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I

Religion and the Western Welfare State – The Theoretical Context

Philip Manow and Kees van Kersbergen

1.1 INTRODUCTION

Most comparativists who study welfare state development agree that religion has played a role in the development of modern social protection systems. The early protagonists of the power resources approach, however, had only stressed the causal impact of Socialist working-class mobilization on modern social policy (see Esping-Andersen and van Kersbergen 1992). In their view, it was the working class and its Socialist organizations that had been the driving force behind the ‘social democratization’ of capitalism via the welfare state. To them, it came as a surprise that both Social Democracy and (social) Catholicism promoted welfare state development. John D. Stephens (1979: 100), one of the leading spokesmen of this approach, put it in prudent terms when he argued that ‘it seemed possible that anti-capitalist aspects of catholic ideology – such as notions of fair wage or prohibitions of usury – as well as the generally positive attitude of the catholic church towards welfare for the poor might encourage government welfare spending.’ Similarly, Schmidt (1980, 1982) asserted that Social Democracy and Christian Democracy were functionally equivalent for welfare state expansion, at least during periods of economic prosperity. Wilensky (1981) argued that the two movements overlapped considerably in ideological terms and that Catholicism indeed constituted an even more important determinant of

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welfare statism than left power did. Catholic social doctrine called for a correction of the most abhorrent societal effects of the capitalist order. The Catholic principle of subsidiarity, moreover, posited that in the last instance the (nation-) state had a duty to intervene to correct for morally unacceptable market outcomes. At the center of the doctrine was not the type of workers' social *rights* and *emancipation* argument that one finds in Social Democratic ideology, but rather the conviction that people have the Christian *obligation* to help the poor and that social policy can help protect a stable and fair social *order*.

However, it was not only the moral obligations defined in social doctrine and the preoccupation with the problem of social order that determined the pro-welfare stance of religious political parties. Stephens (1979) also suggested that there were more straightforward political reasons why Christian Democratic parties were supporters of the welfare state. These parties operated in the political center, were seeking the working-class vote, and hoped to cooperate with the Catholic unions. Social policies promised to secure the support of the Catholic working class. Admitting the possibility that other political movements could be attractive to the working class, however, implied that one of the constitutional assumptions of the power resources model had to be relaxed, namely, that the political identity attached to wage labor in capitalism is inherently and of necessity Social Democratic. But, apparently, workers could also be mobilized and organized as Catholics. Of course, much of the apparent contempt for the continental European welfare state in the comparative literature stems from Marxian notions of a 'false consciousness' attached to all forms of political mobilization that do not follow class lines.

Through an elaboration of the power resources approach in Esping-Andersen's (1990) regime approach and a specification of the association between Christian Democracy and the welfare state (van Kersbergen 1995), the welfare state literature posited that it was the combination of Christian Democracy and Catholic social doctrine that explained why Christian Democratic welfare states were as generous in terms of social spending as the Scandinavian ones, but were not designed to counter market pressures (to decommodify labor) to the same extent as the Social Democratic welfare states. Christian Democracy—*cum*—Social Catholicism rather produced and preserved a traditional, patriarchic, status-oriented model of society.

It is this reading of the history of the western welfare state – which owes much to the power resources and regime approach – that is challenged in this book because it seems, at best, incomplete. First, an exclusive focus

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on the labor question and on worker mobilization ignores other highly contentious issues, particularly whether state or society should be responsible for protecting workers, as well as mothers and families, against the vagaries of life. Here, 'society' often had to be read as 'the church.' The church and the modern nation-state also waged bitter conflicts over which should be the central agent of socialization, as the Dutch '*schoolstrijd*' or the similar conflicts over education in France exemplify. These conflicts over education exerted a profound impact on early welfare state building as well, as the chapters in this volume demonstrate.

