

Labor market dualization and insider-outsider divides – Why this new conflict matters

Hanna Schwander, Hertie School of Governance

Pre-publication version. Published in *Political Studies Review*

Abstract

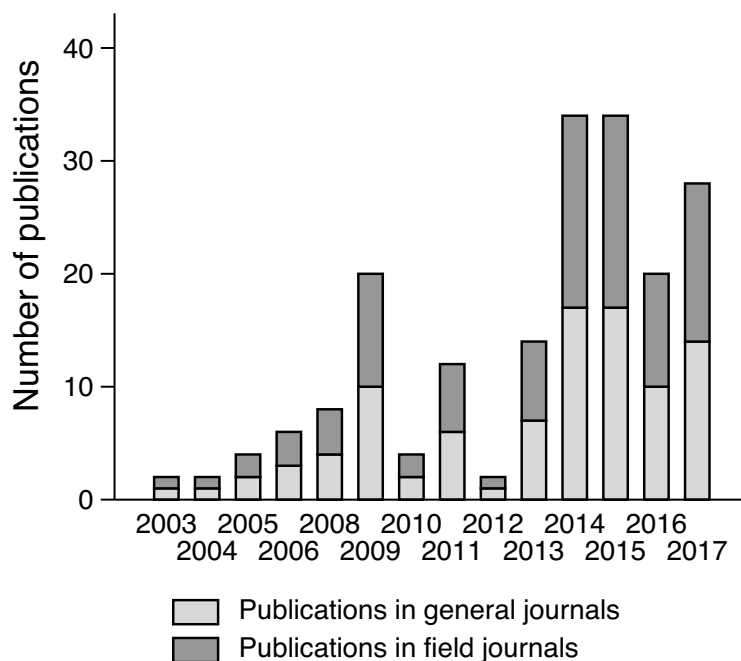
Reflecting the importance of inequality for individuals' lives, the implications of labor market inequality for core elements of democracy are crucial topics in comparative politics and comparative political economy. This article critically reviews the main findings of the emerging literature on insider-outsider divides to highlight its possible contributions to adjacent fields, in particular the research on party politics, the literatures on economic voting, political participation and democratic representation or the study of social movements. The conflict between labor market insiders and outsiders demonstrates that in today's societies with their diversified risk structure and sophisticated welfare states distributive conflicts are about specific social and regulatory policies that have different implications for individuals depending on their situation on the labor market. By drawing our attention to new divides within the social democratic electorate, the insider-outsider literature reveals an additional argument why the social democratic parties find it hard to mobilize their voters and to win elections. Moreover, the insider-outsider literature can help to bring the economic dimension of politics back to the study of social movements and to light on the relationship between contentious and conventional politics.

Acknowledgements:

I would like to thank Lukas Haffert, Hanspeter Kriesi, and Jan Rovny for helpful comments and suggestions on previous versions of the article.

Introduction

The extent to which today's societies are divided into "those at the top" and "those at the bottom" has reached alarming levels. Indeed, the divide of the workforce in insiders that are sheltered from labor market risks and an exposed segment of outsiders – called labor market dualization – is a trend that we observe in advanced industrial societies since the 1980s (Saint-Paul, 2002; Rueda, 2007; Palier and Thelen, 2010; Emmenegger et al., 2012a). Perhaps not surprisingly, this growing relevance is reflected in an increasing interest in issues of labor market dualization, its origins and consequences for individuals as well as the implications of insider-outsider divides for core elements of democracy such as preference formation, political participation, representation and political competition. Figure 1 illustrates this growing interest in comparative politics and comparative political economy in issues of dualization and insider-outsider divides by displaying the number of publications on these issues in general (light grey) and field journals (dark grey) from 2003-2017.



Note: General journals: American Journal of Political Science, American Political Science Review, British Journal of Political Science, Comparative Political Studies, European Journal of Political Research, Journal of Politics, European Political Science Review
Field journals: Socio-Economic Review, Journal of European Social Policy, European Journal of Industrial Relations

Figure 1: Publications on dualization and insider-outsider from 2003-2017.

