Waiting for Godot?
Welfare Attitudes in Portugal Before and After the Financial Crisis

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Abstract
Do attitudes towards the welfare state change in response to economic crises?
Addressing this question is sometimes difficult because of the lack of longitudinal data. This article deals with this empirical challenge using survey data from the 2008 European Social Survey and from our own follow-up survey of Spring 2013 to track welfare attitudes at the brink and at the peak of the socio-economic crisis in one of the hardest hit countries: Portugal. The literature on social policy preferences predicts an increased polarization in opinions towards the welfare state between different groups within society – in particular between labour market insiders and outsiders. However the prediction has scarcely been tested empirically. A notoriously dualized country, Portugal provides a critical setting in which to test this hypothesis. The results show attitudinal change and this varies according to labour market vulnerability. However, we observe no polarisation and advance alternative explanations for why this is so.

Keywords
welfare state; welfare attitudes; 2008 financial crisis; Portugal; social rights
I. Introduction

Seven years on, most Europeans still grapple with the effects of the financial crisis of 2008: budget deficits and public debt, shrinking economies, insufficient job creation, high unemployment, increased labour market vulnerability, and rising inequality. Despite being widespread, these effects are stronger in some countries than in others. Bailed-out Portugal has been one of Europe’s hardest hit nations. The implementation of the austerity package brokered between the Portuguese government and the so-called Troika – the three international organizations (the IMF, the European Commission, and the European Central Bank) from which the country sought financial assistance – implied various cutbacks and significant changes to social benefits. These occurred as the Portuguese economy faced its worst downturn since the mid-1970s, with unemployment and the risk of being atypically employed reaching record levels, and demand for social welfare provision expanding at an equal pace.

Taking Portugal as our case study, this article addresses a question that the literature on welfare politics has barely begun to answer: whether welfare attitudes change in times of hardship and how (see e.g. Taylor-Gooby, 2001). In particular, we want to assess whether these changes translate themselves into a more differentiated public opinion, with new cleavages arising between different categories of people, namely labour market insiders and outsiders. Given the deep insider-outsider divisions known to characterize the Portuguese labour force, and given how hard the crisis has hit the country, Portugal should offer a critical case for theories about change and polarisation of welfare attitudes during crises. In Eckstein’s original formulation, critical cases can be “least” or “most” likely to confirm theoretical predictions
(Eckstein 1975). We argue Portugal is a most likely case since it is a case that many scholars considering our theoretical claims would predict to achieve a certain outcome and yet as we shall see it does not do so (Gerring 2007).

We start by drawing upon two main strands of theoretical explanations for change of social attitudes toward welfare provision. The first centres on economic self-interest, the second on the role of partisanship and ideology in determining welfare attitudes. We test a set of predictions stemming from each of these accounts using novel data from a survey carried out in early 2013, at the peak of the crisis. This replicated most of the established 2008 module on welfare attitudes of the European Social Survey, while it also included specific questions on what people think, say, and do about social rights. This data allows us to test a third explanation, normally overlooked in the literature: whether legal consciousness impacts preferences on welfare policy. In particular, the legal consciousness of social rights (henceforth, “social rights consciousness”) refers to a specific component of our value and belief system, namely, the ways in which we conceive of our social entitlements, and how these affect the ways in which we act with respect to them (Silva, 2013; see also Silva and Valadez, 2015). Theoretically, this represents a fresh contribution to our understanding of attitudinal variation and it comes justified by the fact that often, and certainly in the case of Portugal, support for government welfare provision is framed by a conception of social services and benefits as legal rights.

Our study shows that public opinion on the welfare state does change in hard times. However, the ways in which it changes are not always consistent with the predictions
in the literature. This double-edged finding can be disaggregated into three more specific results.

First, as expected, support for state intervention in welfare provision increased in the aftermath of the crisis. This generalized increase in support was accompanied with, but not explained by, a general ideological shit of the population to the left. However, it did not translate itself into a willingness to pay taxes to sustain the extension of the provision. Both of these findings are true for outsiders and insiders. But there are some differences: whereas the lack of support for an increase in taxation cuts equally across groups, outsidersness accentuates support for increased provision, which is in line with the predictions from the self-interest hypothesis that commands the literature.

Our second main finding shows that when we move from generic support to specific social policies we see outsiders and insiders expecting different things from the welfare state. Contrary to the literature’s predictions, however, our outsiders prefer proportional, rather than redistributive, social policies in main areas such as retirement pensions and unemployment benefit (Häusermann and Schwander, 2009: 14). A possible explanation for this unexpected result can be found in system justification theory (Jost, Banaji, and Nosek, 2004). This suggests that our outsiders’ willingness to defend and justify the status quo may supersede their self-interested considerations. Our findings, however, point in another direction. Far from internalising inequality and reducing ideological dissonance on behalf of the system, our outsiders want inequality reduced through higher state intervention and shift to the left. We therefore put forward for consideration an alternative explanation for
outsiders’ policy choices: the distinctive conception of social rights, not as equally distributed natural rights, but as historically conquered entitlements whose terms have been contracted with the state.

The paper proceeds as follows. In section 2, we introduce the main drivers of welfare preferences advanced in the literature: self-interest and ideology. To these we add a third possible driver, legal consciousness. In section 3, we present hypotheses derived from the aforementioned explanations. In section 4, we discuss our data and measurement choices. In section 5, we present our results. In section 6, we discuss the extent to which the findings support our hypotheses and develop a possible alternative explanation for the unexpected results.

