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**The Rising Invisible Majority.
Bringing Society Back into International Political Economy**

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This article has a long story that deserves to be acknowledged here. We began the “Invisible Majority” project in 2013 as a reflection on the transformation of Italian society. Our work was conceived originally as a broad reflection for the general public and our book *La Maggioranza Invisibile* (Ferragina and Arrigoni 2014) sparked controversy across the country and what remains of the Italian left. It is during the numerous presentations of the book and the comments we received from ordinary people in political clubs, trade union meetings, libraries, universities, occupied squats, theatres, pubs and associations that we decided to transform a political essay into a scholarly work. This was a ‘reverted journey’ that led us out of the academic comfort zone. The ideas you read in these pages are essentially the results of this journey, whose ups and (many) downs we enjoyed greatly. We would like to express gratitude to Dennis Harrison, who helped us editing this work with great accuracy and constant sense of humour. We would like to also thank the anonymous reviewers and the editorial board for their insightful comments. All errors remain ours.

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Abstract

The paper develops the concept of a rising invisible majority and explores the interconnections between the political economy context and the changing composition of European society. The concept illustrates how the transition from the Fordist to the neoliberal phase of capitalism is leading to a similar – if differently paced – transformation of the social composition across Europe. The material basis of the ‘invisibility’ manifests itself in a structural increase of unemployment, labour market precarization, and poverty. ‘Invisibility’ makes growing segments of the population less likely to participate in the institutions that regulate social life, while *mainstream* parties and trade unions no longer represent them adequately in the public arena. We suggest this trend will continue, and eventually concern a majority of the population, unless the neoliberal mechanisms of regulation are slowed or reversed. Enriching Polanyi’s double movement logic, we hypothesise the existence of feedback effects from this transformation of the social composition to the political economy context that could lead to countermovements. Our reasoning is systematised in an analytical framework, complemented with a historical analysis of the Italian case, and a quantitative measurement of the magnitude of this transformation across 14 European countries.

Introduction

“I don’t think we did go blind, I think we are blind, Blind but seeing, Blind people who can see, but do not see”

(Blindness, Saramago, 1997).

The paper develops the notion of the rising invisible majority and explores the interconnections between the political economy context and the changing composition of European society. It is a contribution to the literature that brings society back into International Political Economy (IPE). This new concept and its related empirical measurement show that the transition from the Fordist to the neoliberal phase of capitalism is producing a similar – if differently paced – transformation of the social composition across European countries. This transformation manifest itself in an increase of unemployment, labour market precarization and poverty. The material basis of ‘invisibility’ impairs the social and political participation and representation of growing segments of the population. We suggest this trend will continue, and will apply eventually to a majority of the population. Moreover, extending the logic of Polanyi’s double movement, we suggest that this trend entails feedback effects towards the political economy context that could lead to countermovements.

Capitalism unfolded historically through a series of phases, each marked by different strategies of capital accumulation (Aglietta, 1979; Boyer, 1990). The advent of a new strategy – regulated by the transformation of existing institutional forms (Boyer & Salliard, 2002) – redefines the composition of society. Institutional dynamics influence occupational status, relative wage and household income, as the new accumulation strategy alters the relation between capital and labour; in turn this affects the intensity and modality of political

and social participation. Accordingly, we suggest that the interconnections between political economy and the changing composition of society can be traced through the different phases of capitalism with a systematic analytical framework (Graph. 1). We apply this framework to examine the redefinition of the social composition during the transition from the Fordist to the neoliberal phase of capitalism in four steps.

-----Graph. 1-----

First, we analyse the international political economy context since the early 1970s. During this period, the neoliberal agenda became dominant; it heavily influenced the EU integration process. The demise of Bretton Woods agreement prompted the creation of the European Monetary System, which became increasingly a monetary straitjacket for the continent, and fundamentally conditioned institutional dynamics across countries.

Second, we identify two institutional dynamics that mediate between the political economy context and the rise of the invisible majority: (1) labour market transformations – which lead to growing unemployment, precarization and wage stagnation; and (2) the declining ability of welfare states – through retrenchment processes – to guarantee a socially acceptable standard of living to everybody irrespective of their labour market status (Esping-Andersen, 1990). Hitherto, scholars suggested that the wage-labour nexus, one of the main regulatory mechanisms of capital accumulation (Boyer & Salliard, 2002), has been altered fundamentally in the transition from the Fordist to the neoliberal phase of capitalism (Boyer, 2000). This change has contributed to a decline of the wage-share (Stockhammer, 2017) and the flexibilization of labour market. Moreover, as Fordism faded away, the transformation of the “Keynesian welfare state” into a “Schumpeterian workfare state” (Jessop, 1993) has curtailed the level of protection against “new social risks” (Bonoli, 2005; Taylor-Gooby,

2004); this affected women especially (Daly, 2011), also low-educated people, non-citizens and the young (Chevalier, 2016). This is particularly problematic since wages and welfare state benefits constitute on average three-quarters of the household income in Europe (Eurostat, 2018a), and illustrate how labour market and welfare state transformations are likely to affect the material basis of society.

Third, the concept of the rising invisible majority is a tool to chart the changing composition of European society throughout the neoliberal phase of capitalism. The concept has three dimensions, which we refer to as the material, social and dynamic. The *material dimension* – the structural rise in unemployment, labour market precarization and poverty – affects the *social dimension* at the individual and collective level. The invisibles are less likely to participate in formal institutions that regulate social life; and old Fordist institutions, *mainstream* political parties and trade unions, no longer represent adequately their interests. The *dynamic dimension* suggests that this trend will continue and impact upon the majority of the population, unless neoliberal mechanisms of regulation are slowed down or reversed. Therefore, we hypothesize the rising invisible majority will eventually constitute ‘a new normal’ for European societies in the advanced neoliberal phase of capitalism.

Fourth, we suggest that these new forms of instability – extreme and rapid levels of change in the composition of society – can generate feedback effects from the rising invisible majority to the political economy context. We explain how feedback effects may unfold by adding a layer of complexity to the Polanyian double movement logic. We analyse a specific example related to electoral dynamics, and we show also how feedback effects might relate to future countermovements.

We apply this analytical framework empirically in a sequential mixed-method analysis (Creswell & Plano Clark, 2011). This analysis includes an historical illustration of the Italian case, a quantitative measurement of the material, social and dynamic dimensions of the rising invisible majority in 14 European countries¹, and an overall integration with respect to the conceptual framework of the rising invisible majority.

For the Italian case, we are able to identify a “critical juncture” in 1992 – a watershed moment for the rising invisible majority – by applying an historical institutional perspective to the transition from the Fordist to the neoliberal phase of capitalism. In the institutionalist literature, junctures are considered “critical” when they place institutional arrangements on paths which are then very difficult to alter (Pierson, 2004, p. 135). We single out this juncture empirically by isolating a series of consecutive rapid events that unlocked new institutional dynamics. At the methodological level, critical junctures and other gradual modality of institutional change² can help to identify the beginning of path-dependent institutional processes connected to the rise of the invisible majority in other countries.

Italy is a relevant case for our historical analysis because it followed similar political, economic and social dynamics to most other developed nations, but at the same time it remained peripheral to them. Italy, therefore, is a receiver of international political economy³ transformations rather than being an active driver of international change. It was subordinated to the American-driven transition from Fordism to neoliberalism, and was a follower in the

¹ Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden, United Kingdom.

² E.g. displacement, layering, drift, conversion, exhaustion (Streeck & Thelen, 2005, pp. 19-33).

³ See Tosi & Vitale (2016) on the Italian political economy scholarship.

process of European integration, even though a founder member of the European Community. Italy's peripheral position provides us with a vantage point because we can observe how changes and pressures that come from the international political economy context (especially those related to the transition from the Fordist to the neoliberal phase of capitalism) influenced labour market and welfare state transformations, and contributed in turn to redefine the composition of society.

