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**RELIGION AND THE BRITISH WELFARE
STATE**

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Introduction

It is important to trace the historical roots of the welfare state in order to understand its characteristics and peculiarities. Historically, there have been several factors that shaped the nature of the welfare state and determined its further developmental pathways. Religion was one of these main factors that have been neglected by the twentieth-century welfare state scholars. The comparative welfare state literature of the twentieth century emphasized several factors as determinants of the welfare state development but none of the previous theories mentioned religion as an explanatory variable in the emergence and development of the welfare state. They neglected the role of religion, the religious cleavages and state-church conflicts in the development of the welfare state. Proponents of the power resource approach suggested a causal link between the socialist working-class mobilization and the welfare state development. According to the theory, the welfare state has emerged as a response to the growing demands of the working class. Modernization theory mentioned industrialization and democratization as a driving force behind the welfare state formation and development. The theory explained that industrial revolution destroyed the traditional social order in society by making people dependent on the labor market and welfare state emerged to protect workers against the uncertainties of the self-regulating market.

A Norwegian political scientist and sociologist, Stein Rokkan was one of the few classical theorists of the twentieth century who emphasized the importance of religion in the political development of European countries. Along with the industrial revolution, he noted the importance of the national revolution in the formation of the European political system. Rokkan (1981) argued that in some European countries the nation-building process was accompanied by a severe conflict between the state and church that led to the emergence of the religious cleavages and parties of religious defense. Later these parties became important actors in the European political arena. Moreover, Gregory Lubbert (1991) and Michael Mann (1993) benefited from the works of Stein Rokkan to explain the emergence of different political (including religious) powers in Europe.

“The Three Worlds of Welfare Capitalism” (1990) by Gosta Esping-Andersen has started a new phase in welfare state studies. The classification of the welfare regimes challenged the traditional explanation of the welfare state formation and development. The role of religion became an important explanatory factor for the welfare state formation.

Subsequently, Stathis Kalyvas (1996) and Andrew Gould (1999) mentioned the impact of religion on the emergence of different political parties, clerical and anti-clerical cleavages in Europe. Similarly, Kees van Kersbergen (1995) emphasized the impact of Catholicism on Christian democracy and the welfare state development. These researchers exclusively focused on the role of Catholicism in the welfare state development, assuming that Protestantism was irrelevant for explaining the evolution of the welfare state.

However, despite its great significance, there are serious problems in Esping-Andersen's regime typology. Some of the countries that are defined by Esping-Andersen as the Continental-conservative welfare states share common features with the Liberal and Social Democratic models. The drawbacks of Esping-Andersen's welfare state classification can be avoided if the role of Protestantism in the welfare state development is taken into account (Manow 2004).

Furthermore, the more comprehensive and recent research about the role of religion in the welfare state development was held by Kees van Kersbergen and Philip Manow (2009). They argue that different religious denominations led to the various welfare models in Western Europe. According to van Kersbergen and Manow, in Catholic countries, severe state-church conflicts created strong religious cleavages and as a result, the Church became a crucial factor in social policy formation. In contrast, in the Nordic countries, the absence of the state-church conflicts explains the lack of any religious cleavages, which did not lead the Church to become a decisive figure in social policy reforms. However, this fact did not reduce the importance of Protestantism in the welfare state development. Rather, Protestantism, especially the Lutheran Church encouraged the early state intervention in social policy by facilitating secularization. Consequently, in the Nordic countries, Lutheranism has shaped the welfare system, which is distinct from that found in Continental Europe.

Nevertheless, Reformed Protestantism also had a different influence on the welfare state formation from that of Lutheranism. Similar to Catholicism, Reformed Protestant denominations were against the state involvement in social policy issues. Therefore, Reformed Protestantism delayed the introduction of social policies in the countries where it was dominant. From this perspective, it is important to investigate the role of Reformed Protestant denominations as one of the main determinants of the British welfare state.

Historically, religion has played a central public role in Britain providing various welfare services. For many centuries, the Church was dominant in running schools and hospitals. Helping the poor was considered as the Church's responsibility and poor relief was provided through the local parishes. Moreover, the adoption of the Poor Law in 1601 and its amendment in 1834 did not change the situation; workhouses and parishes remained as the major mechanisms in coping with poverty. The number of religiously motivated organizations considerably increased and charity became as a dominant form of support for the poor.