Yet, to date, the insights of this literature have found little echo in party research and research on political participation which focuses on transformations in the socio-cultural dimension of politics (Kriesi et al., 2008; Hooghe and Marks, 2004; Kriesi, 1998; Polk, 2018; Walder, 2009; Kitschelt and McGann, 1995; Bornschieer, 2010). By critically reviewing the main findings of the recent literature on labor market dualization and insider-outsider divides and highlighting its relevance for adjacent fields, this article draws the attention of scholars on party politics, party competition, political participation and political representation, to a new distributive conflict that has the potential to transform politics.

Labor market dualization challenges traditional understandings of social democratic parties as representatives of the working class and champions of the welfare state in particular. In his work, David Rueda (2007; 2006; 2005) argues that social democratic parties side with insiders when confronted with distributive conflicts within their electorate whereas outsiders' concerns are ignored. This claim has sparked a debate whether and under what circumstances social democratic parties can claim to represent the entire work force (see Hübscher, 2017; Vlandas, 2013; Tepe and Vanhuysse, 2013; Iversen and Soskice, 2015). The conflict between insiders and outsiders also shows that the meaning of the socio-economic dimension of political competition has changed. Conceptualized as a conflict about the degree of economic state intervention and the size of the welfare state, the economic dimension is found to be "pacified" because of the neo-liberal revolution and the popularity of the existing welfare states. Yet, from the literature on the "new welfare state" we learn that distributive conflicts have not vanished but changed in nature: Distributive conflicts are now about welfare state access or negotiations between "consumption" versus "investment" policies (Beramendi et al., 2015; Häusermann, 2012). Since the insider-outsider conflict cuts across existing distributive divides, it is one of the most important examples of new distributive conflicts potentially changing existing voter-party links.

Furthermore, the conflict also points to the multi-dimensionality of the welfare state issue it as both insiders and outsiders favor a strong welfare state but differ regarding the specific policies that support.

Moreover, the insider-outsider literature can help to bring the economic dimension of politics back to the study of social movements which has focused on identity politics in the last decades (see Tarrow, 2012; Hetland and Goodwin, 2013). Existing efforts to reintegrate the “constraining and enabling effects of capitalism on collective action” (Dufour et al., 2016: 24) focus on the Great Recession as a catalyst for new social movement but neglect long-term processes of exclusion and structural economic changes for grievances and collective action. Linking the two literatures also sheds light on the relationship between contentious and conventional politics.

With its alertness to core issues of representation such as individual-level preferences, the articulation of such interests in the electoral arena of political competition and party responses to new issues, the insider-outsider literature contributes to how protest translates into electoral politics and how social movements affect representative democracies (Dufour et al., 2016; McAdam and Tarrow, 2010; but see Altiparmakis and Lorenzini, 2018: on how representation failure in the electoral arena triggers protest waves in the street in the context of the Great Recession). Inversely, extending the scope to non-conventional forms of protest helps to assess the political relevance of new labor divides for the insider-outsider literature.

In the following, the article discusses first the emergence of the new divide and reviews the recent literature on insider-outsider preferences divides. The next section offers a critical reflection on findings on the political behavior of insiders and outsiders, considering both conventional and un-conventional forms of political participation, before moving on to discuss the implications of dualization for party alignments and party competition. The final section concludes by giving a brief assessment about a mounting politicization of insider-outsider divides in the near future.

Policy preferences

Structural changes and deliberate labor market reforms over the last decades have resulted in more insecure labor markets and the emergence of new labor market risks, such as atypical¹ or precarious employment (Palier and Thelen, 2010; Emmenegger et al., 2012b; Hipp et al., 2015; Standing, 2011; Allmendinger et al., 2013). Importantly, these labor market risks are not distributed equally but segment the working population in secure insiders and insecure outsiders. *Women, the young and low-skilled workers* are particularly exposed to these risks (Esping-Andersen, 1999; Ranci, 2010; Schwander and Häusermann, 2013; Schwander, forthcoming 2018).