The quantitative analysis – based on aggregate and survey data⁴ – provides a first empirical attempt to assess the general applicability of the concept of the rising invisible majority across Europe. First, we connect the historical and quantitative analyses, and measure the deterioration of Italian labour market outcomes in the post-1992 context. Second, we offer an analysis of the material and dynamic dimensions of the rising invisible majority concept in Italy and Europe, and measure how education, gender, citizenship status and age influence the likelihood to be 'invisible'. Third, we measure the levels of social and political participation among the invisibles, and compare them to the rest of the population. We connect these analyses to secondary literature on voting behaviour, and suggest that the rising invisible majority vote contributes to electoral volatility. The political instability fostered by this volatility offers a valid example to conceptualise the feedback effects more thoroughly.

The paper then proceeds as follows. First, we discuss the analytical framework and connect existing literatures to the concept of the rising invisible majority. Second, we develop the historical and quantitative empirical analyses. Third, we describe the feedback effects.

⁴ From Eurostat, the OECD and the European Social Survey.

The Analytical Framework

The International and European Political Economy Context

The crisis of Fordism paved the road for the consolidation of Neoliberalism (Harvey, 2005) both in terms of ideology and structure. Fordism (Gramsci (1971) employed the term to define the socio-economic outcome of Ford's industrial innovation) refers here to a phase of capitalism that reached its international pinnacle in the aftermath of WWII (Aglietta, 1979; Cox, 1987; Harvey, 1989; Lipietz, 1997; Jessop, 1997; Ruggie, 1982); neoliberalism refers to a theoretical paradigm and the historical phase of capitalism that follows Fordism.

Various streams of “neoliberal thought collective” – e.g. the Austrian school, the ordoliberals, the Chicago School – conceptualised self-adjusting markets as the most efficient mechanisms to regulate economy and society (Mirowsky & Plehwe, 2009). These schools of thought, unlike nineteenth century laissez-faire, called for direct state and institutional intervention to enhance the primacy of the market (Amable, 2011; Davies, 2017; Peck, 2010), and suggest that the institutional dynamics across countries acted as a pivot between the international political economy context and the composition of society (Campbell & Pedersen, 2001; Fourcade-Gourinchas & Babb, 2002). Neoliberalism is a broad label (Boas & Gans-Morse, 2009) and in danger of being underspecified. Nevertheless, core policy measures related to the neoliberal paradigm influenced economic and political governance across the world. They promoted widespread marketization (Brennan et al., 2012; Eikenberry & Kluver, 2004; Freeman & Schettkat, 2005; Salamon, 1993; van Apeldoorn & Horn, 2007) and fostered monetarist measures, free trade, deregulation, privatization, regressive taxation, austerity, and, more importantly for our argument, labour market flexibilization and welfare state retrenchment (Gamble, 2009; Harvey, 2005; Munck, 2005; Saad-Filho & Johnston, 2005; Peck, 2010; Dumenil & Levy, 2011). These measures are so widespread and accepted

in *mainstream* politics that the term neoliberalism is employed often as a synonym for the present phase of capitalism.

The crisis of Fordism began in the mid-1960s with the progressive decline of capital profitability⁵ (Dumenil & Levy, 2001, 2004). The economic stagnation and increasing inflation of the 1970s challenged the prevailing Keynesian approach to macroeconomics, and helped to make monetarism highly influential (Tobin, 1981). Under these circumstances, “finance” progressively became the central engine of capital accumulation (Boyer, 2000) in a context characterised by the extension of capital mobility (Burn, 1999), the presence of large reserves of petrodollars in search of profitable investments (Helleiner, 1996; Konings, 2011), and innovations in communication and financial technologies (Strange, 1994a, 1998). Growing financial markets attracted capitals invested previously in the industrial sector (Watson, 1999, 2007), which hastened the de-industrialization of western countries and boosted the advent of a service-based economy. A decline in the growth of GDP was the result; GDP has never returned since to the post-war rate of increase (World Bank, 2018). The neoliberal revolution inspired policy-making globally and this came to light first in Chile during Pinochet’s regime. Thatcher and Reagan’s policies in the United Kingdom and the United States became then the blueprint for a worldwide affirmation of neoliberal measures (Harvey 2005). International organizations like the International Monetary Fund (IMF), World Bank (WB) and General Agreement on Trade Tariffs (GATT)/World Trade Organization (WTO) were subsequently transformed or created to reinforce this global process (Williamson, 1990).

⁵ “The rate of profit is the indicator of the profitability of capital. It relates the mass of profits realized during a given period, one year, to the total sum of funds invested” (Dumenil & Levy, 2004, p. 22).

European integration was greatly shaped by the transition from the Fordist to the neoliberal phase of capitalism. In particular, the demise of the Bretton Woods monetary framework represented a turning point for two reasons.

First, it reshaped the relationship between the United States and Europe, promoting what Cafruny and Ryner (2007) defined as “minimal hegemony”. Thus the Neoliberal agenda became a shared framework for elites on both sides of the Atlantic. It facilitated institutional reforms that constrained the ability of European states to intervene upon market dynamics (Bruff, 2014; Burnham, 2001; Gill, 2008). Second, the uncertainty of intra-European exchange rates contributed to the process of European monetary integration, a process that moved from the “snake in the tunnel” to the European Monetary System (EMS) and then the introduction of a common currency. This process created an imperfect Optimum Currency Area (OCA) (De Grauwe, 2009; Mundell, 1961, 1973) which unloaded most of the cost of shocks on to labour market adjustments (Crouch, 2000); previously its cost had been absorbed in part by monetary policies. Monetary integration – eliminating the Deutsche Mark exchange rate *vis-à-vis* other European currencies – favoured the German export economic strategy, which became a model for the entire continent and promoted labour cost competition (see for example the Hartz reforms) among European partners (Bonatti & Fracasso, 2013; Dullien & Guérot, 2012). This contributed to the advent of a “competitive austerity game”, where “each unit reduces domestic demand as part of its export-oriented production strategy wherein wage increases and benefits are kept below productivity growth rates” (Cafruny & Ryner, 2007, p. 10). In a wider context, these processes contributed to and were accelerated by labour market and welfare state transformations.

Labour Market and Welfare State Transformations

Throughout the Fordist era the growing productivity of the industrial sector guaranteed increasing wages for the working class, and constituted an important redistributive mechanism (Pierson, 1998); this growing productivity favoured mass consumption and economic growth. This, together with the mass organisation of industrial production, allowed the business sector to extract “relative surplus value” from workers. It also created the conditions for trade unions and left-wing parties to organise the working class collectively; higher salaries could be negotiated and better social protection attained through the expansion of the welfare state.

During the neoliberal phase, the prevalent form of capitalist accumulation shifted from the industrial to the financial sector (Boyer, 2000). The resulting deindustrialization of western economies led to a move from mass to flexible forms of production (Harvey, 1989; Hirst & Zeitlin, 1991; Piore & Sabel, 1984), and increased the relevance of the service sector as mass employer. The service sector, as Baumol (1967) suggested, does not guarantee the same productivity increases as the industrial sector: “It is after all, harder to substitute capital for labor in the classroom than on the assembly line” (England et al., 2002, p. 458). In a service-based economy only a minority of workers, such as those employed in retail, banking and insurance services, are able to take advantage of productivity increases (Bernhardt et al., 2001). A growing number of workers remain stuck in low productivity patterns, and occupy labour rather than capital intensive jobs (e.g. care work, England et al., 2002). These workers – in particular women, people with low education, non-citizens and young people – are more likely to bear the costs of the labour market and welfare state transformations.

This reduced capacity to extract relative surplus value provided a strong incentive for business owners, investors and shareholders to capitalise on “absolute surplus value” (Marx & Engels, 1996) from workers by an increase of working time and wage compression. As a consequence, labour income share as a percentage of GDP declined across the OECD, from 66.1% in 1975 to 53.1% in 2016 (IMF, 2017). Trade union action was constrained by membership shrinkage and a problematic engagement with the weakest segments of the workforce (Baccaro & Howell, 2017; Gumbrell-McCormick & Hyman, 2013; Kelly, 2015; Lee, 2005). Historically, union membership among atypical, low-service sectors and new workers is lower than for permanent and industrial sector workers (Gumbrell-McCormick, 2011). As a result, unions focused on the protection of their core constituencies by pursuing bilateral and trilateral agreements (Hancke & Rhodes, 2005; Rhodes, 2001) rather than fighting for a universal labour market protection. At the same time, the implementation of neoliberal reforms, hitherto the preserve of right-wing parties, became increasingly a feature of the social democratic agenda (Arestis & Sawyer, 2001; Burnham, 2001; Ryner, 2010; Humphrys, 2018). The neoliberal mantra that deregulation and flexibilization could facilitate labour market access became widespread; it helped to disseminate the idea that the structural rigidity of labour market arrangements inherited from Fordism (and connected to high social protection levels) led to growing and long-term unemployment (Bean, 1994; OECD, 1994; Siebert, 1997).

