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Abstract

The growth of the knowledge economy alters the risks and opportunities citizens experience in the labor market. Governments attempt to steer and support the adaptation of the workforce, enhance and spread opportunities, and mitigate the negative implications of these changes, in particular via skill-developing labor market policies. However, many recent studies document a puzzling discrepancy between the needs of knowledge economy losers in terms of skill development and their policy preferences. In particular, those most threatened by the knowledge economy prioritize compensation and protection over investments in human capital. Our study theorizes and studies four mechanisms – two ego-tropic, one socio-tropic and one group-tropic – to explain this preference pattern: they a) may have distorted *perceptions of the distributive effects* of policy reforms, b) may assign *less importance* to human capital investment as opposed to transfers and protection, c) may think that investment reforms *do not contribute to societal equality*, or d) may feel that the reforms do not deliver *social recognition* for themselves and their social ingroups. To test the relative importance of these mechanisms, we analyze novel data from an original survey in nine European countries, using both observational and experimental evidence. Our findings provide *evidence for the group-specific recognition mechanism*. Knowledge economy losers do think that they would benefit from social investment, and they also think that investment would deliver on equality, but they do not perceive a distinctive benefit for themselves or their ingroups. In their eyes, compensation reforms are the only type of reforms that benefit their ingroups exclusively. Our findings suggest that the effectiveness of policy responses to the knowledge economy depends not only on material effects of reforms but is conditional on cultural and recognition-based mechanisms.

1. Introduction

With the transition from industrial to service- and knowledge economies, the production regimes, labor markets, education- and employment patterns in Western Europe have profoundly changed over the last decades. Entering an "era of knowledge-based growth" (Hall 2022), European societies experience rising levels of demand for (high-)skilled labor, but also rising levels of educational and income inequality (Weisstanner and Armingeon 2020; Garritzmann et al. 2022). The growth of the knowledge economy alters the risks and opportunities citizens experience and expect to encounter throughout their life course. In particular, skill- and routine-biased demand for labor – resulting from technological change and automation, fueled by globalized supply chains – has contributed to concentrating economic risks among both lower and middle skilled employees and, in particular, routine workers in manufacturing and office jobs (Goos, Manning, and Salomons 2009; 2014; Autor and Dorn 2013; Nolan, Richiardi, and Valenzuela 2019). Recent research shows how consequential the experiences or threats of occupational change are for citizens in terms of political demands and behavior (Iversen and Soskice 2019; Kurer 2020; Gallego and Kurer 2022; Häusermann, Kurer, and Zollinger 2023).

Governments are in search of (social) policy responses to the changing distribution of risks and opportunities, which is likely to be irreversible and to exacerbate over the coming decades (Iversen and Rehm 2022; Busemeyer et al. 2022). Importantly, the knowledge economy development creates both massive opportunities (soaring demand for skilled labor in a context of labor supply scarcity) and heightened risks (redundant skills and occupations). Hence, given the structural and fundamental character of the challenge at hand – as opposed to a transitory or socially delimited challenge –, governments need to consider a broad, long-term menu of policy responses to changing risk distribution. Beyond mitigating the immediate costs and downsides of occupational change, their task is also to support, manage and steer the underlying structural development at hand.

Indeed, social policy reforms responding to the changing economic occupational risks of the knowledge economy can focus on three logics of intervention: a) investing in skills, employability and human capital, b) compensating losses from realized risks, and c) protecting workers

from employment risk through regulation (Bürgisser 2023)[2]. Among these three options, investment in skill-development and employability – broadly conceptualized as "social investment reforms" (Morel, Palier, and Palme 2012; Hemerijck 2017; Garritzmann, Häusermann, and Palier 2022) – are the most effective, sustainable and long-term strategy, which is why investments in educations and skills are key in the menu of options recommended by economists and international organizations. Compensation (e.g. via unemployment benefits, social assistance or UBI) or protection (e.g. via employment regulation), on the other hand, may mitigate immediate costs of knowledge economy risks, but are unlikely to provide sustainable solutions in the longer run. From a political perspective, however, the potential implications of non-compensated risks and losses in terms of alienation and discontent, as well as the political feasibility of different types of policy responses also matter greatly.

In this respect – and despite the promises of investment in skills, human capital, and employability –, many recent studies document a puzzling discordance between the "objective" needs of knowledge economy losers in terms of skill development, education and (re-)training, and their subjective policy preferences. In particular, those most threatened by the knowledge economy in general, and the labor market implications of automation in particular, have been shown to prioritize compensation and protection over investments in human capital (Kurer and Häusermann 2022; Busemeyer and Sahm 2022). Understanding the possible reasons for this observation is the focus of this paper.

Figure 1 substantiates this puzzle by comparing groups with different levels of educational capital in terms of their social policy priorities. We use the data from a novel survey conducted in nine European countries (see section 3 below for more information) to illustrate relative priorities. In the survey, respondents have been asked to allocate 100 points to different social policy areas, among them "university education and professional (re-)training", "unemployment benefits" and "labor market reintegration services", depending on how much they prioritize expansive reforms in these areas. Indeed, consistent with earlier findings along similar lines, we see that the lower the education level, the more respondents value compensation policies (unemployment benefits) as opposed to social investment in (re-)training and education (with activation in the middle). We see the precise opposite pattern for highly educated

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[2] Beyond social policy, governments can also try to "steer" directly the pace and direction of technological and structural change (e.g., by subsidizing or impeding technological innovations through regulatory and tax policies).

respondents. Given the importance of education and training for employment chances in the knowledge economy, we observe that "knowledge economy winners" prioritize investment over compensation, while "knowledge economy losers" do the opposite.
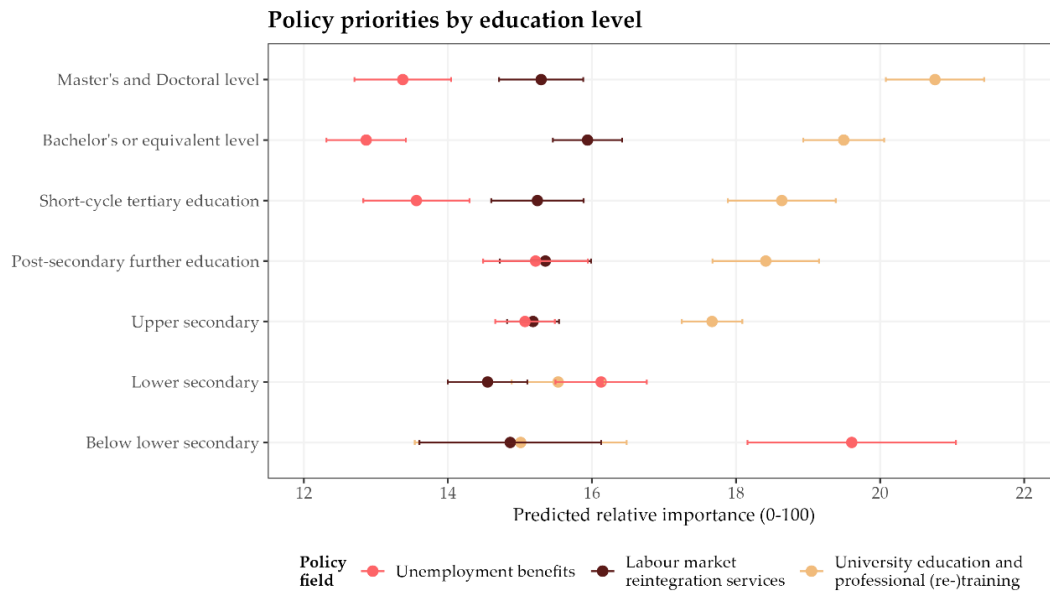
FIGURE 1: Predicted policy priority by education level.
Note: Underlying regressions include country-fixed effects. The corresponding regression table can be found in the Appendix (Table A1).

Education is, of course, an extremely rough proxy for employment chances in the knowledge economy, both because the categories are very heterogeneous and because it may be hard for respondents to derive their prospects from their skill set. For this reason, we complement the motivating Figure 1 with the same depiction of social policy priorities, but this time comparing knowledge economy winners and losers based on their own, subjective estimation of their occupational prospects in an economy that prizes human capital (an indicator we call "knowledge economy optimism").[3] Figure 2 confirms the puzzle we address in this paper: Respondents who think that the increasing demand for well-skilled labor will have overall negative effects for

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[3] The exact wording: «Education, continuing training and high professional skills become ever more important in the economy. Thinking about your job, do you think that the increasing demand for well-skilled labor will have overall positive or negative consequences for you personally in the coming years?" Respondents could answer on a five-point-scale; only 3 percent of respondents chose category 'very negative', 12 percent chose category 'mostly negative', 39 percent of respondents chose category 3 'mostly positive' and 16 percent chose category 'very positive'. The answer scale included a 'don't know / not sure' option (not reported in Figure 2), which was chosen by 30 percent of respondents.

them personally prioritize social compensation over social investment, and vice versa for knowledge economy "optimists".[4]
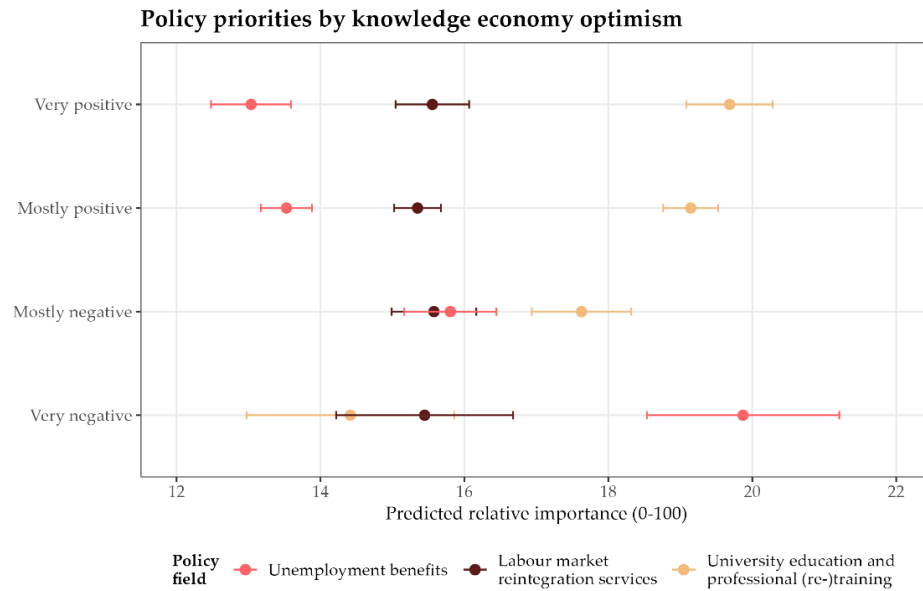
FIGURE 2: Predicted policy priority by knowledge economy optimism.
Note: Underlying regressions include country-fixed effects. The corresponding regression table can be found in the Appendix (Table A2).

What explains this reluctance of relative knowledge economy losers towards human capital investment and their relative preference for social compensation? Answering this question is not only of academic interest but matters to gauge the effectiveness of policy responses in mitigating frustration and discontent that emerge from the changing occupational risks of the knowledge economy.

In this paper, we theorize and study four mechanisms – two ego-tropic, one socio-tropic and one group-tropic – to explain this preference pattern: knowledge economy losers a) may think that social investment reforms *do not benefit them* directly, b) may think that human capital investment are *less effective* in supporting them than transfers and protection, c) may think that investment reforms do not *contribute to societal equality or fairness*, or d) may feel that the reforms do not deliver *social recognition* for themselves and their social ingroups. To test the

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[4] Figure A1 in the Appendix further shows that this pattern also holds for alternative subjective specifications like perceived reemployment chances and expected labor market opportunities.

relative importance of these mechanisms, we analyze novel data from an original survey in nine European countries, using both observational and experimental evidence.

Our findings provide evidence for the group-specific recognition mechanism. Knowledge economy losers do think that they would benefit from social investment, and they also think that investment would deliver on equality, but they do not perceive a targeted, distinctive benefit for themselves or their ingroups. In their eyes, compensation reforms are the only ones that benefit their ingroups exclusively. Our findings suggest that the effectiveness of policy responses to the knowledge economy in terms of reform acceptance and implementation chances depends not only on material effects but is conditional on taking cultural and recognition-based grievances into account.

2. Theory

2.1. Policy responses to the rise of the knowledge economy

We follow the influential work of Powell and Snellman and define the knowledge economy as "production and services based on knowledge-intensive activities that contribute to an accelerated pace of technological and scientific advance as well as equally rapid obsolescence" (2004, 201). A knowledge economy is underpinned by several crucial elements that lend it its distinct character. At its core, it hinges upon a predominant dependence on intellectual capabilities, superseding the significance of physical inputs or natural resources. Moreover, it encompasses a concerted endeavor to integrate enhancements across all facets of the production process, spanning from the research and development laboratory to the factory floor, and extending to the interface with customers (Powell and Snellman 2004).

In this context, Hall (2022) aptly characterizes the post-1995 period as an era marked by knowledge-based growth and identifies three key reasons driving the transformation. First, the increasing reliance on new information and communications technology (ICT) for production and sales, as firms recognize the imperative of effectively deploying ICT to gain a competitive edge. Second, a distinct shift in investment patterns from tangible physical assets towards

intangible assets encompassing patents, trademarks, marketing, research, and corporate reorganization. Finally, the widespread adoption of global value chains, which involved organizing production by assigning different components or services to multiple firms located around the world. This shift in production patterns across borders has been facilitated by technological advancements and novel trade arrangements, underscoring the pivotal role of technological change in driving these transformative processes.

Drawing upon the existing body of literature, it is widely acknowledged today that the significance of skills and the development of skill formation systems is intrinsic to the political economy of a country (Hall and Soskice 2001; Iversen and Soskice 2019; Busemeyer and Trampusch 2012; Garritzmann et al. 2022) and to economic growth (Glaeser et al. 2004; Hanushek and Woessmann 2015). Thus, the key determinant that places individuals on opposing sides of an emerging divide in terms of high or low risk in the labor market is their educational attainment. In the context of skill- and routine-biased technological change, higher education has become the gateway to secure well-paying jobs.

In response to the shifting landscape of risks and opportunities, governments are actively seeking social policy measures that acknowledge the irreversible nature of these changes and anticipate their intensification in the forthcoming decades (Iversen & Rehm 2022; Busemeyer et al. 2022). It is crucial to recognize that the development of the knowledge economy presents a dual scenario of immense opportunities, such as an escalating demand for skilled labor amid scarcity of labor supply, as well as heightened risks associated with redundant skills and occupations. Thus, governments are compelled to consider a comprehensive and long-term range of policy responses to address the evolving distribution of risks.

In response to the evolving occupational risks presented by the knowledge economy, social policy reforms can be categorized into three distinct intervention logics (Bürgisser 2023). First, *compensation policies* aim to mitigate the adverse effects of structural change ex-post, with a specific focus on addressing the potential risks of frictional unemployment. Typical compensation policies include passive labor market policies (unemployment benefits) and early retirement schemes that cushion the negative impact for displaced workers. Wage insurance is another approach that provides insurance to displaced workers who take lower-paying jobs, protecting them against earning losses following involuntary displacement. Finally, the concept of a universal basic income (UBI) is proposed as a non-targeted form of compensation, but it

requires substantial financial resources and may not be the most effective response in the absence of widespread joblessness.

