**Online Supplement Material**

***The makers get it all? The coalitional welfare politics of Populist Radical Right Parties***

# ***The case studies of Austria and Italy***

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Figure A. Number of PRRPs in EU-27 Member State Governments 2001-2021\*

Source: Authors’ elaborations (coding based on <http://www.popu-list.org/>); \* counted on the 1st of January every year

**Figure B:** The multidimensional makers/takers reform space



**Theoretical Underpinnings of the Welfare Reform Coding**

The coding of the welfare reforms is embedded in some wider theoretical considerations regarding the concept of the “welfare state”.

The comparative literature does not always agree on the same definition of the welfare state and on what specific policies have to be included in the analysis. In this research, we follow Ferrera’s definition of the Welfare State (2019): “The Welfare State is a set of public policies - that is pension policy, labor market policy, health care policy and assistance and social service families (i.e., family policy, long-term care policy, anti-poverty policy) - through which the State protects citizens against risks and needs by means of social assistance, social insurance or social security, and introducing specific social rights” (our translation from Italian, p. 15). We decided to focus on three social policies: labour market policy, family policy and pensions. We took this decision since these have been significant fields of welfare state reform policies over the last decades (Häusermann, 2010; Beramendi et al., 2015). Furthermore, political conflicts are particularly significant in these policy fields due to demographic change, transformations of the labour market and changing family models (Häusermann, 2010: 19-22).

While the definition of pension and family policy is straightforward, some clarifications are needed when considering labour market policy. In this case, we have chosen to follow the wider definition provided by Vesan (2019): “[labour market policy] essentially covers the risk of unemployment. However, it also aims at regulating the labor market and promoting job-matching to prevent unemployment and to support the reintegration of unemployed in the labor market, through activation programs” (our translation from Italian, p. 134). According to this definition, the (de)regulation of the labour market is a sub-policy of the labor market policy and thus has to be included in welfare reform analysis. Beramendi et al. (2015) follow a similar strategy of conceptualization. The authors - when differentiating social investment and social consumption policies – define social consumption policies “as a function of both measures of regulatory protectionism (such as employment protection) and social transfers to beneficiaries who use them to cover current needs and demands” (p. 15).

When considering the “welfare size” dimension, the deregulation of the labour market may be conceived as a retrenchment of the welfare state, since it directly affects negatively labor rights and also social rights. On the contrary, a re-regulation or the maintenance of the status quo (that is, of a relatively high level of protection) can be conceptualized as an *expansion* of the welfare state. Therefore, de-regulation can be seen as what the literature has labelled institutional *retrenchment* of the welfare state (see, Pierson, 2001; Green-Pedersen, 2001; Clasen and Siegel, 2008).

When considering, the “deservingness” dimension, the de-regulation/(re)regulation of the labor market can be promoted by means of a *selective* dualism, to the benefit of makers and to the detriment of the takers. As the dualization literature has underlined, labor market insiders have open-ended contracts and they tend to be protected by dismissal. As empirical research has demonstrated, insiders are mostly what we conceptualize in the article as “the makers”: capital accumulators (including the small business owners) and blue-collar workers – especially the old male workers (see, Oesch, 2006; Schwander and Häusermann, 2013; Beramendi et al., 2015; Giuliani and Raspanti 2022). On the contrary, labor market outsiders often have atypical jobs and are employed in the service sector (one again, see, Oesch, 2006; Schwander and Häusermann, 2013; Beramendi et al., 2015; Giuliani and Raspanti 2022). Low-skilled service workers – where women and migrants are largely represented – are part of what we in the article conceptualize as the so-called “takers”.

A general deregulation of the labor market is detrimental to both the takers but also to a group of the makers, that is, the blue-collar workers, while it would be beneficial to the capital accumulators. However, deregulation can be promoted to the margins, e.g. through the use of atypical contracts (see, for instance, Conti, 2015; Jessoula and Raitano, 2015). This kind of deregulation at the margins would hit mostly the takers – employed in the already highly-deregulated and precarious low-skilled service sector - while leaving the rights of the old male blue-collar workers with standard contracts largely intact. At the same time, the re-regulation of the labor market could go to the benefit of the takers (e.g. restricting the use of fixed-term contracts) and positively affects the working conditions of low-skilled service workers. While this kind of re-regulation does not necessarily impact blue-collar workers negatively, it can be problematic for capital accumulators, including small business owners.

**Coding of Welfare Reforms**

The coding for the empirical analysis of welfare policy strategies resembles that provided by Bürgisser (2022) and Häusermann (2018: 867-868). We collected data on all welfare reforms of the two PRRP coalition governments in the three policy fields during their office term. Based on a comprehensive collection of primary and secondary data we coded each reform on the basis of our theoretical framework.