Furthermore, Calvinism had a crucial role in shaping the attitude towards poverty in England. The central tenets of Calvinism such as individual responsibility and self-help principle were crucial factors for the poor relief authorities in treating the poor. Besides this, Calvinism had a huge impact on the liberal ideology, which significantly affected the nature of the social policy legislations in the Victorian era. Due to Calvinism and the pervasive liberal ideology, poor relief remained fragmented and the state intervention in poverty issues was strongly opposed by dissenting Protestant denominations and mutual aid groups. Moreover, in the early twentieth century, these denominations played important roles in the creation of political class coalitions and in the passing of social policy legislations in Parliament.

By taking all above-mentioned factors into account, the current master's thesis focuses on the role of religion in the early formative period of the British welfare state. The first chapter reviews the most important sources have been used. The second chapter describes the methodology and the research design that has been employed for conducting the research. The third chapter creates a theoretical framework and the fourth chapter describes the historical evolution of the British welfare state in order to support the theoretical claims. Eventually, the concluding part discusses the main outcomes of the research.

Chapter: 1.Literature review

Several books, articles, and other scientific sources have been used for the current master's thesis to identify the historical role of religion in the development of social policy and the welfare state in Great Britain. The sources that I have used can be categorized into two groups. The first group of literature has been used to build a theoretical framework to understand the effect of religion on the welfare state and the second group of sources has been elaborated to support the theoretical claims by concrete arguments.

Despite its important role in the political development of Western societies, religion has received a little attention by the representative of modernization theory. In his famous book, *"The Social Origins of Dictatorship and Democracy"* (1966), Barrington Moore speaks about the transformation of agrarian societies into modern industrial ones and stresses the importance of social classes and inter-class coalitions in the political development. However, he does not mention the role of religion in class coalitions. Similarly, Rueschemeyer et al. (1992: 50, 67) do not consider religion as an important explanatory factor for the political development of European countries, even though they note the differences between peasant mobilization in Protestant and Catholic countries. Moreover, in the second volume of his *"The Sources of Social Power"* (1993), Michael Mann mentions the importance of nation state development along with class formation, however neglecting the role of religion in this process (Ertman 2009: 40).

Stein Rokkan was one of the few political theorists that saw religion as an important factor in the political development of European countries. In his view, the European political development was the result of both the industrial and the national revolutions, which he defined as "the conflict between *the central nation-building culture* and the increasing resistance of the ethnically, linguistically, or religiously distinct *subject populations* in the provinces and peripheries..."(Rokkan 1970:102). Moreover, he considered the national revolution as an independent factor from the industrial revolution by stating that it "produced the deepest and bitterest oppositions. The decisive battle came to stand between *the aspirations of the mobilizing nation-state and the corporate claims of the churches*. This was far more than a matter of economics"(Rokkan 1970:103; Ertman 2009: 41).

Furthermore, Rokkan described the emergence of Calvinist and Catholic parties of religious defense as a response against the state dominance over education in the Netherlands. He argued that, however, no religious parties were formed in Scandinavia and Britain in the course of nation building process in the 19th century. In Norway, for instance, the resistance to state's cultural centralization led to the emergence of the Venstre (Left) party, which was against the established Lutheran Church but this conflict did not lead to the emergence of parties of religious defense. Rather, the religious groups entered into coalitions either with the Left or the Right parties (Ertman 2009: 41). In short, Rokkan considered the conflict between the church and the state as the decisive element of nation-state building and of the political party formation processes.

“The Development of Welfare states in Europe and America” (1984) by Peter Flora and Arnold Heidenheimer, is a significant collective contribution to welfare studies that is hugely influenced by Rokkan's works. The contributions to this volume by the group of sociologist and political scientist shed light on the different aspects of the welfare state development in Europe and in North America.

I found the first and the second chapters of the volume particularly relevant for my research. The first chapter of the volume describes the emergence of the term “welfare state” in Britain as a sign of social solidarity against Nazi militarism in the 1940s. The definition that is given to the concept of the welfare state by Flora and Heidenheimer helps to illustrate the emergence of modern social policy in Western societies and to differentiate it from the “Poor Law Period”. The authors relate the evolution of the modern welfare state to the formation of nation states and to the growth of capitalism as a result of the Industrial Revolution. According to Flora and Heidenheimer, modern social policy emerged as states' reaction to societal problems that were created by rapid socioeconomic changes of the late 19th and the early 20th centuries. The authors argue that although the evolution of modern social policy can be interpreted differently from the Weberian, Marxist or Durkheimian perspectives, there is a general consensus about its nature, which distinguishes it from poor relief. Unlike poor relief, modern social policy envisages security and equality for all citizens. Furthermore, the boundaries of the modern welfare state expand through the inclusion of new social groups and by covering new societal risks (Flora&Heidenheimer 1984: 17-32).

