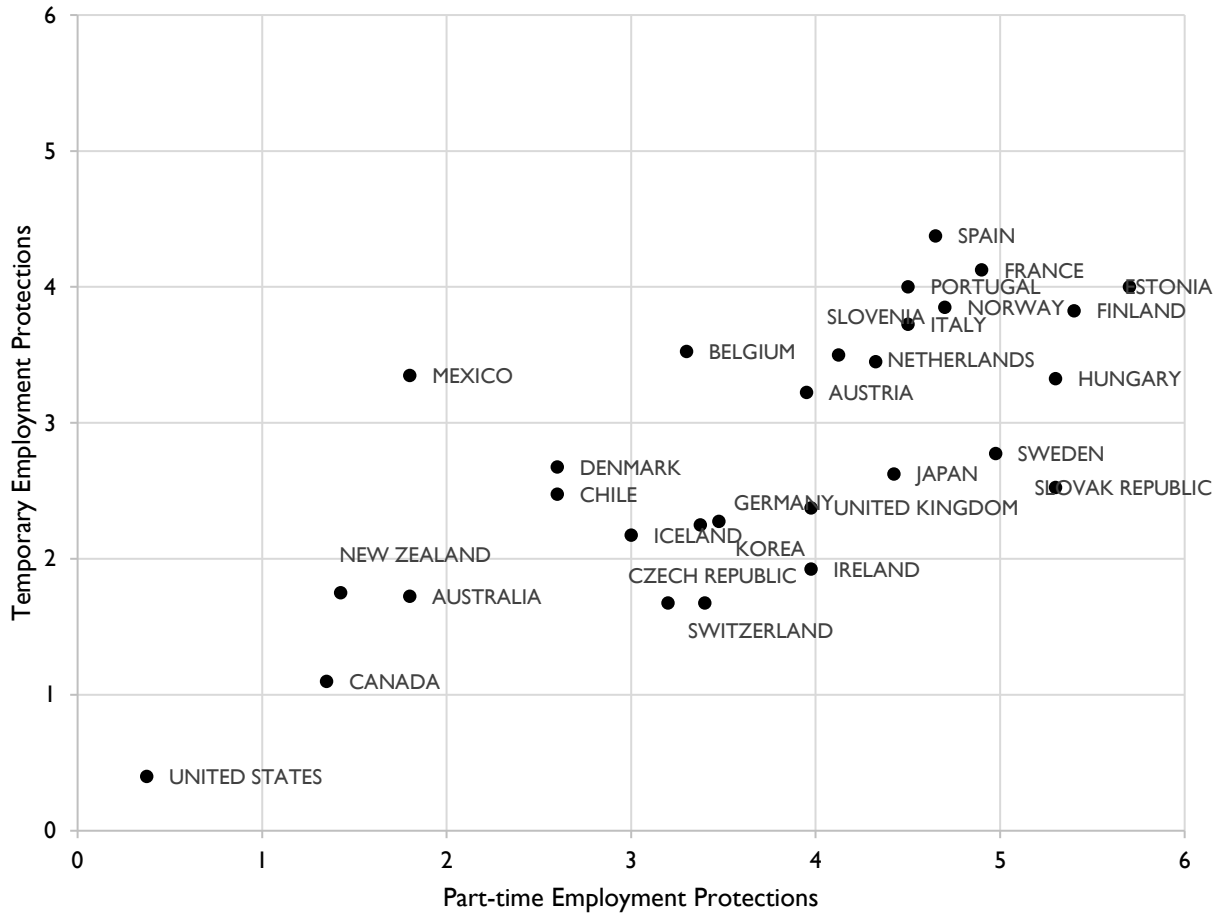
2007	Strengthened protections and rights for PT workers including creating a comprehensive definition and providing preferential treatment for PT workers.	+	N/C
2009	Increased working hours thresholds for unemployment benefits	-	N/C
2015	Reduced hours of work needed to qualify for maternity benefits.	+	N/C
<b>Germany</b>			
1997	Renewals for FTC and TWA increased	N/C	-
2000	Adoption of non-discrimination legislation for PT work and FTC.	+	+
2002	Maximum duration for TWA increased.	N/C	-
2004	Limit on duration of TWA lifted.	N/C	-
<b>Hungary</b>			
2003	Adoption of non-discrimination legislation for PT work and FTC.	+	+
2007	Stricter rules on renewal of FTC.	N/C	+
2012	Definition of PT work, preferential treatment, and regulation of zero-hour contracts. Time limits for employment under TWA.	+	+
<b>Iceland</b>			
2004	Adoption of non-discrimination legislation for PT work and FTC.	+	+
<b>Ireland</b>			
1997	Adopted provisions for zero-hours contracts.	+	N/C
2001	Adoption of non-discrimination legislation for PT work and definition of PT work.	+	N/C
2003	Notification of FT positions for PT workers. Adoption of non-discrimination legislation for FTC.	+	+
2007	Annual Leave qualifications extended to PT workers.	+	N/C
<b>Italy</b>			
1997	Reasons for FTC cases increased.	N/C	-
1998	TWA permitted	N/C	-
2000	Adoption of non-discrimination legislation for PT work. Reform of TWA removes restrictions for unskilled workers.	+	-
2001	Valid cases for FTC expanded.	N/C	-
2002	Adoption of non-discrimination legislation for FTC	N/C	+

