

Quiet Politics of Employment Protection Legislation? Partisan Politics, Electoral Competition, and the Regulatory Welfare State

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Political parties and party competition have been important factors in the expansion and retrenchment of the fiscal welfare state, but researchers have argued that regulatory welfare is not part of political debate among parties. We explore this claim theoretically, and then empirically examine it in the case of employment protection legislation (EPL) in twenty-one established democracies since 1985. EPL is a mature and potentially salient instrument of the regulatory welfare state that has experienced substantial retrenchment. We test three prominent mechanisms of how electoral competition conditions partisan effects: the composition of Left parties' electorates, the strength of pro-EPL parties, and the emphasis put on social justice by pro-EPL parties. We find that the partisan politics of EPL is conditioned by electoral competition under only very specific circumstances, namely when blame sharing becomes possible in coalitions between EPL supporters.

Keywords: employment protection legislation; partisan politics; regulatory welfare state; electoral competition; welfare state retrenchment

The regulatory welfare state (RWS) is considered as a way to cater for “the social needs of vulnerable groups” (Haber 2017, 445) and can be a “redistributive instrument” that is “functionally equivalent to social spending” (Levi-Faur 2014, 604, 606). Nonetheless, there are some relevant differences between regulating for welfare and social spending (as the classic way to deliver social security). As Levi-Faur (2014, 610) observes: “Money is visible and regulations are not.” This claim has two implications. First, agents that would need to pay for

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DOI: 10.1177/0002716220964388

social spending and that have increasingly obtained an exit option due to globalization might be more willing to accept the invisible regulatory welfare state than the visible levying of taxes and social security contributions. Consequently, regulation is often seen as a rather attractive alternative to providing benefits from the public purse in the era of “permanent austerity” (Pierson 1998). Policy-makers hope that regulation will attain similar goals as welfare transfers without eliciting significant public spending. In that sense, the regulatory state is sometimes regarded as a potential “rescue of the welfare state” (Levi-Faur 2014, 610). Therefore, the regulatory welfare state has been on the rise for quite some time now.

Second, the greater visibility of spending compared with regulation may have consequences for the politics of the different “faces” of the welfare state. It is largely undisputed that the development of the spending welfare state was significantly driven by credit-claiming parties that sought to attract voters by either increasing (highly visible) welfare spending or by preventing tax increases for their respective electorates (see, for example, Huber and Stephens 2001). Likewise, retrenchment of the fiscal welfare state often became an exercise in “blame avoidance” (Weaver 1986) due to the high visibility and electoral salience of the respective programs (cf. Pierson 1994, 1996).

In contrast, the “quiet politics” (Culpepper 2010) of the regulatory welfare state were much less salient among the voters and, consequently, parties may have had fewer incentives to compete on this issue. This, in turn, might have led to the irrelevance of partisan politics for the shaping of welfare regulation. Haber (2017, 457), in a recent study on the regulatory welfare state, substantiates this claim empirically: “The politics of regulatory welfare are not the high stakes, ideological and highly conflictual politics of fiscal welfare. . . . regulatory welfare is not politically contested: it is not a matter of party-political debate.”

In this article, we study the relation between political parties and the regulatory welfare state in more detail. We do so by analyzing employment protection legislation (EPL) in twenty-one established democracies since 1985. The investigation of EPL promises a number of new insights for the study of the regulatory welfare state. First, EPL is not at all a recent addition to the welfare state and was never meant to substitute social spending. Rather, it was complementing spending programs to begin with.

Second, while the argument about regulation as the “rescue of the welfare state” (Levi-Faur 2014, 610) suggests that the regulatory welfare state tends to be expanded in times of “permanent austerity,” the example of EPL shows that more regulation for welfare has not been the only game in town. Rather, while we see that up until the 1980s EPL expanded in all advanced democracies, it was somewhat retrenched in many countries—particularly in temporary employment and after the financial crisis of 2008 (Emmenegger and Marx 2019, 707–11). So, just

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like with welfare spending, there is not necessarily a unidirectional development of the regulatory welfare state.

Third, EPL exemplifies a regulatory program that at least at times has been politically salient due to a substantial potential for redistribution. Labor market insiders cherished dismissal protection where it existed, while employers often found EPL an unwanted intervention into their managerial powers associated with potentially considerable costs. Moreover, substantial parts of the academic literature have identified EPL as being responsible for labor market problems in many countries (cf. Siebert 1997; Blanchard 2006).¹ Given what is at stake—a quite visible protection of labor market insiders versus a potential improvement of the employment situation in case of EPL liberalization—political parties may have translated these different views into different partisan positions. Right parties (i.e., Conservatives and Liberals) should side with employers and advocate a liberalization of the labor market to spark employment dynamics, while Left parties (above all Social democrats, but also [Post] Communists) should seek to protect labor market insiders' interests in employment protection (Rueda 2005, 2007).