Second, taking into account not only the capital–labor conflict due to the industrial revolution, but also the state–church conflict over education and social policy due to the 'national revolution' (in Stein Rokkan's terms, see Flora 1999), is key to our understanding of modern welfare state development because only in those countries where in the last quarter of the 19th century bitter state–church conflicts were waged did parties of religious defense emerge. These parties later became decisive as political actors that mobilized workers and the middle class *not* along class lines, but along cross-cutting lines of denominational belonging. To explain why parties of religious defense formed in continental Europe but not in Scandinavia or England, then, is – as we argue in this volume – a precondition for a thorough understanding of why the continental welfare state developed so differently from the Nordic or Anglo-Saxon welfare regimes.

Third, it is not easy to reconcile the historical facts with the power resources and regime narrative about European welfare state development. For instance, it was Liberalism and anticlericalism rather than Catholicism or Christian Democracy that prevailed in the formative period of the Italian and French welfare states. In fact, in these countries, much of the early social legislation had an obvious anticlerical momentum because the aim was to establish central national state responsibilities in a domain for which the church had always claimed exclusive competency. Yet, despite their obvious Liberal and anticlerical pedigree, countries such as Italy, Belgium, or France are regularly classified as belonging to the Conservative Catholic welfare state regime. Therefore, the dominant reading in the literature, which explains the specific features of the continental welfare regime as a manifestation of Catholic social doctrine, is historically inadequate and blurs the decisive causes for the institutional variance among Western European welfare states.

Fourth, an exclusive focus on Catholic social teaching and Christian Democracy also neglects the influence of Protestantism. For instance,

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a review of historically oriented studies of the social and political role of Protestantism and Protestant political parties led one of us (van Kersbergen 1995: 254, footnote 1) to reject the idea that Protestantism has had any positive contribution to either Christian Democracy or the welfare state. But this conclusion is only warranted in a limited context, that is, when one indeed focuses on the direct impact of political parties on the emergence and development of social policies and at the same time disregards the differentiation between Lutheran and reformed Protestantism. We have come to the conclusion that a universal statement on the irrelevance of Protestantism for welfare state development is not justified. Historical evidence suggests two things. First, reformed Protestantism substantially delayed and restricted the introduction of modern social policy and therefore had a *negative* impact on welfare state development. Second, the Lutheran state church in Germany or in Scandinavia held no major reservations against the state playing a dominant role in social protection or at least mounted no substantial resistance against the nation-state taking over this new responsibility. It even often supported and welcomed this development. Lutheran state churches therefore *positively* contributed to the early introduction of social protection programs and to subsequent welfare state development.

In our view, the differences between Catholicism and Protestantism *and* between the major variants of Protestantism are very important for an accurate understanding of the different directions nations took in their social policy development. The Protestant free churches and other reformed currents (Dissenters, Calvinists, Baptists, etc.) held a strongly *antiétatist* position, whereas Lutheran state churches never questioned the prerogative of the central state in social policy and education. In contrast, when workers in Southern Europe fought for their political and social rights, and when Liberals in these countries tried to found modern nation-states, they always had to fight against the Catholic clergy as well, which had been closely attached to the ruling elite of the *ancien régime*. Bitter conflicts between the church and the Liberal elite in the new republican nation-states of Southern Europe were the consequence. It is for this reason that Liberal parties in these countries often introduced new social legislation with explicitly anticlerical motives. This clearly speaks against any unqualified statement that Catholic social doctrine was dominant in the development of the southern or continental welfare state. Christian Democratic parties, which to a large extent were the unintended offspring of the church's political fight against Liberalism, did play an important role, but only much later. Moreover, these parties did not always exactly

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play the pro-welfare state role that the literature imagines, as in the case of the Italian *Democrazia Cristiana* that used the welfare state primarily as a clientelist resource in its effort to mobilize voters and as a means of becoming more independent from the official church hierarchy.