2003	Reform of TWA expands cases it can be used in.	N/C	-
2014	Restrictions on successive number of FTC.	N/C	+
<b>Japan</b>			
1999	Use of TWA extended to all occupations	N/C	-
2000	Relaxed qualifying conditions for unemployment benefits.	+	
2007	No limit on successive number of FTCs.	N/C	-
2015	Equal treatment for FTC and PT workers.	+	+
<b>Korea</b>			
1997	Equal treatment for PT workers.	+	N/C
1998	Reduced restrictions on TWA	N/C	-
2006	Increased Maximum length of FTC	N/C	-
<b>Mexico</b>			
2012	Annual Leave and Unemployment extended to some FTC workers.	N/C	+
2012	Reductions on restrictions and maximum duration of FTC.	N/C	-
<b>Netherlands</b>			
1996	Equal Treatment for PT workers.	+	N/C
1999	Reduced restrictions on TWA.	N/C	-
2001	Right to reduce or extend working hours	+	N/C
2002	Equal Treatment for FTC.	N/C	+
2015	Strengthened provisions for on-call work & reduced maximum length of FTC.	+	+
<b>New Zealand</b>			
2000	Increased restrictions on FTC and TWA.	N/C	+
<b>Norway</b>			
2001	Notification of full-time positions for PT & relaxed pension requirements for FTC.	+	+
2005	Preferential hiring for PT to FT positions.	+	N/C
2006	Restrictions on length of single FTC.		+
2009	Equal treatment for PT workers.	+	

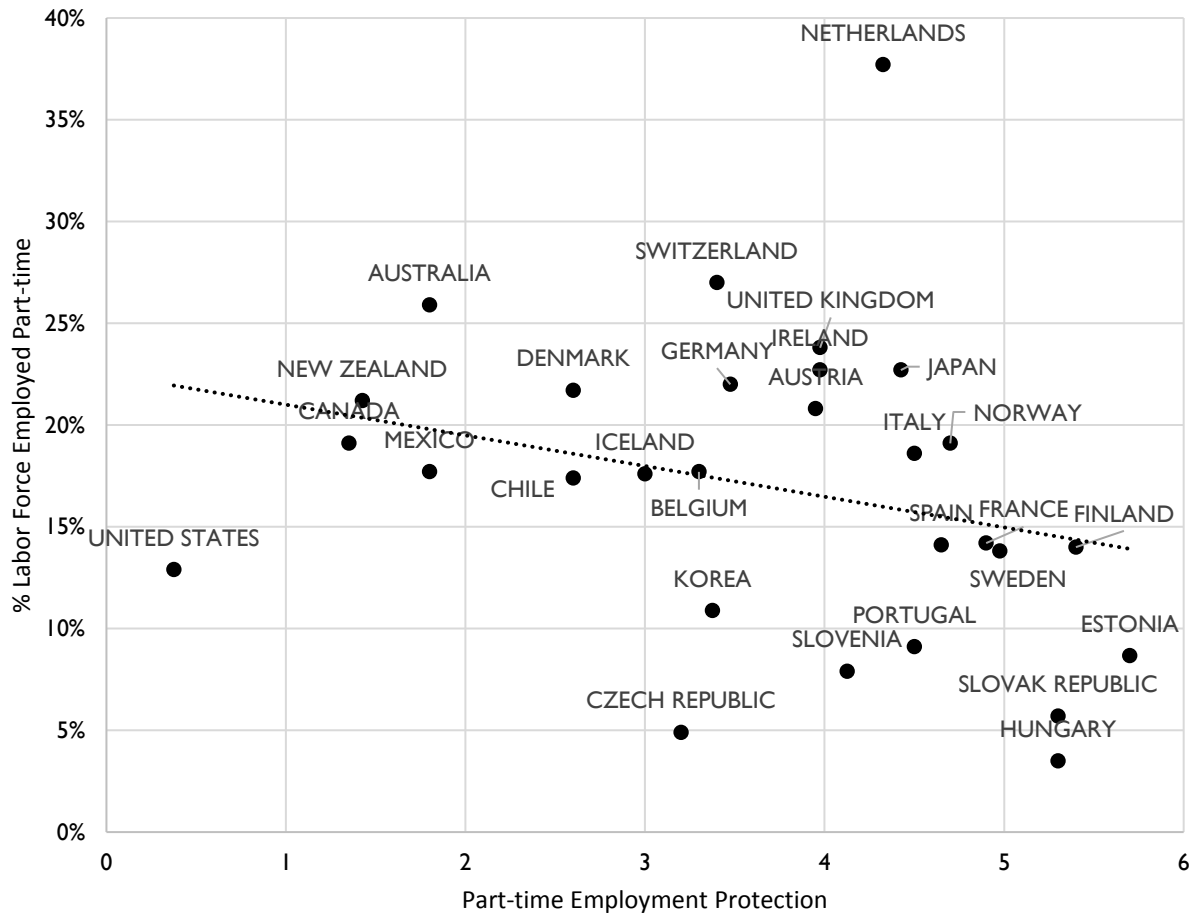
2015	Removed restrictions on number of successive FTC.	N/C	-
<b>Portugal</b>			
1996	Remove restrictions on types of work for TWA.	N/C	-
1999	Extended maximum length of single FTC.	N/C	-
2003	Equal treatment for FTC.	N/C	+
2006	Change in unemployment law to allow FTC workers access.	N/C	+
2008	Restrictions on renewals and type of work for TWA.	N/C	+
2009	Equal treatment for PT work.	+	
2012	Reduced restrictions on use of FTC.	N/C	-
<b>Slovak Republic</b>			
2001	Equal treatment for FTC and PT workers.	+	+
2003	Reduced restrictions on length and use of FTC.	N/C	-
2008	Increased employment tenure needed for unemployment benefits.	N/C	-
2011	Increased restrictions on use of FTC.	N/C	+
2012	Reduced restrictions on use of FTC.	N/C	-
2013	Increased restrictions on use of FTC.	N/C	+
<b>Slovenia</b>			
2002	Equal treatment for FTC & notification of FT positions for PT workers.	+	+
2010	Increased employment tenure & hours needed for unemployment benefits.	-	-
2012	Increased employment tenure & hours needed for maternity benefits.	-	-
<b>Spain</b>			
1998	Redefined PT work.	+	N/C
2001	Equal treatment for FTC & PT workers.	+	+
2007	Increased restrictions on FTC & expansion of TWA.	N/C	-
2011	Increased restrictions on maximum length of FTC and reduced restrictions on TWA.	N/C	-/+
2013	Decreased restrictions on use of TWA.	N/C	-