In the second chapter, Flora and Alber (1984) provide a theoretical framework to illustrate the development of the welfare state. They emphasize the importance of modernization (the concept which entails socioeconomic and political developments) in the evolution of welfare state policies and institutions. According to them, the institutions such as citizenship, markets, associations and state bureaucracies, which emerged as a result of political development, played a decisive role in shaping the welfare state. Some of these associations like charity organizations or churches had a retarding impact on the early introduction of social policy. Moreover, Flora and Alber show how institutional variations and differences in enfranchisement stimulate or delay the welfare state development in Western societies. They indicate socioeconomic development, political mobilization of the working class and constitutional development as main determinants of the introduction of social insurance legislations (which are considered as the beginning of the modern welfare state) in Western Europe. In short, despite its slight mention of the differences between Protestant and Catholic churches in regard to social policy, the chapter does not mention the role of religion in the welfare state development (Flora&Alber 1984:37-73).

By contrast, Harold Wilensky (1984) in his contribution to *“The Development of Welfare States in Europe and America”* stresses the role of religion in the development of the welfare state. He claims that Catholic power is more important in shaping the welfare state than left power in European countries. Since both Catholic and Left parties seek the working class’s support, the competition between these two powers leads to the growth of welfare spending (Wilensky 1984: 345-370). However, Wilensky exclusively focuses on Catholic political parties and does not mention the role of Protestantism in the advent of the welfare state.

A pioneering book, *“Welfare Policy and Industrialization in Europe, America, and Russia”* (1971) by Gaston Rimlinger describes the evolution of the welfare state in England, France, the USA, Germany, and Russia according to their ideological differences. The book distinguishes between the old poor relief period and the take-off period of the modern welfare state, which Rimlinger himself defines as “the liberal break”. According to the author, the poverty issue, which was originally dealt by local authorities, became a national concern with the emergence of the nation states. The national governments adopted laws to provide poor relief for paupers in order to deter vagrancy and maintain

social order. However, poor relief was seen as a means of punishment rather a part of social rights.

Rimlinger goes on to note that two important factors changed the traditional attitude toward poverty. On the one hand, traditional poor relief became incapable to deal with the socioeconomic problems, which were engendered by the Industrial Revolution. On the other hand, the French Revolution created “the radical new conception of the rights of the individual” (Rimlinger 1971: 2). Consequently, the old repressive poor laws were replaced with more humane social policy programs.

Furthermore, the book sheds light on the early development period of social policy and the welfare state in Great Britain. The author specifically emphasizes the impact of liberal ideology on the evolution of welfare policy in England. Rimlinger argues that the attitude toward poverty and the nature of social policy in the 19th England were significantly affected by liberal thinkers and laissez-faire economists such as Malthus and Nassau Senior. He claims that the liberal self-help principle had a lasting impact on the future development of the British welfare state (Rimlinger 1971: 11-44). Despite its focus on the formation period of the welfare state, Rimlinger does not mention religion among the important determinants of modern social policy.

“Social Capitalism: A Study of Christian Democracy and the Welfare State” (1995) by Kees van Kersbergen is an important cross-national study, which sheds light on the role of Christian democracy in the development of the European welfare states that have been neglected by previous scholars. The book describes the origin and the development of Christian democracy and shows differences between the liberal, social and Christian democratic (which is defined as social capitalism by van Kersbergen) welfare regimes on the basis of cross-national comparisons. According to van Kersbergen, welfare state research has exclusively focused on the democratic model and saw the welfare state as a product of the social democratic labor movement. However, this claim is not valid for those countries in which the Christian democratization of capitalism is dominant. Moreover, the author argues that despite the common Christian democratic ideology, the social capitalist nations (e.g. the Netherlands, Germany, and Italy) also demonstrate crucial variations among themselves due to their varied historical and national backgrounds.

Furthermore, van Kersbergen claims that Christian democracy as an independent political actor is different from that of conservatism and social democracy. Religion has a significant influence on the nature of Christian Democratic social policy. Due to its religious inspiration, Christian democracy emphasizes the importance of social organizations and assigns a subsidiary role to the state in social policy matters. The main concern of Christian democracy is to mediate between various conflicting interests in order to achieve harmony and social order in society. However, diversity in the interests groups leads to different outcomes among the Christian democratic welfare states in terms of social policy implementation.