Second, *investment policies* are designed to proactively prepare and enhance the skills of workers ex-ante, allowing them to effectively adapt to structural changes in the workplace and align their skills and tasks with the demands of the knowledge economy. Governments have several policy options to address workplace structural changes and skills gaps. First, they can invest in active labor market policies (ALMPs) that focus on upskilling, retraining, and lifelong learning to boost the skills and employability of displaced workers. Second, they can increase spending on universal (tertiary) education to prepare future workers with the skills necessary to succeed in the knowledge economy. Finally, supporting early childhood education and care can contribute to reducing educational inequalities and enable individuals to balance work and family responsibilities while pursuing training and education opportunities.

Third, *steering policies* take a proactive approach by viewing structural change not merely as an exogenous market force but as an arena where governments actively influence the pace and direction of change through shaping firm decisions related to employment, investment, and innovation. Governments have several policy options to steer the knowledge economy. They can choose to (i) accelerate or (ii) slow down the pace of change or (iii) redirect its trajectory. In particular, labor market institutions significantly impact firms' decisions on innovation, investment, and hiring. Employment protection legislation affects hiring and firing costs, while minimum wage hikes can influence firms' incentive to innovate. Broader corporatist structures like collective bargaining can impact trust and coordination in the adoption of new technologies. Another policy response is the idea of a job guarantee, where the government acts as an employer of last resort, providing employment to those ready to work for a living wage. This approach addresses structural unemployment in capitalist economies and fulfills societal needs not met by the market.

2.2. Holding good or bad cards in the knowledge economy

In a context of rapidly rising demand for (high) skilled cognitive, creative and interpersonal work, different social groups hold better or worse cards. Similar to the concepts winners and losers of globalization or modernization (Betz 1994; Häusermann 2020), our conceptualization

of winners and losers of the knowledge economy does not pertain to individual talents, predispositions or effort, but to the fact that for certain social groups, structural, political and technological change entails expanding opportunities, while for others, these opportunities narrow down. For well-skilled, mobile, cognitively, interpersonally and/or creatively trained individuals, the globalized knowledge economy holds strong tailwinds for personal and economic development, and upward social mobility. Conversely, for people who are trained in routine jobs, or in skills prevalent in declining industries, the obstacles to benefiting from the prosperity of the knowledge economy are much higher.

The structural inequalities endogenous in the transition from an industrial to a service economy (Emmenegger et al. 2012) are even exacerbated in the accelerating technological and structural transformation of the knowledge economy. Educational inequalities only reinforce these economic dynamics: knowing how strongly educational, cultural and social capital is unequally distributed, not least based on parental background, emphasizes how much economic demand in the knowledge economy reinforces structural inequalities (as opposed to the "era of modernization", where the expansion of the industrial economy provided upward social mobility prospects for massive segments of lower- and middle-skilled workers).

In this study, we use both *objective-structural and subjective indicators* of holding rather winning vs. losing cards in the knowledge economy. With regard to objective indicators, various studies have defined the conditions for positive/negative prospects in rather specific ways, geared to the measurement of particular risks. Typical examples are the "routine task indicator RTI" as measure of automation risk (Gallego and Kurer 2022); education-field specific indicators of training in communicative-cognitive skills (CECT) as measures of knowledge economy complementarity (van de Werfhorst and Kraaykamp 2001; Hooghe, Marks, and Kamphorst 2022); or indicators of occupational class as measures of work autonomy and work logic, related to expansive or retrenching employment categories (Oesch 2013; Beramendi et al. 2015; Kurer and Palier 2019). Given that we are interested in a very broad definition of favorable vs. unfavorable pre-conditions for economic and social wellbeing in the knowledge economy, we chose to operationalize structural groups based on low, medium and high levels of education. Education is clearly a very general and rather unspecific indicator of risk or opportunity, but it thereby also provides a cautious measure and conservative estimation.

However, given that technological change and the development of the knowledge economy are ongoing processes and many of the opportunities and risks at this stage are prospects, apprehensions and aspirations rather than materialized outcomes (Häusermann, Kurer, and Zollinger 2023), we also want to complement this objective indicator with a subjective estimation of what the knowledge economy implies for the individual. On this front, as well, a range of substantively specific indicators of perceived (labor market) risk have been used in the literature, such as individual or group-specific unemployment or re-employment risk (Marx and Picot 2020; Schwander and Häusermann 2013) or perceived automation risk (Kurer and Häusermann 2022; Busemeyer and Sahm 2022). To parallel our encompassing indicator of structural (dis)advantage with a subjective measure, we rely on a direct survey question regarding the implications of changing labor markets for the respondent. We asked participants: «Education, continuing training and high professional skills become ever more important in the economy. Thinking about your job, do you think that the increasing demand for well-skilled labor will have overall positive or negative consequences for you personally in the coming years?" (Very/mostly negative or very/mostly positive).

2.3. Perceived effects and reform support

In this section, we develop hypotheses to explain why knowledge economy losers prioritize social compensation reforms over social investment reforms. This basic preference pattern has been shown both in existing studies (Häusermann et al. 2021; Kurer and Häusermann 2022; Busemeyer and Sahm 2022; Garritzmann, Busemeyer, and Neimanns 2018), as well as in the motivating figures in the introduction above. We theorize four mechanisms – two ego-tropic, one socio-tropic and one group-tropic.

The first two mechanisms remain within an ego-tropic rational-choice political economy framework, based on the assumption that individuals tend to support those policies that they expect to benefit from. While social transfers, protection and compensation policies in general have clearly predictable pocket-book effects for most (potential) beneficiaries, gauging the distributive effects of social investment policies is much more indeterminate (Beramendi et al. 2015). The reason why distributive effects of social investment reforms are harder to assess lies both in their temporal characteristics (investments in the present to yield benefits in a more or less distant future), as well as in the complex dynamics of eligibility and use of social

investment policies. A large literature emphasizes the (potential) regressive Matthew effects that social investment policies (such as early childhood education and care services, education investments or (re-)training services) can have if their use is voluntary and contingent on specific knowledge and stratified access (Bonoli, Cantillon, and Van Lancker 2017; Hemerijck 2017). Beyond these characteristics of social investment policies in general, lower and middle skilled citizens may connote education and (re-)training less positively than high-skilled citizens – based e.g. on individual trajectories and experiences – and hence estimate their distributive effects as less beneficial to themselves. Hence, one ego-tropic mechanism that could explain the weaker preference of knowledge economy losers for social investment could be that they do not think they would benefit from such reform. Alternatively – this is our second ego-tropic mechanism – they may simply think that their relative benefits from compensation or protection could be higher than from social investment (Häusermann et al. 2021) and therefore prioritize the former (without contesting overall beneficial effects of human capital investment).

The third mechanism focuses on socio-tropic benefits, rather than individual material gains. Indeed, individuals may also support policies, because they expect them to achieve more abstract, valued societal goals such as fairness, equality or prosperity. Vast strands of social psychological and behavioralist economic research show the extent to which fairness norms and inequality aversion are widespread, and equality and fairness are indeed considered desirable goals that individuals are intrinsically willing to bear a cost for (unless the context conditions them otherwise) (Fehr and Schmidt 1999; Almås et al. 2010; Cappelen, Sørensen, and Tungodden 2010). However, while equality and meritocracy are almost universally shared norms, individuals' evaluations of the extent to which society indeed is meritocratic diverge (Cavaillé 2023). Hence, it might be that knowledge economy losers think that social investment policies will not fulfill their promises of equality of opportunity, social mobility and hence equality, because they perceive the education and training system as genuinely biased. If that is true, it would make sense to expect higher yields in terms of equality from compensation and protection, which are more predictable and targeted.

Finally, knowledge economy losers may seek *social recognition* for themselves and their social ingroups, rather than material gain or overall societal outcomes. This final hypothesis is based on the observation that experiences and perceptions of relative deprivation, status threat and/or status loss, and fears of being "left behind" are powerful drivers of political attitudes and

behaviors. The importance of such mechanisms has been shown most forcefully in studies explaining political alienation, discontent and support for right-wing nationalist and traditionalist parties (Cramer 2016; Runciman 1966; Hochschild 2018; Engler and Weisstanner 2021; Kurer 2020; Gidron and Hall 2017; Burgoon et al. 2019). These studies show that what matters to citizens' is not simply absolute (material) well-being, but relative status and recognition, an insight that also resonates with social identity theory's "minimal group paradigm" (Tajfel et al. 1971), which highlights the importance of distinction and status of ingroups vs. outgroups. For our theory, this thought implies that knowledge economy losers may show particular support for policies through which the government addresses their specific, distinctive situation (over other groups), recognizes their distinctive grievances and adopts targeted measures that provide benefits, which improve not only the absolute, but the *relative* situation of the recipients as compared to other social groups.

3. Data and Measurement

We draw on original individual-level survey data from the *WELFAREPRIORITIES* project[5]. The online survey was fielded by the company Bilendi between October 2022 and February 2023 in nine countries: Germany, Italy, Spain, United Kingdom, Ireland, France, Denmark, Sweden, and the Netherlands. A total of 1,500 respondents were included from each country, resulting in a sample size of 13,500 individuals. The survey targeted the adult population, aged 18 years and above, with careful consideration given to quotas for age and gender (crossed), education level, and employment status (monitored through national census figures). In this research paper, our focus centers exclusively on the working age population. Consequently, we established an age threshold of below 65 years, resulting in a final sample size of 10,424 observations.

3.1. Outcome variables

We use two items to test the two *ego-tropic mechanisms*. First, we asked respondents to assess how they would personally be affected by a policy reform, gauging whether it would predominantly yield benefits or impose costs upon them. The 7-point answer scale ranged from -3 as in '*would cost me more (in taxes/contributions)*' to +3 as in '*would benefit me more (transfers/services)*'. Second, we elicited respondents' benefit assessment by asking them – from a menu of five labor market reforms presented in randomized order, as shown below – to pick the one policy reform they thought would benefit them most. This item was designed as a forced-choice question. Given our aim of distinguishing prototypical labor market reforms of the different theoretical categories, this paper specifically concentrates on analyzing reforms ii, iv, and v:

    i.   Expanding access to university education (investment)

    ii.   *Expanding the duration, generosity and scope of unemployment benefits (compensation)*

   iii.   Expanding access to labour market reintegration services (investment)

    iv.   *Expanding good-quality education and professional (re-)training (investment)*

    v.   *Providing job guarantees and penalizing companies that lay off people (protection)*

To test the *socio-tropic mechanism*, respondents evaluated the societal impact of these three labor market reforms. Respondents were presented with the following question: "*Social policy reforms affect how society works. To what extent do you think the following reforms increase equality, i.e. they make incomes and living standards more equal?*" The answer scale ranges from 1 as in '*would not increase equality*' to 7 as in '*would increase equality*'.

Finally, to test the *group-tropic mechanism*, we asked respondents to evaluate the potential impact of the reform on different social groups. They were tasked with determining whether the proposed policy changes would predominantly favor or burden each group. The 7-point answer scale ranged from -3 as in '*would cost them more (in taxes/contributions*)' to +3 as in '*would benefit them more (transfers/services)*'. We chose the groups on theoretical grounds: groups i and ii represent the education divide, groups iii-v specific work logics that differ in terms of chances in the knowledge economy, and group vi designates labor market outsiders.

    i.   People with a higher education degree

    ii.   People with lower level education

   iii.   People who do hard, manual work (e.g. factory workers, waiters)

   iv.   People who do office work (e.g. accountants, clerks)

    v.   People who do social or cognitive work (e.g. teachers, designers)

   vi.   People in precarious employment

3.2. Independent variables[6]

As our key objective measure of the knowledge economy losers and winners, we use respond-
ents' highest level of *educational attainment*. We use both a more fine-grained measure (on an
8-point scale) as well as a three-level factor variable of low, medium and high education. We
categorize highly educated individuals as those with tertiary education (including attainment
of short-cycle tertiary education, of Bachelor's or equivalent level, and of Master's or Doctoral
level), as those with medium education respondents with upper secondary and post-secondary
further education, and as those with low education those who attained less than primary edu-
cation, primary education, or lower secondary education.

To complement the objective assessment, we introduce a novel measurement of respondents'
subjective *knowledge economy optimism*. We asked the following question: "*Education, con-
tinuing training and high professional skills become ever more important in the economy.
Thinking about your job, do you think that the increasing demand for well-skilled labour will
have overall positive or negative consequences for you personally in the coming years*?" Re-
spondents could answer on a five-point-scale; only 3 percent of respondents chose category
'very negative', 12 percent chose category 'mostly negative', 39 percent of respondents chose
category 3 'mostly positive' and 16 percent chose category 'very positive'. The answer scale
included a 'don't know / not sure' option, which was chosen by 30 percent of respondents[7].
Respondents who chose the 'don't know / not sure' option were excluded from the analysis.
This new measure of knowledge economy optimism is arguably very general, but in terms of
face validity, it correlates strongly and positively with perceived reemployment chances and

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[6] The distributions of key independent variables as well as controls can be found in the Appendix, Figures A2-A5.

[7] Denmark: 28.1 percent, France: 34.5 percent, Germany: 24.4 percent, Ireland: 22.8 percent, Italy: 32.0 percent,
Netherlands: 27.4 percent, Spain: 28.1 percent, Sweden: 25.8 percent, United Kingdom: 35.4 percent.

perceived labor market opportunities (see Figure A6 in the Appendix). In addition, we chose this very direct estimation of subjective knowledge economy prospects as a clear complement to the very broad and structural "objective" measure of education degree. If our findings are consistent with two such different measures, this reinforces their validity.

3.3. Experiment

Furthermore, we analyze a pre-registered vignette experiment that was administered to all survey respondents and that pursued the goal of estimating the *relative importance of the different tested mechanisms* in driving support or rejection of the proposed reforms.

TABLE 1: Vignette Design

VIGNETTE: In most jobs, pressure on employees and wages is rising. Imagine the [COUNTRY] government was planning an important reform to put the employment challenges of [GROUP] front and centre. [DISTRIBUTIVE LOGIC]. [SOCIETAL EFFECT]. Would you support such a reform?		
GROUP	**DISTRIBUTIVE LOGIC**	**SOCIETAL EFFECT**
1 today's employees	The reform would provide free and good-quality professional retraining and further education.	[no information on societal effect shown]
2 people who do hard, manual work (e.g. factory workers, waiters)	The reform would provide generous income replacement in the case of unemployment.	Overall, the reform will give more people a fair chance to get ahead in life.
3 people who do office work (e.g. accountants, clerks)	The reform would provide job guarantees and penalize companies that lay off people.	Overall, the reform will reduce the difference between top and bottom incomes.
4 people who do social or cognitive work (e.g. teachers, designers)		
5 people in precarious employment		

Our experimental design randomized the levels of three treatment condition dimensions; the reform's beneficiary group, the reform's distributive logic and, lastly, the reform's societal effect (see Table 1). The GROUP condition consisted of five groups of beneficiaries, whose wording was identical to the one used for the observational analysis. The universal category of 'today's employees' served as reference/control group (not shown in analysis). The DISTRIBUTIVE LOGIC dimension consisted of the three key labor market reforms. Lastly, the

SOCIETAL EFFECT dimension consisted of two potential policy outcomes, one reflecting 'equality of outcomes' and the other signifying 'equality of opportunities', and one control group that did not receive any information.

Reform support as our outcome variable is measured on a 7-point Likert scale ranging from 1 ('would definitively oppose the reform') to 7 ('would definitely support the reform'). We subsequently asked respondents "And to what extent to you think that the reform just shown would benefit or cost people like you?" to which respondents could answer on a 7 point scale ranging from -3 ('*would cost people like me*') to +3 ('*would benefit people like me*'). We use the first item for the main analysis of the vignette experiment and the second for additional analyses shown in the Appendix.