2015	Unemployment benefits extended to FTC workers.	N/C	+
<b>Sweden</b>			
1997	Restrictions on length of single contract.	N/C	+
1997	Reduced restrictions on use of FTC.	N/C	-
2002	Equal treatment for PT workers & FTC.	N/C	+
2008	Reduced restrictions and number of successive FTC & TWA.	N/C	-
<b>Switzerland</b>			
2000	Introduced provisions for on-call work.	+	N/C
<b>United Kingdom</b>			
2000	Equal treatment for PT workers.	+	N/C
2002	Equal treatment for FTC. Reduced maximum duration of FTC.	N/C	+
<b>United States</b>			
	No Changes	N/C	N/C

**Figure C.1. Strength of PT Regulation and FTC regulation (2016)**



**Figure C.2. Strength of PT Regulation and PT work rate (2016)**



**Figure C.3. Strength of FTC Regulation and Temporary work rate (2016)**





## APPENDIX D

**Table D.1. Manifesto Variable Coding for Traditional/Alternative Dimensions**

<b>Traditional Dimension</b>	<b>Alternative Dimension</b>
National way of life: pro	National way of life: con
Traditional morality: pro	Traditional morality: con
Multiculturalism: con	Multiculturalism: pro
Law and order	Minority groups: pro
Social harmony	Non-economic groups

**Table D.2. Manifesto Variable Coding for Left/Right Dimensions**

<b>Left Dimension</b>	<b>Right Dimension</b>
Centralization: pro	Decentralization
Market Regulation	Free enterprise
Economic planning	Protectionism: con
Corporatism	Productivity
Protectionism: pro	Infrastructure
Keynesian economics	Economic orthodoxy
Controlled economy	Welfare: con
Nationalization	Education: con
Marxism	Labor groups: con
Social Justice	
Welfare: pro	
Education: pro	
Labor groups: pro	

**Table D.3. Variable Coding for NSW Protection and Regulation Regressions**

<b>Variable</b>	<b>Source</b>	<b>Operationalization</b>	<b>Min</b>	<b>Max</b>
Employment Protection: Part-time work	Author's calculations	Strength of Employment Protection and Regulation for Part-time Work.	.375	5.64
Employment Protection: Temporary Contracts	Author's calculations	Strength of Employment Protection and Regulation for Temporary Work.	.4	5.1
Social Dem Party Homogeneity	ISSP/Author's Calculations	Ratio of labor market insiders to labor market outsiders in Social Democratic Party.	.585	21.9
Center Party Homogeneity	ISSP/Author's Calculations	Ratio of labor market insiders to labor market outsiders in Social Democratic Party.	.228	27.7
Right Party Homogeneity	ISSP/Author's Calculations	Ratio of labor market insiders to labor market outsiders in Social Democratic Party.	.827	22
Left Party Challenger/Social Democratic ideological difference: Economic Dimension	Manifesto Project Dataset (version 2017b)	Value of the ideological distance on the Left/Right Economic continuum between the Left party with the greatest number of votes and the Social Democratic party with the greatest number of votes in the preceding election.	-10.7	6.7
Center Party Challenger/Social Democratic ideological difference: Economic Dimension	Manifesto Project Dataset (version 2017b)	Value of the ideological distance on the Left/Right Economic continuum between the Center party with the greatest number of votes and the Social Democratic party with the greatest number of votes in the preceding election.	-7.9	12.04