Christian democracy, as van Kersbergen argues, became an important political factor after the Second World War as a successor of social and political Catholicism, which developed between 1870 and 1940. Due to their successful integration and mobilization of the Catholic population, Catholic parties turned into dominant political powers in the post-war period in the European countries such as Germany, the Netherlands, and Italy. These political parties had core Christian democratic social policies, which distinguished them from others. However, the different historical conditions under which Christian political parties emerged and functioned led to variations in the implementation of social policy programs on the national levels.

Generally speaking, van Kersbergen (1995) does not consider Protestantism as important as Catholicism in the development of Christian democracy and the welfare state. He claims that Protestantism had a minimal contribution to the formation of Christian democracy because Protestants could not develop any effective social idea or movement. Moreover, he underestimates the role of Protestant parties by claiming that “The Christian parties of Scandinavia are parties of moral protest as are the minor Protestant parties in the Netherlands” (van Kersbergen 1995: 258, footnote 3/1). His claims are partially true, especially, in regard to the direct impact of political parties on the development of social policies. However, van Kersbergen is misled, since he neglects to differentiate between Reformed Protestantism and Lutheran churches. Whereas the former had a retarding effect on the development of the welfare state, the latter facilitated the early introduction of social policy (Manow 2004).

“The Good, the Bad, and the Ugly: Esping-Andersen's Regime Typology and the Religious Roots of the Western Welfare State” (2004) is a ground-breaking research by Philip Manow that focuses on the role of Protestantism, especially that of reformed or dissenting Protestantism in the development of the welfare state. According to Manow, despite its great importance, Esping-Andersen's regime typology (1990), especially the conservative-Continental welfare state regime type is highly problematic. Manow argues that the conservative regime encompasses the welfare states, which are significantly different from each other (such as Germany and Portugal) and also there is no geographical fit within the group, as one can see in the Liberal or Social Democratic regime types. Moreover, Esping-Andersen hints at the impact of Catholic social doctrine on the development of the Continental welfare state; however, he entirely neglects the anti-welfare state attitude of reformed Protestantism.

Furthermore, Manow claims that the empirical and theoretical drawbacks of Esping-Andersen's regime typology can be avoided if the neglected role of Protestantism is taken into account. In such case, one has to distinguish between Lutheranism and Reformed Protestantism. According to Manow, previous welfare studies have exclusively focused on the impact of Catholicism on the welfare state by neglecting the importance of Protestantism, especially Reformed Protestantism, which had a retarding effect on the welfare state formation.

“Religion, Class Coalitions, and Welfare States” (2009) by Kees van Kersbergen and Philip Manow is a collective work, which thoroughly investigates the role of religion in several countries, namely Italy, the Netherlands, France, Switzerland, Sweden, and the USA. By focusing on the countries with different religious denominations, the book provides a broad understanding of the role of religion in the emergence of the various welfare state regimes. The first chapter of the book lays a theoretical foundation for the further discussions. The authors argue that classical theories of socioeconomic change such as modernization fail to explain the variations in the emergence of the welfare state. According to van Kersbergen and Manow, it was not industrialization per se (as modernization theory claims), but the emergence of a full-fledged labor market that necessitated the advent of the welfare state. The development of modern social policy was a response against the uncertainties of the free labor market. They note that along with the

industrial revolution, the national revolution was equally important for the creation of the modern social policy system.

Moreover, the authors claim that it is important to identify the forces behind the countermovement against the vagaries of the free labor market in order to understand the differences in the development of various welfare systems. They emphasize the role of political parties as the organized expression of social cleavages, among which the religious one stands out as the main determinant of the parties of religious defense. These parties emerged as the result of severe state-church conflicts in the course of the national revolution when the state challenged the church's authority in the social policy realm. The authors argue that although Protestantism did not lead to a state-church conflict, it had a significant impact on the development of the welfare state. According to van Kersbergen and Manow, it was Protestantism that facilitated secularization, which in turn led to the great involvement of the state in social policy issues. Consequently, Protestantism formed qualitatively different kinds of welfare systems in Western societies.