II. Public Attitudes on Welfare Provision in Hard Times

Self-Interest
The debate over how economic crises affect attitudes towards the welfare state is far from settled, and evidence on this matter is mixed. Most studies to date have assumed self-interest to be the main driver of welfare preferences. But they have derived contrasting hypotheses from this assumption, and have reached opposing conclusions as to the direction welfare attitudes take under conditions of economic hardship.

In two influential works, James E. Alt and R.H. Durr have proposed that public support for social assistance provision and economic redistribution decreases during economic crises (Alt, 1979; Durr, 1993). More concretely, they have argued that, as economic concerns grow, people become more focused on self-interest and give less
weight to the concerns of the disadvantaged. Pauli Forma confirmed this prediction in his empirical study of the transformation of welfare attitudes in Finland during its recession in the 1990s: solidarity between better-off and worse-off people decreased in the face of hardship, and their opinions concerning welfare became more polarized in the process (Forma, 2002).

But the thesis that economic crises have a negative effect on support for welfare is far from consensual. The assumption that welfare preferences are primarily determined by self-interest has led other authors to hypothesize the opposite outcome, that is, that support for social provision will be greater in times of economic crisis. Their assumption is that individuals are risk adverse. Therefore, when faced with less certain or lower future revenue streams, they will grow more supportive of government welfare assistance (Bean and Papdakis, 1998; Cusak, Iversen and Rehm, 2006; Iversen and Soskice, 2001; Rehm, 2009; 2011). To this Seymour Martin Lipset (1968) and Erikson et al. (2002) added a specification: an increase in unemployment, the typical situation where a revenue stream is cut, will lead to greater support for governmental responsibility for social provision and redistribution.

The self-interest hypothesis has been tested in multiple studies. Stefan Svallfors (1997) tested it against lower class and status groups, who are more likely to receive welfare benefits, and concluded these groups are also more likely to be supportive of them. Morten Blekesaune (2007) extended the testing framework in his wide-ranging empirical study of the impact of worsening economic conditions on public attitudes to welfare policies. However, his findings support the hypothesized effects only partially. He finds a clear association between lower employment and support for
greater governmental social responsibility, but preferences for reducing income differences remain largely unaffected.

There is a possibility, however, that attitudes remain unchanged in hard times, or that, if they do change, their change is inconsistent with the self-interest hypothesis. In such eventuality, an alternative theoretical explanation merits consideration: system justification theory. This theory moves beyond the received view that self-interest is a universal motivational force and that conflicts of interest are endemic to society. Instead the theory stresses accommodation, rationalization, and legitimation of the existing social order. Its claim is twofold: 1) that there is a general inclination to defend and justify the status quo; 2) that such an inclination is not unique to members of the benefited group, but includes those whose objective social interests are being compromised (Jost, Banaji, and Nosek, 2004: 887). Whether and when this explains what self-interest does not is an open question.

Ideology

Ideology can play a significant role in system-justifying processes. Besides self-interest, ideology has been another major factor used to explain welfare attitudes (e.g. Jaeger, 2006; Giger and Nelson, 2013). Voters on the left tend to be more supportive of welfare programmes than voters on the right (Shapiro, 2009). This may be explained by diverging beliefs on either side of the ideological spectrum regarding the degree to which people’s economic fortunes are their own making (e.g., hard work, ambition), or result from external factors (e.g., system, family, luck). The more people believe the former, the greater their toleration for inequality; the more people believe the latter, the greater will be their sympathy for those benefiting from redistributive
policies, and their willingness to contribute to them. Changing personal circumstances, such as the loss of a job, can shape welfare policy preferences sharply by leading to the reconsideration of one’s self-interest and eventually to a reconsideration of how an expansive welfare system may have societal advantages (e.g., help one find a job) or disadvantages (e.g., encourage laziness amongst half-hearted job-seekers). These societal considerations presuppose a learning process, however, which may lead to the questioning of one’s policy preferences and also perhaps of the political ideology to which one usually subscribes (Margalit, 2013). But whilst policy preferences may change sharply in response to changing personal circumstances, ideological dispositions are more resilient, and do not change easily in the short-term.

There are, however, other ways in which ideology may impact upon welfare preferences in a relatively limited period of time. Namely, external intervention in a bailed-out country may have the effect of placing – effectively or seemingly – welfare politics beyond partisan politics. To explain, when welfare retrenchment occurs under the external intervention of financial institutions sharing a broadly neoliberal outlook, it tends to be politically framed as the only available course of action if growing budget deficits and further tax hikes are to be avoided. This can lead to a sense of inevitability, and result in generalized de-politicization. In particular, some authors have argued that the conditionality associated with IMF financial assistance typically introduces a system of incentives regarding public policies that forecloses deliberation, partisan politics, and ideological debate, while pushing instead for a technicization of politics (Grant, 2011). From this, citizen apathy and a homogenization of attitudes regarding welfare policies might be expected. But
whether retrenchment under external intervention depoliticizes or activates ideological positions regarding welfare by e.g. making people engage in a contestatory politics of rights claiming, is ultimately an empirical question in need of further exploration.

*Social Rights Consciousness*

This takes us to a potential, but far less studied, driver of welfare attitudes: social rights consciousness. Social rights consciousness refers to the willingness by an aggrieved individual or group to make a claim for redress on the basis of a “right” – by presenting a petition, launching a lawsuit, joining a protest, and so forth.

Welfare state policies are underpinned by belief in social provisions as rights, and endorsement of social rights, which is a trademark of the left, has been taken to be a chief predictor of support for the welfare state (Sears, Lau, Tyler and Allen, 1980; Hasenfeld and Rafferty, 1989). If relevant in general, exploring social rights consciousness seems to be all the more important in bailed-out Portugal.