Right Party Challenger/Social Democratic ideological difference: Economic Dimension	Manifesto Project Dataset (version 2017b)	Value of the ideological distance on the Left/Right Economic continuum between the Right party with the greatest number of votes and the Social Democratic party with the greatest number of votes in the preceding election.	-4.1	13.00
Left Party Challenger/Social Democratic ideological difference: Cultural Dimension	Manifesto Project Dataset (version 2017b)	Value of the ideological distance on the Authoritarian/Libertarian (Traditional/Alternative) Cultural continuum between the Left party with the greatest number of votes and the Social Democratic party with the greatest number of votes in the preceding election.	-1.7	4.8
Center Party Challenger/Social Democratic ideological difference: Cultural Dimension	Manifesto Project Dataset (version 2017b)	Value of the ideological distance on the Authoritarian/Libertarian (Traditional/Alternative) Cultural continuum between the Center party with the greatest number of votes and the Social Democratic party with the greatest number of votes in the preceding election.	-7.64	7.81
Right Party Challenger/Social Democratic ideological difference: Cultural Dimension	Manifesto Project Dataset (version 2017b)	Value of the ideological distance on the Authoritarian/Libertarian (Traditional/Alternative) Cultural continuum between the Right party with the greatest number of votes and the Social Democratic party with the greatest number of votes in the preceding election.	-6.36	2.34
Consensus Institutions	Comparative Political Data Set, 1960-2015	Lijphart first dimension. Proxy variable: Calculated with the number of effective parties in parliament.	-2.37	2.05

		The absence of minimal winning and single-party majority cabinets (calculated from gov_type with (1) single-party majority government and (2) minimal winning coalition coded as '0', otherwise '1').		
		The proportionality of electoral systems		
		A measure for cabinet dominance, calculated by taking the average cabinet duration.		
		Coordination of wage-setting: 1=Fragmented wage bargaining, confined largely to individual firms or plants		
		2=Mixed industry and firm-level bargaining, weak government coordination through MW setting or wage indexation		
Corporatism	ICTWSS Database Version 5.1	3=Negotiation guidelines based on centralized bargaining	1	5
		4=Wage norms based on centralized bargaining by peak associations with or without government involvement		
		5=Maximum or minimum wage rates/increases based on centralized bargaining		
		1= No government influence over wage bargaining		
Government Intervention	ICTWSS Database Version 5.1	2= Government influences wage bargaining by providing an institutional framework of consultation and information exchange	1	5

		3= Government influences wage bargaining indirectly through price-ceilings, indexation, tax measures, minimum wages		
		4= The government participates directly in wage bargaining (tripartite bargaining, as in social pacts)		
		5= The government imposes private sector wage settlements, places a ceiling on bargaining outcomes or suspends bargaining		
Union Density	OECD	The ratio of wage and salary earners that are trade union members, divided by the total number of wage and salary earners	5.68	88.23
Full-time Employment Protections	OECD Employment Protection Database	Level of Employment Protection as coded by OECD	.25	4.58
Homogeneity of Labor Unions	ISSP	Ratio of labor market insiders to labor market outsiders in Union.	.709	9.12
Left Partisanship Unions	ISSP	The percentage of union members comprising left party voters.	4.37	75
Center Partisanship Labor Unions	ISSP	The percentage of union members comprising center party voters.	3.2	66.7
Right Partisanship Labor Unions	ISSP	The percentage of union members comprising right party voters.	1.88	57.62
Left Party in Power	Comparative Political Data Set, 1960-2015	Government composition: relative power position of left-wing parties in government based on their seat share in parliament, measured in	0	100

		percentage of the total parliamentary seat share of all governing parties.		
Center Party in Power	Comparative Political Data Set, 1960-2015	Government composition: relative power position of center parties in government based on their seat share in parliament, measured in percentage of the total parliamentary seat share of all governing parties.	0	100
Right Party in Power	Comparative Political Data Set, 1960-2015	Government composition: relative power position of right-wing parties in government based on their seat share in parliament, measured in percentage of the total parliamentary seat share of all governing parties.	0	100
EU Membership	European Union Website	Binary Measurement: 0=Non-EU Member, 1= EU Member	0	1
Deindustrialization	OECD STAN Industrial Analysis Database	Service-sector employment relative to overall employment	62.5	90.7
Unemployment Rate	OECD	the number of unemployed people as a percentage of the labor force	2.92	23.78
GDP Growth	World Development Indicators	Annual percentage growth rate of GDP at market prices based on constant local currency.	-.854	9.35
Trade Openness	OECD	Total exports and imports of goods and services as a percentage of GDP	19.1	200.35
Immigration Rate	United Nations: International Migration Database	Inflows of foreign population as a % of total population.	.043	1.96

**Table D.4. Coding of Parties**

SD = Social Democratic Party

LC = Left Competitor

CC = Centre Competitor

RC = Right Competitor

<b>Country: Australia - 1993</b>				
<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Australian Labor Party (SD)		Liberal Party of Australia (RC)	
			National Party of Australia	
<b>Country: Australia - 1998</b>				
<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Australian Labor Party (SD)	Australian Democrats (CC)	Liberal Party of Australia (RC)	
			National Party of Australia	
<b>Country: Australia - 2004</b>				
<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Australian Greens (LC)		Liberal Party of Australia (RC)	
	Australian Labor Party (SD)		National Party of Australia	

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**Country: Australia - 2010**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Australian Greens (LC)		Liberal National Party of Queensland	
	Australian Labor Party (SD)		Liberal Party of Australia (RC)	
			National Party of Australia	

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**Country: Austria – 1995**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
The Greens (LC)	Austrian Social Democratic Party (SD)	Liberal Forum (CC)	Austrian People's Party (RC)	Freedom Movement