The imperfect nature of the common currency area strengthened these labour market dynamics in Europe. An OCA can theoretically handle shocks with coordinated fiscal policies, labour mobility, and price flexibility (De Grauwe, 2009). However, redistributive fiscal policies were underdeveloped, while cross-national agreements – such as the Stability and Growth Pact and the Fiscal Compact – restricted national budgets and limited the

possibility to implement countercyclical macro-economic policies. Also labour mobility across Europe remained low compared to the United States because of cultural and legislative barriers (Eurofound, 2014, p. 59; Recchi, 2015). Hence price flexibility became the prevalent political economy strategy to absorb shocks within the OCA and to compete in the international market. Competition on price flexibility contributed to the creation of precarious forms of employment, moderate wages, and reinforced the European competitive austerity game. This was pursued through several reforms and coordination mechanisms – the reduction of Employment Protection Legislation, the introduction of the European Employment Strategy, the slash of passive unemployment benefits and the introduction of active labour market policies (Bleses & Seeleib-Kaiser, 2004; Crouch, 2000; Raveaud, 2007). All EU countries engaged in supply-side politics in the hope that an increase of export would compensate for the decline in levels of consumption. Even when there were demand-side policies⁶, these were debt-financed which led directly to austerity, the German “schwarze Null” (zero deficit policy). This created an incentive for a race to the bottom, which further privileged the minority working in high-productivity sectors, and punished those employed in low-wage service sector jobs.

Unemployment became a crucial political issue as it increased from the end of Fordism until the early 1990s. It started to decrease only near the end of the 1990s (Hemerijck, 2013). This decline, however, was linked arguably to the process of labour market flexibilization (Kalleberg, 2009; Standing, 2009, 2011). The idea that deregulating the labour market was a magic bullet to reduce unemployment (OECD, 1994) contributed to the proliferation of part-time and temporary contracts, and was in part responsible for the reduction of social

⁶ Such as the limited expansionary policies after the 2008 financial crisis, e.g. the stamp duty holidays in the UK and the scrappage premium in Germany.

protection afforded by open-ended contracts. Accordingly, different deregulation strategies arose to accompany the differing varieties of welfare/capitalism⁷ (Esping-Andersen, 1990; Hall & Soskice, 2001; Thelen, 2014). As countries with rigid labour markets protected core workers and unloaded the cost of the regulatory adjustments on to labour market outsiders, liberal market economies reduced labour market protection for all workers (Emmenegger et al., 2012; Ferragina et al., 2016).

The weakening of the welfare state's redistributive and "market breaking" capacity (Esping-Andersen, 1985) and the lack of its adaptation to the service-based economy constitutes, together with labour market transformations, the other institutional mechanism of our analytical framework. At the height of Fordism, the constant increase of wages was an essential redistributive mechanism from capital to labour (Jessop, 1993). Hence, the welfare state focused on covering the residual social risks associated with unemployment, sickness, injuries, retirement and other necessities existent within families. Since the early 1970s, the social risks related to the functioning of labour market increased considerably. European welfare states, however, were reducing their budgets under the constraints of neoliberal reform agendas, rather than recalibrating them to accommodate the increased number of its population in need and the so-called "new social risks" (Taylor-Gooby, 2004; Bonoli, 2005). The continuation of several social protection measures was threatened and often considered collectively untenable for public finances (Hay & Wincott, 2012). The austerity measures implemented after the 2008 crisis further limited social expenditure in most European countries (Blyth, 2013). Welfare state redistributive power has been particularly eroded by the scaling down of unemployment and income assistance support (Cantillon et al., 2015). To cope with welfare state retrenchment, many lower and middle class citizens have been

⁷ Although moving towards a progressive 'contingence convergence' (Hay, 2004).

encouraged to accept precarious and low-wage jobs (Ferragina, 2019). As a consequence, the welfare state, with the weakening of its core market breaking policies, seems to be geared less towards the social protection of the lower class and more to the fulfilment of employers' needs in a competitive, international economic environment (Jessop, 1993; Peck, 2001).

Our analytical approach assigns a prominent role to labour market and welfare state transformations, but does not exclude the importance of other factors that foster the rise of the invisible majority. For instance, changes in the mode of production (e.g. the described transition from Fordism to a service based-economy and their different productivity dynamics) and demographic change (e.g. growing participation of women in the labour market, international migration) seem to accelerate the transformation of the social composition across all European countries, as “they take place in an institutional context that leads to overcommodification” (Folbre, 2006, p. 19).

The general trends of economic growth, wage levels and labour force participation over four decades illustrate that while new institutional, productive and demographic dynamics have unfolded, wage compression and income stagnation have become common across Europe⁸. While comparative empirical evidence suggests that European countries have experienced overall economic growth⁹ in the long-term, despite the negative shock-waves of the 2008 crisis¹⁰ (Fig. 1), wages as a proportion of GDP have declined in most countries¹¹ (Figure 2).

⁸ Data: Eurostat (2018b) and OECD (2020).

⁹ Although far from the rate of growth experienced during the heyday of Fordism.

¹⁰ The 2008 crisis has not affected economic growth across countries in the same way. There is a group of countries where GDP recovered rapidly after the 2008 crisis – maintaining in the long forty-year run a constant level of increase (Austria, Belgium, Denmark, Finland, Germany and France,

The trends are even more noteworthy when we recognise that labour force participation has increased over time¹² (Figure 3a) and that the wages of top income earners (the top 1%) have dramatically increased over the period (Dumenil & Levy, 2011). This seems to indicate that the larger share of capital compared to labour is even more pronounced than data on wage levels would suggest. The 2008 crisis has accentuated these trends, as unemployment started again to increase in parallel to the rise of atypical forms of employment and the perpetration of wage stagnation. We can only speculate on the effect the Covid-19-related lockdowns might have on these dynamics.

-----Fig. 1, 2, 3a-----

The Rising Invisible Majority

During the 1970s and as a reaction to the crisis of Fordism, IPE developed a distinct research agenda within International Relations. While realist and liberal scholars focused on states and markets to interpret the post-1970 world (Gilpin, 1987; Keohane, 1984; Keohane & Nye, 1973; Krasner, 1983), critical IPE¹³ offered different readings of transformations of the political economy (Burnham, 1994; Cox, 1981; Strange, 1994b). This scholarship expanded classical IPE ontology and investigated the role of social forces that characterized production processes moving within and beyond the analysis of states and markets (Bieler & Morton,

Sweden) – and another group where growth has stagnated (Italy, The Netherlands, Spain) or remained at a lower level than the pre-crisis period (Greece, Ireland, and the United Kingdom) (Figure 1).

¹¹ With the exception of Italy (27-29%) and the United Kingdom (40-41%) where it has slightly increased (Figure 2).

¹² With the exception of Denmark where it has stagnated (Figure 3a).

¹³ For a debate on the different strands of IPE see Cohen (2008), Shields et al. (2011) and two special issues of *New Political Economy* (Phillips, 2009) and the *Review of International Political Economy* (Waeber, 2009).

2001; Cox, 1983, 1987; Gill, 2008; Van der Pijl, 1998). More recently, other streams of research called for a greater engagement with bottom-up phenomena (Davies & Niemann 2002; Hobson & Seabrooke, 2007; Seabrooke & Elias, 2010) and a comprehensive analysis of specific social groups (Bakker & Gills, 2003; Griffin, 2007; Peterson, 2005). In this way, they opened avenues for research, for further investigation that connected the political economy context and the changing composition of society. With the concept of the rising invisible majority we propose to systematically analyse this connection via three dimensions: the material, the social and the dynamic.