With some notable exceptions (Jäkel and Hörisch 2009; Potrafke 2010), the literature suggests that the expected partisan differences have indeed materialized in the postwar period (Algan and Cahuc 2006; Rueda 2005, 2007; Siegel 2007), although some differentiation seems to be in order. First, center parties and Christian democrats in particular seem to behave more like Left parties than like Right parties (Botero et al. 2004; Emmenegger 2011; Heinemann 2007; Huo, Nelson, and Stephens 2008; Zohlnhöfer and Voigt 2019). Second, just like with welfare spending, partisan effects seem to diminish over time in the sense that partisan differences were quite strong until the 1980s and have become less relevant since then (Zohlnhöfer and Voigt 2019). Third, partisan effects have been found to depend on other factors, most notably the veto player constellation (Avdagic 2013; Becher 2010), the level of unemployment (Zohlnhöfer and Voigt 2019), and debt or income inequality (Aaskoven 2019).

What follows from these observations is that in a number of key aspects, EPL as an important part of the regulatory welfare state is not too dissimilar from fiscal welfare. It is a mature welfare program with substantial redistributive implications that has also come under retrenchment pressure since the 1980s—although evidently not because it was too expensive, but rather because some claimed that it dampened labor market dynamics. Accordingly, the politics of employment protection could also be similar to those of fiscal welfare.

This would lead us to expect that the liberalization of EPL, which we observe in many advanced democracies between 1985 and 2013, should have been unpopular among substantial parts of the electorate (Avdagic 2013). The literature on the fiscal welfare state and Paul Pierson's (1994, 1996) argument about "the new politics of the welfare state" and the importance of blame avoidance in particular (see Jensen, Wenzelburger, and Zohlnhöfer 2019 for a recent assessment) would lead us to expect that its unpopularity will shape the politics of EPL liberalization. More specifically, partisan differences should generally disappear or should be conditional on the constellation of electoral competition. Surprisingly,

though, nobody has analyzed how electoral competition affects EPL yet. In this article, we address this void in the literature.

In the next section, we make a theoretical argument for why parties should make a difference in EPL in principle and why and how electoral competition could affect the politics of EPL reforms. We then take the three most relevant mechanisms from the literature on the fiscal welfare state and adapt them to the case of EPL. Next, we explain our empirical strategy and operationalization before we present our results. We end with a concluding section. We do find very little evidence that electoral competition shapes the partisan politics of the regulatory welfare state except for very specific circumstances. Indeed, Christian democrats have an easier time liberalizing when in a coalition with a Left party that strongly emphasizes social justice, probably because they can share the blame with these strong welfare supporters. Nonetheless, these effects are only statistically significant for employment protection for regular employment.

Theory: Partisan Politics, Voters, and Issue Emphasis

In the literature, there are two approaches to deduce partisan differences in public policy theoretically. Some authors essentially argue that parties translate their voters' preferences into public policy; and to the extent to which the preferences of voters of different parties differ, the policies these parties adopt will also differ. Others maintain that the preferences and ideologies of party members and party leaders are relevant, and party positions and eventually public policies differ to the extent that the ideologies of various parties differ (for a more detailed discussion, see Wenzelburger and Zohlnhöfer 2020). Although both of these approaches arrive at the theoretical expectation that Left parties tighten employment protection while Right parties liberalize EPL, we keep the two distinct for this article—the reason being the way electoral competition plays out differs between the two.

We start with the voter-based model. Rueda (2005, 2007), for example, argues that labor market insiders, who stand to benefit from dismissal protection, belong to the core supporters of Left, particularly social democratic, parties. Consequently, these parties will translate the preferences of their voters into public policy and will seek strict EPL if they get into government. In contrast, those who vote for Right parties, such as managers, the self-employed, and the better-off in general do not depend on employment protection and feel that this is an impediment to their entrepreneurial freedom and thus prefer EPL liberalization. As Right parties tend to follow the preferences of their core voters, too, they will abstain from regulation and might even deregulate labor markets once in office. Interestingly, just like for the fiscal welfare state (van Kersbergen 1995; Huber and Stephens 2001), some authors also expect Christian democrats not to behave like Right parties with regard to EPL (Emmenegger 2011; Zohlnhöfer and Voigt 2019). Factory workers, who tend to benefit from employment protection, used to be among these parties' core voters, so Christian democrats do not have electoral incentives to resist labor market regulation.