This is for two main reasons. The first is the co-originality of democracy and welfare state building. Although social provision witnessed a visible increase during the last decade of the dictatorship, its coverage remained very limited. Some of the dictatorship’s welfare legacy (e.g., traces of corporatism) may have survived into the democratic era. But the overall architecture of the welfare system was to emerge radically transformed from the 1974 revolution. Providing universal coverage for a vast array of risks, the new welfare system was the flagship of the newly founded democracy and represented the kind of bounds that would now tie its citizens
together. Portugal’s transition to democracy was twofold – to democracy and to a welfare state. The identity of the former remained, therefore, strongly enmeshed with the latter. The second (and related) reason concerns the centrality of social rights of citizenship to the new regime. Much more so than its Spanish 1978 equivalent, the Portuguese 1976 Constitution was bountiful in its social provisions and adamant in treating them as rights for citizens rather than discretionary grants from the state (Vieira and Silva, 2013: 912-913). Unsurprisingly, therefore, political contestation regarding welfare provision has ever since been waged in the language of rights. The aftermath of the 2008 crisis came only to reinforce this. Opposition parties as well as trade unions and social movements taking to the streets made rights claims central to their political repertoire. Acts of rights claiming became ever more intense as the Constitutional Court assumed the role of key player in the opposition to governmental attempts at implementing welfare cuts and the main political cleavage was formed around one’s position with respect to the Constitution.

III. Hypotheses

With the purpose of contributing to the discussion about whether and how economic crises affect welfare attitudes, we work with a set of hypotheses derived from the theoretical frameworks utilized in some of the works discussed previously.

In the studied period (2008-2013), Portugal underwent one of the most serious economic recessions of the OECD countries. Its unemployment ranked amongst the highest in the EU, with the average unemployment rate jumping from 7.6% in 2008 to
the record high of 17.8% in April 2013, with youth unemployment peaking at 42.5%. Growing unemployment and the progressive implementation of cutbacks (in wages, pensions, and social services) meant that the population faced greater uncertainty concerning present and future revenue streams.

Our first hypothesis is that increased uncertainty leads to higher generalised support for governmental responsibility regarding welfare (H1). However, although the perception of increased risk might affect both insiders (who feel now more vulnerable) and outsiders, outsiders will have reasons to be more pessimistic concerning present and future revenue streams, making outsiders more supportive of an expansion in welfare responsibility (H2).

Our focus in an exceptional period of social and economic crisis permits us to question the strong and positive correlation most studies have found between government welfare assistance and fiscal redistribution in normal times (Pontusson, 2005). Given the exceptional context of cutbacks and loss of revenue (or the fear thereof) we predict that endorsement of welfare expansion is not accompanied by a willingness to pay more taxes for it (H3).

Portugal is known for its notoriously high insider employment protection and labour market dualisation (Beramendi et al., 2015: 108). Even though we expect outsiders to be more supportive of welfare governmental responsibility overall, we also expect them to differ from insiders in their degree of support for different types of welfare

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1 Eurostat figures. Available at: [http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do](http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do) (last accessed 13-01-2016)
policies. Labour market insiders and outsiders tend to profit from distinct benefits and programmes. Dualisation literature suggests that in policy areas such as health care or education the interests of workers with highly protected jobs (insiders) and of those either unemployed or who hold jobs characterized by low salaries and low levels of protection (outsiders) are likely to be aligned. But in areas such as social security or labour market policies the interests of these two groups are likely to be at odds, with insiders caring more about their job security than about the unemployment of outsiders, and outsiders caring more about unemployment and job precariousness than about the employment and other protections of insiders (Rueda, 2005: 62).

There is a tendency to regard such distinctive interests and corresponding political group identities as given by economic and social circumstances fixed prior to politics. Any policy preferences, however, are endogenous to political competition. Policy debate, in particular, configures the field of political conflict so as to construe the interests at stake in insiderness and outsiderness. Policy categories can forge group cleavages. But while in some periods these are muted, in other occasion they are thematised and demands are made on their grounds. This happened allegedly for the first time in Portugal in the aftermath of the Troika’s intervention in 2011. The coalition centre-right government framed its reformist policies, notably deficit control through cutbacks targeting insider protections, as a matter of relative justice between those segments of Portuguese society with job security and those with lower levels of protection, employment rights, benefits and social security privileges. In turn, the opposition parties on the left, trade unions, social movements, the Constitutional Court, and even some dissenting voices in the governing coalition parties, made employment protection legislation and pensioners’ rights one of the red lines against
the liberalizing attempts of the government. We hypothesize that the crisis and the political competition dynamics it kindled created a scenario in which the opinions of insiders and outsiders became more polarized. Put simply, we expect insiders to favour insider protections (through social insurance that rewards continuous employment and full-contribution records), and outsiders to favour outsider-oriented policies (especially, needs-based minimum protection, social investment, and truly redistributive universal benefits) more emphatically in 2013, at the peak of the crisis, than at the crisis outbreak, five years earlier (H4).