The *material dimension* consists in suggesting a comprehensive appraisal of growing structural unemployment, labour market precarization and poverty – dynamics customarily studied in isolation – as trends that are associated in a similar fashion to the transformation of the political economy context. We complement critical IPE insights with those from scholarship that has focused on the social categories that have been mostly affected by the transition from the Fordist to the neoliberal phase of capitalism. We refer in particular to “labour market outsiders” (Emmenegger et al., 2012; Rueda, 2007), “the working poor” (Andress & Lohmann, 2008; Brady, 2009), “the precariat” (Standing, 2011), and “unprotected workers” (Davies & Ryner, 2006; Harrod, 1987); we consider “inactivity” also as a material condition leading to invisibility¹⁴. In addition, certain socio-demographic characteristics (e.g. gender, education, citizenship, age) seem to play a considerable role in the likelihood of inclusion within the rising invisible majority. Gender constitutes a paradigmatic example, as the increasing participation of women in the labour market (Figure

¹⁴ However, the level of inactivity rates is not only linked to the shift from the Fordist to the neoliberal phase of capitalism, but constitutes a structural feature of capitalist economies – where formal labour and work are often artificially divided (Gorz, 1997).

3b) has produced an “incomplete revolution” in women’s roles (Esping-Andersen, 2009). Middle and lower class women continue to face a persistent double burden (Ferragina, 2019). They have been encouraged firmly to participate in the formal labour market, to compensate for the declining ability of the male breadwinner to guarantee sufficient and stable household income; yet they continue also to provide most care and household work (Daly, 2011; Daly & Lewis 2000). It is likely, therefore, for women to have atypical contracts or fall into the poverty-trap. A similar condition of hardship is likely to be experienced by those with low levels of education, non-citizens and the young.

-----Figure 3b-----

The *social dimension* suggests that the participation of growing segments of the population is impacted negatively by their adverse material conditions. We introduce the idea of invisibility to illustrate the well-established notion that these segments of the population affected by adverse material conditions have typically lower levels of social and political participation. The deterioration of working conditions and income shortage are largely responsible for the reduction of individual membership and participation in key institutions, which traditionally contribute to enable, regulate, and maintain social life¹⁵. Moreover, as described previously, trade unions and *mainstream* political parties, especially those that had marshalled the lower classes during Fordism, have been unable to understand and organise the needs and interests of the invisibles.

¹⁵ As discussed in social capital literature (Portes, 1998), see also Ferragina (2012) and Ferragina and Arrigoni (2017) for a critical approach.

The rising invisible majority has a *dynamic dimension* which follows long-standing political economy and institutional patterns, and we interpret this by comparing it with the historical role of the working class during Fordism. We suggest that two classical welfare state development theories offer useful conceptual insights to analyse how labour market and welfare state transformations are coupled with the continuous rise of the invisible majority.

Neo-Marxist theorists argue that the welfare state is a “contradictory” and “fiscally unsustainable” tool, employed by capitalism to prevent the class conflicts that potentially are able to damage its capacity to extract “surplus value” from workers (O’Connor, 1973; Offe, 1984). This considered, it can be suggested that there is no concrete possibility for a moderation of the institutional dynamics that lead to the rise of the invisible majority without also the emergence of a generalised threat to capitalism. Power Resources theorists suggest a more nuanced view of the potential institutional dynamics that are connected to organised labour’s capacity to enter into conflict, or a relation, with capital. This capacity determined different levels of welfare state generosity in accordance to a compromise more or less favourable to workers (Esping-Andersen, 1985; Korpi, 1983; Shalev, 1983; Stephens, 1979). Reinterpreting this theorization, institutional change could moderate the rise of the invisible majority if an organised political force and/or social movement would manage to strike an alternative balance of power between capital and labour which favours the latter, and which might modify or moderate the core mechanisms of accumulation operating under neoliberalism.

The working class never formed a majority of the workforce in European countries. Nevertheless, it has been perceived often as central to Fordist productive processes: a cohesive class that was organised socially and politically with shared goals. The rising

invisible majority, like the working class, can pose challenges to the neoliberal political and economic systems. But the rising invisible majority, unlike the working class, is neither characterized by similar social relations of production (“a class in itself”) nor organised around common political goals (“a class for itself”). For this reason – as we will discuss in the section on feedback effects – its growth will not lead *per se* to a reversal or slowdown of present political economy and institutional dynamics.

The Rising Invisible Majority: An Empirical Analysis Across Time and Space

Our empirical analysis proceeds in two steps. First, we trace historically how the political economy context influenced institutional dynamics in Italy, and we identify a critical juncture in 1992. Second, we measure quantitatively the material, the social and the dynamic dimensions of the rising invisible majority in Italy and Europe.

The 1992 Italian Critical Juncture

During the early 1970s, Italy experienced important economic changes linked to the crisis of Fordism which led to a flexibilization of production processes (Piore & Sabel, 1984). It underwent political changes also (Ginsborg, 2003), as the Communist party revised its traditional position and paved the way to a “historical compromise” with the Christian democracy party; this was during a period of economic and social turmoil and after the *coup d'état* in Chile in 1973 (Berlinguer, 1973a, 1973b, 1973c). The political changes and the crisis of Fordism made the trade unions alter tack. In 1975 they signed up to a system of automatic indexation of wages to inflation rates, obtained via a revision of the “Scala Mobile” (Manacorda, 2004) – legislation which favoured the working class. Yet three years

later the trade unions were to accept harsh measures aimed at reducing labour costs and boosting competitiveness (the so-called '*Eur-line*', Hyman, 2001; Nilsson, 1981).

In the 1980s, the political landscape changed further and reinforced these tendencies. The Socialist party, led by Craxi, broke its relationship with the communists and forged a coalition with the Christian democrats; in government together for nearly a decade, they prepared the ground for the next ten years of epochal change. In 1984, a restrictive revision of the Scale Mobile to reduce inflation was introduced. More importantly, a clientelistic governance was developed and financed by an indiscriminate use of public spending (Allum, 1997). As a consequence, public debt rose dramatically, boosted also by the rapid augmentation of interest rates (the debt/GDP ratio increased from 54% in 1980 to 117% in 1994, see Antonin et al. 2019). In this context, neoliberal ideas gained traction among the technocratic elites that held sway in the Bank of Italy and the Treasury, and became increasingly the intellectual framework of reference for policy reformers (Lagna, 2016).

The full implementation of neoliberal reforms took place in the early 1990s, a consequence of international and internal reasons: the cold war narrative, an acceleration of the EU integration process and dynamics within the Italian political system (Ferragina & Arrigoni, 2014). During this period rapid political, economic and institutional changes – as examined in industrial relations (Hyman, 2001), public finance (Lagna, 2016), social and political history (Ginsborg, 2003) – unsettled the previous order. 1992 is the year that we consider as a “critical juncture” (Capoccia & Kelemen, 2007), the point when the Italian political system transitioned to neoliberalism. This year is also a watershed moment for the rising invisible majority as deep change at the institutional and economic levels were set in motion

The end of the Cold War, together with the judiciary investigation “Mani Pulite”, contributed to the demise of the post-war political system (Biorcio, 2007; Ginsborg, 2003). The Communist party became more of a third-way type of social democratic force, which gave way eventually to the Democratic party (PD); the Christian democratic and Socialist parties stumbled into irreversible crisis after the disclosure of widespread corruption. These changes led to the formation of two centre-left/right catch-all coalitions (Forestiere, 2009) that took command of the political landscape until the 2013 elections.

A rapid sequence of legislation was enacted throughout 1992. In February, the “Carli law” sanctioned a greater independence of the central bank from the treasury. In July, Amato’s government approved a draconian program of public expenditure cuts; during the same month the “Scala Mobile” was abolished, which ended the automatic adjustment of salaries to the variation of living costs. In August, the government launched a first phase of large-scale privatizations. In September, a series of speculative attacks against the Lira displayed the growing disciplinary capacity of markets over governmental decisions.