Therefore, according to this approach, the electoral importance of labor market insiders keeps Left parties from liberalizing EPL. What happens, however, if the relative electoral importance of labor market insiders for Left parties declines? Indeed, empirical research suggests that, since the 1980s, the working class voters who are considered as labor market insiders were increasingly replaced by parts of the middle class such as “sociocultural professionals,” that is, well-educated individuals working in interpersonal service occupations, as core voters of Left parties (Gingrich and Häusermann 2015; Engler and Zohlnhöfer 2019). Whether these middle-class voters prefer strict labor market regulation to the same extent as classic working-class voters is questionable, because sociocultural professionals typically work in the public sector with a much lower risk of dismissal than workers in the private sector. Moreover, these people are highly educated, which also implies a lower risk of being laid off (and a higher chance of finding a new job quickly in the case of unemployment). Thus, as the composition of the electorate of Left parties changes, the relevance of labor market insiders keen on EPL diminishes, and the relevance of sociocultural professionals who are likely to care less for employment protection increases, we should expect these parties to become less fervent advocates of strict EPL. The opposite should hold true when the share of Left parties’ voters from the working class rises. Thus, our first hypothesis is:

(H1) The positive effect of Left parties on the strictness of EPL increases with the share of working-class voters among their electorates.

One can come to virtually identical expectations regarding partisan differences in EPL if one assumes parties seek policy. Left parties, based on an ideology of supporting weak members of society by more state intervention in the economy, will advocate stricter EPL as a means to increase job security and to further the well-being of the less well-to-do. Right parties, in contrast, preferring the market over government intervention, will make the point for EPL liberalization to create dynamic labor markets and employment growth. Finally, Christian democrats are opposed to the unfettered operation of the market ideologically and they consider EPL as a way to protect their favorite model of the family, the male breadwinner model, which depends particularly on safe full-time regular employment for the husband. Thus, also when considering party ideologies, Christian democrats should be in favor of EPL.

Electoral considerations play out differently in the ideology-based model of partisan differences than in the voter-driven approach, however. While in the latter, parties tend to follow the preferences of their core voters, in the former, parties pay attention to the median voter. Dismissal protection is considered very popular among many voters, so it is likely that the median voter would rather support employment protection (Avdagic 2013).

Consequently, EPL expansion should be a vote winner, while liberalization will be electorally risky. Therefore, while rising unemployment—that many economists (Siebert 1997; Blanchard 2006) and some international organizations (OECD 1994) have linked with comparatively strict labor market regulation—may have

suggested labor markets should be liberalized, these kinds of reforms are politically challenging. Like most attempts at welfare state retrenchment in the spending area, parties might also fear losing votes if they liberalize EPL, and thus might avoid it.

Just how risky a liberalization of EPL is depends on which party adopts it, however. Left and Christian democratic parties have expanded EPL in the past and voters are likely to be aware of that. Now imagine a Right party liberalizes EPL. Dissatisfied former voters of that party might switch to one of the pro-EPL parties as a result. If pro-EPL parties were in a strong political position in terms of votes and parliamentary seats already prior to the reform, these additional votes could put the Right governing party's reelection into question. Therefore, this Right party might shy away from the reform under these conditions, while it might adopt deregulation if EPL-defending parties are politically weak (for a similar argument cf. Hicks and Swank 1992). Therefore:

- (H2) The liberalizing effect of Right (i.e., conservative and liberal) parties' government participation decreases with the electoral and parliamentary strength of Christian democratic and Left parties.

Apart from the sheer electoral and parliamentary strength of the party families that defend EPL, the risk of losing votes due to unpopular EPL reforms depends on whether the defenders of EPL politicize the reform (Armingeon and Giger 2008; Zohlnhöfer 2017). Other things being equal, Left—and to some extent Christian democratic—parties are likely to emphasize issues of social justice in their public statements and their election manifestos. The reason for this expectation is that an increasing salience of these issues among voters is likely to benefit these parties electorally because voters associate these parties with welfare issues (Budge 2015). From that perspective, Left and Christian democratic parties, willing to defend EPL, could point to the potentially negative effects of EPL liberalization and characterize deregulation as a threat to social justice. An increasing emphasis of pro-EPL parties on issues of social justice will in turn lead to a politicization of the (unpopular) EPL liberalizations, which is likely to increase the electoral risk for Right parties to adopt these reforms (Jensen and Seeberg 2015).² Therefore, parties that can credibly criticize a government's unpopular policies in principle have a strategic interest in talking about these issues as much as possible. Nonetheless, there are many reasons why they cannot do so all the time (Budge 2015, 770; Jensen and Seeberg 2015, 218). Some of these reasons are beyond their control; in other cases, these parties might tone down their criticism for strategic reasons, for example because they (quietly) agree with the liberalization. Therefore, it is likely that the emphasis EPL-defending parties put on the issue of social justice can vary substantially. Hence, we expect:

- (H3) The liberalizing effect of Right (i.e., conservative and liberal) parties' government participation decreases the more Christian democratic and Left parties emphasize issues of social justice in their public statements.