4. Results

4.1. Mechanism I: doubts about personal benefit from social investment

Our first hypothesized ego-tropic mechanism posits a correlation between the diminished enthusiasm of knowledge economy losers towards social investment and their perception that they would not significantly benefit from such reforms. However, Figure 3 – contrary to the expectations of this ego-tropic mechanism – shows that individuals with lower educational levels perceive the investment reform (expansion of good-quality education and professional (re-)training) to be equally beneficial for themselves as the protection reform, and intriguingly, even slightly more advantageous than the compensation reform. Importantly, however, in comparison to individuals with medium or high levels of education, those with lower educational backgrounds firmly believe that they will benefit to a significantly greater extent from the expansion of unemployment benefits (the compensation reform) as well as from job guarantees and measures to penalize companies that lay off people (the protection reform). However, the lower relative support among knowledge economy losers for social investment clearly cannot be explained via a lack of expected personal benefits.

Perceived personal benefit by education level

Policy   ● Investment reform   ● Compensation reform   ● Protection reform

Perceived personal benefit by knowledge economy optimism

Policy   ● Investment reform   ● Compensation reform   ● Protection reform
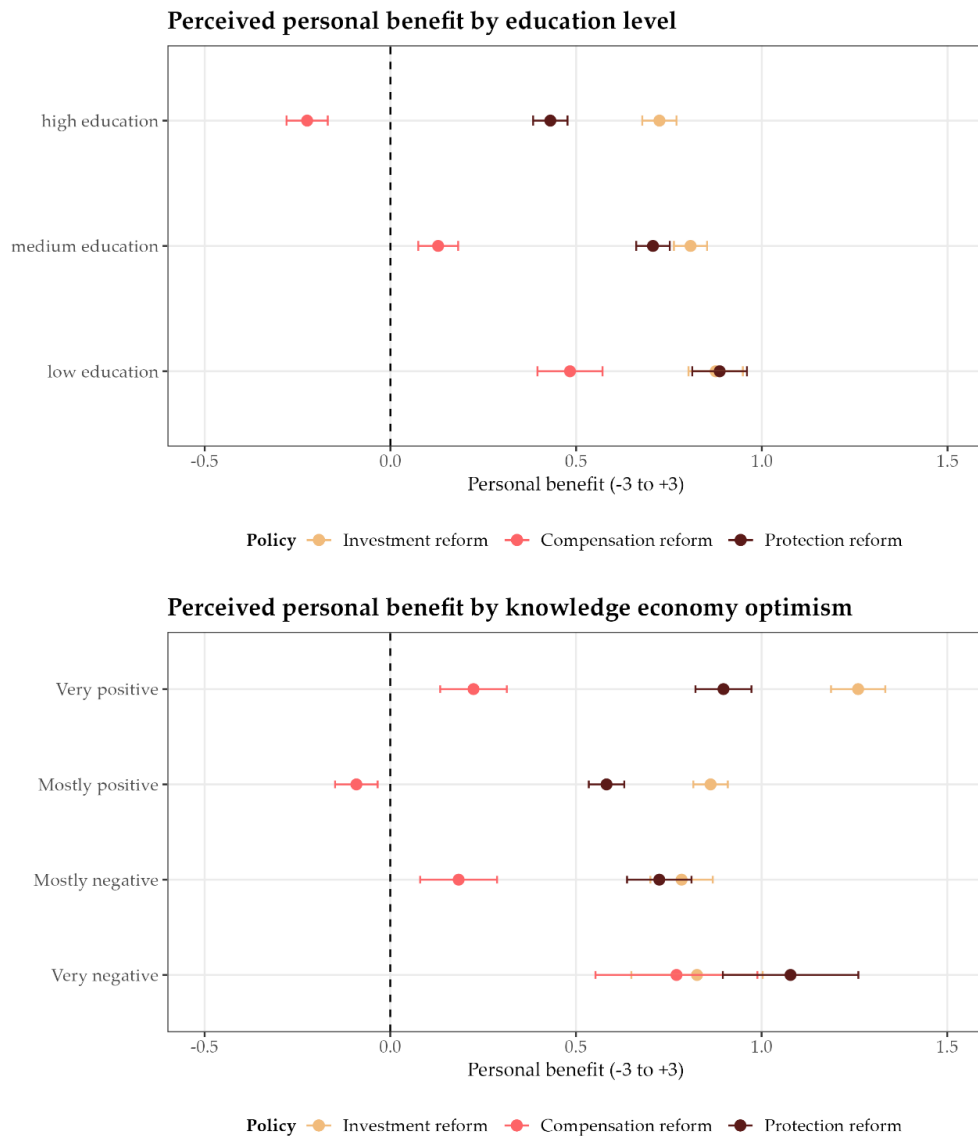
FIGURE 3: Predicted perceived personal benefit of policy reform X by education level [top panel] and knowledge economy optimism [bottom panel].

Note: The line at x = 0 marks the line between perceived costs (<0) and benefits (>0) generated by the reform. Underlying multivariate regressions include controls for age and sex as well as country-fixed effects. The figure shows marginal means (error bars constitute a .95 confidence interval); control variables are fixed at their means while factors are weighted in proportion to sample size. The corresponding regression tables can be found in the Appendix (Tables A3.1 and A3.2).

A very similar pattern is evident when using the subjective variable of knowledge economy losers. All three reforms are viewed as equally beneficial by those with a pessimistic outlook regarding their chances in the knowledge economy. Additionally, we observe an intriguing trend as knowledge economy optimism increases – individuals tend to discern more pronounced differences between policies. Strikingly, the very optimistic not only expect to derive greater benefits from social investment than the cautiously optimistic, but they also harbor

stronger convictions that compensation and protection measures will be advantageous for them. These initial findings cast doubt on the explanatory power of the ego-tropic mechanism.

4.2. Mechanism II: higher *relative* personal benefit expected from compensation than from investment

Our second hypothesized mechanism, equally operating within a rational-choice ego-tropic framework, posits that knowledge economy losers expect a higher relative benefit from compensation or protection measures than from social investment. Consequently, they might prioritize the former options over the latter, while not necessarily disputing a positive impact of human capital investment (as shown above). Figure 4 allows for a nuanced discussion of this mechanism.

We find that the investment reform yields the most significant relative benefit for knowledge economy 'winners', i.e. the more educated and optimistic groups, followed by the protection reform and, last, the compensation reform. However, the less educated and more pessimistic individuals seem to evaluate the three types of reforms as most beneficial with equal probabilities. Hence, they do not de-prioritize social investment relative to compensation or protection, contrary to the hypothesized mechanism examined here. Nevertheless, it is noteworthy that for knowledge economy losers, the relative personal benefit they think they would derive from the investment reform *relative to* the compensation or protection reform is lower *compared to the other groups*. In sum, both ego-tropic hypotheses are not corroborated.

Predicted probability of choosing policy X as most beneficial by education level

Predicted probability of choosing policy X as most beneficial by knowledge economy optimism
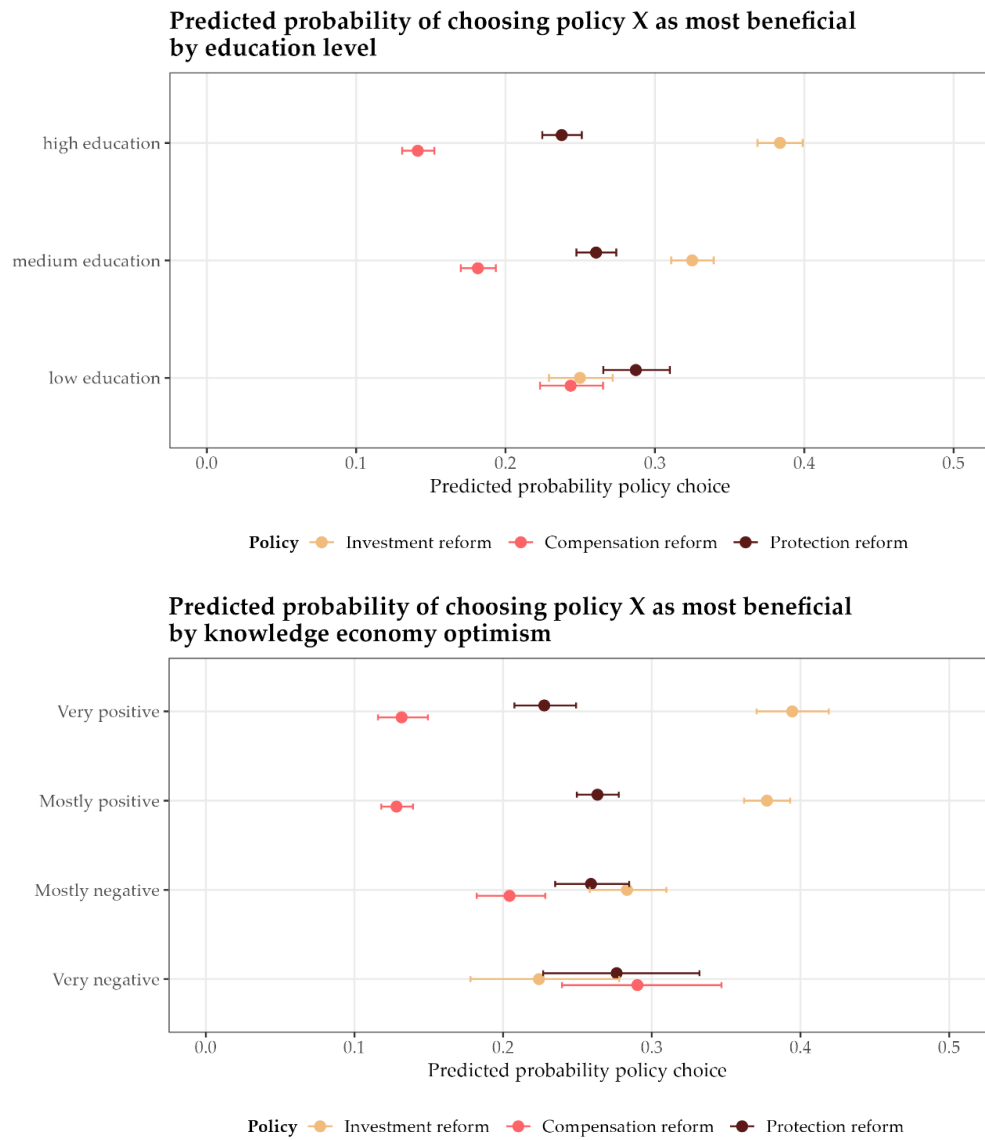
FIGURE 4: Predicted probability of prioritizing policy reform X by respondents' education level [top panel] and knowledge economy optimism [bottom panel].

Note: Underlying multinomial logistic regressions include controls for age and sex as well as country-fixed effects. The figure shows predicted probabilities (error bars constitute a .95 confidence interval); control variables are fixed at their means while factors are weighted in proportion to sample size. The corresponding regression table can be found in the Appendix (Tables A4.1 and A4.2).

4.3. Mechanism III: doubts about desirable socio-tropic effects of investment on equality

The socio-tropic mechanism theorizes that the cautious support exhibited by knowledge economy losers towards social investment might be tied to their skepticism concerning its

effectiveness. Specifically, they may harbor reservations regarding the diffuse and delayed benefits it offers in fostering societal goals of equality and social mobility. Conversely, they may perceive compensation and protection policies, which offer more tangible, immediate and predictable benefits, as being better suited at addressing societal challenges and advancing the aforementioned goals of equality and social mobility.

Perceived socio-tropic effect by education level

Perceived socio-tropic effect by knowledge economy optimism
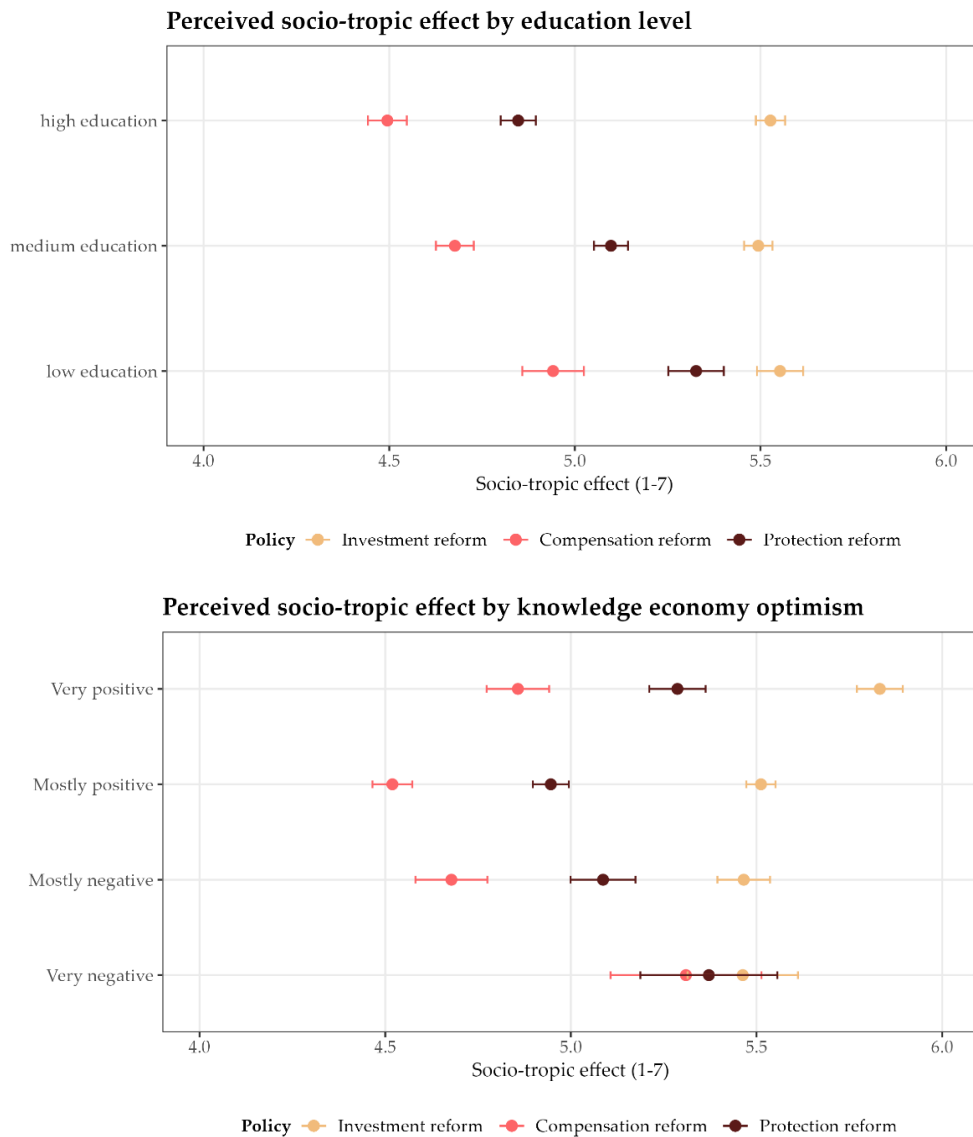
FIGURE 5: Predicted perceived socio-tropic effect of policy reform X by respondents' education level [top panel] and knowledge economy optimism [bottom panel].

Note: Underlying multivariate regressions include controls for age and sex as well as country-fixed effects. The figure shows marginal means (error bars constitute a .95 confidence interval); control variables are fixed at their means while factors are weighted in proportion to sample size. The corresponding regression table can be found in the Appendix (Tables A5.1 and A5.2).

However, this hypothesis is refuted as well. Figure 5 shows that just like the more highly educated and more optimistic respondents, knowledge economy losers consider social investment as most effective in promoting equality and reducing income disparities. Yet, they are distinctive in evaluating compensation and protection policies almost as effective as social investment. This suggests that the socio-tropic mechanism alone is insufficient to comprehend the puzzle of knowledge economy losers' apparent low prioritization of investment policies.