As welfare reforms are often formulated as policy packages we distinguished every reform into individual reform issues or reform elements (Häusermann, 2010). These reform issues were the core analytical unit for the coding.

Relying on the broad literature in the field (Rathgeb, 2021; Chueri, 2021) we first identified those belonging to the *deserving maker* group and those belonging to the *undeserving taker* group. We then distinguished two deservingness dimensions according whether the policy instruments target the *makers* (Dimension A), one the one hand, or the *takers*, on the other (Dimension B). These policy instruments belongs to the three policy fields considered in the analysis. We also considered whether these policy instruments imply a retrenchment or an expansion of social benefits and rights. Therefore, our coding scheme includes four domains: A1) Expansion for Makers; A2) Retrenchment for Takers; B1) Expansion for Takers; B2) Retrenchment for Takers. Below we present the categorization of the main taker/maker groups, the content of the hypothetical policy issues, and their relating policy fields. The list is not intended to be exhaustive and further groups/measures can be identified.

**Deservingness Dimension A: Makers**

Domain A1: Expansion for Makers

|  |  |  |
| --- | --- | --- |
| ***Deserving Makers*** | **Hypothetical Policy Issue** | **Policy Field** |
| Pensioners (entitled to defined contribution/defined benefit pension) | Improvement/Maintenance/ Introduction of pension policy, such as early retirement, reduction of old pension age, etc. | Pension Policy |
| Employers/Employees with long working careers (*insiders*) | Improvement/Maintenance/ Introduction of: short-term work arrangements protecting industrial workers; tax subsidies for employers; job protection for industrial workers with long and stable careers, etc. | Labor Market |
| Full time mothers/Male breadwinner Families | Improvement/Maintenance/ Introduction of: pension credits for child rearing, child benefits/family allowances; tax rebate for large families; cash-for-care.  | Family Policy |
| Native Working parents [to a lower extent] | Improvement/Maintenance/ Introduction of childcare for native working parent, etc. |

Domain A2: Retrenchment for Makers

|  |  |  |
| --- | --- | --- |
| ***Deserving Makers*** | **Hypothetical Policy Issue** | **Policy Field** |
| Pensioners (entitled to defined contribution/defined benefit pension) | Increasing of old age pension, elimination or tightening the criteria to access early retirement schemes.  | Pension Policy |
| Employers/Employees with long working careers (*insiders*) | De-regulation for insiders; cut of the short-term work arrangements  | Labor Market Policy |
| Full time mothers/Male breadwinner Families | Decreasing cash transfers.  | Family Policy |

**Deservingness Dimension B: Takers**

Domain B1: Expansion for Takers

|  |  |  |
| --- | --- | --- |
| ***Undeserving Takers*** | **Hypothetical Policy Issue** | **Policy Field** |
| Migrants | Improvement/Maintenance/ Introduction of benefits/entitlements for migrants such as unemployment benefits, child benefits/family allowances, housing benefits, access to free childcare, etc. | Pension Policy, Labor Market Policy and Family Policy |
| Unemployed/long term unemployed | Improvement/Maintenance/ Introduction of unemployment benefits. This can imply a reduction of contributory periods for being entitled to the benefits, an increase of the cash benefit and of its length, etc. etc.  | Labor Market Policy |
| Employees with interrupted career and atypical contracts (outsiders) | Re-regulation; Fair ALMPs ( first of all, training, job placement)  | Labor Market Policy |
| Lone Parents/Non-traditional Families | Improvement/Maintenance/ Introduction of benefits for lone parents. Fair activation.  | Family Policy |
| Those relying on need-based programs  | Improvement/Maintenance/ Introduction of need-based programs, such as minimum income.  | Pension Policy, Labor Market Policy |

Domain B2: Retrenchment for Takers

|  |  |  |
| --- | --- | --- |
| ***Undeserving Takers*** | **Hypothetical Policy Issue** | **Policy Field** |
| Migrants | Decreasing/eliminating benefits/entitlements for migrants such as unemployment benefits, child benefits/family allowances, housing benefits, access to free childcare, etc. | Pension Policy, Labor Market Policy and Family Policy |
| Unemployed/long term unemployed | Cutting unemployment benefits; Supporting Workfare (high conditionality) | Labor Market Policy |
| Employees with interrupted career and atypical contracts (outsiders) | Increasing deregulation of the labor market for the outsiders | Labor Market Policy |
| Lone Parents/Non-traditional Families | Lowering down benefits, Supporting Workfare | Family Policy |
| Those relying on need-based programs  | Cutting rights and benefits (minimum income, housing, need-based pension, etc. etc.) | Pension Policy, Labor Market Policy |

Clearly not all the reform issues have a clear and/or direct implication for the takers and/or the makers. In this case, they have to be considered neutral. Furthermore, it can happen that a reform element imply an expansion/retrenchment to both takers and makers.