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**Country: Austria – 1999**

---

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
The Greens (LC)	Austrian Social Democratic Party (SD)		Austrian People's Party (RC)	Freedom Movement



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**Country: Austria – 2002**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
The Greens (LC)	Austrian Social Democratic Party (SD)		Austrian People's Party (RC)	Freedom Movement
	Austrian Communist Party			

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**Country: Austria – 2008**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
The Greens (LC)	Austrian Social Democratic Party (SD)		Austrian People's Party (RC)	Freedom Movement
	Austrian Communist Party			Alliance for the Future of Austria

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**Country: Belgium–1995**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Ecologists	Christian People’s Party (CC)		
	Flemish Socialist Party (SD)	Christian Social Party		
	Francophone Socialist Party (LC)	Flemish Bloc		
	Live Differently	Flemish Liberals and Democrats		

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**Country: Belgium–1999**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Ecologists	Christian Social Party	Christian Democratic and Flemish (RC)	
	Flemish Socialist Party (SD)	Flemish Bloc		
	Francophone Socialist Party (LC)	Flemish Liberals and Democrats (CC)		
	Live Differently	Liberal Reformation Party - Francophone Democratic Front - Citizens’ Movement for Change		

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**Country: Belgium–2003**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Ecologists	Christian Social Party	Christian Democratic and Flemish (RC)	
	Francophone Socialist Party (LC)	Flemish Bloc	New Flemish Alliance	
	Live Differently	Flemish Liberals and Democrats (CC)		
	Socialist Party Different – Spirit (SD)	Reform Movement		

---

**Country: Belgium–2010**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Ecologists	Christian Social Party	Christian Democratic and Flemish	Flemish Interest
	Francophone Socialist Party (SD)	List Dedecker	New Flemish Alliance (RC)	
	Green!	Reform Movement (CC)	Open Flemish Liberals and Democrats	
	Socialist Party Different (LC)			

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**Country: Czechia – 1998**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Communist Party of Bohemia and Moravia (LC)	Czech Social Democratic Party (SD)		Association for the Republic –  Republican Party of Czechoslovakia  Christian and Democratic Union - Czech People's Party  Civic Democratic Party (RC)  Freedom Union	

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Country: Czechia – 2002

---

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Communist Party of Bohemia and Moravia (LC)	Czech Social Democratic Party (SD)		Association for the Republic – Republican Party of Czechoslovakia	
			Christian and Democratic Union - Czech People's Party - Freedom Union - Democratic Union	
			Civic Democratic Party (RC)	

---

**Country: Czechia – 2006**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Communist Party of Bohemia and Moravia (LC)	Czech Social Democratic Party (SD)	Green Party	Christian and Democratic Union - Czech People's Party	
			Civic Democratic Party (RC)	
			Tradition, Responsibility, Prosperity 09	

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**Country: Denmark - 1994**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Red-Green Unity List	Social Democratic Party (SD)	Centre Democrats	Liberals (RC)	Progress Party
Socialist People's Party (LC)		Christian People's Party		
		Conservative People's Party (CC)		
		Danish Social- Liberal Party		

---

**Country: Denmark - 1998**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Red-Green Unity List	Social Democratic Party (SD)	Centre Democrats	Liberals (RC)	Danish People's Party
Socialist People's Party (LC)		Christian People's Party		Progress Party
		Conservative People's Party (CC)		
		Danish Social- Liberal Party		

---

**Country: Denmark - 2005**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Red-Green Unity List	Social Democratic Party (SD)	Centre Democrats	Liberals (RC)	Danish People's Party
Socialist People's Party (LC)		Christian People's Party		
		Conservative People's Party (CC)		
		Danish Social- Liberal Party		

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**Country: Denmark – 2007**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Red-Green Unity List	Social Democratic Party (SD)	Conservative People's Party (CC)	Liberals (RC)	Danish People's Party
Socialist People's Party (LC)		Danish Social- Liberal Party	New Alliance	Progress Party

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**Country: Finland – 1995**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Finnish Social Democrats (SD)	Finnish Centre (CC)	National Coalition (RC)	
	Left Wing Alliance (LC)	Finnish Christian Union	Young Finnish Party	
		Finnish Rural Party		
		Swedish People's Party		

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**Country: Finland – 1999**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Finnish Social Democrats (SD)	Finnish Centre (CC)	National Coalition (RC)	
	Left Wing Alliance (LC)	Finnish Christian Union	True Finns	
		Swedish People's Party		

---

**Country: Finland – 2003**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Finnish Social Democrats (SD)	Christian Democrats in Finland	National Coalition (RC)	
	Left Wing Alliance (LC)	Finnish Centre (CC)	True Finns	
		Swedish People's Party		

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**Country: Finland – 2007**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Finnish Social Democrats (SD)	Christian Democrats in Finland	National Coalition (RC)	
	Left Wing Alliance (LC)	Finnish Centre (CC)	True Finns	
		Swedish People's Party		

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**Country: France – 1993**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	French Communist Party (LC)		Rally for the Republic (RC)	National Front
	Socialist Party (SD)		Union for French Democracy	
	The Greens			