Besides being endogenous to partisanship (Rueda, 2005: 63-65), preferences over social policy are endogenous to the relevant system of norms and beliefs. We therefore explore ideology and rights consciousness as potential drivers of attitudes towards welfare. In Portugal, as in other bailed-out European countries (Greece, Ireland, Cyprus), the economic crisis is inseparable from external intervention by institutions endorsing broadly neoliberal economic policies and proposing welfare retrenchment as the way for deficit reduction and economic recovery. Far from using the Troika intervention as a scapegoat, the incumbent government took ownership of Troika’s policies. In the early days of the Memorandum, the Portuguese Prime Minister famously maintained that his government aimed at “going beyond the Troika”, taking the crisis as an unique opportunity to introduce a whole set of liberalising reforms of labour market and the welfare system that would otherwise been impossible. We hypothesize that the social discontent with the policies that ensued resulted in a generalised ideological shift to the left and that, as unemployment and precariousness grew, this shift became more pronounced amongst outsiders (H5).
As ideological cleavages deepened between political parties, much of the political debate came to revolve around the trade-off between securing the financial sustainability of social rights and compromising their current ability to realize social justice. As a result, rights language became ubiquitous and rights claiming an enabler of political contestation, inside and outside formal institutions, such as the Constitutional Court. Questions such as whether all social provisions ought to be conceptualised as rights, the nature of these rights and their underlying principles of justice, the fairness of their deployment as trumps against governmental action, and the trade-offs implied therein, came to the fore.² We expect this to have ignited social rights consciousness. Increased thematization of social rights in political debate – their genealogy, their trade-offs, and their underlying principles – is likely to shape how outsiders and insiders conceive of these rights and act upon this conception. Our hypothesis therefore is that outsider and insiders hold distinct conceptualisation of social rights and that these impact their social policy preferences (H6).

IV. Data and Measurement

Sample

Our study draws upon data from two samples from representative surveys of the Portuguese population. In the first sample we analyse probabilistic data from 2,367 individuals inquired in the rotating module on ‘Welfare Attitudes in a Changing

² On the social consciousness of principles of distributive justice associated with the right to health care and the right to work see, respectively, Gross (2007) and Mundlak (2007).
Europe’ of the 2008 Fourth Round of the European Social Survey (ESS). This module is the only cross-country survey that has an exhaustive list of variables that measure social attitudes towards welfare provision, which is necessary for testing the hypotheses formulated above. The ESS ranks amongst the best cross-country surveys ever held, ensuring that non-response, bad question wording, and sampling error are less of a problem here than in other comparable studies and that the results are more reliable. The second sample is from an original survey that was applied in the spring of 2013. The survey replicates some parts of the 2008 ESS module on welfare attitudes, to which it adds blocks of questions from pre-existing surveys (International Social Survey Programme 2004), as well as new ones (e.g. questions on ‘social rights consciousness’). As far as we know, this is the first time that part of the 2008 ESS module on welfare attitudes has been replicated at the country level. The questionnaire has 62 closed questions. The sample comprises 1,258 adults and fieldwork took place in the spring of 2013. Both samples have been nationally and regionally weighted to represent the country’s five main regions (North, Centre, Lisbon, Alentejo, and the Algarve). This was deemed necessary as to minimise sampling error due to regional differences in population density. Respondents were interviewed according to probabilistic selection in each region. A survey company especially hired and trained conducted face-to-face interviews at respondents’ homes. The pre-test, comprising 15 interviews in Lisbon and Porto, was carried out in March 2013. Fieldwork took place between 8 and 30 April 2013.³

Measures of attitudes towards welfare state scope and responsibility

³ A copy of the questionnaire is available from the authors upon request.
We use four questions to measure state responsibility for welfare provision. This was originally conceived of as the first dimension of the concept ‘attitudes towards welfare policies and claimants’ in the rotating module ‘welfare attitudes in a changing Europe’ from the European Social Survey Round 4 (2008). The questions are:

‘People have different views on what the responsibilities of governments should or should not be. For each of the tasks I read out please tell me on a score of 0-10 how much responsibility you think governments should have, where 0 means it should not be governments’ responsibility at all and 10 means it should be entirely governments’ responsibility. Firstly…

… to ensure a job for everyone who wants one?
… ensure adequate health care for the sick?
… ensure a reasonable standard of living for the old?
… ensure a reasonable standard of living for the unemployed?’

Given the uni-dimensionality and their very strong internal consistency in each year, we aggregated these questions into an index. The index is designated as ‘state responsibility for welfare provision’.

4 Available in here:

5 In each year, we submitted the four items to an exploratory factor analysis (using the principal axis factoring method of extraction) that revealed only one factor which explained 55.06% of the variance in 2008 (eigenvalue = 2.20; factor loadings from 0.59 to 0.88), and 55% in 2013 (eigenvalue = 2.19; factor loadings from 0.58 to 0.85).
In addition, we use two questions to measure Portuguese respondents’ preferences for either more needs-based or more contributory-based welfare policies. In the ESS 2008 Round 4, these questions were originally formulated as the dimension ‘Attitudes towards alternative welfare state models’ of the concept ‘Attitudes towards welfare policies and claimants’. The first question is:

‘Some people say that higher earners should get larger retirement pensions because they have paid in more. Others say that lower earners should get larger retirement pensions because their needs are greater. Which of the three statements on this card comes closest to your view?

. Higher earners should get a larger retirement pension than lower earners
. High and low earners should get the same amount of retirement pension
. Lower earners should get a larger retirement pension than higher earners’

The second question is:

‘Some people say that higher earners should get more benefit when they are temporarily unemployed because they paid more in tax, whilst others think that lower earners should get more because they are in greater need. Using this card, please tell me which of the three statements you agree with most?

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6 2008: Cronbach’s alpha = .81; 2013: alpha = .80; merged databases: .81.