To get at this new divide, the insider-outsider literature has developed two different conceptualizations of insiders and outsiders, related to a different understanding of the drivers of insider-outsider differences (for extensive discussions of this question see Rovny and Rovny, 2017; Schwander and Häusermann, 2013). Based on the economic insider-outsider theory by Lindbeck and Snower (1988); Saint-Paul (2002); Saint-Paul (1998), the *labor market status* approach pits permanent and full-time employed insiders against a category of outsiders that consists of those being “unemployed or hold[ing] jobs characterized by low salaries and low levels of protection, employment rights, benefits, and social security privileges” (Rueda, 2005: p. 62). This approach has been criticized for overemphasizing differences between insiders and outsiders and for disregarding differences within both groups, for instance with regard to mobility prospects or gender, age and skills (see Emmenegger, 2009). More importantly, the status approach is argued to be too volatile to affect political preferences and shape political

¹ Atypical employment denotes all forms of employment that deviate from the standard employment relationship of employed, permanent full-time employment such as part-time employment, temporary employment, self-employment, agency, seasonal or contract work.

behavior (Schwander and Häusermann, 2013; Vlandas, 2015; Emmenegger et al., 2015; see also Helgason and Mérola, 2017).

As a response, the literature has developed a second approach that focuses on *prospective risk exposure* (Rehm, 2011; Walter, 2010; Rehm, 2009; Häusermann et al., 2016; Schwander and Häusermann, 2013; Häusermann and Schwander, 2010). The idea is to identify demographically homogenous groups that are collectively disadvantaged (see also Hacker et al., 2013 and Helgason and Mérola, 2017 for a similar call for attention to group experiences in the literature on economic voting). Specifically, it classifies individuals as outsiders or insiders depending on their belonging to an occupational group that have an above-average risk of vulnerable employment. An important advantage of the risk-based measurements is their ability to account for the considerable heterogeneity within the outsider group, both with regard to the risks they are exposed to with as well as the extent to which these risks affect them. Importantly, the approach allows for a *continuous operationalization* of ‘outsiderness’, differentiating between degrees of risk exposure.

The insider-outsider literature clearly evidences that these labor market inequalities translate into policy preference divides between insiders and outsiders. Because the key demarcation between insiders and outsiders is *stability of employment*, the literature has focused mainly on preference divides with regard to labor market and social policy. Accordingly, the unequal labor market position and the unequal treatment by the welfare state creates divergent needs and hence, divergent policy demands of insiders and outsiders. On account of their stable employment insiders care mainly about job security and low taxes (Rueda, 2005). In contrast, outsiders support more generous unemployment benefits and favor employment promotion measures more strongly (Schwander and Häusermann, 2013; Marx, 2014; Häusermann et al., 2016; Häusermann

et al., 2015; Rueda, 2007; Rueda, 2005; Burgoon and Dekker, 2010) as they incur higher labor market risks. Outsiders also show stronger preferences for income redistribution than insiders. This is a finding that the insider-outsider literature has consistently confirmed regardless of whether outsiders are measured on the basis of their current labor market status (Fernández-Albertos and Manzano, 2012; Marx, 2014; Marx and Picot, 2013) or their exposure to labor market risks (Häusermann et al., 2015; Häusermann et al., 2016; Rehm, 2009; Rehm, 2011). Outsiders continue to show stronger levels of support for redistribution or across different welfare regimes (Häusermann et al., 2013a) or even if we consider that outsiders tend to live with insiders (Häusermann et al., 2016).

These differences are noticeable. Table 1 compares the explanatory power of the two insider-outsider operationalizations used most often and of classical determinants of support for redistribution based on data from the ESS 2006. The original evidence confirms the impact that insider-outsider differences have for preferences, in particular if one considers the risk exposure of an individual.