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**Country: France – 1997**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Ecology Generation		Rally for the Republic (RC)	National Front
	French Communist Party (LC)		Union for French Democracy	
	Socialist Party (SD)			
	The Greens			

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**Country: France – 2002**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	French Communist Party		Union for French Democracy	National Front
	Socialist Party (SD)		Union for the Presidential Majority (RC)	
	The Greens (LC)			

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**Country: France – 2007**

---

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	French Communist Party (LC)	Democratic Mouvement (CC)	Union for a Popular Movement (RC)	National Front
	Socialist Party (SD)			
	The Greens			

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**Country: Germany – 1994**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Alliance '90/Greens (LC)	Free Democratic Party (CC)	Christian Democratic Union/Christian Social Union (RC)	
	Party of Democratic Socialism			
	Social Democratic Party of Germany (SD)			

---

**Country: Germany – 1998**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Alliance'90/Greens  Party of Democratic Socialism (LC)  Social Democratic Party of Germany (SD)	Free Democratic Party (CC)	Christian Democratic Union/Christian Social Union (RC)	

---

**Country: Germany – 2005**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
The Left. Party of Democratic Socialism (LC)	Alliance'90/Greens  Social Democratic Party of Germany (SD)	Free Democratic Party (CC)	Christian Democratic Union/Christian Social Union (RC)	

---

**Country: Germany – 2009**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
The Left  (LC)	Alliance'90/Greens  Social Democratic Party of Germany (SD)	Free Democratic Party (CC)	Christian Democratic Union/Christian Social Union (RC)	

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**Country: Hungary – 1994**

---

*Far-Left*

*Left*

*Center*

*Right*

*Far-Right*

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Hungarian Social  
Democratic Party  
(LC)

Alliance of Free  
Democrats (CC)

Christian  
Democratic  
People's Party

Hungarian  
Socialist Party  
(SD)

Federation of  
Young  
Democrats

Hungarian  
Democratic  
Forum (RC)

Independent  
Smallholders'  
Party

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**Country: Hungary – 1998**

---

*Far-Left*

*Left*

*Center*

*Right*

*Far-Right*

---

Hungarian  
Socialist Party  
(SD)

Alliance of Free  
Democrats (CC)

Christian  
Democratic  
People's Party

Federation of  
Young  
Democrats -  
Hungarian Civic  
Party (RC)

FiDeSz-MPP-  
MDF-Alliance

Hungarian  
Democratic  
Forum

Hungarian  
Justice and Life  
Party

Independent  
Smallholders'  
Party

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**Country: Hungary – 2002**

---

*Far-Left*

*Left*

*Center*

*Right*

*Far-Right*

---

Hungarian  
Socialist Party  
(SD)

Alliance of Free  
Democrats (CC)

Federation of  
Young  
Democrats -  
Hungarian Civic  
Party (RC)

FiDeSz-MPP-  
MDF-Alliance

Hungarian  
Democratic  
Forum

Independent  
Smallholders'  
Party



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**Country: Hungary – 2010**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Hungarian Socialist Party (SD)		Alliance of Federation of Young Democrats - Hungarian Civic Union - Christian Democratic People's Party (RC)	Movement for a Better Hungary
	Hungarian Social Democratic Party (LC)		Federation of Young Democrats - Hungarian Civic Union	

---

**Country: Ireland – 1992**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Democratic Left Party (LC)	Family of the Irish		
	Green Party	Progressive Democrats		
	Labour Party (SD)	Soldiers of Destiny (CC)		

---

**Country: Ireland – 1997**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Democratic Left Party	Family of the Irish		
	Green Party (LC)	Progressive Democrats		
	Labour Party (SD)	Soldiers of Destiny (CC)		

---

**Country: Ireland – 2002**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Green Party (LC)	Family of the Irish		
	Labour Party (SD)	Progressive Democrats		
		Soldiers of Destiny (CC)		

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**Country: Ireland – 2007**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Green Party (LC)	Family of the Irish		
	Labour Party (SD)	Progressive Democrats		
		Soldiers of Destiny (CC)		

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**Country: Japan - 1993**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Japanese Communist Party (LC)	Democratic Socialist Party (SD)		Clean Government Party	
	Social Democratic Party of Japan		Japan Renewal Party	
			Liberal Democratic Party (RC)	

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**Country: Japan - 2000**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Japanese Communist Party (LC)	Democratic Socialist Party (SD)	Democratic Party of Japan (CC)	Liberal Democratic Party (RC)	
	Liberal Party	New Clean Government Party	New Conservative Party	

---

**Country: Japan - 2005**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Japanese Communist Party (LC)	Democratic Socialist Party (SD)	Democratic Party of Japan (CC)	Liberal Democratic Party (RC)	
	Liberal Party	New Clean Government Party People's New Party		

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**Country: Japan - 2009**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Japanese Communist Party (LC)	Democratic Socialist Party (SD)	Democratic Party of Japan (CC)	Liberal Democratic Party (RC)	
		New Clean Government Party	Your Party	
		People's New Party		

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**Country: Netherlands – 1994**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Green Left (LC)	Labour Party (SD)	Christian Democratic Appeal (CC)	Centre Democrats	Reformed Political Party
Socialist Party		Democrats'66	People's Party for Freedom and Democracy (RC)	
			Reformatory Political Federation	
			Reformed Political League	