7 But see Jensen (2012) for a discussion of the distinction between labour market- and life course-related social programmes.
Higher earners who become unemployed temporarily should get more in benefit

High and low earners should get the same amount of benefit

Lower earners who become unemployed temporarily should get more in benefit’

*Measures of attitudes towards taxation & financing*

We use one question to measure attitudes towards taxation and financing of welfare provision by the state. This was originally conceived of as an indicator of the second dimension of the concept ‘attitudes towards welfare policies and claimants’ of the ESS Round 4 2008 mentioned above. The question is:

‘Many social benefits and services are paid for by taxes. If the government had to choose between increasing taxes and spending more on social benefits and services, or decreasing taxes and spending less on social benefits and services, which should they do? Choose your answer from the card below:

. Governments should decrease taxes a lot and spend much less on social benefits and services (0)
. Governments should increase taxes a lot and spend much more on social benefits and services (10)’

*Predictors of Public Attitudes*

Socio-demographic and Economic Variables
We use several measures to capture the factors that may predict attitudes towards welfare provision by the government. In order to investigate the empirical performance of these predictors, however, it is important to carefully consider other factors that potentially influence these preferences. Accordingly, we include three socio-demographic variables in the estimations as control variables: gender, age, and education (but not income\textsuperscript{8}). The effects of these demographic variables were controlled in all the regression analyses we did to test our hypotheses.

Labour Market Vulnerability (Outsiderness)

To assess the effects of atypical employment, we construct a composite measure of labour market vulnerability as an independent variable that takes the different forms of atypical employment into account. We call this variable ‘outsiderness’. There are different conceptualisations of outsiderness in the literature. David Rueda (2005) was first in proposing a labour-market status conceptualisation. Silja Häusermann and Hanna Schwander (2009) have meanwhile proposed a class-based measure of insider- and outsider status. This, however, seats uncomfortably with the post-industrial character of contemporary European societies. For this reason, and given our interest in labour market processes, we adopt Rueda’s original conceptualization on the basis of employment status. This distinguishes between insiders and outsiders as a function of labour-market status – between those who have secured stable and permanent employment, and those who have insecure jobs or no jobs at all (Rueda, 2005). To construct our variable outsiderness, we use therefore a four-levels continuous scale of

\textsuperscript{8} High levels of non-response in our samples (1,795 out of 3,625) prevent us from using household income as a control variable.
labour market status, varying from the least vulnerable, those employed full-time with a permanent job, to those unemployed. The four levels are: 0 = employed full-time with a permanent job; 1 = fixed-term temporary job; 2 = no contract (‘zero-hours contract’); 3 = unemployed.

Social Rights Consciousness

The testing of social rights consciousness is particular to this study and is more common in socio-legal studies than in welfare studies (see e.g. Ewick and Silbey, 1998). However, given that the conception of social services and benefits as rights is thought to lie behind the level of support for welfare, we believe it to be an important dimension of analysis. We define social rights consciousness as the ability to reflect upon social rights (their origins, trade-offs, and the active search for information about them), and the activity of making claims based on them. Social rights consciousness was measured through the following four questions. Which factors have contributed the most to guaranteeing social rights in Portugal: guaranteed in the Constitution (0 = no; 1 = yes); workers fought to conquer rights (0 = no; 1 = yes); we have lived in a democracy since April 25 1974 (0 = no; 1 = yes). The frequency with which the respondent thinks or talks about welfare issues (0 = never to 3 = always). Whether, when going to a health centre, the respondent thinks that their taxes are funding the service (0 = no; 1 = yes), and the level of agreement that one can only enjoy social benefits if doing or giving something in exchange (0 = total disagreement to 7 = total agreement).

Ideology
We measure ideology by asking respondents to self-identify in the left-right political spectrum in an 11-point scale from left to right. The question is: ‘In politics people sometimes talk of ‘left’ and ‘right’. Using this card, where would you place yourself on this scale, where 0 means the left and 10 means the right?’

V. Results

We begin by comparing the average scores for support for state responsibility in a wide spectrum of social policies between 2008 and 2013 (see table 1). Results show a significant increase in public support for the state’s responsibility for welfare provision, namely ensuring a job for everyone who wants one, adequate health care for the sick, a reasonable standard of living for the old, and a reasonable standard of living for the unemployed. Importantly, this tendency for an increase in popular support occurs by reference to the very index of state responsibility as a whole. However, in the same period there is a generalised decrease of support for rising taxation to fund the extension of welfare provision: possibly due to tax fatigue, the average score of agreement with increasing taxes and spending more on social benefits and services diminished from 4.91 before the crisis to 4.19 in 2013 (t = -6.18, p < .001).

(TABLE 1 AROUND HERE)

To test whether increasing levels of support varied between insiders and outsiders, we estimated a regression model in which the indicators of state responsibility for welfare
provision were predicted by the year of the survey, outsiderness, and the interaction term (year of the survey*outsiderness). The results are in table 2. As we have seen by comparing the average scores, there was an increase in both each indicator and the general index of state responsibility. This analysis takes us a step further by showing statistically significant positive coefficients for the variable ‘outsiderness’: this means that the more vulnerable the respondents’ labour market condition is, the more likely is for them to wish the government to assume a more central role in social welfare provision.

(TABLE 2 AROUND HERE)

Our results show a significant interaction between the variable ‘year of survey’ and ‘outsiderness’ for the index of state responsibility for welfare provision, which means that between year 1 (2008) and year 2 (2013) we witness a widening of the opinion differences between insiders and outsiders. This means that opinion polarisation is confirmed, but this involves divergence of attitudes moving in the same direction, rather than divergence of attitudes moving in opposite directions as some of the literature predicted. Specifically, the graphic representation of this interaction (see graph 1) show that there is a greater support for state responsibility in 2013 than in 2008, and that this increases as outsiderness augments.