Table 1: Explanatory power of insider-outsider differences and socio-structural determinants for redistribution support (source: ESS 2008)

Pred.prob to support redistribution	Differences	Pred.prob to support redistribution	Differences
No risk exposure	59.5	Primary education	71.3
Strong risk exposure	74.9	Tertiary education	62.6
Permanent contract	67.1	Men	64.6
Temporary contract	67.2	Women	67.1
Full-time employed	66.4	Age (20 years)	63.3
Part-time employed	69.4	Age (60 years)	68.1
Employed	67.0	Income decile 1	78.7
Unemployed	69.2	Income decile 10	54.0

Outsiders, however, are not the only ones in favor of state intervention. In contrast to the assumption of the early insider-outsider literature (Rueda, 2006; Rueda, 2005), recent findings indicate that insiders too favor a strong welfare state over lower taxes but prefer a different logic to allocate benefits: insiders support the idea that benefits should be allocated proportionally to

contribution, that is according to the equivalence principle of the social insurance state (Häusermann et al., 2015; Marx, 2014; Häusermann, 2010). Given that their atypical employment biographies result in incomplete or low contributions records, the lower enthusiasm of outsiders for this distributive logic stands to reason.

Not all insider-outsider divides in preferences are uncontroversial, though. Preference divides regarding employment protection remain debated as both insiders and outsiders have reasons to desire employment protection. Clearly, insiders benefit from strong employment protection as they increase insiders' market power vis-à-vis their company (Saint-Paul, 2002; Saint-Paul, 1998). However, outsiders might favor strong employment protection as well, because of either their hope of becoming an insider later in their career or because of household relationships or labor solidarity (see also Emmenegger, 2009: 134ff; Guillaud and Marx, 2014).

In summary, it seems that both insiders and outsiders want to be protected from the vagaries of post-industrial labor markets by demanding labor market regulations but differ in their support for social policy and distributive labor market policies. These preference divides are robust across countries and welfare state regimes and largely independent from the extent of dualization, measured as employment protection for regular employment (Häusermann et al., 2013a; Häusermann et al., 2016; but see Fernández-Albertos and Manzano, 2011). Apart from differing with regard to social policy preferences, insiders and outsiders also show divergent levels of general social trust, whereas labor market policies reduce the negative effect of labor market vulnerability on general trust (Kevins, 2018). The question remains whether these divergent preferences translate into political action. This is the topic of the next section, which discusses the relevance of insider-outsider divides for conventional and un-conventional modes of participation and then for party alignment.

Political participation

The relationship between employment and political participation has a long tradition in social science research. The workplace, for instance, is argued to be a training site where citizens acquire the democratic skills to engage in politics in two ways. The spill-over argument maintains that citizens learn to participate politically on the basis of their involvement and responsibility in the workplace (Sobel, 1993). Hence, capabilities and competences acquired in the workplace such as speaking in public or organizational skills can be used for political action (Adman, 2008). Sobel (1993) also emphasizes that roles learned in the workplace environment mean that the influence from work to politics occurs across similar levels of formality. The civic skill model considers civic skills to be the link between workplace participation and political activity. The approach stresses the importance specific resources, political socialization, and recruitment for political participation and argues that these capabilities can be developed at work (Brady et al., 1995; Verba et al., 1995). In that sense, the workplace is considered a site of secondary socialization.

Furthermore, experiences at the workplace, in particular if structured in a non-hierarchical way, might change workers' perceptions of political efficacy, that is their self-perceived capacity to influence politics (Pateman, 1970). The experience of autonomy, self-governance and participation in decision-making at work generalizes to the political sphere, increasing an employee's political efficacy and translating into political participation. Job loss, by contrast, is often perceived as a shock that minimizes the confidence of having control over one's life and therefore lowers political efficacy (Jahoda, 1982; Marx and Nguyen, 2016). These two mechanisms should not be considered in isolation but are likely to reinforce each other when stronger developed civic skills increase political efficacy of citizens as Adman (2008) argues. These arguments refer to the importance of being in employment versus being unemployed. Gallego (2007) extends the scope of analysis to vulnerable employment. She tests the relative

deprivation argument (Gurr, 1970; Jahoda, 1982) which suggests that dissatisfaction with the individual employment situation can lead to political radicalization or to political frustration, apathy or low sense of political efficacy. Her comparative analysis indicates that not only the unemployed but also those with a limited work contract are less likely to participate in electoral politics, whereas the temporary employed are more likely to work for parties. For contentious politics, work status did not seem to matter.