Moreover, the process of monetary integration created structural downward pressures on labour markets through the dynamics of the imperfect OCA, the competitive austerity game, the articulation of a European Employment Strategy, and a focus on reducing Employment Protection Legislation (Maino & Neri, 2011). The Maastricht criteria (1992), the Stability and Growth Pact¹⁶ (1998), and the Fiscal Compact (2012) worked as budgetary constraints that also limited welfare state expenditures.

¹⁶ And revisions in 2005 and 2011.

Both the centre left and centre right Italian coalitions in government for two decades used Europe as a wagging finger, to remonstrate against those opposed to the implementation of such structural reforms; indeed, the refrain cited most often was “ce lo chiede l’Europa,” or “Europe requires us to do so” (Ferrera & Gualmini, 2004). The popularity of the European project among Italian citizens was used consciously as a cloak to mask the political costs of liberalization and to overcome the domestic resistance to institutional change (Dyson and Featherstone 1996). Successive governments proposed a bundle of reforms that were, in effect, congruous, each to be part of what became a continuous narrative;¹⁷ these reforms were built upon a framework of thought that prevails still among the European elites. These governmental coalitions were not only constrained by these mechanisms but worked in line with them, and exploited European pressures to justify the implementation of unpopular labour market and welfare state reforms.

The first intervention that encouraged the use of part-time contracts occurred in 1984 (Law 863), but the key labour market reforms took place *after* 1992. The first wave of structural reforms came with the “Treu Package” in 1997 and the “Biagi Law” in 2003. These legislative interventions multiplied the typologies of atypical employment, and created a contractual maze for new entrants on the labour market.¹⁸ Every government followed the

¹⁷ On welfare reforms, a good example is the progressive revision of the pension system (Ascoli & Pavolini, 2016; Ferragina 2013). On migration, the Turco-Napolitano Law (1998) preceded the stricter Bossi-Fini Law (2002) (Geddes & Scholten, 2016). On labour market reforms see below.

¹⁸ The Treu Package (1997) established temporary agencies, fixed-term contracts and a revision of the apprenticeship system. The Biagi Law (2003) added a variety of contractual typologies, creating a plethora of atypical contracts. In order to limit the “substitution effect” with open-ended contracts, the

neoliberal mantra – that to reduce the protection offered by permanent contracts would simplify the access of unemployed and inactive people (especially women) to the labour market¹⁹.

This process continued during the recent economic crisis with the “Collegato Lavoro” in 2010, the “Fornero Reform” in 2012, the “Law 99 in 2013”, the “Decree Poletti” in 2014 and the “Jobs Act” in 2015. These reforms introduced stricter rules to appeal against the unlawful use of atypical contracts²⁰, increased their scope and length²¹, and defined a new open-ended

legislation required the presence within the contract of a “lawful cause” (i.e. a specific justification) for the adoption of an atypical rather than an open-ended contract.

¹⁹ These reforms fuelled the debate on growing labour market insecurity and the scarring effects of precarity (Barbieri & Scherer, 2009; Berton et al., 2012). In this context and in order to channel precarious workers into more stable and protected patterns of employment, scholars suggested the introduction of a single/prevalent labour market contract with increasing social protection over time (Boeri & Garibaldi, 2008).

²⁰ The “Collegato lavoro” intervened on the legal procedures challenging unlawful temporary contracts and fixed a 60-day limit to repeal them. This reduced the possibility for workers to appeal against their employer if unlawfully employed for years with a series of short terms contracts.

²¹ The Fornero reform (2012) revised Article 18 of the “Statuto dei Lavoratori” (Workers Statute), which, in its original formulation, guaranteed the right of re-instatement to workers with open-ended contracts unfairly dismissed. Moreover, it removed the requirement of the “lawful cause” for the stipulation of the first fixed-term contract with a worker (previously established by the Biagi law), limiting its maximum length to 12 months. The Law 99 in 2013 extended the possibility to use “a-casual” fixed term contracts beyond the first contract but maintained a maximum limit of 12 months for the overall relation of employment. Finally, the Poletti decree (2014) extended the temporal limit to 36 months.

contract in the private sector. This new contractual typology did not replace the plethora of atypical forms of employment, but rather compressed the entitlements of workers who would have been otherwise employed and protected by much more consistent social guarantees, through the previous permanent contract of employment²². Italy like other countries with rigid labour markets – Germany, for example – flexibilised the labour market at the margins, unloaded the cost of its political economy transformations on the shoulders of newcomers, and, after two decades of continuous reforms, reduced the rights of all workers employed in the private sector²³.

Changes to the labour market legislation not only impacted on employment status but also contributed to wage compression. Trade unions played an important role and participated actively in tripartite agreements, such as the end of “Scala Mobile”, the “Giugni Agreements” (1993), and further social pacts in 1996, 1998 and 2002²⁴. These agreements led to the adoption of anti-inflationary measures and the revision of the system of wage negotiation; indeed, they intensified trends of wage compression which began at the end of the 1970s.

²² It transformed the lay-off legislation compressing the guarantees introduced in 1970 with the Statute of Workers, and in particular the previously discussed Article 18.

²³ Recently the “Decreto Dignità” (2018) reintroduced some of the limits previously existent to the adoption of atypical contracts.

²⁴ The Giugni Agreements (1993) on collective bargaining agreements were an important step to apply coordinated forms of wage moderation. In addition, the “Patto per il Lavoro” in 1996, the “Patto di Natale” of 1998 and the “Patto per l’Italia” 2002 – each followed a similar logic – were stipulated to comply with the Maastricht criteria.

The lack of an adequate basic social protection – witnessed by the absence of universal measures of income assistance and a national minimum income guarantee (Natili, 2018) – amplified the socio-economic consequences of labour market flexibilization (Ferragina, 2013). The Italian welfare state system left atypical workers unable to qualify for social protection designed during Fordism; only recently have mild corrections been introduced²⁵. Italy has also a fragmented and corporatist welfare state system characterized by clientelism and a collusive mix between public and private providers (Ferrera, 1996). The access to benefits and pensions schemes depends on a variety of factors ranging from contract typology, household composition, income, and if belonging to a specific licensed profession (Jessoula et al., 2017). Successive governments over the last two decades have reduced further social entitlements and followed the neoliberal imperative of controlling public spending, instead of restructuring the welfare state in a universal direction to act as insurance for the most vulnerable population against new social risks.

Measuring the Rising Invisible Majority Comparatively

A dramatic transformation of the Italian labour force took place after the critical juncture of 1992; labour market outcomes are witness to this. Unemployment increased from 8.6% in 1983 to 12.3% in 1998; it then declined sharply to 6.2% in 2007. This decline in unemployment coincided with a growing flexibilization of labour market legislation. The “Treu Package” (1997) and the “Biagi Reform” (2003) encouraged part-time and temporary contracts. Unemployment increased again in 2018 to 10.8%, yet the number of atypical workers increased at a greater rate. The Italian active workforce included a record level of part-timers (18.4%) and temporary employees (17.1%); this was a steep increase on

²⁵ The ASPI and mini-ASPI, included in the 2012 Fornero Reform, were subsequently modified by the Jobs Act in 2015 with the introduction of the NASPI, DIS-COLL and ASDI. See also the recent reform on the so-called “Reddito di Cittadinanza” (2019).

comparative figures for 1996 (respectively 6.5% and 7.4%). (Fig. 4). The aggregate percentage of people in unemployment and atypical work across the workforce remained almost stable between 1983 – the first available data point – and 1991 (moving from 19.4% to 20.4%), then increased substantially in 2003 (27%) and skyrocketed in 2018 (46.3%) (Fig. 4).

-----Fig. 4-----

Moreover, household income stagnated under the concomitant action of labour market reforms and welfare state retrenchment, despite an increase of the GDP (Figure 1). This is illustrated by the continuous decline of the annual growth rate of labour compensation per hour, from 22% in 1981 to 1.8% in 2018 (Fig. 5). This means that employees' compensation, measured as the sum of gross wages and salaries together with employers' social contribution, has declined sharply over time²⁶.