The coding was carried out according to the following procedure (see Bürgisser, 2022).

First, each reform issue was coded as targeting makers or takers.

We then assign numerical values to each reform issue:

* *+1*: the reform issue implies an expansion (for Makers or Takers);
* *0*: the reform issue has a neutral implication;
* *-1*: the reform issue retrench SC or SI policies (for Makers or Takers);

If the reform element goes to the benefit/detriment of both takers and makers, we split the value, assigning half to the makers and half to the takers.

To take into account the different importance of reform issues were weighted, differentiating between major reform issue (weighted by 1) that changes the fundamentals of policy field from minor reform issues with limited or very limited influence (weighted respectively by 0.5 or 0.25) (see Bürgisser, 2022).

We then summed the values assigned to each reform element belonging to the same deservingness dimension (*makers or takers*) to obtain the final score in that dimension. We plot the two final positions on the Makers and Takers dimensions in a Cartesian diagram to locate the joint coalition government’s position. We executed this procedure for all three policy realms.

An example may be helpful for illustrating these issue-specific codes. We present the coding of the positions of Lega-M5S government in Italy in the pension realm. The Lega-M5S government has enacted two reforms, Quota 100 and the Citizenship Pension. The former one contains five reform issues, the latter two , for a total of seven reform issues. Four reforms issues have been coded as an expansion for Makers, two as an expansion for Takers and one as a retrenchment for Takers. Below the calculation for the final position in the two dimensions:

**Pension Policy**

**Policy Makers**: [(1\*1)+ (1\*1)+ (1\*1)+ (1\*.25)]= **+3.25**

**Policy Takers**: [(1\*.25)+ (1\*.5)+ (-1\*.5)]= **+0.25**

**Table A.** Pension Reform Issue: Lega-M5S

|  |  |  |  |
| --- | --- | --- | --- |
| **Reform Name**  | **Reform Issues** | **Reform Issue Domain** | **Reform Issue Values** |
| * **Quota100 Reform**. [Law Decree n. 4, 28 January 2019: “*Disposizioni urgenti in materia di reddito di cittadinanza e di pensioni*. See also: 2019 Budget Law]

  | 1. Eligibility requires reaching 62 years of age and having made 38 years of contributions. The reform, therefore, allows workers to retire five years earlier. This measure is enacted experimentally from April 2019 to December 2021
2. The penalty for early retirement applies only to the pension amount calculated through the defined-contribution system and not to that calculated through the defined-benefit system.
3. the reform suspends, until 31 December 2026, the automatic link of the contribution requirement for "early retirement" to changes in life expectancy: this requirement will therefore remain fixed, until that date, at the 2018 level indicated.
4. Extension of the so-called "Opzione Donna", which allows female workers to retire at 58 years of age and 35 of contribution, provided they opt for the defined-contribution calculation method.
5. APE Social (a need-based early retirement pension measure for specific vulnerable workers) confirmed for 2019.
 | 1. Expansion for Makers
2. Expansion for Makers
3. Expansion for Makers
4. Expansion for Makers
5. Expansion for Takers
 | 1. +1 (weight:+1. Both in terms of financing and change compared to the logic of the previous Pension Reform - the 2012 Fornero Reforno – such reform issue implies a main change)
2. +1 (weight:+1. Both in terms of financing and change compared to the logic of the previous Pension Reform - the 2012 Fornero Reforno – such reform issue implies a main change)
3. +1 (weight:+1. Both in terms of financing and change compared to the logic of the previous Pension Reform - the 2012 Fornero Reforno – such reform issue implies a main change)
4. +1 (weight: +.25. This is just an extension of an already existing measure and generally the defined-contribution calculation method is less generous than the "mixed" system and in any case neutral from an actuarial point of view)
5. +1 (weight: .25. This is just an extension of an already existing measure)
 |
| * **Citizenship Pension** [Law Decree n. 4, 28 January 2019: “*Disposizioni urgenti in materia di reddito di cittadinanza e di pensioni*. See also: 2019 Budget Law]
 | 1. Introduction of the citizenship pension, a means-tested benefit for those which have reached the pension age (67 years) and have an income below the poverty threshold. The measure may supplement any pensions already paid out, and was set at €630 per month, plus a contribution of €150 for rent, making a total of €780 per month.
2. Only those living in Italy since 10 years are eligible to the Citizenship Pension
 | 1. Expansion for Takers
2. Retrenchment for Takers

  | 1. +1 (weight: .5. The measure is likely to have a medium effect, since In Italy there was already a need-based pension, the “Assegno Sociale”. Furthermore, the bulk of the money were addressed to the Early retirement scheme)
2. -1 (weight: 0.5 the effect is more limited)
 |