Another causal mechanism focuses on economic hardship. The main concerns of unemployed are argued to be their financial worries and job search activities so that they devote less attention to politics (Brody and Sniderman, 1977; Rosenstone, 1982). Poverty, for instance, impedes cognitive function and decision-making (Mani et al., 2013). This translates into lower political participation which might lead to a “underpenalization” of incumbent parties for poor economic performance at the polls (Radcliff, 1994). The withdrawal hypothesis is nonetheless contested. Burden and Wichowsky (2014) argue for a mobilization effect (see also Schlozman and Verba, 1979): the disruptive effect of a worsening economy nudges worried citizens to voice concern and seek remedies by electing a government capable of dealing with a worsening economy and, in particular, rising unemployment. Here, they allude to a partisan effect, suggesting that voters are particularly motivated to vote out right-wing governments since left-wing parties “own” the unemployment issue (see also Wright, 2012).

The relevance of insider-outsider divides is not limited to conventional forms of political participation. Non-conventional forms of participation have long been a focus of the literature on social movements. The following section shows that linking the insights of the insider-outsider literature and the study on social movements might be fruitful to both literatures.

The insider-outsider literature can help to bring the economic dimension of politics back to the study of social movements which has focused on identity politics in the last decades (see Tarrow, 2012; Hetland and Goodwin, 2013). Protests against austerity measures from civil society occupy a central role in the recent social movement literature, in particular, since the onset of the Great Recession in 2008 (Tejerina et al., 2013; Dufour et al., 2016; Oikonomakis and Roos, 2016; Langmann, 2013). These forceful protest movements have, however, not been linked to the phenomenon of labor market dualization (as a partial exception see Della Porta, 2015: who considers the structural transformation of the economy for the global social justice movement emphasizing the “precarity class“ as major actor in this movement. Her work, however, does not relate the creation of this class to labor market dualization).

Linking the two literatures also sheds light on the *link between contentious and conventional politics*. Scholars of social movements call for more attention to how protest translates into electoral politics and how social movements affect representative democracies (McAdam and Tarrow, 2010; Dufour et al., 2016; but see Altiparmakis and Lorenzini, 2018: on how representation failure in the electoral arena triggers protest waves in the streets in the context of the Great Recession). The insider-outsider literature with its alertness to core issues of representation such as policy preferences, the articulation of such interests in the electoral arena and party responses to new economic conflicts could contribute to understand how protest movements affect representative democracy. At the same time, extending the scope to non-conventional forms of participation help to assess the political relevance of new labor divides. We do not know, for instance, whether insiders or outsiders are more likely to turn out on the street, that is whether we a “Matthew-effect” of political participation or whether contentious politics serve as an alternative form of participation to those who do not feel represented by political parties. Interesting in this regard is that electoral participation declined among young

adults with higher education in Southern Europe (see Häusermann et al., 2018) which are most likely to belong to the group of outsiders (see Schwander, forthcoming 2018; Schwander and Häusermann, 2013). Two mechanisms are plausible. First, a politicization of outsiders via street protests: by taking part in street protests, formerly unpolitical outsiders start to take interest in politics and finally also participate in conventional politics. This is even more likely to be the case if the issues raised by social movements are taken up by the political elites or lead to the creation of new parties that are either sympathetic to the causes of the social movement or are even a direct result of the social movement itself (for example Syriza or Podemos). The reversed mechanism is also plausible: Economic grievances were expressed in a common pattern during the Eurozone crisis. First citizens punished incumbents (Hernández and Kriesi, 2016). Yet, as austerity remained the only game in town and citizens' anti-austerity preferences were not represented, citizens sought alternative ways to express their economic preferences and turned to protesting on the street (Ponticelli and Voth, 2012; Altiparmakis and Lorenzini, 2018).

Further questions remain pressing: What are the effects of this non-conventional participation on the policy platforms of established parties and policy agenda of governments? How does the emergence of parties that have their origins in these social movements affect the positions of other parties on insider-outsider issues? Does government participation of such parties (as in Greece) matter for the extent of the divide between insiders and outsiders?