(GRAPH 1 AROUND HERE)

In order to test whether this occurs because insiders and outsiders have different expectations regarding the welfare state, we examined respondents’ attitudes before
and after the crisis on two specific welfare policies: unemployment benefit and retirement pensions. Testing this hypothesis was more complex than in the case of the first two. This was because these variables have three possible answers: higher earners should get more; all should get the same; lower earners should get more. For our purposes, we call these categories proportionality, egalitarianism, and redistribution. Because the dependent variable is a multi-categorical outcome, it was necessary to estimate two multinomial logistic regressions comparing 1) proportionality with egalitarianism and 2) comparing proportionality with redistribution (see table 3).

(TABLE 3 AROUND HERE)

We found significant interaction effects between the year of the survey and outsiderness: this means that the crisis impacted differently insiders and outsiders’ expectations regarding the welfare state. The two graphs below show the interaction effects for retirement pensions. Graph 2 shows the results for the comparison between proportionality and egalitarianism. In 2013, outsiders choose more egalitarian pension policies over proportional ones than in 2008. While before the crisis the effect of outsiderness on respondents’ choice was not significant \( (b = -0.02, SE = 0.06; \text{n.s.}) \), in 2013 there is a significant effect of outsiderness: the more one is a labour market outsider, the less likely one is to choose proportionality instead of egalitarianism \( (b = -0.16, SE = 0.05; p < 0.001) \). This is in line with our hypothesis, since outsiders, with their discontinuous contributory careers, would benefit more from more redistributive policies, where support is proportional to need rather than contribution. Graph 3 shows the results for the comparison between proportionality and redistribution.
Outsiders prefer more proportional pensions policies instead of redistributive ones in 2013 than in 2008. Whereas before the crisis there was a significant effect of vulnerability on respondents’ preferences, with outsiders preferring more redistributive pension policies ($b = -0.85, SE = 0.20; p < 0.001$), with the crisis this positive effect between outsiderness and redistribution ceased to be significant ($b = 0.05; SE = 0.38; n.s.$), resulting in outsiders’ unexpected choice for proportionality. This is the contrary of what we have hypothesized, since it seems to run against outsiders’ interests.

(Graphs 2, 3 around here)

In the next two graphs, we have the interaction effects for unemployment benefit. Graph 4 shows the results for the comparison between proportionality and egalitarianism. The results are different from the ones obtained for pensions. First, the interaction effect is not statistically significant, which means that outsiders and insiders have not become more polarized between 2008 and 2013. Second, there are two general, independent effects: 1) there is more choice of egalitarian unemployment policies in 2013 than in 2008; 2) there is less choice of proportionality as one’s labour market vulnerability increases. Graph 5 shows the results for the comparison between proportionality and redistribution. Like in the case of pensions, outsiders’ preference for proportional unemployment policies over redistributive ones rises from 2008 to 2013. The mechanism of preference-formation is similar to the one identified above for retirement pensions: whereas in 2008 outsiders preferred more redistribution ($b = -0.73, SE = 0.20; p < 0.001$), in 2013 this effect is no longer significant ($b = 0.08, SE = 0.08; n.s.$). As noted above, this is the contrary of what we had hypothesized.
We have looked for a possible explanation for these unexpected findings in the system of norms and beliefs, which includes legal consciousness and ideology. In the case of the former, this involved estimating two new models of regression in which we use as predictors the year of the survey, respondents’ understanding of social rights *qua* human rights, opinion that social rights are financed by one’s taxes, as well as the interactions between the year of the survey and these two aspects of social rights consciousness. Results show the social rights consciousness of outsiders and insiders to be significantly different. Outsiders are more likely to see social rights as historically contractualised entitlements grounding absolute claims, namely as one of the workers’ conquests in Portugal’s mid-1970s revolutionary transition to democracy. By contrast, insiders see them as involving trade-offs (e.g. whether, when going to a health centre, the respondent thinks that their taxes are funding the service), and conceive of them as eliciting reflection about their functioning, funding, and so on (e.g. the frequency with which the respondent thinks or talks about welfare issues).

Results of the logistic regression show two significant interactions between ‘outsiderness’ and social rights consciousness, which partly help to account for outsiders’ unexpected support for contributory welfare, based on an understanding of fairness as proportionality rather than proportionality to need. Both these interactions concern retirement pensions, not the unemployment benefit for which there were no significant interactions. Graphs 6 and 7 below represent the two significant interactions. Graph 6 shows the interaction between ‘outsiderness’ and the
understanding that social rights are human rights protecting fundamental human interest. As we have seen above, Portuguese outsiders tend to favour contributory over redistributive welfare principles. What these findings show is that this effect only occurs amongst outsiders who most vehemently reject the view that social rights are human rights. There is a plausible rationale to this, insofar as an understanding of social rights as human rights outside the political process and particular group struggles would seem to point towards needs based view of their fair distribution. Graph 7 presents the interaction between ‘outsiderness’ and reflexiveness regarding the trade-offs involved in the provision of social rights: it shows outsiders’ holding this view tend to favour egalitarian over proportional welfare principles. This may indicate that reflexiveness relates to a clearer understanding of the type of policy that favours one’s interests.

(Graphs 6, 7 around here)

Let us now consider the role played by ideology. To begin with, we have hypothesized that outsiders would have turned more significantly to the left than insiders in this period. To test this hypothesis we need to complement the results above with another test of the interaction between year of survey and outsiderness. The absence of significant interaction indicates that the tendency of those more affected by unemployment and precariousness to position themselves on the left is equally strong in 2008 and 2013. This hypothesis is not confirmed: there is no ideological polarisation occurring.