4.4. Mechanism IV: lower group-specific recognition associated with investment than with compensation

Our group-tropic mechanism postulates a link between individuals' support for reform and their perception of their ingroup's potential relative gains from specific policy measures. We propose that the group-tropic mechanism operates through respondents' assessments of the differential costs and benefits a policy generates for particular social groups. In other words: support for a reform does not so much depend on whether the respondent thinks they will benefit from the reform, but on whether they think the reform delivers specific and distinctive relative advantages to their ingroup or relative disadvantages to their outgroup. Consequently, we empirically zoom in on the respondent group of interest (the knowledge economy losers) and discuss relative differences in group-tropic assessment. On the one hand regarding 'people with low levels of education', i.e. the knowledge economy losers' ingroup, and on the other hand regarding 'people with high education', i.e. the demarcating outgroup.[8]

Figure 6 shows how respondents evaluate the distributive effects of the three reforms on "people with low levels of education" (ingroup) and "people with a higher education degree" (outgroup). The upper panel of figures differentiates these perceptions by the education level of the respondents themselves, and the lower panel of figures differentiates them by the knowledge economy optimism of respondents. Hence, we are mostly interested in the patterns observed on the "lowest" line of respondent subgroups (i.e. the low educated and the most pessimistic group of respondents).

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[8] Additional analyses reported in Tables A7.1 and A7.2 in the Appendix show that knowledge economy losers indeed *feel closer* to 'people with lower level education' than to 'people with a higher education degree'.

Group-tropic assessment of benefit from policy X for beneficiary group X

..by respondents' education level

..by respondents' knowledge economy optimism
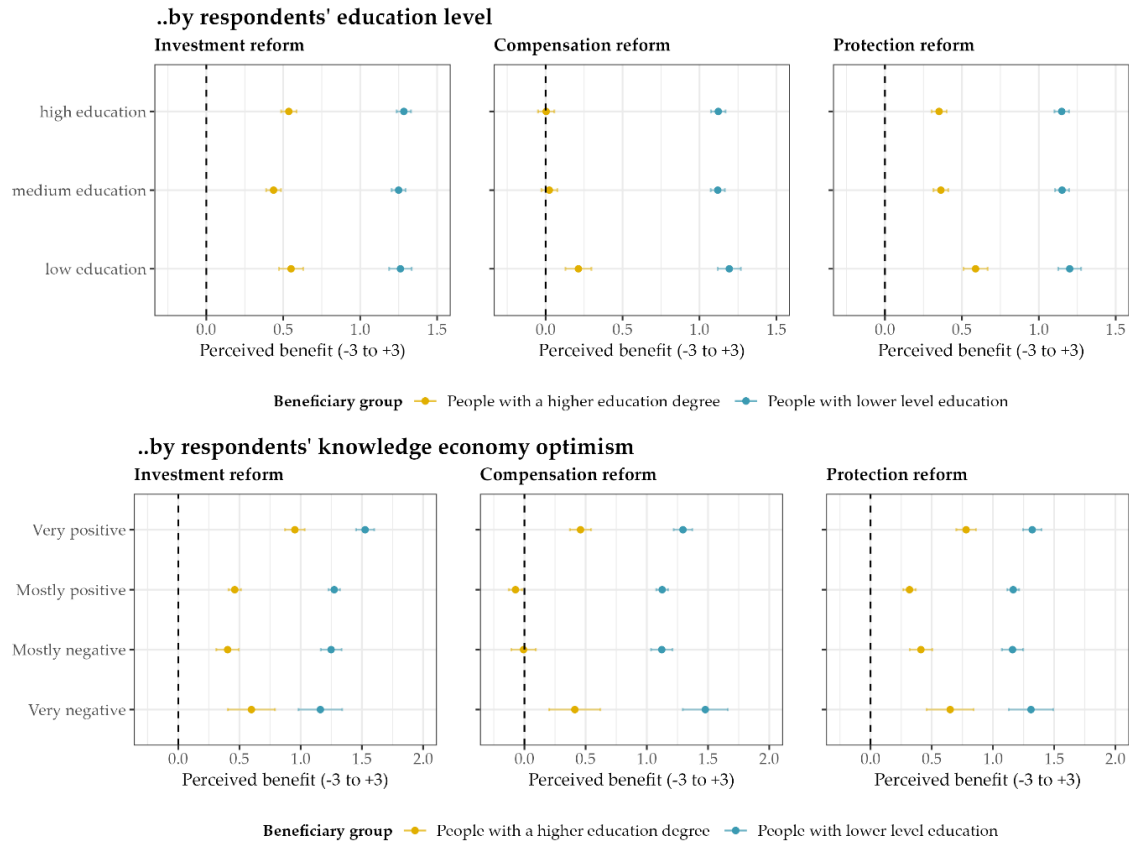
FIGURE 6: Assessment of the cost and benefits yielded by the investment, compensation and protection reform for people with lower level education and for people with a higher education degree, by respondents' education level [top panel] and knowledge economy optimism [bottom panel].
Note: Underlying multivariate regressions include controls for age and sex as well as country-fixed effects. The figure shows marginal means (error bars constitute a .95 confidence interval); control variables are fixed at their means while factors are weighted in proportion to sample size. The corresponding regression table can be found in the Appendix (Table A6.1 and A6.2).

The findings lend support to the group-tropic explanatory mechanism because compensation is the one policy reform orientation that maximizes the difference in relative benefit between groups. Indeed, when it comes to investment or protection, knowledge economy losers think that the high skilled would also benefit strongly from the reforms, but when it comes to compensation, the expected relative gains are clearly and distinctively the largest for their ingroup. The gap between in- and outgroup is indeed largest for compensation policies (a gap of 0.98 predicted points), followed by investment (gap of 0.71 predicted points), and protection (gap of 0.61 predicted points).

These findings are robust to an alternative empirical measurement of the same mechanism: Table A8 in the Appendix shows the predicted probability of ranking the investment, compensation, or protection reform as the first, second or third-best solution to the employment challenges of people with lower level education and of people with a higher education degree. Actually, the lower educated respondents in our sample are most likely to opt for the investment reform as primary solution to the employment challenges of their ingroup, with the protection reform ranking in second and the compensation reform ranking in third place. However, while the predicted probability of ranking compensation as primary solution is 30 percent if the losers' ingroup is the evaluated recipient group, it drops to 22 percent if the outgroup is object of the evaluation. Conversely, the predicted probability of ranking compensation in third place, i.e. seeing it as least beneficial, is 38 percent for the ingroup and 49 percent for the outgroup. Corroborating the findings from Figure 6, the gap in predicted probabilities between the in- and outgroup is largest for the compensation policy compared to both the protection and the investment policy.[9] In other words, compensation is the only policy that is perceived as *distinctly* benefitting the ingroup or 'people like me'.

4.5. Vignette Experiment

The analysis of the vignette experiment complements the observational analysis[10]. Figure 7 demonstrates that the support for reforms among knowledge economy losers is markedly amplified when the vignette strategically emphasizes the employment challenges faced by individuals within their own ingroups, particularly those who undertake physically demanding manual labor. In contrast, this backing for reforms experiences a substantial reduction when respondents are informed that other occupational groups are the primary beneficiaries, particularly those engaged in social or cognitive work, as well as individuals occupying office-based

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[9] The predicted probability of ranking investment (protection) in first place is 39 percent (32 percent) if the losers' ingroup is benefitting, and 41 percent (37 percent) if the outgroup is object of the evaluation. The predicted probability of ranking investment (protection) in third place is 31 percent (29 percent) for the ingroup and 26 percent (25 percent) for the outgroup.

[10] See Figure A7 in the Appendix for an analysis of the full sample.

roles[11]. To substantiate this finding, we show in an additional analysis (see Appendix, Figure A8), that for knowledge economy losers, the information that 'people who do hard, manual work' and 'people in precarious employment' benefit from the reform both increases reform support as well as it strengthens perceptions that the reform helps 'people like them'.
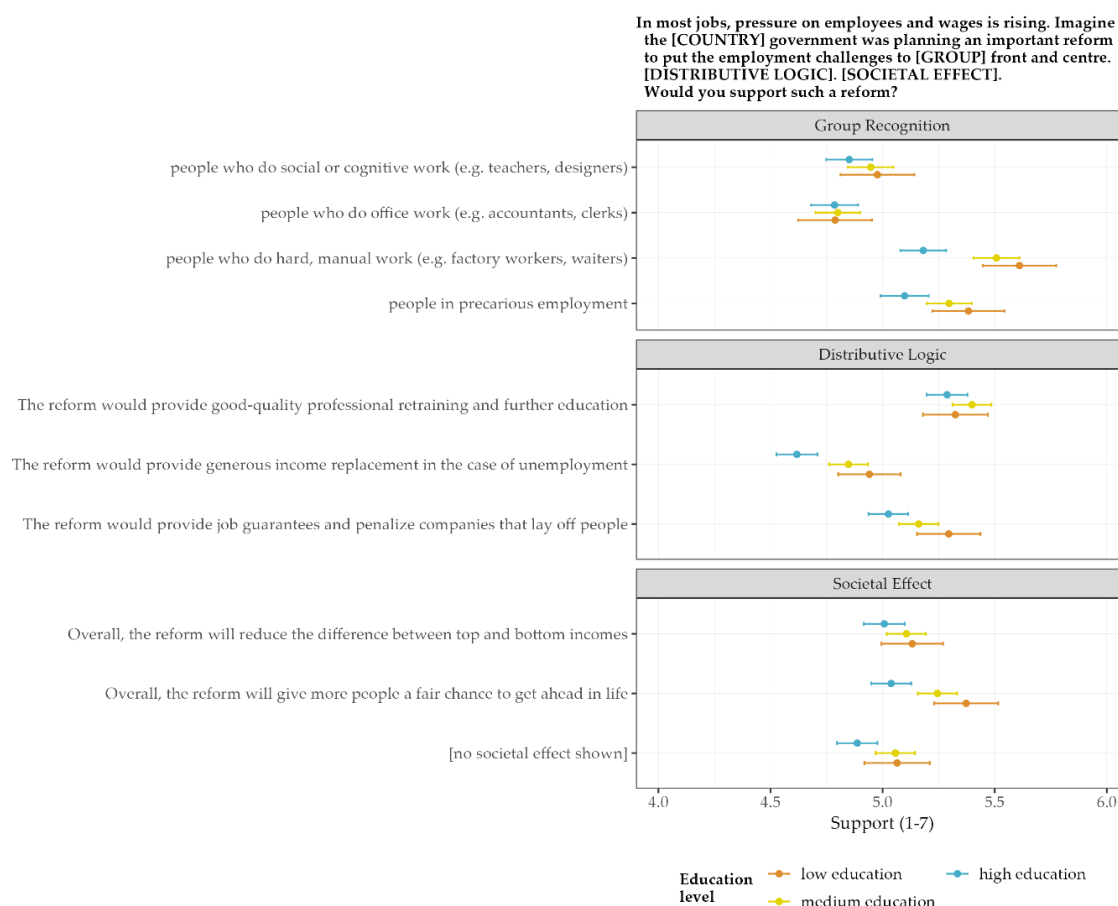
FIGURE 7: Vignette experiment: Predicted reform support by education level.
Note: Underlying regression for each panel includes the interaction between the treatment condition and the respondent's education marginal means (error bars constitute a .95 confidence interval); control variables are fixed at their means while factors are weighted in proportion to sample size.

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[11] Additional analyses reported in Tables A7.1 and A7.2 in the Appendix show that knowledge economy losers indeed *feel* significantly *closer* to 'people who do hard, manual work', and to 'people in precarious employment' than knowledge economy winners. And, in reverse, knowledge economy losers *feel* significantly *less close* to 'people who do office work' and to 'people who do social or cognitive work' than knowledge economy winners.

Interestingly, among the knowledge economy winners, support for a reform does not show significant increases when the vignette emphasizes their ingroup, i.e., those engaged in social and cognitive work or office-related occupations (see also Figure 8). This finding challenges the notion that the observed response is solely driven by ego-tropic motivations. If such were the case, one would anticipate a more positive reaction from the highly educated and very optimistic towards beneficial effects for their ingroups (see again Figure A8 in the Appendix). Knowledge economy winners support reforms targeting other groups more strongly than knowledge economy losers. This finding could be attributed to solidaristic attitudes. Another plausible explanation could be their belief that such policies play a pivotal role in facilitating societal transition towards the knowledge economy and mitigating potential backlash.
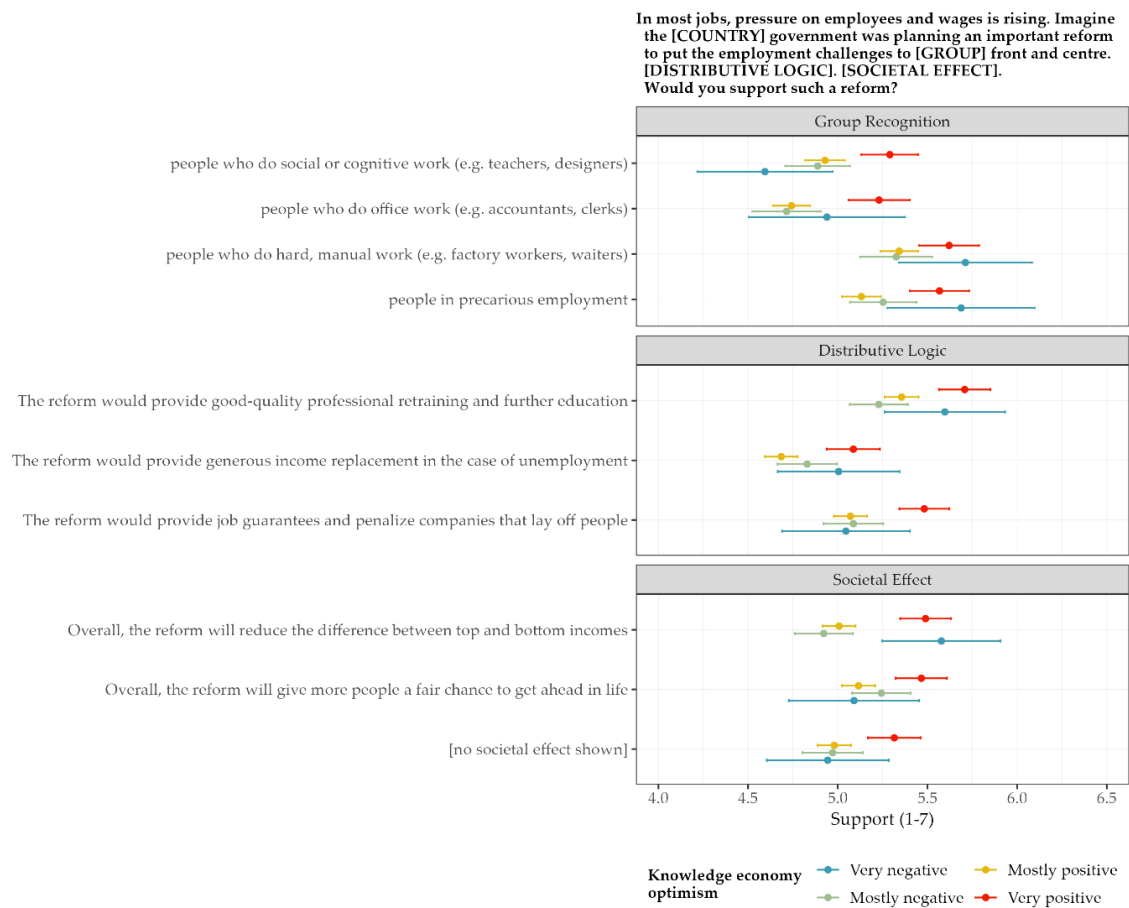
FIGURE 8: Vignette experiment: Predicted reform support by knowledge economy optimism.
Note: Underlying regression for each panel includes the interaction between the treatment condition and the respondent's level of knowledge economy optimism as well as controls for the respective other vignette elements and country-fixed effects. The figure shows marginal means (error bars constitute a .95 confidence interval); control variables are fixed at their means while factors are weighted in proportion to sample size.