Party alignment

Most work on the effects of dualization on electoral realignment and democratic representation concentrates on the link between social democratic parties and the conflict groups.² Rueda

² In most general terms, the majority of the literature is based on a spatial model of voter-party links that assumes that voters' preferences are reflected in parties' electoral platforms and policy actions. Rueda, for instance, explains the social democratic parties' insider bias with insiders' "organizational and historical links" to social democratic parties, for example via trade unions (Rueda 2005: 62). This perspective is in line with the main arguments of the

(2005; 2007) for instance argues that social democratic parties protect the interest of insiders when confronted with a trade-off between insiders and outsiders' interests.³ In contrast to Rueda's argument, the literature on welfare state reforms has found that many of the recent reforms are rather to the benefit of outsiders and/or limit the privileges of insiders, such as minimum income schemes and minimum pensions for outsiders, extending the generosity and eligibility of existing schemes (Häusermann, 2012; Ferrera, 2005) or redirecting the welfare state towards an activating welfare state (Bonoli, 2013). As social democratic governments stood at the forefront of these reforms (Nelson, 2013; Vlandas, 2013; Huo, 2009), the insider-outsider literature offers us an additional argument why the traditional working class (which are predominantly insiders) turns away from social democratic to radical right parties. More and more of these parties take the position of defending the 'traditional' welfare state (Spies et al., 2017) rather than 'modernizing' the welfare state. Hence, the dualization literature points to a new dilemma of social democratic parties in mobilizing their voters and advances a new explanation of why social democratic parties find it so difficult to win elections in recent times.

The insights of the insider-outsider literature speak to another debate in the party literature, namely the operationalization of parties and their ideology. The gold standard of the party literature has been to measure party ideology with their party family. Such a measurement, however, neglects the fact that parties' ideologies differ across countries, over time and might not represent the same voter groups anymore (Häusermann et al., 2013b, see also Döring and Schwander, 2015: for a discussion of this point and a possible solution of how to improve

party research. Although the literature agrees that politics has become more "personalized" (McAllister, 2016) and the desire to cast a protest vote motivates in particular dissatisfied voters (Emmenegger et al., 2015; Kang, 2004), ideological proximity is argued to be still the strongest motive for party choice (Van der Brug et al., 2000); Birch and Dennison (2017). Indeed, the declining party identification of voters might motivate parties to move *closer* to the ideological preferences of voters as they need to mobilize these voters with specific issues that concerns these voters. This is the argument that Schwander (2018) makes as to why social democrats will propose a mix of insider and outsider relevant issues in their electoral campaigns.

³ In addition, outsiders are seen as of little electoral relevance since they are supposed to be 'politically less active' (Rueda 2006: 338) or expected to vote for radical parties (King and Rueda, 2008).

measurements of party ideology). Luckily, data collection on party positions has made tremendous progress over the last years, thanks to new semi-automated or automated methods (wordfish, crowdsourcing, general purpose computer-assisted clustering).⁴ They enable us to gather information about parties' position on specific issues based on newspaper reports, social media appearance, electoral manifestos or parliamentary debates. These advances in data collection are also promising for the insider-outsider literature because they allow to study the links between parties and insider/outside groups in more detail, for instance by linking the voting behavior of insiders/outside groups to the actual position of parties on insider-outsider relevant issues (for parties' positions on insider-outsider relevant issues see Picot and Menéndez, 2017; Schwander, 2018).

Scholars started to investigate the electoral alignment of insiders and outsiders only recently, with two key findings: First, most studies do not confirm that insiders are the core constituency of social democratic parties as they find no differences between insiders and outsiders' likelihood to vote for social democratic parties (Marx and Picot, 2013; Bürgisser and Kurer, 2016; Marx, 2014; Rovny and Rovny, 2017). Rather the voting behavior of insiders and outsiders depends on the policy agenda of parties in electoral campaigns (Lindvall and Rueda, 2014) and social democratic parties indeed try to propose policies to mobilize both insiders and outsiders (Schwander, 2013; see also Picot and Menéndez, 2017).