Furthermore, van Kersbergen and Manow note the importance of political class coalitions by referring to the theory, which was developed by Iversen and Soskice (2006). The theory indicates the effect of the electoral systems on welfare state generosity. According to Iversen and Soskice, in the proportional electoral systems the welfare state becomes more generous, while in the majoritarian systems it remains residual because of the distinct possibilities that the electoral systems provide for class coalitions. Manow and van Kersbergen analyze the role of the voting systems in several European countries to show that how the majoritarian and proportional voting systems shaped the class coalitions, and ultimately the nature of the welfare states.

Similarly, Thomas Ertman's contribution to *"Religion, Class Coalitions, and Welfare States"* (2009) focuses on the issues of the party system, religious cleavage and class coalition in Western Europe. Ertman argues that the parties of religious defense and proportional representation were established in the center of the European continent, which was the historical "core" zone of the Holy Roman Empire until 1648, whereas competitive democracies with majority rule emerged in the "peripheries" of Western Europe. Ertman claims that historical roots had significant consequences on the European political system. The historical "core" territory of Europe was politically and culturally fragmented and had

never been centralized by the Carolingian dynasty. Therefore, the nation building process started relatively late and was accompanied by severe state-church conflict, which led to the emergence of religious parties. By Contrast, in the “peripheries” political centralization and nation building started early and religious cleavage incorporated into either left or right-wing political parties.

Regarding the British case, Ertman notes that religious groups were important elements of political coalitions. For instance, the nonconformists were strong groups within the Liberal party that fought against the authority of the established church. However, their temperance stance and other moral rules later led the working class to vote for the Conservatives. Briefly, religious groups were important allies for all parties to get the upper hand in the decision-making process in England (Ertman 2009: 51-53).

Additionally, the contributions by van Kersbergen on the Dutch and by Karen M.Andersen on the Swedish welfare states to “*Religion, Class Coalitions, and Welfare States*” (2009) illustrate the impact of Catholicism, Reformed Protestantism, and Lutheranism on the development of these respective welfare systems. The distinct roles of Reformed Protestantism and Lutheranism in the evolution of the Dutch and Swedish welfare states also help to evaluate the effect of religion on the British welfare state.

“*Religious Doctrines and Poor Relief: A Different Causal Pathway*” (2009) by Sigrun Kahl (in Kees van Kersbergen and Philip Manow 2009) elaborates how Christian social doctrines shaped the nature of poor relief and the institutions of poor relief in Catholic, Lutheran and Calvinist/Reformed Protestant countries. Kahl argues that religious ideas strongly affect the political system and makes a legitimate ground for different policies. She claims that Catholic, Lutheran, and Calvinist social doctrines had long lasting and qualitatively different influences on poor relief and the social policy institutions. According to Kahl, Christian social doctrines became an integral part of the poor relief institutions (later of the welfare state) by forming a specific attitude towards poverty, work, and charity; and also social doctrines determined the churches’ stance towards state intervention in the social policy realm.

Kahl argues that in the Medieval Period poor relief was uniform across Europe. However, after the Reformation Catholicism, Calvinism and Lutheranism have shaped different attitudes towards poverty. Catholicism promoted the principle of “feeding one’s

poor brother”, while Calvinism was “requiring the paupers to work for their own bread” (Kahl 2009: 268). Catholic countries, such as France, Italy, and Spain followed the first principle in their social policies, whereas the countries like the Netherlands, England, and the United States, where Calvinism/Reformed Protestantism was strong, preferred the latter principle. In contrast, Lutheran countries such as Germany, Denmark, and Sweden looked for the middle ground between these two different social doctrines. Moreover, the institutionalized social doctrines have not only shaped the nature of later social policies but also have determined the timing of their introductions.

In her book, *“Religion and Faith-based: Welfare from Wellbeing to Ways of Being”* (2012) Rana Jawad argues that the roles of religious actors, values and institutions in the welfare state evolution in England have not received a decent attention by welfare scholars. She claims that religion historically was a crucial factor in shaping the British political system and national identity. It has had a significant role in the evolution of public and social policies. Yet, the main body of welfare students and researchers has related the development of the British welfare state with the growing influence of secularization and liberal ideology, neglecting the role of religion. Nevertheless, Jawad argues that the utilitarian nature of the concept of human wellbeing that is defined by secular and liberal ideologies is not capable to meet the various expectations due to the growing religious and cultural diversification in England. Instead, Jawad offers the broader term of “ways of being” to embrace the divergent aspects of human welfare.