**Table B. Coding Results**

**Austria**

|  |  |  |
| --- | --- | --- |
|  | **Makers** | **Takers** |
| Labour Market: ÖVP-FPÖ | -0.5 | -2 |
| Family: ÖVP-FPÖ | 0.75 | -0.5 |
| Pension: ÖVP-FPÖ [Bierlein Government][[1]](#footnote-1) | 1.5 | 0 |
| Labour: FPÖ | 1.125 | -1.875 |
| Family: FPÖ | 1.125 | -0.625 |
| Pension: FPÖ | 2 | -0.25 |
| Labour: ÖVP | 0 | -2 |
| Family: ÖVP | 0.375 | -0.375 |
| Pension: ÖVP | 0 | -0.25 |

***Italy***

|  |  |  |
| --- | --- | --- |
|  | **Makers** | **Takers** |
| Labour Market: Lega-M5S | 0.5 | 4 |
| Family: Lega-M5S | 1.25 | 0.25 |
| Pension: Lega-M5S | 3.15 | 0.25 |
| Labour: Lega | 1 | -0.75 |
| Family: Lega | 4.25 | 0.25 |
| Pension: Lega | 5 | 0.5 |
| Labour: M5S | 0 | 4 |
| Family: M5S | 0.75 | 1 |
| Pension: M5S | 1.5 | 1.25 |

**Coding of Party Positions**

To detect the ideal-typical positions of the coalition partners we relied on the content analysis of party manifestos. We selected the official manifestos presented in 2017 (for Austria) and 2018 (for Italy) national elections. We downloaded the documents directly from the Comparative Manifesto Project Website. However, regarding the M5S, the CMP uploaded a not-updated manifesto (which was published in May 2017). Indeed the party released a final version in January 2018 and was stored in the Italian Home Affair Ministry Website (where all the party programs are collected before the elections). This manifesto integrates some proposal presented in the first version. For this reason, we analyzed both in order to grasp correctly the M5S’ positions.

We followed the same technique used for coding the reforms implemented by the national governments. In this case, we use policy statements – that is, a sentence where a policy reform is presented by a party - as the core analytical unit for the coding.

**Notes on Case Selection**

Concerning the M5S, the party can’t be considered as leftist in the traditional – social democratic – sense (Hooghe and Oser, 2016). However, it includes crucial left-leaning positions (Di Virgilio et al*.,* 2015). Empirical data from the Chapel Hill Expert Survey show that, when considering socio-economic issues, the M5S tends to be left-leaning – a position clearly different from that displayed by centre-right parties as the natural standard coalition partners of the PRRPs.

More specifically, as clearly shown by figures C1234 the M5S is to the left of the Democratic Party (PD, i.e., main Italian center-left party) when considering positions on a) socio-economic issues in general terms; b) improving public services vs. reducing taxes; c) de-regulation; and d) redistribution.

Furthermore, the Chapel Hill data show that the M5S’ positions is quite similar to that held by the main Austrian centre-left party (SPÖ).

Figure C1. Parties’ general position concerning Socio-Economic Issues (Variable LRECON1) Chapel Hill 2019

a) Austria b) Italy



Note 1: the LRECON variable indicates the position of the party in 2019 in terms of its ideological stance on economic issues. Parties are assigned with scores ranging from 0 (extreme left) to 10 (extreme right), with a 5 score meaning a centrist positions.

Figure C2. Parties’ Positions on improving public services vs. reducing taxes (Variable SPENDVTAX2), Chapel Hill 2019

a) Austria b) Italy

 

Note 2: The variable SPENDVTAX indicates the position on improving public services vs. reducing taxes during 2019. 0 = Strongly favors improving public services 10 = Strongly favors reducing taxes.

Figure C3. Parties’ Positions on improving public services vs. reducing taxes (Variable DEREGULATION 3), Chapel Hill 2019

a) Austria b) Italy

 

Note 3: The variable DEREGULATION indicates the position on deregulation of markets. 0 = Strongly opposes deregulation of markets 10 = Strongly favors deregulation of markets

Figure C4. Parties’ Positions on Redistribution (Variable REDISTRIBUTION 4), Chapel Hill 2019

a) Austria b) Italy

 

Note 4: The variable REDISTRIBUTION indicates the position on redistribution of wealth from the rich to the poor. 0 = Strongly favors redistribution 10 = Strongly opposes redistribution

1. The pension reforms were implemented under the *Bierlein* government (technocratic government), after the breakup of ÖVP/FPÖ coalition. Nevertheless, the reforms mainly passed thanks to the votes of the two parties and thus can be considered as an output of the ÖVP/FPÖ government. [↑](#footnote-ref-1)