-----Fig. 5-----

Our indicators suggest a joint increase of unemployment and atypical work and an antithetical decrease for the growth of wage compensation per hour worked. This strengthens further the concept of a critical juncture in 1992 as the decisive moment that heralds the first steps of the rise of an invisible majority. The small yearly fluctuations do not undermine the fact that the years 1991 and 1992, when compared to the 26 years that followed, constitute the period with the lowest total number of unemployed and precarious workers, and the highest annual growth of wage compensation. These trends are even more dramatic if we

²⁶ This trend is also explained partially by the variation of inflation.

consider the sharp increase of labour market activity rates. The number of unemployed and atypical workers grew more in absolute terms than the increasing percentage indicates (particularly impacting on women, low-educated people, non-citizens and the young).

In order to capture the rise of the invisible majority empirically, we have to go beyond labour market outcomes and measure with survey data (ESS 2004, 2012, 2016) the three dimensions we devised to theorise our concept. In proposing this measurement, however, we are confronted with the difficulty of verifying a large analytical framework with a micro-empirical scrutiny. The transformation of the social composition is a complex phenomenon that needs to be evaluated in the long run and therefore, every punctual measurement – including our own – is by definition incomplete. In spite of these limitations, we provide elements to verify and refine our theorization.

At the empirical level²⁷, we consider invisibles those who are unemployed, in atypical contract, at risk of poverty and inactive, and we limit the analysis to the working-age

²⁷ The ESS defines atypical workers as those disposing of non-permanent contracts or no contract, unemployed as those who looked for jobs but could not find any over the previous week, inactive as those who are unemployed in the long-term and are not looking for work. We define poor as those earning less than 60% of the median net individual income; we are not able to use household income because the ESS only provides individual income deciles. The measurement excludes students, as poverty rates would be biased where students are not considered members of their household from a very young age (e.g. Scandinavian countries, Germany). Survey-weighted (dweights) analyses were conducted in R v3.6.2 using the “survey” (Lumley, 2019) and “esssurvey” (Cimentada, 2019) packages.

population (16-65)²⁸. In Italy, the invisibles were 38.3% of the working age population in 2002; this increased to 46.7% in 2016 (+ 8.4%). The share of people at risk of poverty within the invisibles rose dramatically between 2002 and 2016, indicating that the material disadvantage of many invisibles has increased over time. In Europe also we witness an overall rise in the share of invisibles, with the cross-country average going from 35% in 2002 to 49% in 2016 (Tab. 1).

-----Tab. 1-----

This evidence is in line with our framework. However, the cross-country variation in terms of size and increase in the share of invisibles invites caution if undertaking a comparative analysis. Austria (35%), Denmark (35.4%) and Sweden (32.6%) display the smallest share of invisibles. Austria witnessed also the lowest increase in the country-sample (2.8%), while the rise in Denmark (7.7%) and especially in Sweden (10.6%) is more pronounced. Excluding these countries, the share of invisibles is always above 40% of the working-age population. Even countries that led the pack in terms of economic growth in the last decades – Germany (43.2%) and Finland (44.9%) – observed a considerable increase in the share of invisibles in 2016 (7.1% and 15.7% respectively since 2002). On the step above this trend, sit Belgium (46.3%, with an increase of 11.8% since 2002), Italy, the United Kingdom (46.9%, +11.8%) and the Netherlands (49.6%, +7.9%). Finally, France (51.1%, +20.5%), Ireland (69.2%,

²⁸ We exclude people aged 65 and over from our measurement as a large part of their working life took place during Fordism. Moreover, their contractual conditions and access to social entitlements have been set up around the material conditions established during this historical phase of capitalism.

+31%), Greece (67.6%, +21.8%²⁹), Portugal (59.2%, +21.5%) and Spain (59.5%, +10.6%) are above the 50% threshold (Tab. 1).

These aggregate data, although suggesting a common trend, hide the fact that in certain countries (such as Mediterranean countries and Ireland), material hardship is more intense than in others (France and the Netherlands, for example), as the share of people experiencing simultaneously poverty and precarious labour market conditions varies considerably³⁰. We have to consider also that being a temporary worker, having a part-time contract and being unemployed and/or poor can entail different levels of material hardship across countries³¹. This relates to income levels but also to social protection mechanisms, which, despite overall welfare state retrenchment, vary greatly across countries. For example, to be employed part-time or on a temporary contract in the Netherlands, or to be unemployed and/or poor in France, will be very different experiences to those in Greece or Ireland.

The likelihood to be invisible varies significantly by socio-demographic characteristics. We report data for Italy only, but patterns are similar across Europe. Controlling for age and education, women have a higher likelihood to be invisible than men, and this gender cleavage

²⁹ Data refers to 2010.

³⁰ For example, poverty contributes to increase the share of invisibles in all countries, but more pronouncedly in Portugal, Ireland, Italy, Greece and Spain. Inactivity strikes harder in Ireland and the United Kingdom, and unemployment is more widespread in Mediterranean countries and France (with Greece and Spain being outliers). The number of temporary workers differs largely across the sample as well; the highest is in Spain, Portugal, Italy and the Netherlands.

³¹ Moreover, in every country, there are large inequalities among the invisibles, e.g. precarious workers with similar wages and contractual conditions might own different wealth stocks.

further increases with education (Fig. 6a). Age³² makes also a considerable difference: those aged 35-64 are in a better position than younger cohorts³³. When comparing Italian nationals to migrants, the difference in the predicted probabilities to be invisible increases with education, as it is with gender (6b). In the Italian case, geography also matters (6c). Those living in the south and the islands (Sardinia and Sicily) display much higher probabilities to be invisible than those living elsewhere in the country. Our measurement confirms the long-term economic and social dynamics of Southern Italian disadvantage, i.e. the so-called *Questione Meridionale*.

-----Fig. 6a, 6b, 6c.-----

Survey data also provide information about the social dimension of the rising invisible majority. The invisibles tend to participate less in political elections and have a lower union membership (in Italy³⁴ see Table 2, in Europe see Gumbrell-McCormick, 2011). Previous comparative research has also shown that unemployed and atypical workers are less likely to vote (Hausermann, 2019; Kweon, 2018; Mayer, 2014; Rovny & Rovny, 2017). Moreover, the invisibles have less confidence than the rest of the population in the political system's ability to enable participation in political life, and are less inclined to express their opinion about governmental decisions. This lower confidence is displayed also when they reflect on their individual capacity to participate in the political processes and their ability to take an active role in a political group (Table 3). The invisibles have also a lower propensity than the rest of the population to trust institutions that regulate social life (as shown by indicators of

³² We present data for women only, but patterns are similar among men.

³³ Data does not allow us to make a distinction between age and cohort effects.

³⁴ For a detailed analysis of social and political participation in Italy, see Biorcio and Vitale (2016).

generalised trust, trust in the parliament, trust in political parties, trust in the political system, see Fig. 7, 8, 9 & 10).

-----Tab. 2, 3-----

While this trend holds true across Europe in general terms, some differences appear across indicators and countries. Our indicators measuring trust in party politics and the political system display patterns that are less clear than those for general trust and trust in the parliament. Overall, the invisibles are less trusting than the rest of the population, but differences in levels of trust in parties and the political system are smaller, and several countries do not display any difference at all. This pattern is particularly striking in France (also partially in Germany and the United Kingdom) where there is almost no difference between the invisibles and the rest of the population, and where the absolute levels of trust are the lowest in Europe (see trust in political parties, Fig. 9); perhaps a large majority of the population feels highly threatened with political economy change beyond its objective material conditions.

-----Fig. 7, 8, 9, 10-----

Despite these low levels of participation and trust, people categorised as invisibles in our empirical analysis display slightly higher levels³⁵ of political interest than the rest of the population (Table 4). Secondary literature seems to suggest that this interest might influence voting behaviour, and generate instability within political systems that supported the neoliberal turn in Italy and Europe more generally.

³⁵ With the exception of Austria.