Furthermore, the book provides a historical overview to illustrate the role of the Anglican Church and charity organizations in the evolution of social policy and the British welfare state. Jawad offers a theoretical framework to investigate the role of religion both in macro-institutional and micro-normative levels. The former focuses on the role of the religious institutions such as the church and parties of religious defense in the formation of the welfare state, whereas the latter investigates how religious norms and values shaped the nature of social policy.

“The Evolution of the British Welfare State” (1973) by Derek Fraser highlights the development of social policy and later the welfare state in Great Britain starting from the 16th century. Fraser argues that the economic changes in the 16th century urged the state to devise a policy in order to maintain social order and prevent vagrancy. The Poor Law of

1601 was also a result of the state involvement in poverty problems in order to mitigate their negative consequences in society. But the Poor Law covered only the disabled paupers and envisaged repressive measures towards receivers. Moreover, the Industrial Revolution in the early 19th century brought new socioeconomic challenges, which could not be settled within the framework of the Old Poor Law. This situation soon revived discussions among the political and public figures about the establishment of new social policy in England. Inspired by the works of Adam Smith, Thomas Malthus, and others, the liberal ideology had a great impact on these discussions. Consequently, the New Poor Law of 1834, which was highly influenced by liberalism, emphasized individual responsibility and self-help principle as the main solutions for poverty. In turn, the inefficiency of the Poor Law let the charity organizations become important actors in poverty issues. Additionally, the Victorian era also was associated with the emergence of various mutual aid organizations and friendly societies, which fought against the state intervention in the social policy field.

Furthermore, in the late 19th century the growing awareness of poverty changed the government's attitude toward the poor. Gradually it was acknowledged that poverty was the negative outcome of the economic system rather than a result of idleness and personal failure. Moreover, the extension of suffrage and the emergence of strong labor organizations forced the government to take active participation in solving the problems related to poverty problems.

Similarly, "*The Foundation of the Welfare State*" (1982) by Pat Thane describes the development of the British welfare state between 1870 and 1945. The author argues that until the end of the 19th century the government was unwilling to intervene in social policy for the sake of laissez-faire economy. There was a general conviction that free market economy has its own principles that should not be interfered by the state. Thane notes the role of the different philanthropic organizations and friendly societies in poor relief. She mentions that poverty was not seen as a serious problem until the time when the investigations by Booth and Rowntree revealed that 30 percent of the inhabitants of London live below the poverty line. The growing awareness and the Boer War that took place between 1899 and 1902 led the government to implement several social policies. Moreover, the emergence of socialist movement and organizations such as the Fabian society forced

the Liberal government to introduce the Old Age Pensions (1908) and National Insurance Acts (1911), which are considered as the beginning of the modern welfare state in England.

Furthermore, the book illustrates the development of the British welfare state in the interwar period and during the Second World War. Thane makes international comparisons in order to demonstrate the evolution of social policies and welfare states in the different parts of the world.

“The Relief of Poverty 1834-1914” (1986) by Michael E. Rose like the previous books, focuses on the early formative period of the British welfare state. The author describes the extent of poverty and living standards in the 19th and early 20th centuries in England. Rose mentions the roles of the charity organizations and workhouses in the treatment of poverty. He argues that the inefficiency of the Poor Law and charity organizations and also the increasing strength of the labor movements, towards the end of the 19th century, urged the government to adopt new legislations in order to cope with poverty and its negative consequences.

“The Origins of the Liberal Reforms 1906-1914” (1983) by J.R. Hay exclusively focuses on the development of social policy in the early 20th century. Hay emphasizes the importance of the socioeconomic changes in the development of social welfare policies. Among these factors he mentions the working class mobilization, the changing attitude towards poverty and pressure groups as the driving force behind the social reforms.

Chapter: 2.Methodology and the research design

Historically religion had been a dominant power in the domain of social policy in Western societies. For many centuries social policy and social services (such as education, health etc.), which are now provided by the welfare state, had been implemented either by the church or by religiously motivated organizations. Therefore, the aim of this research paper is to trace the religious roots of the British welfare state and identify the impact of religion on its further development.