In sum, according to the power resources and regime analysis, Protestantism has not played a significant role in modern welfare state development, and Catholicism did so only insofar as Christian Democracy possessed a Catholic social doctrine and was successful in organizing and mobilizing Catholic workers. In this volume, we argue that the impact of political Catholicism and reformed Protestantism on welfare state development in the western world was quite different from what the literature so far has suggested. The role of religion in the development of the western welfare state is far more than just a variation of the dominant ‘strength of the worker movement’ theme or a question of doctrine influencing policies.

In this introductory chapter, we begin by reviewing how the impact of religion on modern welfare state development was first conceived in modernization theory – in both its ‘bourgeois’ and its Marxist variants (Section 1.2). We then continue by positing our own argument of the role of religion in modern welfare state development within the broader political economy literature, which explains the welfare state as the outcome of different political class coalitions (Section 1.3). This provides the theoretical framework for the studies brought together in this volume. We then briefly summarize these contributions and put them into broader perspective (Section 1.4). We end by pointing to further implications of our argument for comparative welfare state research and for the renewed interest in the role of religion in modern welfare state development (Section 1.5).

1.2 PROTESTANTISM, SECULARIZATION, AND THE WELFARE STATE

The issue of the relationship between religion and the development of social policy came up in the context of the theory that pointed out modernization as the major driving force of welfare state development. Generally speaking, the origin of the welfare state and its development were largely interpreted as effects of modernization, which encompasses industrialization and democratization. The ‘question’ to which the welfare state was an ‘answer’ concerned the increasing demands for social and economic equality, that is, the demands that completed the Marshallian

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triad of civil, political, and social rights. In catering to such demands, the scope of state intervention was increased tremendously and the nature of the state was transformed:

With the structural transformation of the state, the basis of its legitimacy and its functions also change. The objectives of external strength or security, internal economic freedom, and equality before the law are increasingly replaced by a new *raison d'être*: the provision of secure social services and transfer payments in a standard and routinized way that is not restricted to emergency assistance. (Flora and Heidenheimer 1981: 23)

The increased demand for socioeconomic security came from a system of industrial capitalism that dislodged masses of people and made them dependent on the whims of the labor market, thus rapidly destroying traditional forms of social protection. Welfare state development was related to the problem of social disorder and disintegration that was created by the increasing structural-functional differentiation of modern societies. Such differentiation 'involves a loosening of ascriptive bonds and a growing mobility of men, goods, and ideas. It leads to the development of extensive networks of exchange and greater disposable resources. As differentiation advances and breaks down traditional forms of social organization, it changes and exacerbates the problem of integration . . . ' (Flora and Alber 1981: 38). Modernization caused social disintegration and reinforced the functional requirement of intervention by social organizations and the state. Modernization involved rapidly changing working conditions, the emergence of the free labor contract, and the loss of income security among weak groups in the market and through unemployment. The market did not provide the collective goods needed to cope with these problems and neither did the family. At the same time, large parts of the population were mobilized and organized as a consequence of the increasing concentration of people in factories and cities and the extended means of communication. Mobilization was expressed in public protest and violence or in social and political organizations, thus making the specter of disorder and disintegration directly visible and perceptible for the state elites. In addition, there emerged a pressure generated by the power of organization itself, especially the organization of workers.

The causal link between industrialization (or modernization more generally) and welfare state development was not always elaborated well theoretically. The theory that modernization (especially industrialization

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and its correlates) is the root cause of the welfare state is a functionalist theory that understands the growth of the welfare state in developed nations by and large as the response of the state to the growing needs of its citizens. This theory stresses that industrialization generates demands for social security that can only be met by rational means of state intervention. Similar problems demand similar rational solutions. Consequently, social welfare was seen as a function of industrialization, which created the pre-conditions for welfare state development in the sense of generating both the need and the resources for intervention. It was technical rationality rather than political conflict that governed this response to the transformation of societies.