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**Country: Netherlands – 1998**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Green Left (LC)	Labour Party (SD)	Christian Democratic Appeal (CC)	People’s Party for Freedom and Democracy (RC)	Reformed Political Party
Socialist Party		Democrats‘66	Reformatory Political Federation	
			Reformed Political League	

---

**Country: Netherlands – 2003**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Green Left	Labour Party (SD)	Christian Democratic Appeal (CC)	Christian Union	List Pim Fortuyn
Socialist Party (LC)		Democrats‘66	People’s Party for Freedom and Democracy (RC)	
		Livable Netherlands		

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**Country: Netherlands – 2010**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Green Left	Labour Party (SD)	Christian Democratic Appeal (CC)	Christian Union	Party of Freedom
Socialist Party (LC)		Democrats'66	People's Party for Freedom and Democracy (RC)	Reformed Political Party

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**Country: New Zealand – 1993**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
The Alliance (LC)	New Zealand Labour Party (SD)	New Zealand First Party (CC)	New Zealand National Party (RC)	

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**Country: New Zealand – 1999**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
The Alliance (LC)	New Zealand Labour Party (SD)	New Zealand First Party (CC)	New Zealand National Party (RC)	ACT New Zealand
	Green Party of Aotearoa New Zealand			

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**Country: New Zealand – 2005**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Green Party of Aotearoa New Zealand (LC)	Māori Party(CC)	New Zealand National Party (RC)	ACT New Zealand
	Jim Anderton's Progressive New Zealand			
	Labour Party (SD)			

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**Country: New Zealand – 2008**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Green Party of Aotearoa New Zealand (LC)	Māori Party(CC)	New Zealand National Party (RC)	ACT New Zealand
	Progressive Party	United Future New Zealand		
	New Zealand Labour Party (SD)			



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**Country: Norway – 1993**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Norwegian Labour Party (SD)	Centre Party (CC)	Conservative Party (RC)	
	Socialist Left Party (LC)	Christian People's Party	Progress Party	
		Liberal Party		

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**Country: Norway – 1997**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Norwegian Labour Party (SD)	Centre Party	Conservative Party (RC)	
	Socialist Left Party (LC)	Christian People's Party (CC)	Progress Party	
		Liberal Party		

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**Country: Norway – 2005**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Norwegian Labour Party (SD)	Centre Party (CC)	Conservative Party	
	Socialist Left Party (LC)	Christian People's Party	Progress Party (RC)	
		Liberal Party		

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**Country: Norway – 2009**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Norwegian Labour Party (SD)	Centre Party (CC)	Conservative Party	
	Socialist Left Party (LC)	Christian People's Party	Progress Party (RC)	
		Liberal Party		

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**Country: Portugal – 1995**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Portuguese Communist Party	Social Democratic Party (CC)	Social Democratic Center-Popular Party (RC)	
	Socialist Party (SD)			
	Unified Democratic Coalition (LC)			

<b>Country: Portugal – 1999</b>				
<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Left Bloc	Social Democratic Party (CC)	Social Democratic Center-Popular Party (RC)	
	Portuguese Communist Party			
	Socialist Party (SD)			
	Unified Democratic Coalition (LC)			

<b>Country: Portugal – 2005</b>				
<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Ecologist Party 'The Greens'	Left Bloc (LC)	Social Democratic Party (CC)	Social Democratic Center-Popular Party (RC)	
	Portuguese Communist Party			
	Socialist Party (SD)			
	Unified Democratic Coalition			

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**Country: Portugal – 2009**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Ecologist Party 'The Greens'	Left Bloc (LC)  Portuguese Communist Party  Socialist Party (SD)	Social Democratic Party (CC)	Social Democratic Center-Popular Party (RC)	

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**Country: Slovakia – 1994**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Workers' Association of Slovakia (LC)	Common Choice (SD)	Coexistence  Democratic Union of Slovakia  Hungarian Christian  Democratic Movement  Movement for a Democratic Slovakia (CC)	Christian Democratic Movement  Hungarian Civic Party  Hungarian Coalition (RC)	National Democratic Party - New Alternative  Slovak National Party

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**Country: Slovakia – 1998**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Party of the Democratic Left (SD)	Movement for a Democratic Slovakia (CC)	Party of the Hungarian Coalition	
		Party of Civic Understanding	Slovak Democratic Coalition (RC)	
			Slovak National Party	

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**Country: Slovakia – 2002**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Communist Party of Slovakia (LC)	Direction-Social Democracy (SD)	Alliance of the New Citizen	Christian Democratic Movement	
	Party of the Democratic Left	Movement for a Democratic Slovakia (CC)	Party of the Hungarian Coalition (RC)	

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**Country: Slovakia – 2010**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Direction-Social Democracy (SD)	Bridge	Christian Democratic Movement (RC)	
		Freedom and Solidarity (CC)	Civic Conservative Party	
		Movement for a Democratic Slovakia	Slovak National Party	

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**Country: Spain – 1993**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
United Left (LC)	Andalusian Party	Aragonese Party	People's Party (RC)	
	Basque Solidarity	Basque Nationalist Party		
	Catalan Republican Left	Canarian Coalition		
	Spanish Socialist Workers' Party (SD)	Centre Democrats		
		Convergence and Union (CC)		