This is not to say that insider-outsider divides are without electoral consequence: Insider-outsider divides reinvigorate the radical left with outsiders becoming a support base for radical and new left parties (Emmenegger et al., 2015; Rovny and Rovny, 2017; Marx and Picot, 2013; Marx, 2014; Lindvall and Rueda, 2014). This is the second key finding. Both radical and new left parties offer generous redistributive social policies and the possibility to cast a protest vote (Emmenegger et al., 2015). Hence, consistent with the idea that both insiders and outsiders favor

⁴ For a review on these methods, see Grimmer and Stewart (2013).

a strong welfare state but prefer a different kind of welfare state, the literature finds that both insiders and outsiders support left parties but *different* left parties. The split of the working class reinforces the split of the left.⁵ This division is particularly strong in Southern Europe, where new left parties gained vote shares above 20 percent and have formed or are close to forming governments. In Southern Europe, economic outsidersness coincides strongly with political outsidersness. Many feel that the ‘old’ parties are unable to provide solutions to the current economic and social problems, a feeling acerbated by the recurrent publication of the corruption practices from political actors. In these countries, the Great Recession triggered a restructuring of the political space and the crisis gave rise to sharp conflicts over austerity and ‘old’, that is corrupt politics (Hutter et al., 2018). The perspective on Southern Europe is also interesting because it reveals a shortcoming of the insider-outsider literature. So far, the literature has studied the party alignment of insiders and outsiders either based on single country or broad cross-national studies but has neglected the possibility that the alignment of outsiders and in particular of insiders might depend on the welfare state and the party system. In strongly insider-biased countries, insiders might vote for the left (to defend the status quo economically) while they tend to vote for the populist right in Continental Europe to defend the status quo culturally. As to the right side of party competition, the idea that outsiders might vote for parties that dismantle the welfare state and liberalize the labor market (i.e. liberal and conservative parties) does not find empirical correspondence. In contrast, outsiders are significantly less likely to vote for right-wing parties (Rovny and Rovny, 2017; Marx and Picot, 2013) or radical right parties (King and Rueda, 2008) than insiders. Table 2 provides a summary of the literature’s findi

⁵ Also for the supply side of political competition, dualization issues are addressed mainly by left parties, both mainstream, new and radical left parties whereas the latter take a more pronounced stance than social democratic parties (Picot and Menéndez, 2017)

<i>Effect on</i>	<i>... abstention</i>	<i>... social democrats</i>	<i>... radical left</i>	<i>... main right party</i>	<i>.. radical right party</i>
<i>Outsider</i>					
<i>risk</i>	+ Emmenegger et al. (2015) ^Δ , Häusermann/Schwander (2012), Rovny/Rovny (2017)	~ Rovny/Rovny (2017)	+ Rovny/Rovny (2017), Emmenegger et al. (2015)	- Rovny/Rovny (2017)	- Rovny/Rovny (2017) Emmenegger et al. (2015) + (2015)
<i>atypical employment status</i>	+ Rovny/Rovny (2017) ~ Bürgisser/Kurer (2016), Lindvall/Rueda (2012, 2014)*	- Rovny/Rovny (2017) ~ Bürgisser/Kurer (2016), Lindvall/Rueda (2012, 2014)*	+ Marx/Picot (2013), Lindvall/Rueda (2012, 2014)*	- Marx/Picot (2013), Lindvall/Rueda (2012, 2014)*	~ Rovny/Rovny (2017)
<i>Unemployed</i>	+ Marx/Picot (2013), Bürgisser/Kurer (2016)	~ Marx/Picot (2013), Bürgisser/Kurer (2016)	+ Marx/Picot (2013) for the Left - Marx/Picot (2013) for the Green party	~ Marx/Picot (2013) for conservative party - For liberal party	
<i>Temporary employed</i>	+ Marx (2016) ~ Bürgisser/Kurer (2016), Marx/Picot (2013)	~ Marx (2014) ~ Bürgisser/Kurer (2016)	+ Marx/Picot (2013) both radical left and green Marx (2014) 'new' left - Marx (2014) 'old left', communist parties	- Marx/Picot (2013)	
<i>Part-time employed</i>	~ Marx (2016), Bürgisser/Kurer (2016)	- Marx/Picot (2013) ~ Bürgisser/Kurer (2016)	+ Marx/Picot (2013)		