We believe that modernization theory is right in constructing a causal link between industrialization and the growing need for social policy, with two crucial modifications: 1) the association must be understood in a somewhat different manner, and 2) it is not the only link of causal importance. First, it is not industrialism per se, but the establishment of a full-fledged labor market that links the modern market economy to the welfare state. Second, not only the industrial revolution, but also the national revolution, has been of extreme importance for the advent of modern systems of social protection. We focus on the first aspect, the labor market-welfare state nexus, and inquire into the national revolution as a causal factor in modern welfare state formation in Section 1.3.

According to the original theory, a 'normal' development would be that modern social policy, usually conceptualized as social insurance, originated as an effect of the dislocation that industrial capitalism caused. The theory pointed to societal problems that emerge from the wide disruption created by the industrial revolution and the advent of capitalism. However, theoretically the reference to 'industrialism' was not always well thought out. In our view, the root cause of the demand for modern social policy does not lie in industry but rather in the advance of a full-fledged and self-regulating market on which labor could be bought and sold as a commodity. This, of course, is the single most important characteristic of industrial capitalism as Karl Polanyi (1944 [1957]: 40-41) understood it:

... once elaborate machines and plant(s) were used for production in a commercial society, the idea of a self-regulating market was bound to take shape. . . . Since elaborate machines are expensive, they do not pay unless large amounts of goods are produced. They can be worked without a loss only if the vent of the goods is reasonably assured and if production need not be interrupted for want of the primary goods necessary to feed the machines. For the merchant, this

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means that all factors involved must be on sale, that is, they must be available in the needed quantities to anybody who is prepared to pay for them. Unless this condition is fulfilled production with the help of specialized machines is too risky to be undertaken both from the point of view of the merchant who stakes his money and of the community as a whole which comes to depend upon continuous production for incomes, employment, and provisions.

Polanyi's point was that such conditions did not exist in agricultural society, but had to be brought about. The transformation needed was fundamental and required that the economic market logic took over all other social motives – gain rather than subsistence – and all other social institutions. A market *economy* could only function in a market *society*. Highly regulated markets as places for trade and barter, of course, existed everywhere and since long ago, but a self-regulating market *system* was a new and unique phenomenon. 'Self-regulating implies that all production is for sale on the market and that all incomes derive from such sales. Accordingly, there are markets for all elements of industry, not only for goods (always including services), but also for labor, land, and money . . . ' (Polanyi 1944 [1957]: 69). This implied that land, money, and labor were assumed to be produced for sale, that they could be bought and sold; that is, they functioned as commodities.

Polanyi stressed that labor was obviously not produced for the sole purpose of selling. It was a fictitious commodity; it was forced to function as if it were a commodity. It was therefore also subject to the forces of supply and demand, embodied in the price mechanism, and nothing (and especially not state intervention) ought to prohibit its functioning as a commodity. But labor could simply not function as a commodity because if it really did so on an unrestrained market, it would destroy society.

For the alleged commodity 'labor power' cannot be shoved about, used indiscriminately, or even left unused, without also affecting the human individual who happens to be the bearer of this peculiar commodity. In disposing of a man's labor power the system would, incidentally, dispose of the physical, psychological, and moral entity 'man' attached to that tag. Robbed of the protective covering of cultural institutions, human beings would perish from the effects of social exposure; they would die as the victims of acute social dislocation through vice, perversion, crime, and starvation. (Polanyi 1944 [1957]: 73)

Labor had to be adapted to the demands of the market system. And this implied a complete reorganization of society itself, as a result of which human society became an 'accessory of the economic system' (75). The results were disastrous and 'human society would have been annihilated but for protective countermoves which blunted the action of this self-destructive mechanism' (*idem*). Although Polanyi nowhere used the

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words, his thesis is, of course, that the commodification of labor was necessarily followed by its decommodification. This, then, is the ‘double movement’ that Polanyi identified as being so characteristic of the social history of the nineteenth century: ‘society protected itself against the perils inherent in a self-regulating market system . . .’ (76). Following Polanyi, it is the timing of the industrial transformation and the development of a self-regulating market for industrial labor (the first movement) that determine whether the countermovement in the form of social protection arises in a country.