The decline of mainstream parties and the advent of new political challengers contributed to increased electoral volatility. The highest peak of electoral volatility in Italian elections since WWII was measured in 1994, when Total Volatility (TV) was 39.4%. This was the first election held after 1992, our critical juncture: almost 40% of the electorate voted for a different party compared to the previous election. The second and third highest peaks were recorded in 2013 (TV: 36,7%) and 2018 (TV: 26,7% see Chiaramonte & Paparo, 2019). During the last decade, a similar volatility has been observed in several other European countries as well (Dassonneville & Hooghe, 2017).

In Italy, the centre left and centre-right parties which dominated the governmental coalitions in post-1992 elections, were much in retreat. The Democratic Party (PD) and the Popolo della Libertà (PDL/FI)³⁶, which polled 70.6% of the vote in 2008, had declined to 32.8% of the vote in 2018 (a loss of 15 million votes over ten years). In 2018, the PD could be considered a party for “insiders” (De Sio, 2018), receiving only 14% of precarious workers’ preferences and 8% of the unemployed (when 18.7% of the entire population) (Tecnè, 2018). During the last decade, we can observe similar trends in Europe³⁷ (comparatively: Hobolt and Tilley 2016; Ireland: Marsh & Mikhaylov, 2012; Spain: Orriols & Cordero, 2016), where there is a

³⁶ The “Partito Delle Libertà” was founded in 2007 as an alliance between Forza Italia (FI) and Alleanza Nazionale (AN), however in 2013 Berlusconi revived FI.

³⁷ Economic voting has affected strongly *mainstream* parties in southern Europe (Lewis-Beck and Nadeau 2012), where the material hardship of the invisibles is more acute, and Social Democratic parties in countries where they had historically a strong support (Sweden: Lindvall & Rueda, 2012, 2013).

connection between non-standard employment and a vote against *mainstream* parties (comparatively: Galindo, 2013; in Germany: Marx, 2014).

The rise of new political parties mirrored the decline of the *mainstream* parties after 2008. In the 2013 Italian elections the 5 Stars Movement (5SM) received 25.5% of the vote; it ranked as the first party of choice among unemployed (34.8%) and atypical workers (52.6%) (ITANES, 2013). In the 2018 electoral campaign, concerns for the labour market and attitudes toward migration played prominent roles (Vassallo & Shin, 2019), and this favoured the 5SM (which proposed a universal income support) and the emergent Lega³⁸ (which sublimated its anti-southern Italian rhetoric into an anti-immigration policy). The 5SM attained 32.7% of the popular vote and performed well in areas with high unemployment and also in the South, where it attained 43.4% of the vote (Emanuele & Maggini, 2018; D'Alimonte, 2018). The Lega witnessed a dramatic increase of its vote share, from 4.1% in 2013 to 17.4% in 2018, with a strong performance in areas with higher levels of immigration; the party accrued electoral support also among the economically vulnerable (Chiaramonte & Paparo, 2019; Emanuele & Maggini, 2018). Together, the 5SM and the Lega obtained 58% of the atypical worker vote and 66% of the unemployed. This dwarfed the *mainstream* party (PD and Forza Italia) share which attained 25% of the atypical vote and 18% of the unemployed (Tecnè, 2018). Likewise, in Europe, challenger parties – including the radical left, the far right, populists and other non-*mainstream* parties (Hernandez & Kriesi, 2016) – increased their electoral support with anti-euro, anti-austerity and anti-immigration policy proposals (Hobolt & Tilley, 2016). Research concerning atypical workers suggests a preference for the far right in certain countries (e.g. France: Mayer, 2012, 2013) and left-

³⁸ Salvini transformed the Lega Nord (here called Lega) from a regional party into an anti-establishment radical right populist party (Albertazzi et al., 2018).

leaning alternatives in others (e.g. Germany: Marx & Picot, 2013; Netherlands: Emmenegger et al., 2015).

To summarize, those categorised as invisibles in our measurement seem to display a low level of participation in the traditional activities which regulate social and political life; however, they do not have a lower concern for politics than the rest of the population. Moreover, they are starting to destabilise the political system by stepping away from the *mainstream* parties. This growing electoral volatility provides empirical support to our reflection on feedback effects.

Feedback Effects

The continuous expansion of market mechanisms, a corollary of the transition from the Fordist to the neoliberal phase of capitalism, created new forms of political instability, and illustrated that a transformation of the social composition can influence the political economy context (as suggested in our theoretical framework, see Graph 1). Our hypothesis of feedback effects enriches the Polanyian understanding of the relation between political economy and society, and adds a layer to the functionalist notion that the ‘excessive’ commodification of social life – under widespread liberalization processes – should almost automatically lead to countermovements. The transformation of the social composition can produce feedback effects on the political economy context, but the advent of a countermovement would require agency from political groups and/or social movements as well. To push this reasoning forward, it is useful to explore an example of feedback effect and interpret its potential relation to future countermovements.

A growing part of invisibles seems to vote much less for traditional *mainstream* parties than the rest of the population, as noted before. Therefore, a continuous increase in the share of invisibles within the total population can contribute to delegitimize the political forces which govern through the neoliberal phase. Thus political leaders of *mainstream* parties face a dilemma. This dilemma has for some time been offset partially by financialisation and the shouldering of public and private debt created to sustain consumption. We could say that by financialisation of the economy, governments are *Buying Time* for the existent neoliberal order (Streeck, 2014).

Mainstream parties are caught between a rock and a hard place. They can continue to expand market mechanisms, yet will commodify further and impoverish the rising invisible majority, whose distrust in the system is then heightened. The *mainstream* parties' margins of manoeuvre have been constrained over the last few years (as also shown by the fact that the invisibles are more dissatisfied with the state of the economy in comparison to the rest of the population, Fig. 11). On the one hand parties may choose to further increase financialisation and the use of monetary policy tools. Financialisation promised future income through private pensions funds and easy credit access to purchase assets in the real estate market, and thus seemed to establish a sort of "privatised Keynesianism" (Crouch, 2009). However, the 2008 financial crisis as well as the negative effect of continually rising house prices (see the generalised increase of housing prices in large cities across Europe during the last decades, Harvey, 2012) brought to fore the negative consequences of the financialisation of larger segments of the population. If financialisation does not provide an answer for political parties, neither does monetary policy. As an example the quantitative easing put into place by the European Central Bank contributes to increasing housing prices and has the potential to accrue inflation without contributing to real wages. Thus neither financialisation nor credit

expansion are able to replace collective welfare provisions or compensate for stagnant household income due to labour market precarization (Streeck, 2014). On the other hand, *mainstream* parties may choose to take into account the economic situation of the rising invisible majority, and enact protective measures, partially or radically, to constrain self-adjusting market mechanisms. However, by doing so, they would jeopardise the position of their country, in an international political economy context characterised by neoliberal rules, and antagonise the international actors that brought forward the neoliberal turn. Again we can only speculate about the potential effects of the Covid-19-related lockdowns at this point, but it is likely that they may hasten the process.

-----Fig. 11-----

Whilst this dilemma has conditioned the political action and reduced the popularity of *mainstream* parties, some political forces and social movements have tried to take advantage of the electoral feedback cast by the invisibles: the 5SM pledge for the extension of the minimum income guarantee for precarious workers and the Lega anti-immigration and anti-euro stance in the 2018 Italian general election are examples. However, if we consider the theoretical dynamic dimension of the rising invisible majority concept, their strategy has an important limit: it does not fundamentally slow down or reverse the neoliberal mechanisms of regulation that are leading to the rise of the invisible majority. Therefore, if social and political forces want to lead a countermovement, they would have to interpret the change in the social composition that the transition to neoliberalism has enhanced. This means that the social transformation we identify with the rising invisible majority concept might constitute the social basis for a Polanyian countermovement that is able to call neoliberalism into question *tout court*.