The picture that emerges is that for knowledge economy losers there seems to be *nothing distinctive enough* about investment to spur their support, whereas for knowledge economy winners, there is. In particular, Figure 9 shows that while winners seem to differentiate more strongly *between policies* than losers, losers seem to differentiate more strongly *between groups* than winners. Notably, when the focus shifts to the group engaged in 'hard, manual work,' the losers' support for reforms not only surges significantly but they also do not distinguish between policies. This suggests that any of the three policies would be equally supported, provided the ingroup benefits. However, this changes once other beneficiary groups, especially people who do office work or people who do social or cognitive work, are highlighted in the vignette.
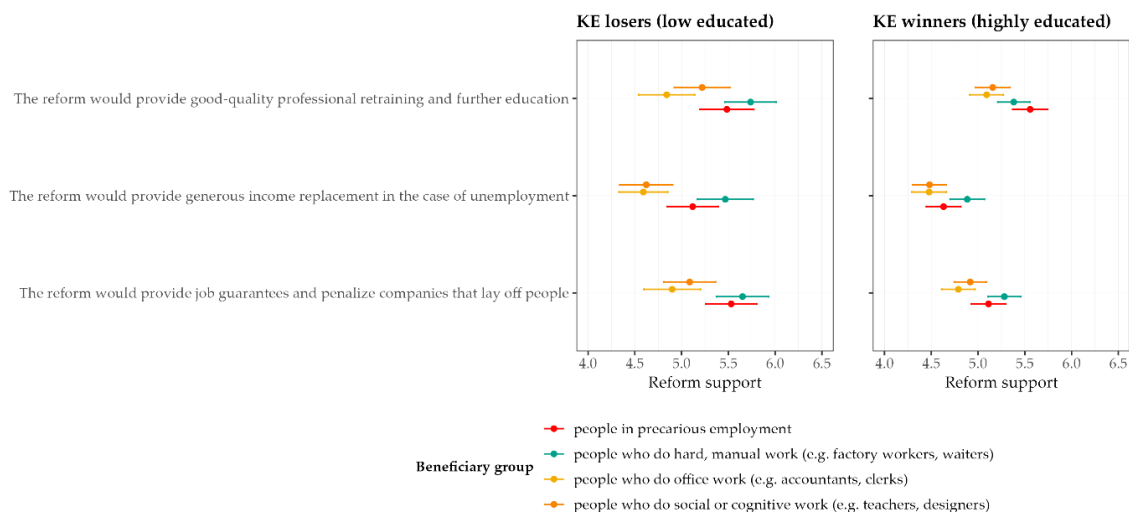
FIGURE 9: Vignette experiment: Predicted reform support by group treatment, distributive logic treatment and respondents' education level.
Note: Underlying regression for each panel includes controls for the respective other vignette elements as well as country-fixed effects. The figure shows marginal means (error bars constitute a .95 confidence interval); control variables are fixed at their means while factors are weighted in proportion to sample size. See Figure A9 in the Appendix for a similar analysis for respondents' knowledge economy optimism.

5. Conclusion

Our study aims at understanding better why individuals who are negatively affected by the knowledge economy tend to prioritize compensation policies over social investment policies. We developed four potential theoretical mechanisms to explain this preference pattern: (i) knowledge economy losers may think that social investment reforms do not benefit them; (ii)

they may believe that the relative benefits they receive from compensation and protection policies are higher than those from social investment policies; (iii) they may view compensation and protection policies as more effective in promoting equality; and (iv) they may support policies that specifically address their distinctive situation and grievances, providing them with a relative recognition advantage over other groups.

To test the relevance and relative importance of these mechanisms, we conducted an original survey in nine European countries, using both observational and experimental evidence. Our findings provide strongest evidence in favor of the group-specific recognition mechanism in explaining why knowledge economy losers tend to prioritize compensation policies over social investment policies. Despite believing in the potential benefits of social investment, these individuals do not perceive a distinctive benefit for themselves or their ingroups, and they think that both investment and protection also support their relative outgroup significantly, lowering the relative advantage they expect from these reforms. The vignette experiment adds to these findings by showing that indeed, highlighting beneficial effects for their ingroup enhances support for policies among knowledge economy losers most strongly. We interpret our evidence as showing that the distinctive, relative advantage knowledge economy losers expect from compensation leads them to prioritize policies that offer such targeted recognition for their specific situation. By contrast, social investment is indeed associated with strong beneficial effects, but much more generalized ones across different groups.

In conclusion, our findings suggest that the effectiveness of knowledge economy policies in terms of reform acceptance and implementation chances depends not only on material effects but is also conditioned by cultural and recognition-based mechanisms. Understanding the reasons behind knowledge economy losers' policy preferences is crucial for designing effective and well-targeted labor market policies that can mitigate frustration and discontent arising from the changing occupational risks of the knowledge economy.

Further research could explore several avenues to deepen our understanding of how perceived distributive effects shape labor market policy support. For example, by incorporating qualitative research methods, such as in-depth interviews or focus groups, we might achieve richer insights into the relatively underexplored recognition channel. Understanding the lived experiences of knowledge economy winners and losers could shed light on the underlying motivations that drive their choices.

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TABLE A1: Policy priorities by education level

	University education and professional (re-)training	Labour market reintegration services	Unemployment benefits
(Intercept)	17.796***	11.343***	19.492***
	(0.838)	(0.718)	(0.825)
Education (ref. Below lower secondary)			
Lower secondary	0.520	-0.315	-3.479***
	(0.821)	(0.703)	(0.808)
Upper secondary	2.657***	0.316	-4.536***
	(0.783)	(0.671)	(0.770)
Post-secondary further education	3.402***	0.488	-4.390***
	(0.841)	(0.721)	(0.827)
Short-cycle tertiary education	3.625***	0.377	-6.044***
	(0.840)	(0.720)	(0.826)
Bachelor's or equivalent level	4.484***	1.073	-6.741***
	(0.801)	(0.687)	(0.788)
Master's and Doctoral level	5.752***	0.429	-6.233***
	(0.826)	(0.708)	(0.812)
Country (ref. Denmark)			
France	-1.888***	4.784***	-0.613
	(0.528)	(0.453)	(0.520)
Germany	-3.569***	2.746***	-2.914***
	(0.528)	(0.452)	(0.519)
Ireland	-1.671**	1.734***	-0.443
	(0.509)	(0.436)	(0.501)
Italy	-1.568**	9.262***	1.436**
	(0.529)	(0.453)	(0.520)
Netherlands	-4.017***	5.294***	-0.121
	(0.523)	(0.448)	(0.514)
Spain	-2.205***	3.487***	3.469***
	(0.527)	(0.451)	(0.518)
Sweden	-6.962***	2.675***	-0.033
	(0.524)	(0.449)	(0.516)
United Kingdom	-3.167***	2.267***	0.450
	(0.517)	(0.443)	(0.509)
R^2	0.035	0.051	0.030
Adj. R^2	0.034	0.049	0.029
Num. obs.	10424	10424	10424

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$.

TABLE A2: Policy priorities by knowledge economy optimism

	University education and professional (re-)training	Labour market reintegration services	Unemployment benefits
(Intercept)	17.006***	12.191***	20.251***
	(0.854)	(0.727)	(0.791)
Knowledge optimism (ref. Very negative)			
Mostly negative	3.213***	0.130	-4.067***
	(0.814)	(0.694)	(0.755)
Mostly positive	4.730***	-0.098	-6.345***
	(0.761)	(0.649)	(0.706)
Very positive	5.271***	0.108	-6.836***
	(0.799)	(0.680)	(0.740)
Country (ref. Denmark)			
France	-1.428*	4.265***	-1.294*
	(0.649)	(0.553)	(0.601)
Germany	-3.526***	2.417***	-3.336***
	(0.621)	(0.529)	(0.575)
Ireland	-1.627**	1.723***	-0.718
	(0.608)	(0.518)	(0.564)
Italy	-1.366*	8.311***	0.785
	(0.648)	(0.552)	(0.600)
Netherlands	-3.508***	5.251***	-0.942
	(0.629)	(0.535)	(0.583)
Spain	-1.670**	3.365***	2.959***
	(0.630)	(0.537)	(0.584)
Sweden	-6.998***	2.415***	-0.312
	(0.634)	(0.540)	(0.587)
United Kingdom	-2.864***	2.192***	-0.205
	(0.642)	(0.546)	(0.595)
R^2	0.028	0.041	0.036
Adj. R^2	0.027	0.040	0.035
Num. obs.	7260	7260	7260

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$.

TABLE A3.1: Perceived personal benefit by education level

	Investment reform	Compensation reform	Protection reform
(Intercept)	1.512***	0.856***	0.986***
	(0.076)	(0.091)	(0.077)
Education (ref. low education)			
medium education	-0.068	-0.355***	-0.180***
	(0.044)	(0.052)	(0.044)
high education	-0.151***	-0.708***	-0.456***
	(0.044)	(0.053)	(0.045)
Age	-0.025***	-0.014***	-0.018***
	(0.001)	(0.001)	(0.001)
Sex (ref. female)			
male	0.003	0.058	-0.021
	(0.030)	(0.036)	(0.030)
other	0.394	0.780**	0.898***
	(0.206)	(0.247)	(0.208)
Country (ref. Denmark)			
France	0.620***	0.067	1.023***
	(0.064)	(0.077)	(0.065)
Germany	0.292***	-0.096	0.357***
	(0.063)	(0.076)	(0.064)
Ireland	0.634***	0.308***	0.883***
	(0.062)	(0.075)	(0.063)
Italy	0.879***	0.523***	1.009***
	(0.065)	(0.078)	(0.066)
Netherlands	0.312***	0.060	0.412***
	(0.064)	(0.077)	(0.065)
Spain	0.735***	0.923***	1.298***
	(0.064)	(0.077)	(0.065)
Sweden	0.030	0.062	0.275***
	(0.064)	(0.077)	(0.065)
United Kingdom	0.109	-0.041	0.548***
	(0.063)	(0.076)	(0.064)
R^2	0.082	0.057	0.094
Adj. R^2	0.080	0.056	0.093
Num. obs.	10220	10220	10220

***p < 0.001; **p < 0.01; *p < 0.05.

Note: Compensation reform = 'Expanding the duration, generosity and scope of unemployment benefits', Investment reform = 'Expanding good-quality education and professional (re-)training', Protection reform = 'Providing job guarantees and penalizing companies that lay off people'.

TABLE A3.2: Perceived personal benefit by knowledge economy optimism

	Investment reform	Compensation reform	Protection reform
(Intercept)	1.300***	1.078***	1.024***
	(0.120)	(0.148)	(0.124)
Knowledge optimism (ref. Very negative)			
Mostly negative	-0.041	-0.587***	-0.353***
	(0.100)	(0.123)	(0.103)
Mostly positive	0.037	-0.862***	-0.495***
	(0.093)	(0.115)	(0.096)
Very positive	0.434***	-0.547***	-0.181
	(0.098)	(0.121)	(0.101)
Age	-0.020***	-0.013***	-0.014***
	(0.001)	(0.002)	(0.001)
Sex (ref. female)			
male	0.017	0.132**	0.035
	(0.035)	(0.044)	(0.037)
other	0.493*	0.971**	1.015***
	(0.247)	(0.304)	(0.255)
Country (ref. Denmark)			
France	0.623***	0.049	1.006***
	(0.079)	(0.097)	(0.081)
Germany	0.256***	-0.083	0.353***
	(0.075)	(0.093)	(0.078)
Ireland	0.522***	0.203*	0.835***
	(0.074)	(0.091)	(0.076)
Italy	0.857***	0.542***	0.963***
	(0.079)	(0.097)	(0.081)
Netherlands	0.247**	-0.036	0.300***
	(0.076)	(0.094)	(0.079)
Spain	0.652***	0.846***	1.200***
	(0.077)	(0.094)	(0.079)
Sweden	-0.088	0.001	0.171*
	(0.077)	(0.095)	(0.079)
United Kingdom	0.040	-0.120	0.608***
	(0.078)	(0.096)	(0.080)
R^2	0.081	0.050	0.085
Adj. R^2	0.079	0.048	0.083
Num. obs.	7117	7117	7117

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$.

Note: Compensation reform = 'Expanding the duration, generosity and scope of unemployment benefits', Investment reform = 'Expanding good-quality education and professional (re-)training', Protection reform = 'Providing job guarantees and penalizing companies that lay off people'.

TABLE A4.1: Predicted probability of choosing policy X as most beneficial by education level (Multinominal logistic regressions, ref. 'Expanding access to university education')

	Compensation reform	Investment reform	Protection reform
(Intercept)	-0.531**	0.065	-0.577**
	(0.199)	(0.185)	(0.196)
Education (ref. low education)			
medium education	-0.429***	0.129	-0.232*
	(0.121)	(0.117)	(0.117)
high education	-0.820***	0.154	-0.465***
	(0.122)	(0.117)	(0.117)
Age	0.053***	0.038***	0.039***
	(0.003)	(0.003)	(0.003)
Sex (ref. female)			
male	-0.050	-0.010	-0.029
	(0.081)	(0.073)	(0.076)
other	0.578	-0.306	0.040
	(0.495)	(0.508)	(0.502)
Country (ref. Denmark)			
France	-0.747***	-0.520**	0.453**
	(0.179)	(0.162)	(0.173)
Germany	-0.332	-0.101	0.494**
	(0.178)	(0.164)	(0.178)
Ireland	-0.788***	-0.818***	0.001
	(0.161)	(0.147)	(0.161)
Italy	-1.027***	-0.691***	0.232
	(0.183)	(0.164)	(0.175)
Netherlands	-0.191	-0.078	0.455*
	(0.182)	(0.168)	(0.183)
Spain	-0.037	-0.866***	0.781***
	(0.172)	(0.168)	(0.173)
Sweden	-0.827***	-0.517***	-0.334
	(0.173)	(0.155)	(0.176)
United Kingdom	-0.208	-0.348*	0.645***
	(0.174)	(0.163)	(0.174)
AIC	30763.530	30763.530	30763.530
BIC	31169.634	31169.634	31169.634
Log Likelihood	-15325.765	-15325.765	-15325.765
Deviance	30651.530	30651.530	30651.530
Num. obs.	10424	10424	10424
K	5	5	5

***p < 0.001; **p < 0.01; *p < 0.05.

Note: Compensation reform = 'Expanding the duration, generosity and scope of unemployment benefits', Investment reform = 'Expanding good-quality education and professional (re-)training', Protection reform = 'Providing job guarantees and penalizing companies that lay off people'. Not shown in regression table: 'Expanding access to labour market reintegration services'.