First of all, it is important to define the term of “the welfare state” in order to understand its historical development. The phrase itself was coined by a British clergyman, Archbishop Temple in 1940s but the emergence of the welfare state in its contemporary meaning dates back to the 1880s with the introduction of social insurance legislations in Western European countries, namely with the launch of the worker’ insurance in 1883 in Germany (Flora and Heidenheimer 1984: 17-22). However, the state intervention in social policy, as Rimlinger argues, has started in the sixteenth century with the emergence of national states and economies. Between the sixteenth and nineteenth centuries, the “Poor Law” was the main tool for coping with poverty and preserving social order. Although poor relief contained punitive measures towards its receivers, it envisaged mutual social responsibilities (Rimlinger 1971: 59). Moreover, the Poor Law and religious organizations that implemented it had consequential effects on the development of the modern welfare state (Rimlinger 1971; Sigrun Kahl 2009).

Social policy and later on, the modern welfare state have emerged as a result of nation state’s reaction to social problems that were brought by socioeconomic changes. However, the state’s response to social problems has heavily been affected by various factors, including religious doctrine and philosophical ideologies that determined the differences in the welfare regimes (Flora and Heidenheimer 1984:48; Sigrun Kahl 2009). Liberalism, for instance, stresses the importance of equality of opportunity, whereas the socialist ethic seeks for equality of result (Flora and Heidenheimer 1984: 24-25).

Since the welfare state has emerged as a nation state’s response to socioeconomic problems, it can be better understood within the framework of Stein Rokkan’s theory of European political development. According to Rokkan, European political development

passed through four stages: 1) *State formation*, which implies political, economic and cultural unification at the elite level. This stage entails the creation of the state bureaucracies for controlling resources, for providing sovereignty over the territory and for maintaining internal order. 2) *Nation building* associates with a growing political, social, economic and cultural linkage between the center and periphery. 3) *Participation* involves the emergence of mass democracy, the institutionalization of civil and political rights and extension of them for all citizens and the creation of political parties. 4) *Redistribution or the development of welfare states* follows with the provision of social rights and services and redistribution of wealth through taxation and transfer payment (Flora and Heidenheimer 1984: 45).

The development of the first three stages has significantly shaped the development of the welfare state. The variations in state bureaucracies (state formation), in cultural cleavages (nation building), and in the party systems (participation), have led to the differences in the welfare state formation. Especially, the enfranchisement of citizens as a result of democratization was of great significance in the evolution of the welfare state because it empowered economically underprivileged groups to articulate their demands and exert pressure on the decision-making process (Flora and Heidenheimer 1984: 46).

The institutional variations in the European countries have led to the different welfare regimes during political development. The differences are as follows: 1) *Constitutional-dualistic monarchies* with a limited suffrage (property-based franchise) have developed localized poor relief systems in order to maintain social order. Benefits have been provided as charity, not as social rights. 2) *Liberal democracies* with a limited suffrage (property-based) have been against broad state intervention in social policy. These countries have provided poor relief only for the disabled poor and poor relief have been seen as a punishment against idleness. 3) *Mass democracies* have developed more encompassing and centralized welfare systems based on social rights as the result of the growing pressure from the working class. However, differences in state bureaucracy and the party systems have led to variations within the group. 4) *Constitutional-dualistic monarchies* with extended suffrage have developed more extended and centralized welfare systems due to stronger paternalistic and bureaucratic traditions and also to gain working class's loyalty for the authoritarian state (Flora and Heidenheimer 1984: 47).

Moreover, all European countries have passed more than one of the above-mentioned stages in their political developments and the first two stages of the welfare state formation are more specific for the early development of the British welfare system.

The formation of the welfare state was generally defined with the state intervention in social problems that caused by modernization (the concept that entails industrialization, democratization, and urbanization). Modernization generated socioeconomic problems and disintegration in society that could only be solved through a mechanical and organic solidarity. Citizenship, as T.H. Marshall argues, is a mechanical solidarity that provides civil, political and social rights for full-fledged members of a community. Apart from the institution of citizenship, modern Western European societies have developed three additional organizational structures: “markets, which organize the exchange of economic resources and commodities; associations, which organize the articulation, aggregation, and representation of interests; and state bureaucracies, which organize the fulfillment of collective tasks” (Flora and Heidenheimer 1984: 40). Moreover, the basic rights of citizenship and these three organizational structures are interrelated. Civil rights are connected to markets (in terms of having the right to own property, to enter valid contracts etc.) and to associations (in terms of freedom of speech, association etc.) that together with political rights provide an arena for public opinion and leads to the emergence of political parties, interest groups and Parliament. Political rights are also related to state bureaucracies in terms of forcing them to implement policies. Finally, social rights are related to both state bureaucracies and markets. Initially, social rights have been provided by local authorities and associations such as friendly societies or churches (Flora and Heidenheimer 1984: 40). However, the growing demands as a result of the industrialization urged the state to intervene in social policy and to provide social protection for its citizens.