This argument might just as well work if the parties that have expanded EPL previously now aim at liberalizing employment protection themselves. A liberalization of EPL would also be more risky for a Left government if a Christian democratic party emphasizes issues of social justice (and vice versa). Therefore, a Left (Christian democratic) government competing with a Christian democratic (Left) party that emphasizes issues of social justice might be inclined to keep their hands off EPL liberalization. We might need to distinguish between whether the defenders of EPL are in government together in a coalition or whether one of these parties is in opposition, however. While the restraining effect we have discussed should be particularly visible when one party that emphasizes social justice is in opposition, things could look differently when these parties govern jointly. If a coalition partner that emphasizes social justice can be convinced to back an EPL liberalization, this might permit a blame sharing strategy. Thus, Christian democrats in government could dare to liberalize EPL when their Left coalition partners emphasize social justice (and vice versa), because no credible alternative exists for dissatisfied voters if the coalition partner supports the reform. This way, the issue would be insulated from electoral competition. Thus, we hypothesize:

- (H4a) The positive effect of Christian democratic (Left) parties' government participation on EPL decreases as Left (Christian democratic) *governing* parties' (i.e., coalition partners') emphasis on social justice increases.
- (H4b) The positive effect of Christian democratic (Left) parties' government participation on EPL increases as Left (Christian democratic) *opposition* parties' emphasis on social justice increases.

Method and Data

Our dependent variable is EPL. Among various existing indicators for EPL, we decided to use the relevant OECD (2019a) indicators. The OECD measures EPL using twenty-one items in three fields: 1) protection of regular workers against individual dismissal, 2) regulation of temporary forms of employment like fixed-term or temporary agency employment, and 3) specific conditions for collective dismissals (OECD 2014). The indicators for each field quantify the strictness of the regulations on a scale from zero to six. Higher values indicate stricter regulations. We chose these indicators for two reasons. First, they are available on a yearly basis for a long period of time and for many OECD countries. Second, we can distinguish between EPL for regular and temporary contracts. Moreover, summing up the two categories (regular and temporary contracts) equally weighted³ to a composite index picks up all changes in both areas. Since we are interested in the liberalization or tightening of EPL, we employ the changes of the three indices (i.e., an individual index's value in a cabinet's end year minus the value in the start year) as dependent variables.

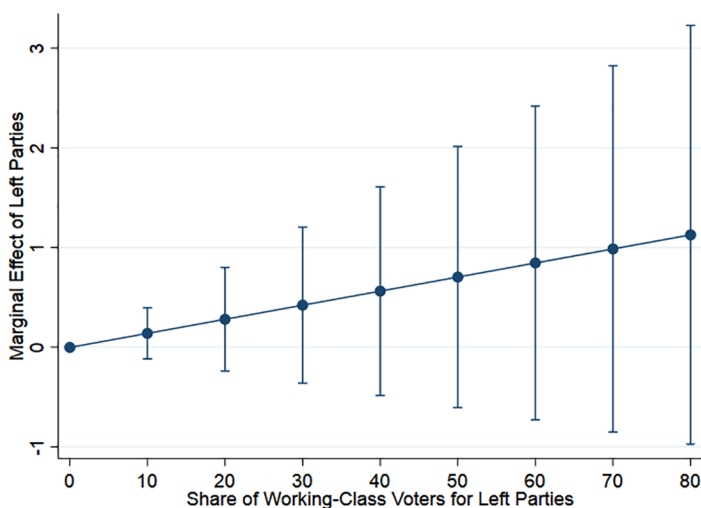
Our key explanatory variable is the partisan composition of governments. We use the cabinet seat shares of Left parties (social democrats, [Post]Communists), Right parties (conservatives, liberals), and Christian democrats based on Schmidt's (2015) dataset. Cabinets are our unit of analysis (cf. Schmitt 2016). They are defined as governments "with the same party composition (even if there are new elections or the prime minister changes but is of the same party)" (Boix 1997, 483). We slightly diverge from this definition in one respect. If a government of the exact same party composition is re-formed after an election, we still count it as a new cabinet. We think our counting rule is appropriate for our data because our data on parties' issue emphases are available for every election and our way of counting cabinets is able to make use of this data structure. Therefore, our sample consists of 124 cabinets.