TABLE A4.2: Predicted probability of choosing policy X as most beneficial by knowledge economy optimism (Multinominal logistic regressions, ref. 'Expanding access to university education')

	Compensation reform	Investment reform	Protection reform
(Intercept)	-0.312	0.020	-0.419
	(0.326)	(0.315)	(0.320)
Knowledge optimism			
(ref. Very negative)			
Mostly negative	-0.622*	-0.037	-0.336
	(0.278)	(0.282)	(0.275)
Mostly positive	-1.235***	0.103	-0.466
	(0.263)	(0.267)	(0.260)
Very positive	-1.252***	0.104	-0.656*
	(0.273)	(0.274)	(0.268)
Age	0.054***	0.039***	0.037***
	(0.004)	(0.003)	(0.004)
Sex (ref. female)			
male	0.039	-0.061	-0.054
	(0.097)	(0.084)	(0.087)
other	0.303	-0.637	-0.124
	(0.584)	(0.578)	(0.557)
Country (ref. Denmark)			
France	-0.677**	-0.482*	0.480*
	(0.215)	(0.187)	(0.202)
Germany	-0.264	0.040	0.676***
	(0.210)	(0.184)	(0.203)
Ireland	-0.774***	-0.717***	0.176
	(0.191)	(0.165)	(0.183)
Italy	-0.851***	-0.522**	0.356
	(0.221)	(0.189)	(0.205)
Netherlands	-0.208	0.025	0.405
	(0.211)	(0.186)	(0.208)
Spain	-0.029	-0.788***	0.768***
	(0.198)	(0.187)	(0.196)
Sweden	-0.721***	-0.460**	-0.250
	(0.204)	(0.174)	(0.201)
United Kingdom	-0.235	-0.196	0.808***
	(0.214)	(0.190)	(0.205)
AIC	21297.810	21297.810	21297.810
BIC	21711.218	21711.218	21711.218
Log Likelihood	-10588.905	-10588.905	-10588.905
Deviance	21177.810	21177.810	21177.810
Num. obs.	7260	7260	7260
K	5	5	5

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$.

Note: Compensation reform = 'Expanding the duration, generosity and scope of unemployment benefits', Investment reform = 'Expanding good-quality education and professional (re-)training', Protection reform = 'Providing job guarantees and penalizing companies that lay off people'. Not shown in regression table: 'Expanding access to labour market reintegration services'.

TABLE A5.1: Perceived socio-tropic effect by education level

	Investment reform	Compensation reform	Protection reform
(Intercept)	5.421***	5.385***	5.115***
	(0.065)	(0.087)	(0.078)
Education (ref. low education)			
medium education	-0.059	-0.264***	-0.229***
	(0.037)	(0.050)	(0.045)
high education	-0.026	-0.446***	-0.479***
	(0.038)	(0.050)	(0.045)
Age	-0.003**	-0.012***	-0.010***
	(0.001)	(0.001)	(0.001)
Sex (ref. female)			
male	-0.153***	-0.055	-0.219***
	(0.026)	(0.034)	(0.031)
other	-0.087	0.463	0.387
	(0.178)	(0.238)	(0.214)
Country (ref. Denmark)			
France	0.353***	-0.203**	0.994***
	(0.055)	(0.073)	(0.066)
Germany	0.291***	-0.175*	0.546***
	(0.054)	(0.072)	(0.065)
Ireland	0.585***	0.204**	0.971***
	(0.053)	(0.071)	(0.064)
Italy	0.656***	0.354***	1.109***
	(0.056)	(0.074)	(0.067)
Netherlands	0.177**	-0.096	0.546***
	(0.055)	(0.073)	(0.066)
Spain	0.732***	0.632***	1.233***
	(0.055)	(0.073)	(0.066)
Sweden	-0.069	0.020	0.303***
	(0.055)	(0.073)	(0.066)
United Kingdom	0.261***	0.014	0.796***
	(0.054)	(0.072)	(0.065)
R^2	0.044	0.037	0.075
Adj. R^2	0.043	0.036	0.074
Num. obs.	10324	10318	10330

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$.

Note: Compensation reform = 'Expanding the duration, generosity and scope of unemployment benefits', Investment reform = 'Expanding good-quality education and professional (re-)training', Protection reform = 'Providing job guarantees and penalizing companies that lay off people'.

TABLE A5.2: Perceived socio-tropic effect by knowledge economy optimism

	Investment reform	Compensation reform	Protection reform
(Intercept)	5.260***	5.688***	5.162***
	(0.101)	(0.138)	(0.125)
Knowledge optimism			
(ref. Very negative)			
Mostly negative	0.003	-0.632***	-0.285**
	(0.084)	(0.115)	(0.104)
Mostly positive	0.049	-0.791***	-0.426***
	(0.078)	(0.107)	(0.097)
Very positive	0.369***	-0.452***	-0.085
	(0.082)	(0.112)	(0.102)
Age	-0.000	-0.011***	-0.008***
	(0.001)	(0.002)	(0.001)
Sex (ref. female)			
male	-0.156***	0.001	-0.207***
	(0.030)	(0.041)	(0.037)
other	-0.242	0.521	0.328
	(0.209)	(0.286)	(0.258)
Country (ref. Denmark)			
France	0.382***	-0.243**	0.965***
	(0.067)	(0.091)	(0.082)
Germany	0.252***	-0.180*	0.529***
	(0.064)	(0.087)	(0.078)
Ireland	0.496***	0.151	0.815***
	(0.062)	(0.085)	(0.077)
Italy	0.624***	0.404***	1.096***
	(0.067)	(0.091)	(0.082)
Netherlands	0.108	-0.164	0.436***
	(0.064)	(0.088)	(0.079)
Spain	0.686***	0.606***	1.085***
	(0.065)	(0.088)	(0.080)
Sweden	-0.137*	-0.038	0.194*
	(0.065)	(0.089)	(0.080)
United Kingdom	0.247***	-0.005	0.772***
	(0.066)	(0.090)	(0.081)
R^2	0.055	0.043	0.069
Adj. R^2	0.053	0.041	0.067
Num. obs.	7185	7183	7186

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$.

Note: Compensation reform = 'Expanding the duration, generosity and scope of unemployment benefits', Investment reform = 'Expanding good-quality education and professional (re-)training', Protection reform = 'Providing job guarantees and penalizing companies that lay off people'.

TABLE A6.1: Perceived group-tropic effect by education level

	Investment reform		Compensation reform		Protection reform	
	LE	**HE**	**LE**	**HE**	**LE**	**HE**
(Intercept)	1.571***	1.071***	1.385***	0.654***	1.420***	1.049***
	(0.077)	(0.083)	(0.079)	(0.088)	(0.078)	(0.082)
Education (ref. low education)						
medium education	-0.012	-0.114*	-0.075	-0.189***	-0.050	-0.225***
	(0.044)	(0.047)	(0.045)	(0.051)	(0.045)	(0.047)
high education	0.022	-0.015	-0.072	-0.210***	-0.052	-0.237***
	(0.045)	(0.048)	(0.046)	(0.051)	(0.045)	(0.047)
Age	-0.006***	-0.014***	-0.005***	-0.010***	-0.009***	-0.017***
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Sex (ref. female)						
male	-0.020	-0.038	0.010	-0.047	-0.086**	-0.093**
	(0.030)	(0.032)	(0.031)	(0.035)	(0.031)	(0.032)
other	0.423*	0.401	0.584**	0.820***	0.578**	0.242
	(0.212)	(0.229)	(0.217)	(0.240)	(0.213)	(0.222)
Country (ref. Denmark)						
France	0.129*	-0.031	-0.094	0.051	0.325***	0.348***
	(0.065)	(0.070)	(0.066)	(0.075)	(0.066)	(0.069)
Germany	-0.139*	0.125	-0.012	-0.058	0.144*	0.191**
	(0.064)	(0.069)	(0.066)	(0.074)	(0.065)	(0.068)
Ireland	0.241***	0.110	0.237***	0.050	0.379***	0.616***
	(0.063)	(0.068)	(0.064)	(0.073)	(0.064)	(0.067)
Italy	-0.104	0.434***	-0.086	0.362***	0.062	0.614***
	(0.066)	(0.071)	(0.067)	(0.076)	(0.067)	(0.070)
Netherlands	-0.237***	-0.135	-0.024	-0.224**	0.240***	0.038
	(0.065)	(0.070)	(0.066)	(0.075)	(0.066)	(0.069)
Spain	0.117	0.383***	0.227***	0.582***	0.328***	0.763***
	(0.064)	(0.069)	(0.066)	(0.074)	(0.066)	(0.069)
Sweden	-0.376***	-0.025	-0.068	-0.351***	-0.040	-0.191**
	(0.065)	(0.070)	(0.067)	(0.075)	(0.066)	(0.069)
United Kingdom	-0.061	-0.164*	-0.130*	-0.318***	0.110	0.238***
	(0.064)	(0.069)	(0.065)	(0.074)	(0.065)	(0.068)
R^2	0.019	0.027	0.010	0.035	0.016	0.054
Adj. R^2	0.017	0.025	0.009	0.034	0.015	0.053
Num. obs.	10239	10323	10259	10321	10277	10345

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$.

Note: 'LE' stands for the recipient group 'people with lower level education', and 'HE' stands for 'people with a higher education degree'.

TABLE A6.2: Perceived group-tropic effect by knowledge economy optimism

	Investment reform		Compensation reform		Protection reform	
	LE	**HE**	**LE**	**HE**	**LE**	**HE**
(Intercept)	1.481***	1.067***	1.633***	0.726***	1.513***	1.013***
	(0.121)	(0.131)	(0.125)	(0.143)	(0.125)	(0.131)
Knowledge optimism (ref. Very negative)						
Mostly negative	0.088	-0.194	-0.356***	-0.419***	-0.151	-0.239*
	(0.101)	(0.109)	(0.104)	(0.118)	(0.103)	(0.109)
Mostly positive	0.113	-0.136	-0.353***	-0.485***	-0.145	-0.332**
	(0.094)	(0.102)	(0.097)	(0.110)	(0.097)	(0.102)
Very positive	0.365***	0.355***	-0.183	0.047	0.010	0.130
	(0.099)	(0.107)	(0.102)	(0.116)	(0.101)	(0.107)
Age	-0.006***	-0.013***	-0.004**	-0.009***	-0.008***	-0.016***
	(0.001)	(0.002)	(0.001)	(0.002)	(0.001)	(0.002)
Sex (ref. female)						
male	0.013	-0.040	0.021	0.003	-0.054	-0.058
	(0.036)	(0.039)	(0.037)	(0.042)	(0.037)	(0.039)
other	0.323	0.299	0.477	0.937**	0.594*	0.480
	(0.254)	(0.280)	(0.262)	(0.296)	(0.258)	(0.273)
Country (ref. Denmark)						
France	0.141	-0.032	-0.076	0.139	0.328***	0.396***
	(0.080)	(0.087)	(0.082)	(0.094)	(0.082)	(0.087)
Germany	-0.208**	0.131	-0.042	-0.016	0.150	0.220**
	(0.076)	(0.083)	(0.079)	(0.090)	(0.078)	(0.083)
Ireland	0.178*	0.067	0.245**	0.085	0.356***	0.595***
	(0.075)	(0.081)	(0.077)	(0.088)	(0.077)	(0.081)
Italy	-0.166*	0.444***	-0.136	0.419***	0.031	0.678***
	(0.080)	(0.087)	(0.082)	(0.094)	(0.082)	(0.087)
Netherlands	-0.279***	-0.154	-0.087	-0.210*	0.221**	0.017
	(0.077)	(0.084)	(0.080)	(0.091)	(0.080)	(0.084)
Spain	0.082	0.413***	0.188*	0.632***	0.296***	0.808***
	(0.077)	(0.084)	(0.080)	(0.091)	(0.080)	(0.084)
Sweden	-0.468***	-0.034	-0.144	-0.352***	-0.103	-0.155
	(0.078)	(0.085)	(0.081)	(0.092)	(0.080)	(0.085)
United Kingdom	-0.077	-0.175*	-0.167*	-0.287**	0.090	0.333***
	(0.079)	(0.086)	(0.081)	(0.093)	(0.081)	(0.086)
R^2	0.027	0.041	0.015	0.048	0.018	0.065
Adj. R^2	0.025	0.040	0.013	0.046	0.016	0.064
Num. obs.	7133	7190	7146	7187	7167	7211

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$.

Note: 'LE' stands for the recipient group 'people with lower level education', and 'HE' stands for 'people with a higher education degree'.

TABLE A7.1: Check: Closeness to group X by respondents' education level

	People with higher education	People with lower level education	People who do hard, manual work	People who do office work	People who do social or cognitive work	People in precarious employment
(Intercept)	4.093***	6.621***	5.006***	2.231***	3.554***	4.413***
	(0.141)	(0.144)	(0.167)	(0.171)	(0.162)	(0.163)
Education (ref. low education)						
medium education	1.411***	-1.646***	-0.741***	1.237***	0.584***	-0.474***
	(0.081)	(0.083)	(0.096)	(0.098)	(0.093)	(0.093)
high education	4.365***	-3.173***	-2.070***	2.551***	2.114***	-0.705***
	(0.082)	(0.084)	(0.097)	(0.099)	(0.094)	(0.095)
Age	-0.028***	-0.015***	-0.005*	0.014***	-0.015***	-0.013***
	(0.002)	(0.002)	(0.002)	(0.003)	(0.002)	(0.002)
Sex (ref. female)						
male	0.140*	0.378***	0.757***	0.245***	0.074	0.300***
	(0.055)	(0.056)	(0.066)	(0.067)	(0.064)	(0.064)
other	0.919*	1.096**	0.360	-0.419	0.321	0.737
	(0.386)	(0.392)	(0.455)	(0.466)	(0.443)	(0.444)
Country (ref. Denmark)						
France	-1.876***	0.541***	0.304*	-0.955***	-1.631***	-0.537***
	(0.119)	(0.122)	(0.141)	(0.144)	(0.137)	(0.138)
Germany	-0.002	-1.844***	-0.169	1.219***	0.324*	-0.218
	(0.118)	(0.120)	(0.139)	(0.142)	(0.135)	(0.136)
Ireland	0.530***	0.650***	1.654***	1.263***	0.614***	0.890***
	(0.116)	(0.118)	(0.137)	(0.140)	(0.133)	(0.134)
Italy	0.964***	-0.996***	-0.813***	0.661***	-0.124	0.085
	(0.121)	(0.123)	(0.143)	(0.146)	(0.139)	(0.139)
Netherlands	0.090	-0.097	-0.112	0.476***	0.443**	0.057
	(0.119)	(0.121)	(0.141)	(0.144)	(0.137)	(0.137)
Spain	0.251*	-1.133***	0.015	0.467**	-0.497***	0.332*
	(0.119)	(0.121)	(0.140)	(0.144)	(0.137)	(0.137)
Sweden	-0.319**	0.208	0.590***	0.156	0.113	0.043
	(0.119)	(0.121)	(0.141)	(0.144)	(0.137)	(0.138)
United Kingdom	0.026	0.086	0.876***	1.165***	0.458***	0.341*
	(0.118)	(0.120)	(0.139)	(0.142)	(0.135)	(0.136)
R^2	0.311	0.184	0.091	0.104	0.106	0.023
Adj. R^2	0.310	0.183	0.090	0.103	0.105	0.022
Num. obs.	10418	10338	10385	10386	10380	10376

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$.