(Table 4 around here)
We have further studied the impact of ideology through an analysis that synthesizes the impact of the economic crisis on public support for state responsibility for welfare provision. This analysis involved running a number of multiple regression models (see table 5) whose coefficients allowed us to build an analytical model representing the role of ideology (left-right, and choice for equality measured by opinion on whether the government should reduce income inequality) in the relationship between the crisis and state responsibility (model 1) and between the crisis and the trade-off involving taxation and welfare provision (model 2). Findings show that, as noted above, as outsiderness increased between 2008 and 2013 (b = 0.78, p < 0.001) so did support for greater state responsibility for welfare provision (b = 0.55, p < 0.001). Yet support to use taxpayers’ money to finance this effort dwindled (b = -0.53, p < 0.001).

As far as ideology is concerned, we witness a general turn to the left in Portugal in this period (b = -0.54, p < 0.001). Our prediction of generalized ideological shift to the left is therefore confirmed. Preference for equality, in turn, decreased as a result of the crisis. In sum, model 1 reveals a causal relationship between the crisis, greater outsiderness, and both more left-wing ideological positioning (b = -0.09, p < 0.05) and stronger preference for equality (b = 0.04, p < 0.05). Support for state responsibility for welfare provision, however, is significantly related to preference for equality (b = 0.40, p < 0.001), but not ideological self-positioning (b = -0.01, n.s.). In model 2, neither variable impacts opinion on the trade-off between taxation and welfare provision.

(TABLE 5 AROUND HERE)
VI. Discussion

This was a study of change in welfare attitudes in the aftermath of the financial crisis of 2008. There is a general presumption that welfare attitudes change in hard times, but whether this is indeed the case and what directions the change takes has been little studied so far. To shed light on these questions, we draw on the main hypotheses put forth in the literature on the drivers of welfare attitudes, namely self-interest and ideology. These would lead us to expect more polarization than we have found in the attitudes of insiders and outsiders. They also made us predict outsiders’ preferences to be different from what we found them to be already at the break of the crisis. If anything, the crisis seemed to make them move even further in this unexpected direction.

In order to account for these surprising results we have considered a third driver of welfare preferences, social rights consciousness. This third driver proved helpful in shedding light on the normative underpinnings of outsiders’ preferences. In what is perhaps the most original contribution of this case study to the welfare state literature, we account for Portuguese outsiders unexpected support for contributory welfare in terms of their distinct understanding of social rights as historically contingent (yet not arbitrary) achievements owed to those who fought for them, in the terms originally contractualized by them (quid pro quo). This, in turn, points towards the need to move beyond exogenously assigned interests through a priori theorizing to the production
of interest and group identity within political language itself, in this case a certain way of thinking and talking about themselves as democratic citizens born of a welfare pact that cannot be undone without undoing what ties them.

When compared with other OECD countries, Portugal stands out for its combination of high insider employment protection and high labour market dualisation. This means that despite a generalized increase of vulnerability in the aftermath of liberalization reforms, insiders still enjoy strong employment rights, benefits and protective social security policies, both universal and contributory. There is a generative power to social policy. Policies play an active role in constructing group identities and interests, in turning groups into interest-bearing constituencies, demographic and professional categories into political forces. Once protective social policies are established, the group becomes available to be empowered and mobilized by beneficiaries and political actors alike (e.g. political parties, trade unions, interest groups, etc.). Ever since the democratic regime has been established in Portugal, and the democratic welfare state started taking shape, political parties have made insider welfare constituencies their main constituency. This has resulted in insiders acquiring a clear understanding of their interests, a sense of entitlement, and an ability to use their vote to defend them politically. Our results reflect this: faced with the crisis, insiders, who are generally more reflexive about the trade-offs involved in social rights, shifted to the left, whose purported main policy objective remains to preserve and expand insider job security, while firmly holding to typical insider protections, namely social insurance that rewards continuous employment and full-contribution records.
By contrast, outsiders, who remain broadly unrepresented, constitute a looser group, with undefined boundaries, and uncertain political meaning, invisible to itself and others. Democratic representation is asymmetrically apportioned between outsiders and insiders, and, in some instances, policy design (e.g., means-testing unemployment benefits) so stigmatizes specific outsider groups (e.g., the unemployed) that they are discouraged from participating in conflicts staging their interests. It is therefore unsurprising that, when it came to outsiders, many of our interest-based hypotheses came out invalidated. Although they lean more to the left than insiders, outsiders advocate the same historical understanding of social rights that underpins insiders’ sense of entitlement and they end up advocating contributory-based policies that would seem to prima facie benefit the latter group.

It would be too simplistic, though, to reduce this to a question of ‘false consciousness’ or unawareness of the policies that favour outsiders’ interests. A more complex explanation may be required. One could be tempted to appeal to enlightened self-interest: no welfare system can sustain a systematic redistribution with the net contributors seeking to leave. Hence, in upholding core contributory policies, outsiders would be basically protecting their interests. Welfare states that do not include the middle-classes will have less political support, so the total budget for income transfers will be much smaller (Korpi and Palme, 1998). But this would be tantamount to attributing outsiders too much foresight or too little prudence: Portugal is amongst those countries in which a high level of universalism coexists with a low level of redistribution, on account of its welfare system’s high level of internal differentiation between core/regular workers and their peripheral/irregular counterparts (Ferrera, 2010).
In the light of this, system justification theory seems to provide a more plausible explanation for outsiders’ seemingly self-defeating preference for contributory schemes that cater for insider’s protection, and are not, in themselves, redistributive. However, something more complex may be at stake here. Portuguese outsiders do not system justify inequality. They do not simply reproduce the system unreflectively, assuming extant hierarchies and structures in society to be fair. Rather, they seem to positively identify with key normative features of the policy design of a universal and contributory welfare system geared towards strong job security, sturdy employment rights, benefits, and attached social security privileges. This system is less something they adjust to despite having contrary interests, than something they may know not to cater to their current interests, but nevertheless aspire to: i.e., they want to see their labour status changed, not the welfare system. Hence our decision to title this paper after Samuel Beckett’s ‘Waiting for Godot’. In this play, the two main characters, Vladimir and Estragon, wait endlessly and in vain for the arrival of someone named Godot. Beckett was always dismissive about Godot’s identity. In this article, it stands for the Portuguese outsiders’ wait for the return to the golden age of the welfare state as imagined and implemented for labour-market insiders.