The share of working-class voters among Left parties' electorates, which we need to test H1, is from Engler and Zohlnhöfer (2019) who follow Gingrich and Häusermann (2015) in combining data from various waves of the European Social Survey (2002–2012) and the Eurobarometer trend-file (1980–2001).⁴ To test whether parties' emphasis on social justice limits the room for maneuver of their competitors, we use the Comparative Manifesto Project (CMP) dataset (Volkens et al. 2018). We measure emphasis on social justice by the sum of the three categories "welfare state expansion positive (per 504)"; "labour groups positive (per 701)"; and "equality positive" (per 503).⁵ We code the emphasis for all Left parties falling in the CMP's categories "Socialist Parties or other left parties" and "Social democratic parties,"⁶ for all Right parties in the categories "Liberal parties" and "Conservative parties" and for all Christian democratic parties. The emphasis on social justice is weighted by party strength, that is, the sum of the vote and the parliamentary seat share gained in the most recent election. If more than one political party belongs to the same party family, we refer to the parties' combined vote and seat shares.

We test our hypotheses for a sample of twenty-one (sixteen for H1) established OECD countries⁷ for the period 1985 to 2013. The period of observation is limited due to the data availability of our dependent variable. We run pooled OLS regression models with standard errors clustered by country.

We include several control variables.⁸ High GDP growth (from OECD 2019b) may lead to less need for EPL liberalization. Additionally, we consider the de facto index of economic globalization from the KOF dataset (Gygli et al. 2019). The more economically open a country is, the more we expect a liberalizing pressure on EPL to stay competitive. Furthermore, we include unemployment rates (from Armingeon et al. 2018) in our regression models: EPL is often described as a cause of high unemployment, which in turn should lead governments to liberalize EPL. Trade unions should facilitate stricter EPL and even force governments to strengthen EPL. We capture this effect by including union density (net union membership as share of employees) and strike activity (working days lost per 1,000 workers) from the Comparative Political Dataset (Armingeon et al. 2018). Moreover, to measure a government's institutional room to maneuver we add veto player range according to Jahn et al. (2018). We control for EU membership as a dummy variable. Finally, we include cabinet duration, as

FIGURE 1
 Conditional Effect of Left Voters from the Working Class on Left Parties'
 Effect on EPL



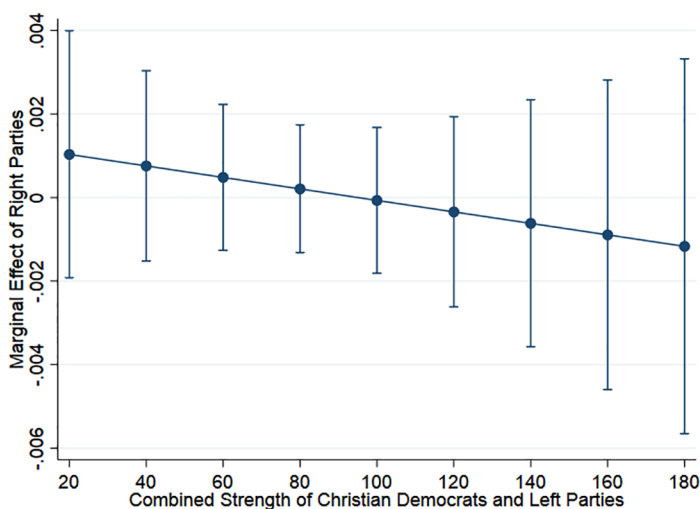
governments could have higher chances of reforming EPL when they stay in government longer, and the level of the dependent variable at the beginning of the respective cabinet to control for β -convergence. The control variables (with the exception of cabinet duration and the level of EPL at the beginning of the cabinet) reflect averages for the first half of the respective cabinet to avoid endogeneity problems.

Results

As we investigate interaction terms, we provide graphical illustrations in the form of marginal effects plots (MEP) for ease of interpretation. These figures show the marginal effects of the partisan composition of government on EPL changes at different levels of working class shares in the electorate, strengths of EPL defender parties, and emphasis on social justice, respectively. The whiskers show the 10 percent confidence intervals. An effect is significant when the confidence interval does not include the zero line. The complete numerical results including robustness checks can be found in the online appendices. Moreover, we only report results for the composite EPL index unless findings for regular and temporary EPL differ substantially.⁹

First, we turn to Hypothesis 1 (H1). As we can see in Figure 1, the positive effect of Left parties on the strictness of EPL increases with the share of working-class voters among their electorates. Nevertheless, this effect never reaches statistical significance. Thus, H1 cannot be corroborated.¹⁰ Neither does our Hypothesis

FIGURE 2
 Conditional Effect of the Combined Strength of Christian Democrats and
 Left Parties on Right Parties' Effect on EPL



2 hold true (Figure 2): against theoretical expectations, the effect of Right parties on EPL becomes more negative when the strength of Left parties and Christian democrats rises. However, the effect is far from statistical significance.