TABLE A7.2: Check: Closeness to group X by respondents' KE optimism

	People with higher education	People with lower level education	People who do hard, manual work	People who do office work	People who do social or cognitive work	People in precarious employment
(Intercept)	4.930***	5.182***	4.527***	2.840***	3.810***	5.089***
	(0.246)	(0.242)	(0.270)	(0.273)	(0.263)	(0.257)
Knowledge optimism (ref. Very negative)						
Mostly negative	0.564**	-0.200	-0.408	0.383	0.286	-0.735***
	(0.204)	(0.201)	(0.224)	(0.226)	(0.218)	(0.214)
Mostly positive	1.962***	-1.252***	-0.941***	1.125***	1.013***	-1.597***
	(0.191)	(0.188)	(0.210)	(0.212)	(0.204)	(0.200)
Very positive	2.834***	-0.779***	-0.302	1.617***	2.015***	-0.939***
	(0.200)	(0.197)	(0.220)	(0.222)	(0.214)	(0.209)
Age	-0.028***	-0.008**	0.002	0.012***	-0.013***	-0.008**
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Sex (ref. female)						
male	-0.078	0.605***	0.759***	0.150	-0.125	0.368***
	(0.073)	(0.072)	(0.080)	(0.081)	(0.078)	(0.076)
other	0.013	1.638**	0.865	-0.726	0.562	1.554**
	(0.513)	(0.502)	(0.561)	(0.567)	(0.546)	(0.535)
Country (ref. Denmark)						
France	-1.538***	0.443**	0.262	-0.661***	-1.411***	-0.661***
	(0.162)	(0.160)	(0.178)	(0.180)	(0.173)	(0.170)
Germany	-0.178	-1.738***	-0.287	1.276***	0.236	-0.431**
	(0.155)	(0.152)	(0.170)	(0.172)	(0.165)	(0.162)
Ireland	0.872***	0.378*	1.344***	1.633***	0.678***	0.887***
	(0.152)	(0.149)	(0.167)	(0.169)	(0.162)	(0.159)
Italy	0.417*	-0.672***	-0.478**	0.564**	-0.306	0.140
	(0.162)	(0.160)	(0.178)	(0.180)	(0.173)	(0.169)
Netherlands	0.299	-0.338*	-0.272	0.867***	0.502**	0.082
	(0.157)	(0.154)	(0.172)	(0.174)	(0.168)	(0.164)
Spain	0.612***	-1.339***	-0.348*	0.754***	-0.313	0.149
	(0.157)	(0.155)	(0.173)	(0.175)	(0.168)	(0.165)
Sweden	-0.290	-0.053	0.241	0.437*	0.132	-0.190
	(0.158)	(0.156)	(0.174)	(0.175)	(0.169)	(0.165)
United Kingdom	0.376*	-0.038	0.648***	1.420***	0.613***	0.263
	(0.160)	(0.158)	(0.176)	(0.177)	(0.171)	(0.167)
R^2	0.124	0.081	0.050	0.061	0.075	0.042
Adj. R^2	0.122	0.079	0.048	0.059	0.073	0.040
Num. obs.	7256	7199	7229	7230	7229	7223

***$p < 0.001$; **$p < 0.01$; *$p < 0.05$.

Policy priorities by perceived labor market opportunities

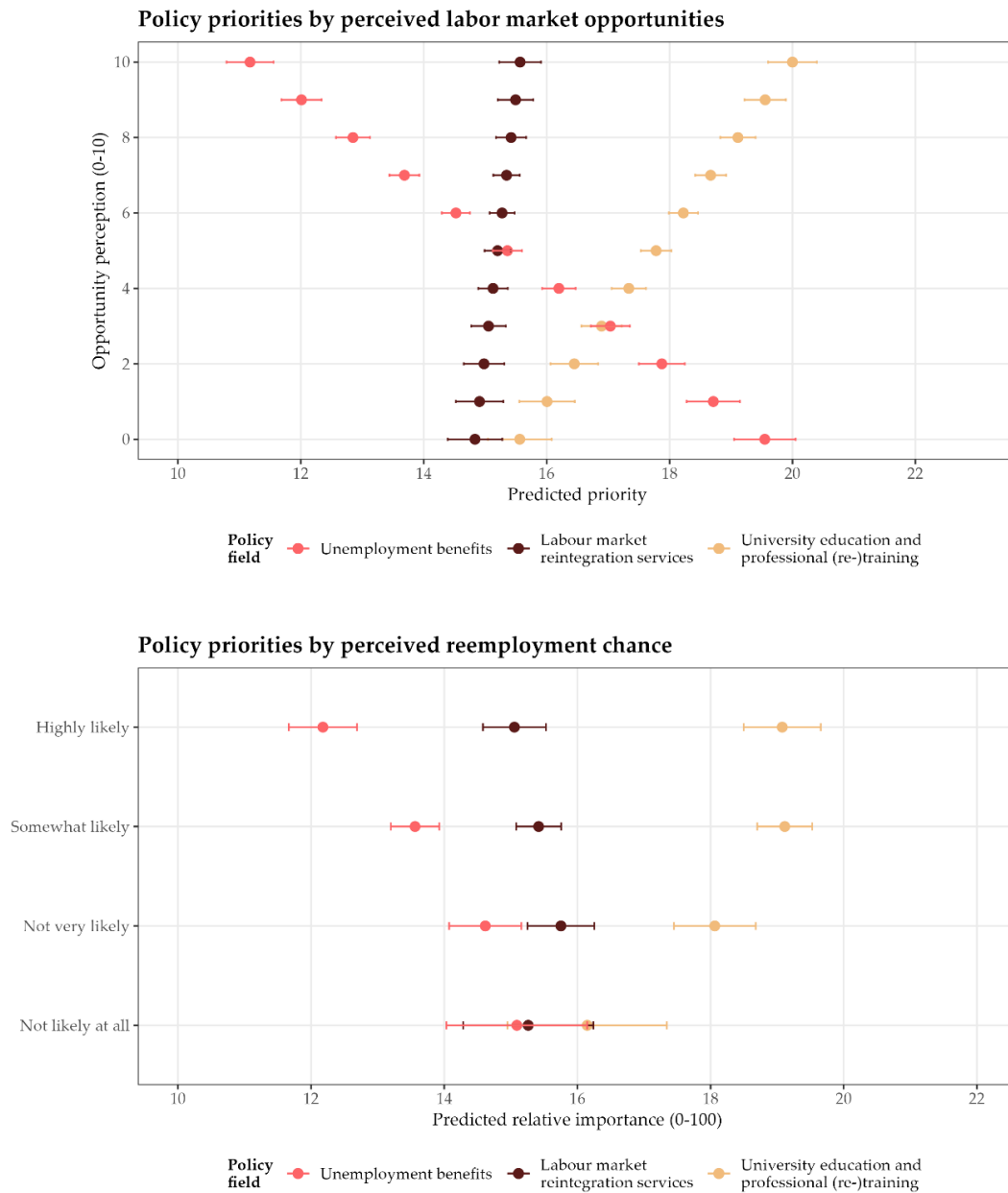**Policy priorities by perceived reemployment chance**

FIGURE A1: Replication of Figures 1 and 2 using alternative specifications like perceived labor market opportunities [top panel] and perceived reemployment chances [bottom panel].
Note: Perceived reemployment chances were elicited by asking the following question: "If you lost your job, how likely is it that you find a job similar or better than your current one?" to which respondents could answer on a scale from 1 ('*not likely at all*') to 4 ('*highly likely*'). Perceived labor market opportunities were measured asking: "If you think of your future, how do you rate your personal chances of being in good, stable employment until you will retire?" to which respondents could answer on an 11 point scale ranging from 0 ('*very low*') to 10 ('*very high*'). Underlying regressions include country-fixed effects.

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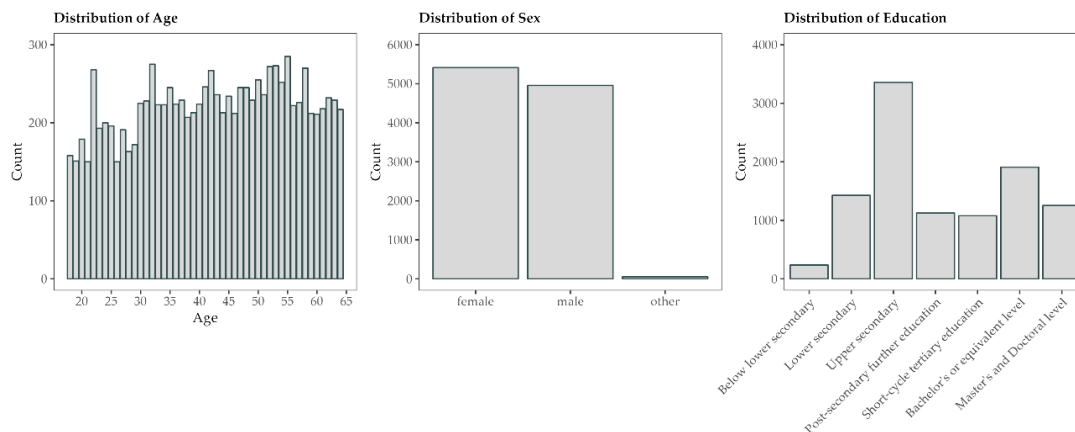
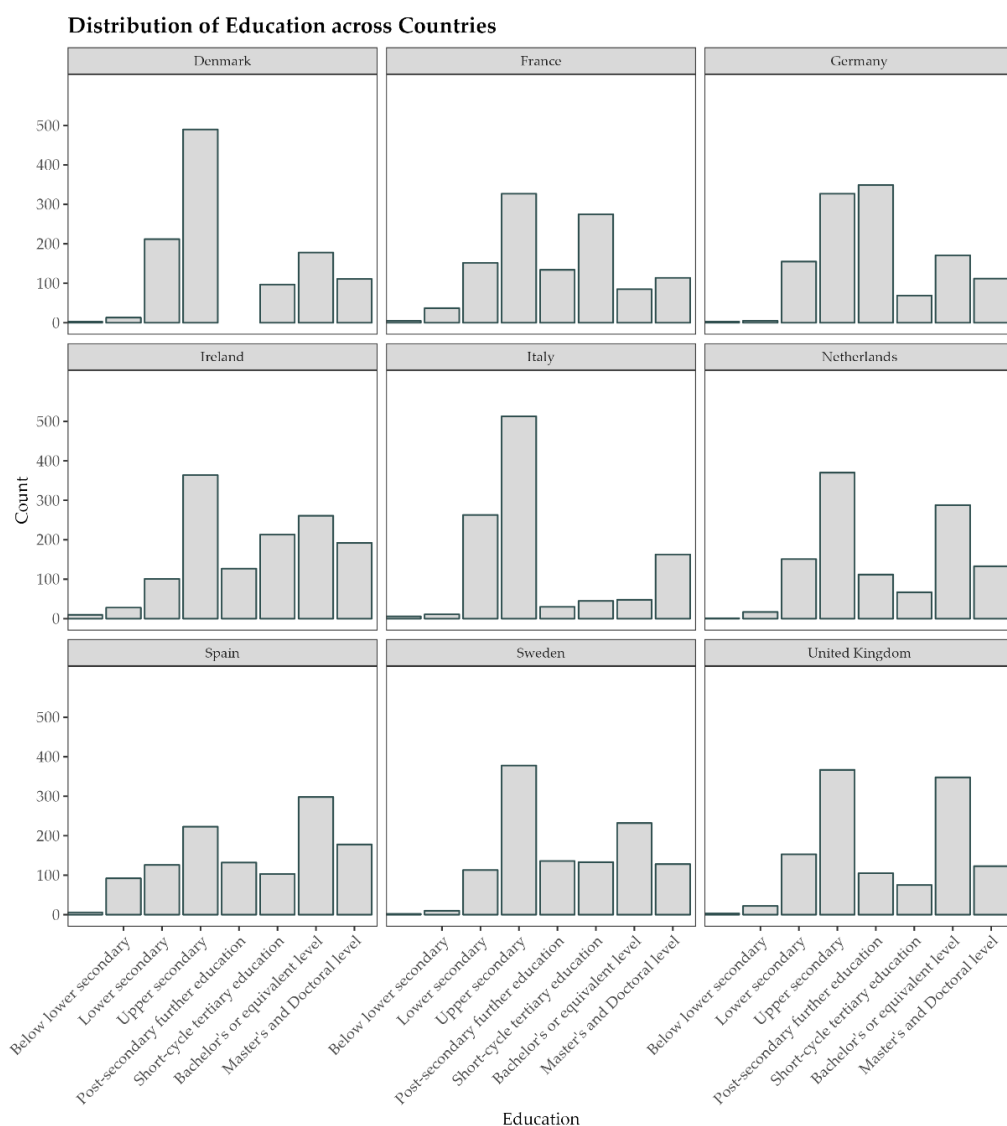**FIGURE A2: Distribution of age, sex, and education in the pooled sample (n = 10'424).**

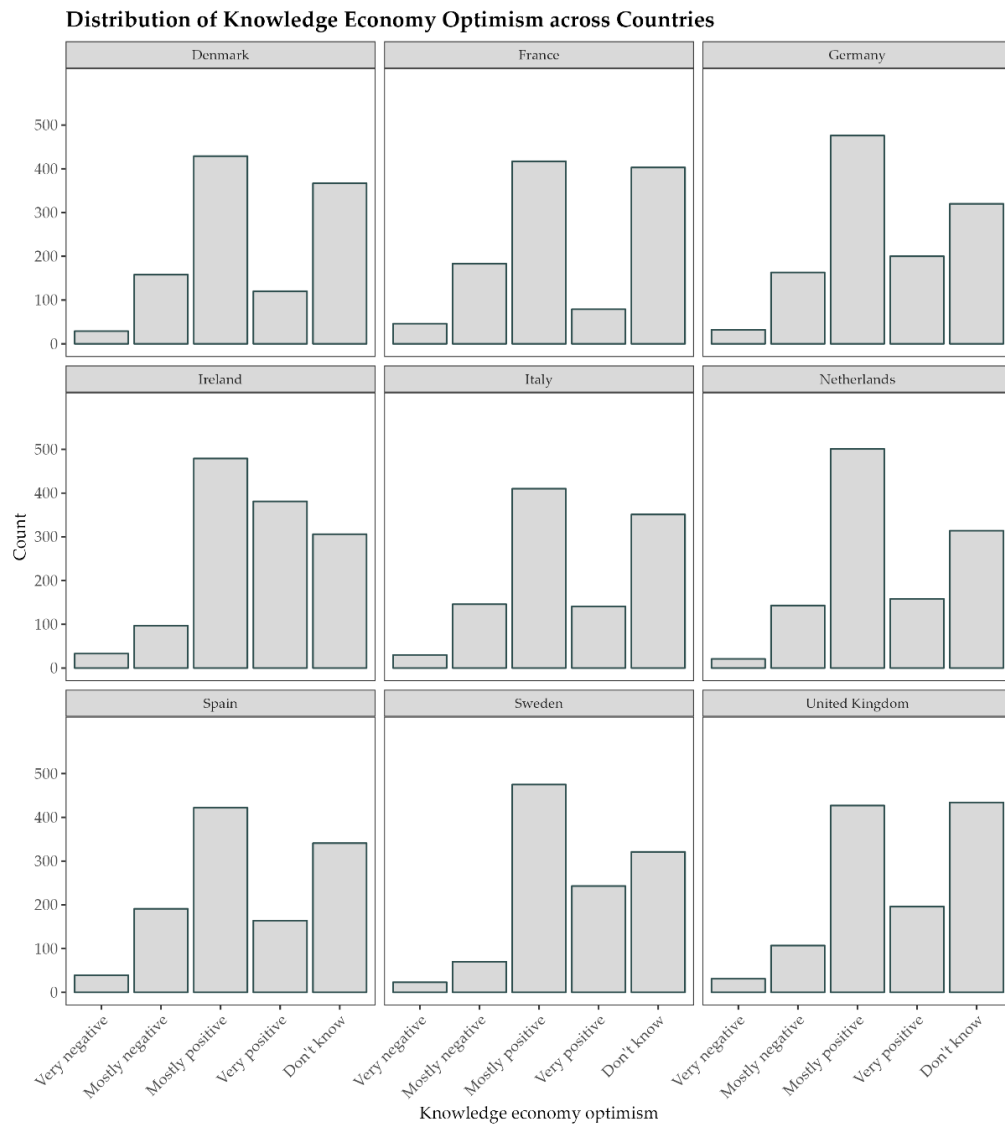**FIGURE A3: Distribution of education across countries, pooled sample (n = 10'424).**