Combined with the fact that outsiders remain for the most a constituency unsolicited by political parties, who are reluctant in staging an insider-outsider cleavage, this may explain why we have found more coincidence between outsiders and insiders’ attitudes than we were expecting when we began the study. This overlap, we submit, comes further explained by the structure of Portuguese society and the prevalence of multi-generational households and family solidarity transfers. As youth
unemployment and precariousness rose, pensions, for instance, came to play a key role in the household income packages. That people live in families, and that families act as a parallel welfare state, are two of the main factors against narrow economic reasoning and polarisation. In advocating contributory schemes, outsiders may not only be aspiring to steadier contributory careers leading to a commensurate pension for themselves in a distant future. They may also be protecting current income streams: their parents’ pensions as their own security net in times of hardship. This is aptly illustrated by the alliances forged within social movements combating austerity. The most vocal of the movements speaking on behalf of those in precarious employment – Precários Inflexíveis – organized several of its initiatives and policy counter-proposals alongside the most well known association representing pensioners, APRE. Recent research on the cycle of anti-austerity protest between 2010 and 2013 in Portugal similarly found a fundamental alliance occurring between ‘new new’ social movements and the more traditional politics of labour (Accornero and Pinto, 2014).

In the light of the recurrence of this type of alliances, it is not hard to see why in Portugal attempts to politically stage a conflict between insiders and outsiders are commonly met with a backlash. The coalition government’s endeavour to convince electors of the fairness of a trade-off between job security and insiders benefits, on the one hand, and job growth and active labour market policies, on the other hand, does not seem to have resonated with outsiders, who, if anything, turned further to the left as the crisis deepened. However, this left-wing turn is not the reason why outsiders overtake insiders in their support for greater state responsibility for welfare provision.
Their call for more state responsibility is rather explained by their understanding of growing inequality as a problem that needs tackling.

The fact that we observed nuanced differences, but not growing polarisation, between insiders and outsiders, may lie behind the resilience of the party system under the crisis. Unlike what happened in Spain and Greece, left-wing populist movements-turned-parties failed to emerge in Portugal. Street politics remained largely controlled by the Communist Party and trade unions pushing for insider protections. Non-partisan social movements voicing outsider perspectives had short-lived public appearances and relied on political parties and in particular trade unions (with distinct party identities) for major actions (Accornero and Pinto, 2014: 508). This meant that outsiders never emerged as a political force, with many amongst them opting for exit – through emigration, abstention, or defection from traditional parties, namely, the centre-left Socialists, to protest parties.

In the current left-wing coalition, some will have found voice in the Syriza-allied Left Bloc (BE), which, with just over 10% of votes, established itself as the third-biggest parliamentary grouping. The coalition’s success seems dependant on its ability to reconcile insider and outsider interests. But the economic circumstances are not conductive to such inclusive strategies. Tensions may be temporarily eased by the fact that outsiders socially sanction and normatively support the welfare state in its current guise. In an exercise of Godot-like patience, they are waiting to benefit from it in the

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9 See Lindvall and Rueda (2014) for a discussion of how the growing dualisation of labour markets poses a dilemma to centre-left parties.
manner of insiders. But the time and place may not be right, and they may start wondering whether Godot will ever arrive.
References


Table 1. Means, standard deviations (within brackets) and statistical significance of the indicators of opinion on state responsibility for welfare provision in 2008 and 2013

<table>
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<td>(1.73)</td>
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<td>(general)</td>
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<td>(1.44)</td>
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Table 2. Unstandardized OLS regression coefficients

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<table>
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*p < 0.05; **p < 0.01; ***p < 0.001
GRAPH 1
Support for state responsibility by year of survey and outsiderness

State responsibility for welfare provision

Degree of outsiderness

- 2008
- 2013
Table 3. Multinominal logistic regression coefficients

<table>
<thead>
<tr>
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<td>B</td>
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<td>B</td>
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*p < .09; *p < 0.05; **p < 0.01; ****p < 0.001
GRAPH 2. Probability of choosing proportionality (vs. egalitarianism) by year of survey and outsiderness (pensions)
GRAPH 3. Probability of choosing proportionality (vs. redistribution) by year of survey and outsiderness (pensions)
GRAPH 4. Probability of choosing proportionality (vs. egalitarianism) by year of survey and outsiderness (unemployment benefit)
GRAPH 5. Probability of choosing proportionality (vs. redistribution) by year of survey and outsiderness (unemployment benefit)
GRAPH 6. Probability of choosing proportionality (vs. redistribution) by understanding of social rights as human rights and outsiderness (pensions)
GRAPH 7. Probability of choosing proportionality (vs. egalitarianism) by understanding of trade-offs involved in social rights and outsiderness (pensions)
TABLE 4. Unstandardized OLS regression coefficients

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**p < 0.01; ****p < 0.001
Table 5. Unstandardized OLS regression coefficients

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MODEL 1. Analytical model representing the role of outsiderness and ideological variables in the relationship between economic crisis and state responsibility for welfare provision.
MODEL 2. Analytical model representing the role of outsiderness and ideological variables in the relationship between economic crisis and trade-off between taxation and welfare provision.

* $p < .05$  ** $p < .01$  *** $p < .001$