According to Hypothesis 3, the “power of talk” (Jensen and Seeberg 2015) should play a role. The liberalizing effect of Right parties should decrease as the pro-EPL parties politicize the issue. Figure 3 shows that, against our expectations, the more the defenders of EPL emphasize their issues, the more Right parties liberalize EPL. The effect never reaches statistical significance, however.

Next we turn to Hypothesis 4 (H4), which looks at the interaction of Left parties' emphasis and Christian democratic government participation.¹¹ Here, distinguishing between regular and temporary contracts makes a significant difference.¹² We start with H4a that deals with Left and Christian democratic parties *governing together in a coalition* (Figure 4). The MEP on the left side shows that Christian democrats in government have a statistically significant positive effect on EPL for *regular contracts* when Left parties in government remain silent about the issue. When Left parties start to politicize the topic, however, the effect of Christian democrats soon disappears. The Christian democrats' effect even turns negative when Left governing parties get stronger and emphasize social justice more. From a weighted emphasis value of 1,250 on,¹³ the effect is even significantly negative. This result corroborates H4a. The MEP on the right side shows a different picture: Christian democrats even liberalize EPL for *temporary contracts* more when their Left-wing coalition partners remain silent, and they continue to liberalize up to a weighted Left party emphasis on social justice of around 750.¹⁴ When the Left parties' issue emphasis rises, the effect shows a positive trend but turns insignificant;

FIGURE 3
 Conditional Effect of Christian Democrats' and Left Parties' Weighted Emphases on Social Justice on Right Parties' Effect on EPL

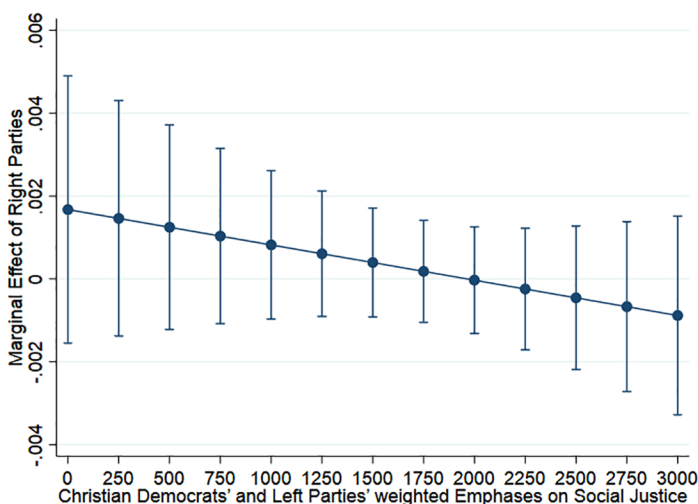
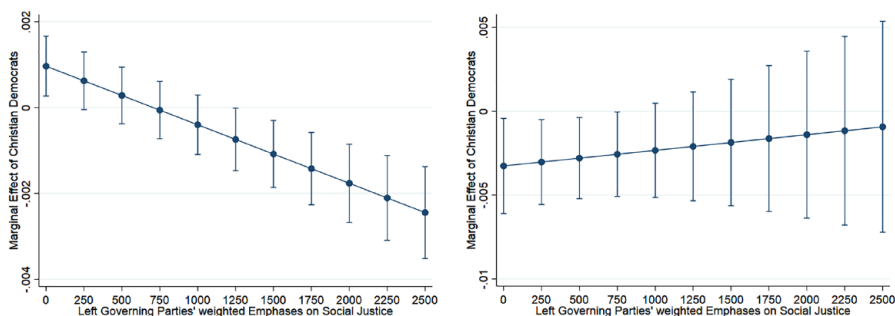


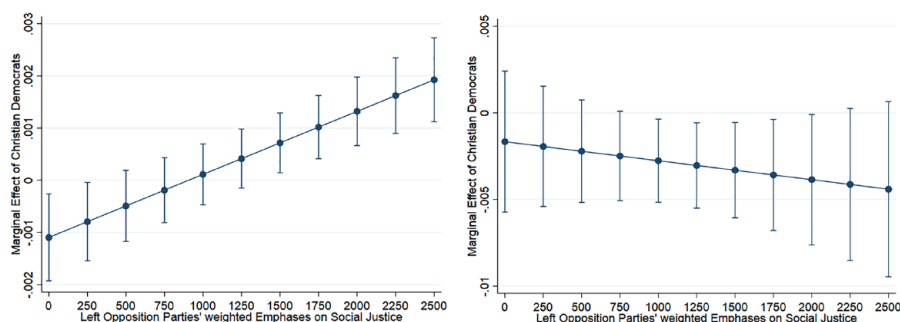
FIGURE 4
 Conditional Effect of Left Governing Parties' Weighted Emphases on Social Justice on Christian Democrats' Effect on EPL (regular contracts left, temporary contracts right)



that is, Christian democrats facing a strong politicizing Left coalition partner stop liberalizing EPL for temporary contracts.