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**Country: Spain – 2000**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
United Left (LC)	Andalusian Party	Aragonese Party	People's Party (RC)	
	Basque Solidarity	Basque Nationalist Party		
	Catalan Republican Left	Canarian Coalition		
	Spanish Socialist Workers' Party (SD)	Convergence and Union (CC)		
	Galician			
	Nationalist Bloc			

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**Country: Spain – 2004**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
United Left (LC)	Andalusian Party	Basque Nationalist Party	People's Party (RC)	
	Aragonist Council	Canarian Coalition	Navarrese People's Union	
	Basque Solidarity	Convergence and Union (CC)		
	Catalan Republican Left			
	Galician Nationalist Bloc			
	Spanish Socialist Workers' Party (SD)			



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**Country: Spain – 2008**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
United Left (LC)	Aragonist Council	Basque Nationalist Party	People's Party (RC)	
	Basque Solidarity	Canarian Coalition	Navarrese People's Union	
	Catalan Republican Left	Convergence and Union (CC)		
	Galician Nationalist Bloc			
	Spanish Socialist Workers' Party (SD)			

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**Country: Sweden – 1994**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Left Party (LC)	Green Ecology Party	Centre Party (CC)	Christian Democratic Community Party	
	Social Democratic Labour Party (SD)	Liberal People's Party	Moderate Coalition Party (RC)	

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**Country: Sweden – 1998**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Left Party (LC)	Green Ecology Party	Centre Party	Moderate Coalition Party (RC)	
	Social Democratic Labour Party (SD)	Liberal People's Party		
		Christian Democrats (CC)		

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**Country: Sweden – 2002**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Left Party (LC)	Green Ecology Party	Centre Party	Moderate Coalition Party (RC)	
	Social Democratic Labour Party (SD)	Liberal People's Party (CC)		
		Christian Democrats		

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**Country: Sweden – 2010**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Left Party (LC)	Green Ecology Party	Centre Party	Moderate Coalition Party (RC)	Sweden Democrats
	Social Democratic Labour Party (SD)	Liberal People's Party (CC)		
		Christian Democrats		

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**Country: Switzerland – 1995**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Swiss Labour Party	Green Party of Switzerland (LC)	Protestant People's Party of Switzerland (CC)	Christian Democratic People's Party of Switzerland	Federal Democratic Union
	Independents' Alliance		Liberal Party of Switzerland	
	Social Democratic Party of Switzerland (SD)		Radical Democratic Party (RC)	
	Swiss Democrats		Swiss People's Party	

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**Country: Switzerland – 1999**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Swiss Labour Party	Green Party of Switzerland (LC)	Protestant People's Party of Switzerland (CC)	Christian Democratic People's Party of Switzerland	Federal Democratic Union
	Independents' Alliance		Liberal Party of Switzerland	
	Social Democratic Party of Switzerland (SD)		Radical Democratic Party (RC)	
	Swiss Democrats		Swiss People's Party	

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**Country: Switzerland – 2003**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Swiss Labour Party	Green Party of Switzerland (LC)	Protestant People's Party of Switzerland (CC)	Christian Democratic People's Party of Switzerland	Federal Democratic Union
	Social Democratic Party of Switzerland (SD)		Liberal Party of Switzerland	
	Swiss Democrats		Radical Democratic Party	
			Swiss People's Party (RC)	

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**Country: Switzerland – 2007**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
Swiss Labour Party	Green Party of Switzerland (LC)	Protestant People's Party of Switzerland (CC)	Christian Democratic People's Party of Switzerland	Federal Democratic Union
	Social Democratic Party of Switzerland (SD)	Green Liberal Party	Radical Democratic Party	Ticino League
	Christian Social Party		Swiss People's Party (RC)	

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**Country: United Kingdom - 1992**

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<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Labour Party (SD)	Liberal Democrats (CC)	Conservative Party (RC)	
		Scottish National Party	Democratic Unionist Party	
			Ulster Unionist Party	

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**Country: United Kingdom - 1997**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Labour Party (SD)	Liberal Democrats (CC)	Conservative Party (RC)	
		Scottish National Party	Democratic Unionist Party  Ulster Unionist Party	

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**Country: United Kingdom - 2005**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Labour Party (SD)	Liberal Democrats (CC)	Conservative Party (RC)	

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**Country: United Kingdom - 2010**

<i>Far-Left</i>	<i>Left</i>	<i>Center</i>	<i>Right</i>	<i>Far-Right</i>
	Labour Party (SD)	Liberal Democrats (CC)	Conservative Party (RC)	



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**Country: United States - 1992**

*Far-Left*                      *Left*                      *Center*                      *Right*                      *Far-Right*

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Democratic Party (SD)                      Republican Party (RC)

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**Country: United States - 2000**

*Far-Left*                      *Left*                      *Center*                      *Right*                      *Far-Right*

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Democratic Party (SD)                      Republican Party (RC)

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**Country: United States - 2004**

*Far-Left*                      *Left*                      *Center*                      *Right*                      *Far-Right*

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Democratic Party (SD)                      Republican Party (RC)

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**Country: United States - 2008**

*Far-Left*                      *Left*                      *Center*                      *Right*                      *Far-Right*

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Democratic Party (SD)                      Republican Party (RC)