A countermovement of this kind could rally the rising invisible majority in different ways: rebuilding solidarity and reciprocity ties within closed national communities, for example, or reforming labour market regulations and reinforcing welfare state policies, or blocking capital and/or labour movement (approaches more or less in tune with democratic forms of governance). The feasibility of a countermovement might also be related to strong external and/or productive shocks, e.g. dramatic economic crises that the neoliberal system fails to manage adequately. Polanyi's insights offer acuity in this instance again. For Polanyi (2001), the abandonment of laissez-faire principles occurred differently in the twentieth century because specific country-dynamics led to alternative countermovements, e.g. fascism, socialism, and the new deal. Similarly, countermovements today might work out differently at the national and international level.

Conclusion

The article introduces to the IPE literature the concept of the rising invisible majority and proposes a fourfold analytical framework that interconnects the political economy context and the changing composition of society. First, we analysed the international political economy context marked by the transition from the Fordist to the neoliberal phase of capitalism and the impact of this shift on the EU integration process. The shift towards Neoliberalism required national and international institutions to assume a forceful role – to enforce private property rights upon goods considered previously of collective ownership, to subject workers to market rules, and to manage a smooth implementation of 'self-adjusting' market mechanisms. Second, we detailed how labour market and welfare state transformations connected this political economy change to the rise of the invisible majority. Third, we developed the rising invisible majority as a holistic concept, to plot the changing composition of European society under neoliberalism through a reflection on the material, social and dynamic dimensions of its development and rise. Fourth, we accumulated insights

from the previous three stages of analysis and added important complexities to the Polanyian double movement logic; we hypothesised the existence of feedback effects between the changing composition of society and the political economy context that could lead to countermovements.

Other than an analytical framework, the article provides empirical evidence to support the trend towards a rising invisible majority and to exemplify the concept. The historical analysis has shown that it is possible to detect specific institutional transitions after which the composition of society changes, and the quantitative analysis provides a first indication of the magnitude of this change across Europe.

In conclusion, if we stop our analyses at any given point in time, there are no classes or social groups but only a multitude of individuals with their own experiences. However, if over a long period of time we observe men and women and their willingness to change the macro context, patterns in their relationships can be identified (Thompson, 1963). Applying this historical lesson to IPE, the elaboration of the rising invisible majority concept helped us to make two observations. That a part of the population – eventually, given the outlined mechanisms, a majority – is materially and socially marginalised by the regulatory mechanisms of the neoliberal phase of capitalism; and that this overall societal transformation opens significant space for feedback effects and perhaps countermovements. These societal reactions could in the long-run change the political economy context and potentially even unravel the present economic and political order.

The rising invisible majority is not a passive by-product of the shift to neoliberalism, to be regarded with pity and compassion; nor is it a revolutionary social force ready to turn upside

down the political economy context, to be romanticized with misty eyes in the absence of viable political alternatives to neoliberalism. It is instead a holistic concept that helps us to bring society back into IPE: narratively, conceptually and empirically.

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Figures and tables

Graph 1. The Analytical Framework

Figure 1. Economic Growth

Source: EUROSTAT table: nama_10_gdp

Figure 2. Wages/Salaries as Proportion of the GDP

Figure 3. Labour Force Growth

Figure 3a. Labour Force Growth (Total)

Figure 3b. Labour Force Growth (Women)

Source: EUROSTAT table: nama_10_gdp (and own calculations); LOWESS curves

Figure 4. Unemployment, Part-Time and Temporary Work Trends in Italy

Source: EUROSTAT (2018) Tables: ifsa_urgaed, ifsa_eppga and ifsa_etgar, and authors calculations.

**Figure 5. Labour Compensation per Hour Worked in Italy,
Measured as Percentage of the Annual Growth**

Source: OECD (2018), Loess curve

Table 1. The Rise of the Invisible Majority in Europe

Country	2016	2002	Difference 2002-2016
Austria	35.0	32.2	2.8
Belgium	46.3	35.2	11.1
Denmark	35.4	27.7	7.7
Finland	44.9	29.2	15.7
France	51.1	30.6	20.5
Germany	43.2	36.1	7.1
Greece	67.9	46.1	21.8
Ireland	69.2	38.2	31.0
Italy	46.7	38.3	8.4
Netherlands	49.6	41.7	7.9
Portugal	59.2	37.7	21.5
Spain	59.5	48.9	10.6
Sweden	32.6	22.0	10.6
United Kingdom	46.9	35.1	11.8

Source: Authors' elaboration from ESS (2002, 2016).

Figure 6. Invisibility

Figure 6a. Invisibility, Men vs. Women (Citizens Only)

Source: Predicted probabilities for citizen (logit model, with sampling weights), ESS, wave 8, v2.1

Figure 6b. Invisibility, Citizens vs. Non-Citizens (Women Only)

Invisibility – age, education and citizenship

Source: Predicted probabilities for women (logit model, with sampling weights), ESS, wave 8, v2.1

Figure 6c. Invisibility, Italian Regions (NUTs 2)

Source: ESS 2016, round 8: v. 2.1

Table 2. Indicators of Participation, Italy

	Group	2004	2012	2016
Voted in last elections	Invisible	1.24	1.23	1.45
	Not invisible	1.09	1.1	1.25
Union Membership (current & ever)	Invisible	2.7	2.56	2.79
	Not invisible	2.37	2.43	2.65

Source: Authors' calculations from ESS (2004, 2012, 2016).

Table 3. Feeling of Political Efficacy, Italy

	Group	2016
Confident in own ability to participate in politics	Invisible	2.17
	Not invisible	2.31
Political system allows people to have a say in what government does	Invisible	1.63
	Not invisible	1.79
Able to take active role in political group	Invisible	1.978
	Not invisible	2.136
Political Systems allows people to have influence on politics	Invisible	1.628
	Not invisible	1.796

Note: all indicators are measured on a 1 to 5 scale (where 5 is the maximum).

Source: Authors' elaboration from ESS (2016).

Figure 7. Trust by Age, Europe

Would you say that most people can be trusted, or that you can't be too careful in dealing with people?

Figure 8. Trust in Parliament by Age, Europe

How much do you personally trust [country]'s parliament?

Source: By-country survey-weighted OLS controlling for citizenship, gender, education; Data: ESS, wave 8, v2.1

Figure 9. Trust in Political Parties by Age, Europe

How do you personally trust political parties?

Source: By-country survey—weighted OLS controlling for citizenship, gender, education; Data: ESS, wave 8, v2.1

Figure 10. Trust in the Legal System by Age, Europe

How much do you personally trust the legal system?

Table 4. Political Interests, Europe

Country		2004	2012	2016
Austria	Not invisible	2.41	NA	2.49
	Invisible	2.48	NA	2.45
Belgium	Not invisible	2.57	2.59	2.5
	Invisible	2.75	2.74	2.71
Denmark	Not invisible	2.23	2.12	NA
	Invisible	2.35	2.3	NA
Finland	Not invisible	2.54	2.4	2.32
	Invisible	2.62	2.52	2.42
France	Not invisible	NA	2.47	2.56
	Invisible	NA	2.64	2.69
Germany	Not invisible	2.26	2.18	2.1
	Invisible	2.46	2.39	2.26
Greece	Not invisible	2.74	NA	NA
	Invisible	2.88	NA	NA
Ireland	Not invisible	2.56	2.64	2.6
	Invisible	2.81	2.79	2.77
Italy	Not invisible	2.65	2.33	2.88
	Invisible	2.85	2.56	3.04
Netherlands	Not invisible	2.28	2.26	2.3
	Invisible	2.45	2.48	2.45
Portugal	Not invisible	2.82	2.91	2.52
	Invisible	3.05	3.13	2.76
Spain	Not invisible	2.68	2.54	2.53
	Invisible	2.94	2.9	2.73
Sweden	Not invisible	2.37	2.36	2.24
	Invisible	2.51	2.53	2.31
United Kingdom	Not invisible	2.61	2.62	2.3
	Invisible	2.72	2.7	2.42

Note: mean political interest is measured on a 1 to 5 scale (where 5 is the maximum).

Source: Authors' elaboration from ESS (2004, 2012, 2016).

Figure 11. Satisfaction with the State of the Economy by Age, Europe

How satisfied are you with the present state of economy in your country?

Source: By-country survey—weighted OLS controlling for citizenship, gender, education; Data: ESS, wave 8, v2.1