These effects turn around when Christian democrats face strong Left *opposition* parties. The left side of Figure 5 shows that Christian democrats liberalize EPL for *regular contracts* when Left opposition parties remain (nearly) silent. However, they tighten EPL further as the Left opposition increasingly emphasizes social justice. The effect reaches statistical significance on a 10-percent level at weighted emphasis scores from 1,400 upward.¹⁵ On the right side, the effect gets more negative and is significant at moderate levels of Left issue

FIGURE 5
 Conditional Effect of Left Opposition Parties' Weighted Emphases on Social Justice on Christian Democrats' Effect on EPL (regular contracts left, temporary contracts right)



emphasis for *temporary contracts*. Thus, only the results for regular contracts are mostly in line with H4b.

While our results conform to H4a and H4b when analyzing regular employment, this is not the case for temporary employment. One possible explanation for these different patterns could be that Christian democrats have started to liberalize employment protection for atypical work as a response to rising unemployment to protect the male breadwinner model, which depends upon EPL for regular jobs (Zohlnhöfer and Voigt 2019). If Christian democrats themselves aimed at deregulating the labor market for temporary contracts, it would make sense that they would only do so when Left opposition parties do not strongly emphasize these issues (Figure 5), and that it would take very committed and strong Left coalition partners to achieve a significant positive effect (Figure 4).

The control variables corroborate our expectations or fail to reach statistical significance. We ran several robustness checks including long-term unemployment (OECD 2019c) instead of unemployment rates and a dummy for the financial crisis (1 = all cabinets in power in or after 2008, 0 = otherwise). Results do not change substantially (see online appendices).

Conclusion

We have investigated whether theoretical approaches from the study of the fiscal welfare state based on partisan politics have explanatory power for the regulatory welfare state (RWS). The results are somewhat sobering. We do not find much evidence that electoral competition shapes the partisan politics of the regulatory welfare state. Testing the main arguments regarding the conditioning effect of electoral competition on partisan differences from the literature on the fiscal welfare state does not yield particularly conclusive results.

The composition of Left parties' electorates does not condition their effects significantly nor are Right parties deterred from liberalizing EPL by the strength

or issue emphasis of those parties that can credibly claim to support employment protection. Surprisingly, politicizing strategies of pro-EPL parties do have an impact when focusing only on the competition between themselves. At least when confining the analysis to EPL for regular contracts, we find a pattern of blame sharing when Christian democrats and Left parties form coalitions, while even parties that have expanded EPL previously are kept from liberalizing employment protection when a credible competitor in opposition emphasizes issues of social justice. That is to say: when the Left opposition is strong and emphasizes the issue, Christian democrats fear to lose voters to a credible alternative claiming that they would act differently when in government and abstain from liberalizing.

What accounts for the lack of evidence for our hypotheses that have been adapted from the literature on the fiscal welfare state and that we argued could plausibly be transferred to the regulatory welfare state? An explanation for the lack of evidence for H1 on the support-base of Left parties could be that the new middle-class voters of Left parties do not care so much for employment protection, as they do not benefit directly from liberalization. This would allow even those Left parties that are experiencing a strong inflow of middle-class voters to cater to their traditional constituency regardless of the working-class voters' relative importance. Alternatively, parties might simply not care that much for the specific interests of individual voter groups but might behave more policy oriented (cf. Wenzelburger and Zohlnhöfer 2020).

Turning to our other hypotheses, one could argue that employment protection, like many other elements of the regulatory welfare state, is characterized by a quiet politics, which is not salient and thus not affected by electoral competition. Looking at qualitative evidence from Germany as an example, however, this seems unlikely. There, the infamous Hartz reforms, which contained some EPL liberalization, remained highly salient for years and have substantially affected the party system (Schwander and Manow 2017; Fervers 2019). Moreover, our results concerning blame sharing among pro-EPL parties show that electoral concerns may play some role in specific circumstances (for example, when two large pro-welfare parties compete).