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Distribution of Knowledge Economy Optimism across Countries

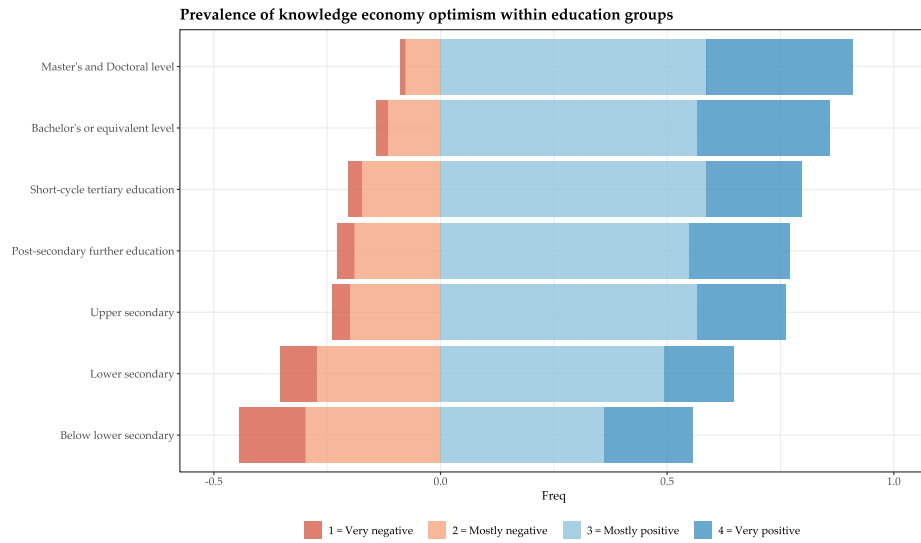**FIGURE A4: Distribution of knowledge economy optimism across countries, pooled sample (n = 10'424).**

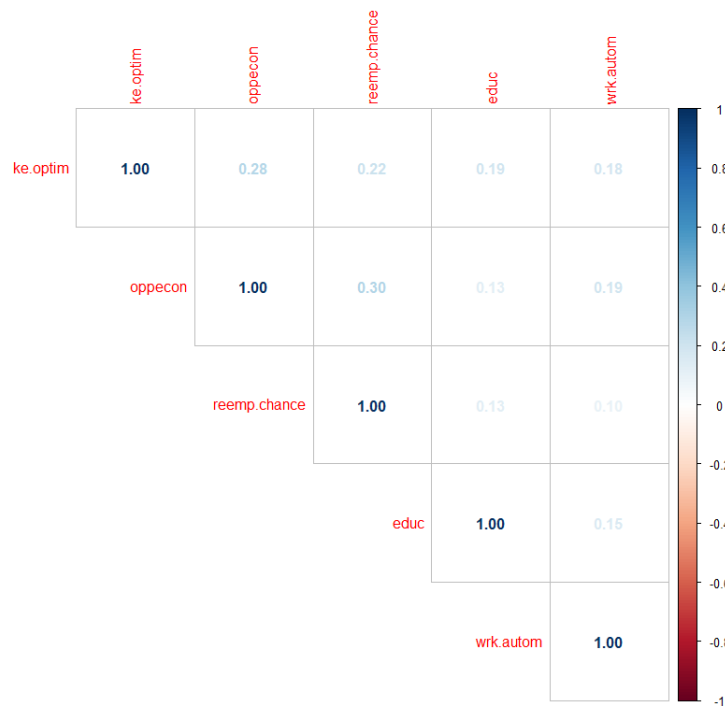Prevalence of knowledge economy optimism within education groups

FIGURE A5: Prevalence of knowledge economy optimism within education groups (n = 10'424).

FIGURE A6: Correlation plot.
Note: Perceived reemployment chances (*reemp.chance*) were elicited by asking the following question: "If you lost your job, how likely is it that you find a job similar or better than your current one?" to which respondents could answer on a scale from 1 ('*not likely at all*') to 4 ('*highly likely*'). Perceived labor market opportunities (*oppecon*) were measured asking: "If you think of your future, how do you rate your personal chances of being in good, stable employment until you will retire?" to which respondents could answer on an 11 point scale ranging from 0 ('*very low*') to 10 ('*very high*'). Work autonomy (wrk.autom) was measured asking: "Thinking about your job, to what extent are you free to choose how to organize your everyday tasks and schedule?" to which respondents could answer on a five point scale ranging from 1 ('*not at all free*') to 5 ('*very free*').

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TABLE A8: Predicted probability (0-1) of choosing the policy X as first, second- or third-best solution to address the employment challenges of people with lower level education [top] and people with a higher education degree [bottom] for the subsample of lower educated respondents.

	Beneficiary group: People with lower level education		
	Investment reform	Compensation reform	Protection reform
First choice	**0.39 [0.37, 0.41]**	0.30 [0.27, 0.32]	0.32 [0.29, 0.34]
Second choice	0.30 [0.27, 0.32]	0.32 [0.30, 0.34]	**0.39 [0.37, 0.41]**
Third choice	0.31 [0.29, 0.34]	**0.38 [0.36, 0.41]**	0.29 [0.27, 0.32]

	Beneficiary group: People with a higher education degree		
	Investment reform	Compensation reform	Protection reform
First choice	**0.41 [0.39, 0.44]**	0.22 [0.20, 0.24]	0.37 [0.35, 0.39]
Second choice	0.33 [0.31, 0.35]	0.30 [0.27, 0.32]	**0.38 [0.36, 0.40]**
Third choice	0.26 [0.24, 0.28]	**0.49 [0.46, 0.51]**	0.25 [0.23, 0.27]

Note: Upper and lower bounds of the .95 confidence interval in brackets [..]. The most likely choice is marked in **bold**. For example, low educated respondents most likely chose the investment reform as the first and best solution to the employment challenges of people with lower education (with a predicted probability of 39 percent). Corroborating the findings from Figure 6, the gap in predicted probabilities between the in- and outgroup is largest for the compensation policy (ca. 11 percentage points) compared to both the protection and the investment policy. In other words, compensation is the only policy that is perceived as *distinctly* benefitting the ingroup or 'people like me'.

In most jobs, pressure on employees and wages is rising. Imagine the [COUNTRY] government was planning an important reform to put the employment challenges to [GROUP] front and centre. [DISTRIBUTIVE LOGIC]. [SOCIETAL EFFECT]. Would you support such a reform?
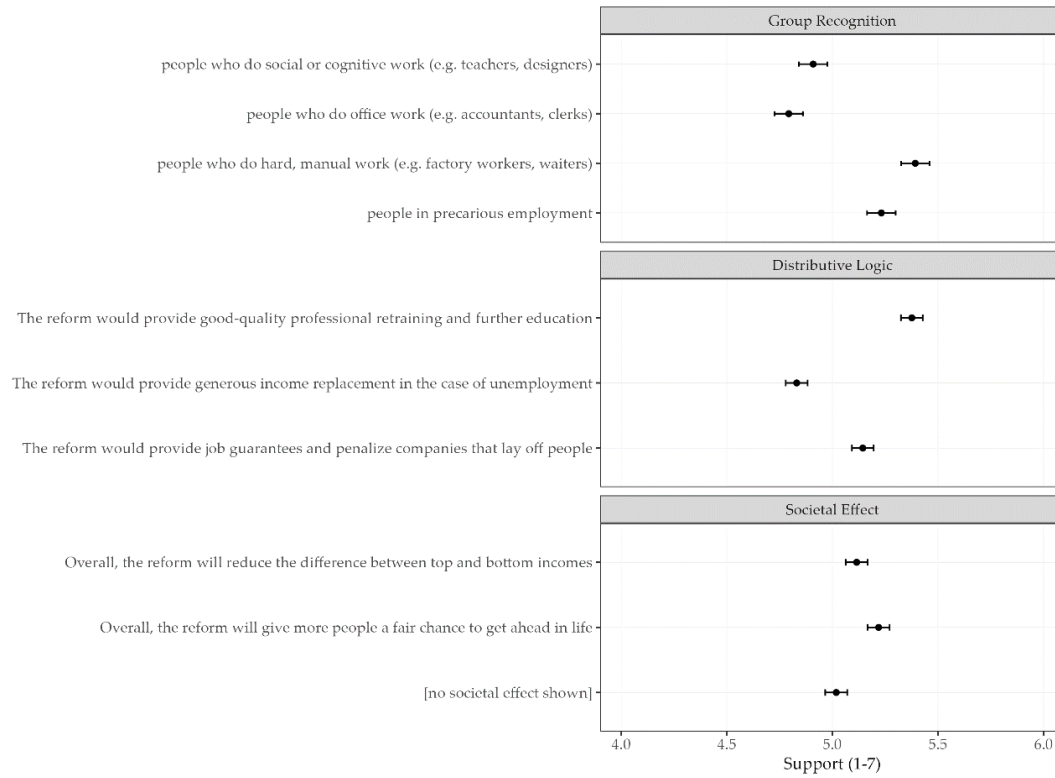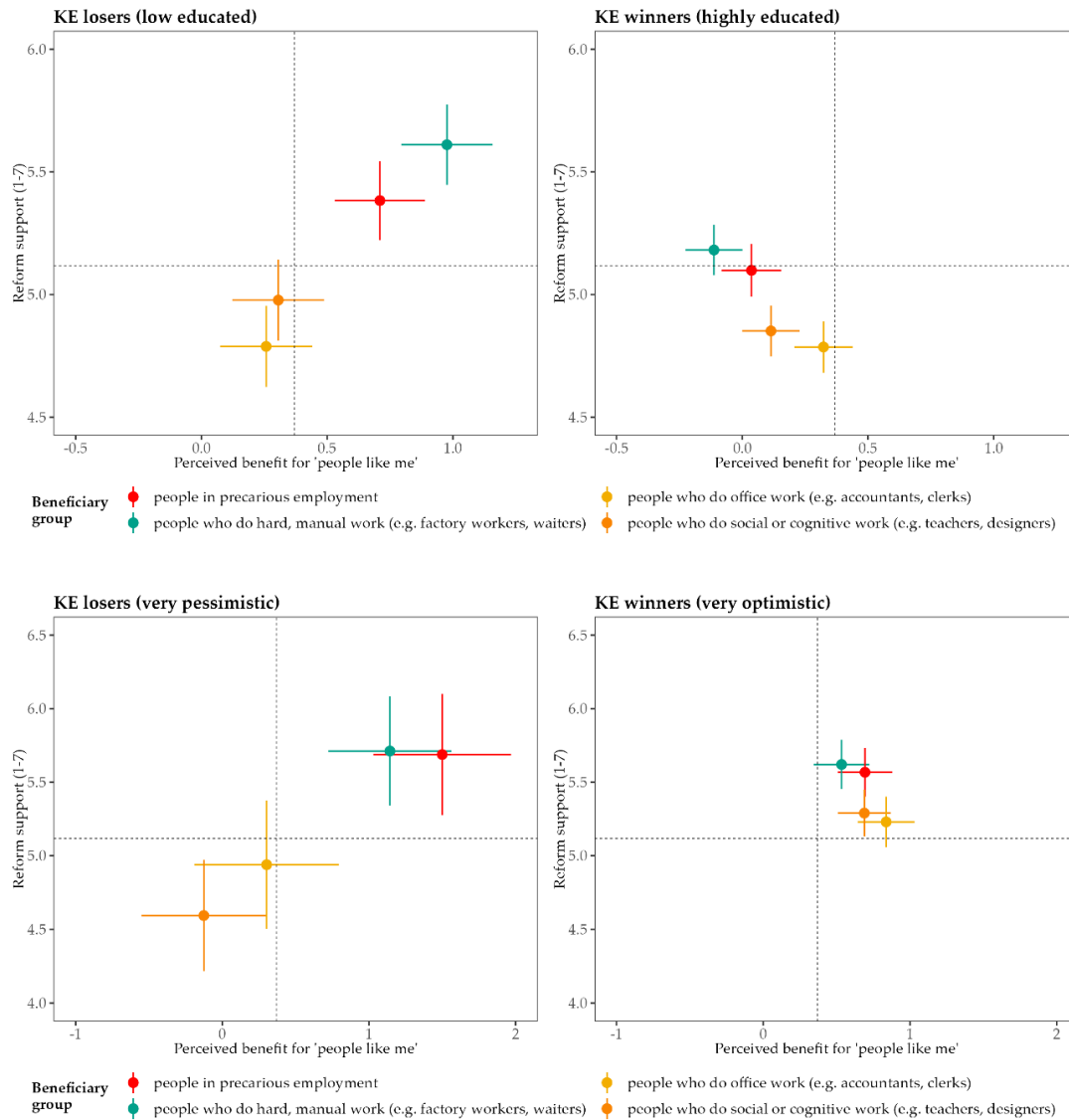
FIGURE A7: Vignette experiment: full sample.

FIGURE A8: Vignette experiment: The predicted reform support [x-axis] and predicted perception that the reform benefits 'people like me' [y-axis] given different beneficiary groups by respondents' education level [top panel] and knowledge economy optimism [bottom panel].
Note: Underlying regression for each panel includes controls for the respective other vignette elements as well as country-fixed effects. The figure shows marginal means (error bars constitute a .95 confidence interval); control variables are fixed at their means while factors are weighted in proportion to sample size. The dashed lines mark the respective sample means.
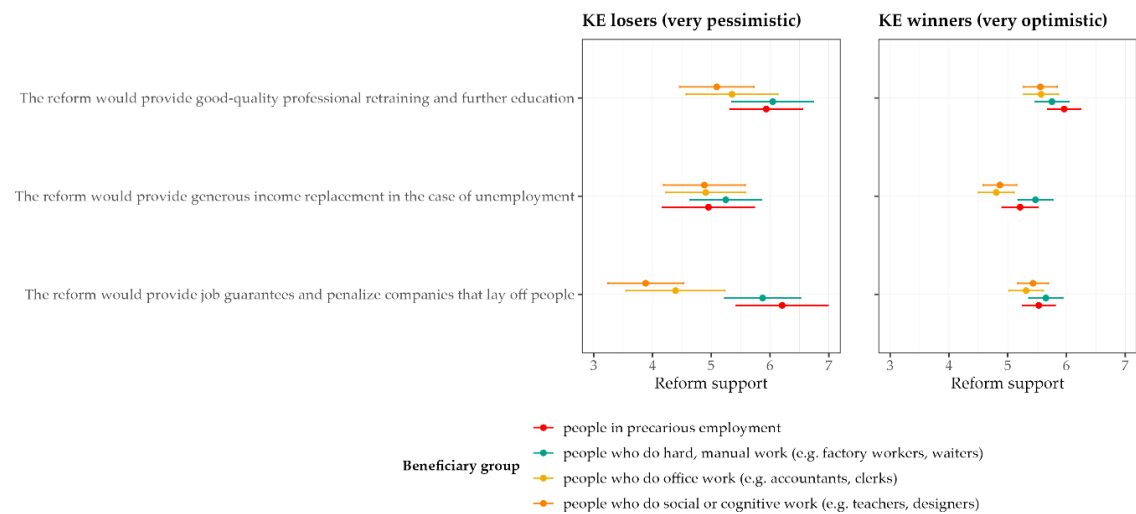
FIGURE A9: Vignette experiment: Predicted reform support by group treatment, distributive logic treatment and respondent's knowledge economy optimism.

Note: Underlying regression for each panel includes controls for the respective other vignette elements as well as country-fixed effects. The figure shows marginal means (error bars constitute a .95 confidence interval); control variables are fixed at their means while factors are weighted in proportion to sample size.