Legend: + positive effect, - negative effect, ~ no significant effect on electoral behavior

** Lindvall and Rueda find that the electoral behavior of outsiders and insiders is dynamic and depends on the mobilization strategies of social democratic parties*

^Δ Emmenegger et al. (2015) measure outsiders by a continuous measure of labor market disadvantage that discounts previous experience of atypical employment and unemployment against more recent experiences. As the underlying logic of this measurement is related to the risk-based perspective, I list their findings under the risk heading.

Table 2: Overview of electoral implications of insider/outsider divide

Yet, as Table 2 demonstrates, we find considerable variation *within* the outsider group, in particular with regard to electoral participation: those in unstable and atypical employment differ from the unemployed as the latter are less likely to support parties of the new left. They rather vote for radical left parties such as ex-communist parties (Marx and Picot, 2013). Generally, the voting behavior of those in atypical employment resembles the one of insiders. It is the unemployed who refrain from voting. The atypically employed, by contrast, do not represent always the ‘politically alienated’ group the early insider-outsider literature suspected them to be. As temporary employment and involuntary part-time employment have spread into the higher skilled middle class (Häusermann et al., 2015; Schwander, forthcoming 2018), being a labor market outsider is no longer automatically associated with lower political participation (Bürgisser and Kurer, 2016). This suggests that insider-outsider divides in vote choice mainly affect the left whereas differences between different outsider groups regard the decision to participate electorally.

Conclusion and outlook

This article critically reviews the main findings of the emerging literature on insider-outsider divides to highlight its possible contributions to adjacent fields, in particular the research on party politics, the literatures on economic voting, political participation and democratic representation or the study of social movements. Regardless of measurement issues, the review reveals consistent and robust preference divides between insider and outsiders. Outsiders are more strongly in favor of a redistributive and job creating welfare state whereas insiders express a preference for a social insurance-based welfare state. The literature also finds systematic variation in the political behavior of insiders and outsiders with outsiders voting for protest and radical left parties. Hence, consistent with the idea that both insiders and outsiders favor a strong welfare state but prefer a different kind of welfare state, both insiders and outsider support left

parties but *different* left-wing parties. The economic split of the working class reinforces the political split on the left.

The effect of this divide on politics took time to manifest. I offer three explanations for this deferral: First, outsiders often live with insiders (Pierson, 2001). While this does not render insider-outsider differences obsolete in terms of political preferences (Häusermann et al., 2016), insiders and outsiders do share a range of other communalities that sharing a life together entails. Second, the term ‘outsider’ has a negative connotation that makes it difficult for those afflicted by outsider conditions to identify with the group. This is exacerbated by the pronounced heterogeneity among outsiders, both in terms of socio-structural risk determinants as well as in terms of the risk they are exposed to. In the light of the pronounced heterogeneity among outsiders, Kitschelt and Rehm’s finding that there is ‘diversity if not conflict’ among outsiders might be more adequate (Rovny and Rovny, 2017; Kitschelt and Rehm, 2006). Third, some outsider groups, for example young adults, might hope to become insiders in later life once they ‘grow out’ of their outsider position. (Perceived) social mobility however, is detrimental to the form of social closure that the concept of cleavage demands. Instead of demanding to reduce insiders’ privileges (although that would improve their chances on the labor market) outsiders aspire to benefit from the same privileges as insiders.

Yet, the politicization of insider-outsider conflicts is likely to accelerate since insecure and atypical employment affects a substantial share of voters and spreads into the higher educated middle class of the population. The economic crisis acted as catalyst in this process when labor market vulnerability increased further, moved deeper into the middle class and also affected more men than before. Particularly in the crisis-ridden Southern European countries with strong institutional barriers between insiders and outsiders, those denied access to ‘good’ jobs and a stable career perspective started to take to the street. The parties that emerged out of these

movements or as a reaction to the economic crisis are equally supported by outsiders, often young outsiders. These results are a first hint how increased labor market inequality starts to change politics.

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