Finally, one might suggest that we find neither conditional nor unconditional partisan effects because parties' programs have converged with regard to EPL. A recent study, however, that looked at the programmatic positions of all major parties on nonstandard employment in four European countries between 2007 and 2013 still finds important programmatic differences. Nonetheless, the most vocal opposition to liberalization comes from smaller Left parties such as (Post) Communists and Greens, while this kind of opposition "is expressed more mutedly" by the major parties of the Left (Picot and Menéndez 2019, 914). Although that study is based on data from only four countries and only looks at what we have analyzed as temporary EPL, it might provide an interpretation for our results, namely that the major parties that are also most relevant for forming governments and influencing public policies could indeed have converged somewhat (at least temporarily). This convergence might only have been a partial one, however. Parties in countries with a history of stubborn structural unemployment

or comparatively low employment rates in the 1990s and 2000s (like the ones that Picot and Menéndez [2019] analyzed) might have concluded that liberalization is a reasonable response to the labor market problems, irrespective of the programmatic positions. That would mean that partisan differences in EPL are conditioned by the labor market situation in a country (cf. Zohlnhöfer and Voigt 2019).

What do our findings mean for the politics of the regulatory welfare state? Regarding its substance, our article makes clear that the regulatory welfare state is not only about regulation to the benefit of vulnerable groups as a side aspect of economic reforms (cf. Haber 2017), but also that programs genuinely aimed at social protection should be considered (Levi-Faur 2014). These programs are often older, more mature, more salient, and less a compensation for retrenchment of the fiscal welfare state. Rather, they have often become an object of retrenchment themselves. Therefore, it is likely that the politics also differ substantially between different areas of the regulatory welfare state. While its more recent parts may be characterized by quiet politics, as implied by Haber's (2017) important contribution, this is not necessarily the case for EPL. Although the effects we find are nuanced and subtle at best, the reasons for the lack of partisan differences in EPL since the mid-1980s are likely to be different. Rather than quiet politics, it is probably the partial programmatic convergence of mainstream parties in the face of high structural unemployment that drove EPL reforms in the last decades. This ultimately implies that it may well be worth applying theoretical approaches from the study of the fiscal welfare state at least to the salient parts of the regulatory welfare state, as we have done in this article.

Notes

1. The empirical evidence for a negative effect of EPL liberalization on unemployment is mixed (Avdagic 2015). Nonetheless, our argument does not rest on the assumption that EPL liberalization is an effective way of fighting unemployment empirically; rather, we assume that parties may have expected that liberalization might help to fight unemployment.

2. Right parties can try to convince voters of the necessity of EPL liberalization, of course, and they can refer to their perceived economic policy competence in this context. Nonetheless, they are likely to be more successful in their attempt to convince voters when the opposition does not emphasize the issue, while the electoral risk of an EPL liberalization increases, at any given level of government justification, as the opposition politicizes the issue.

3. By choosing equal weights for EPL for regular and temporary EPL, we follow the literature. Moreover, we do not see an obvious alternative. We exclude collective dismissals from the analysis because the data are not available prior to 1998.

4. No data are available for this variable for Australia, Canada, Japan, New Zealand, and the United States. Thus, the number of cabinets drops to seventy-six in the relevant regression.

5. Given our theoretical argument, we would have also liked to use data on parties' emphasis on employment regulation. The CMP data do not include such an item, however.

6. The CMP data erroneously code the Partido Social Democrata in Portugal as a Left party, while it actually is a Right party (and is coded as such in our cabinet data). We changed the respective coding for the emphasis data.

7. Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the UK, and the United States.

8. See online Appendix 1 for detailed descriptive statistics of the variables.
9. Results not reported are available from the authors on request.
10. Note that the number of cabinets is lower than in the other regressions due to missing data.
11. We refrain from reporting results on how Christian democratic parties' emphasis on social justice conditions the effect of Left parties on EPL. The reason is the rather low number of countries in which Christian democrats are relevant. If we distinguish between Christian democrats in government and in opposition, the number of zeros becomes exceedingly high, which makes interpretation of the results highly problematic. Results available from the authors on request.
12. As the signs of the conditional effects differ between regular and temporary EPL, we do not report results for the composite index, which (unsurprisingly) are not statistically significant. Results available from the authors on request.
13. That would be a Left party that gained 35 percent of both the votes and seats and spent slightly less than 18 percent of its manifesto on issues of social justice would receive such a score, for example.
14. That would be a Left party that gained 25 percent of both the votes and seats and spent 15 percent of its manifesto on issues of social justice, for example.
15. That would be a Left party with 40 percent of votes and seats that spends 17.5 percent of its manifesto on social justice.

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