Labor market inequality and political conflict

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Inequality and mass politics

The relevance of group inequalities: unequal distribution of resources between social groups.
Inequality and mass politics

The relevance of group inequalities: unequal distribution of resources between social groups.

Key question for political science:
Under what conditions are structural inequalities politicized and mobilized?
Labor market inequality and political conflict

Unequal distribution of labor market risks:

- risk of unemployment
- risk of precarious employment
- risk of welfare state exclusion

(e.g. Rueda 2007; Iversen and Soskice 2009; Häusermann 2010; Palier and Thelen 2010; Rehm 2011; Emmenegger et al. 2012; Margalit 2013; Thelen 2014; Hassel 2014; Beramendi et al. 2015)
Labor market inequality and political conflict

Outline

1. Expansion and concentration of risks
2. Reasons for the weak politicization of labor market inequality: demand-side factors vs. supply-side factors
3. Outlook on the effect of the economic crisis
I. Expansion of labor market risk

Source: Online OECD Employment Database.
2. The weak politicization of labor market inequality

Policies to correct labor market inequality:

• ex ante via labor market regulation
• ex post via social policy (needs-bases vs. insurance-based benefit allocation)

Have *not* become widely politicized on the agendas of most countries, despite expert-consensus on their relevance.

OECD employment protection data
2. The weak politicization of labor market inequality

Conditions for the politicization of structural divides (cf. Bartolini and Mair 1990):

1. Socio-structural inequality between groups
2. Demand-side conditions: shared preferences among these groups
3. Supply-side conditions: organization and representation
2. The weak politicization of labor market inequality

Doubts that demand-side conditions are met:

1. The structural divide may be too blurred (e.g. Esping-Andersen 1999, Kitschelt and Rehm 2006)

2. Insiders and outsiders may not have distinct preferences (e.g. Emmenegger 2009)

3. Households may „neutralize“ preferences (e.g. Pierson 2001, Iversen and Rosenbluth 2010)

4. Outsiders may not participate (e.g. Rydgren 2013)
## 2. 1. Demand-side conditions I: structural divide in advanced OECD countries

<table>
<thead>
<tr>
<th>Working classes</th>
<th>Service</th>
<th>Female</th>
<th>Rate of unemployment</th>
<th>Rate of involuntary part-time and temporary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Manufacturing</td>
<td>0.18</td>
<td>6.7</td>
<td>28.2</td>
</tr>
</tbody>
</table>

| Middle and upper classes | Interpersonal Services | 0.63 | 3.1 | 33.8 |
|                          | Industry and Management | 0.31 | 4.2 | 24.3 |

2. 1. Demand-side conditions II: distinct preferences

Source: EU-SILC and ESS-data from Häusermann, Kurer and Schwander (2015). „Sharing the risk? Households, labor market vulnerability and social policy preferences in Western Europe”, manuscript
2.1. Demand-side conditions III: role of the household

Support Redistribution

Source: EU-SILC and ESS-data from Häusermann, Kurer and Schwander (2015). „Sharing the risk? Households, labor market vulnerability and social policy preferences in Western Europe”, manuscript
2.1. Demand-side conditions IV: political participation

Bürgisser and Kurer (2015). „Inert and insignificant? On the electoral relevance of labor market outsiders”, manuscript; ESS-data
2. The weak politicization of labor market inequality

Supply-side conditions:

Lacking incentives for the Left to be responsive to the needs of outsiders because:

1. Outsiders are less unionized (Hassel 2015)
2. The Left is loosing its core electorate of manual (insider) workers (Rueda 2005, 2007; Gingrich and Häusermann 2015)
3. Identity politics vs. distributive politics (Kriesi et al. 2008)
2. 2. Supply-side conditions: organization of outsiders

Union density ratios 2008 (ESS data)

<table>
<thead>
<tr>
<th></th>
<th>UK, Ire</th>
<th>Southern Europe</th>
<th>Continental Europe</th>
<th>Nordic countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary / Unlimited contract</td>
<td>0.55</td>
<td>0.39</td>
<td>0.61</td>
<td>0.73</td>
</tr>
<tr>
<td>Unemployed in last 5 years yes/no</td>
<td>0.25</td>
<td>0.54</td>
<td>0.72</td>
<td>0.84</td>
</tr>
<tr>
<td>Service sector / Manufacturing</td>
<td>0.65</td>
<td>0.63</td>
<td>0.77</td>
<td>0.96</td>
</tr>
<tr>
<td>Female/Male</td>
<td>1.09</td>
<td>0.77</td>
<td>0.60</td>
<td>1.10</td>
</tr>
</tbody>
</table>

% working class vote for populist right

Working class vote

Source: Eurobarometer and ESS-data, from
3. Outlook: the economic crisis and labor market inequality

Incentives may change, because

1. The crisis spreads labor market risks more broadly in occupational categories that were previously sheltered

2. The crisis puts distributive politics back on the agenda of mass politics (Giger, Häusermann, Traber 2015)
3. Outlook: the economic crisis and labor market inequality

Source: EU-SILC 2005-2013
3. Outlook: the economic crisis and labor market inequality

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