We can understand 19th-century developments in social legislation in terms of the creation of a self-regulating market, the social dislocation this caused, and the counteraction in the form of social protection this provoked. This is the *common experience of all countries* in which the self-regulating market did its destructive work. This is Polanyi’s brilliant analysis of the double movement of commodification, also of labor power, under capitalist markets and of decommodification as the inevitable response to this. In fact, Polanyi (1944 [1957]: 147) made a historical-comparative statement to this effect:

Victorian England and the Prussia of Bismarck were poles apart and both were very much unlike the France of the Third Republic or the Empire of the Habsburgs. Yet each of them passed through a period of free trade and *laissez-faire*, followed by a period of antiliberal legislation in regard to public health, factory conditions, municipal trading, social insurance, shipping subsidies, public utilities, trade associations, and so on. It would be easy to produce a regular calendar setting out the years in which analogous changes occurred in the various years. . . .

Polanyi (147–148) provided such a list and subsequently observed how divergent the supporting forces had been

. . . in some cases violently reactionary and antisocialist as in Vienna, at other times ‘radical imperialist’ as in Birmingham, or of the purest liberal hue as with the Frenchman, Edouard Herriot, Mayor of Lyons. In Protestant England, Conservative and Liberal cabinets labored intermittently at the completion of factory legislation. In Germany, Roman Catholics and Social Democrats took part in its achievement; in Austria, the Church and its most militant supporters; in France, enemies of the Church and ardent anticlericals were responsible for the enactment of almost identical laws. Thus under the most varied slogans, with very different motivations a multitude of parties and social strata put into effect almost exactly the same measures in a series of countries in respect to a large number of complicated subjects.

Polanyi’s theory of the double movement explains why *all* nations, irrespective of regime type or the political-ideological leanings of the ruling

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elites, developed social protection against the social disruption caused by the creation of the capitalist labor market.

However, neither the theory of industrialism nor Polanyi's theory of the double movement appears satisfactory when it comes to explaining the varying forms the welfare state countermovement took. Their incapability to explain why the state responds to the challenges posed by the full 'marketization' of modern societies varied so much is due to their lack of a microfoundation because they never detail how exactly pressures of social misery and dislocation were actually translated into some social policy response or 'the' welfare state. In both the modernization approach and the Polanyian explanation, it remains obscure how needs and demands can create their own fulfillment. There is little or no account of the causal mechanisms or the societal actors producing the political responses. This is why – implicitly or explicitly – they are also theories of convergence, arguing that societies were increasingly becoming alike as they approached a certain level of industrial development and as they developed a self-regulating labor market. Therefore, both theories have little to say empirically about cross-national variation among developed nations, why the responses to the social disruptions caused by modern capitalism were so different from each other with such long-lasting socioeconomic effects for these societies.

In our view, it mattered a great deal who exactly executed, so to speak, the countermovement. It is here that political actors, like parties as the organized expression of social cleavage structures, gain relevance. Among those cleavages that have structured the party systems of Western Europe, the religious one has been of particular importance. This cleavage has been the result of state–church conflicts in the wake of the national revolution when state-building elites challenged the position of the church in domains perceived crucial for the creation of modern nation-states, particularly education, but also social protection. Of course, the 1970s generation of welfare state researchers, inspired by the (functionalist) theory of modernization and masterfully represented by Peter Flora, already claimed that religion influenced modern welfare state development, but again they rather emphasized the role of religion as a structural factor and in the *longue durée*. Modernization theory cherished the claim that *secularization* (as a correlate of industrialization and urbanization or as a phenomenon of modernization in general) and *Protestantism* were sources of welfare state development. It was the decline of religion, the impact of Protestantism, and the rise of the secular nation-state – as a consequence of the 'surrender' of the church to the state or as a result