The social changes (changing working conditions, the development of a free contract; income security for disabled and unemployed people and so on) that were brought by industrialization and urbanization led the government to search solutions for these social problems. However, the associations, such as churches, voluntary organizations, friendly societies that were also involved in poverty issues often reduced the importance of social problems and impeded the state intervention in social policy. Whereas Protestant state churches supported state’s involvement in poverty issues, Catholic churches expressed a

strong hostility towards the state's growing importance. The differences in regard to the state intervention between the two organizations resulted in variations in the welfare regimes (Flora and Heidenheimer 1984: 41-43).

Furthermore, likewise Catholicism, Calvinism and Reformed Protestant denominations (which derived from Calvinism) had a negative effect on the welfare state development (Kahl 2009; Manow 2004). Thus, from this point of view, it is important to identify the role of religion, namely Reformed Protestantism on the development of the British welfare state. In such case, the role of religion should be investigated at two levels: 1) a macro-level or politico-institutional perspective, which investigates the role of religious institutions (and actors) such as churches, religious parties, charity organizations, friendly societies and other religiously motivated organizations in the development of the welfare state; 2) a micro-level perspective, which is interested in the impact of religious values and doctrines on the emergence of the welfare state. This perspective investigates how religious doctrines have shaped the public attitude towards poverty and other social problems (Jawad 2012: 56-57). Therefore, for the macro-level analysis I have used the class coalition theories that were developed by Manow and van Kersbergen (2009) and Iversen and Soskice (2006). For micro-level investigation I have benefited from Sigrun Kahl's works (2005; 2009) on religious doctrines in order to identify how religion shaped the attitude towards poverty and human welfare.

I have chosen a qualitative case study research design to carry out this research. The central question for this master's thesis is: *what was the impact of religion on the development of the British welfare state until 1914.*

My first hypothesis is that Reformed Protestantism has retarded the development of the welfare state in England by preventing the early state intervention in social policy. Fragmented local poor relief authorities and charity organizations have been the main barriers to the state taking the responsibility for social policy. And the second assumption is that Liberalism and Reformed Protestant denominations (which were significantly influenced by Calvinism) delayed the introduction of the welfare state by emphasizing the importance of self-help principle.

Chapter: 3.Theoretical framework.

3.1.1 A general background of the problem

The impact of religion on the development of social protection systems has been widely acknowledged by social policy scholars. However, the early supporters of the power resources approach saw the development of welfare states as a result of the working-class mobilization and it was a surprise for them to know that social Catholicism was as important as Social Democracy in the emergence of the welfare systems (Wilensky 1984). Yet, representatives of this approach John D. Stephens (1979) and Schmidt (1980, 1982) mentioned the positive effect of Catholic ideology and Christian Democracy on welfare expansion. Wilensky even went further by stating that "...Catholic power (wherever Catholic parties exist) shapes welfare state development much more than left power" (Wilensky, 1984:348). According to him, there are many similarities between socialist and Catholic movements and traditions in terms of ideologies and values. Alleviation of poverty and negative outcomes of the market economy was the central problem of Catholic social doctrine and the state intervention was seen as a last resort to protect individuals against the vagaries of the capitalist order. Unlike Social Democratic ideology, however, Catholic doctrine defined welfare provisions and social protection as the Christian obligation to help the poor in order to preserve social order rather than to grant them as social rights (van Kersbergen 1995: 193; 205).

Nevertheless, it was not only Catholic social doctrine and its moral principles that motivated religious political parties to promote welfare-oriented policies. According to Stephens (1979), Christian Democratic parties by advocating for social policies were seeking the support of the working-class in elections. This argument implies that the working class does not necessarily belong to social democratic ideology as the power resources approach usually claims. Rather, the working class can be mobilized according to their religious beliefs, too. The combination of Christian Democracy and Catholic social doctrine produced Christian Democratic welfare states, which in terms of social spending were equal to Social Democratic welfare states but lagged behind due to the level of de-commodification of labor (van Kersbergen 1995: 12-20; 175-205).

Philip Manow and van Kersbergen (2009) argue that the power resources and regime approaches are incapable to successfully explain the historical development of the western

welfare systems due to the following reasons. First, these theories emphasize the role of working-class mobilization by neglecting the other important factors such as whether the state or society (the church) should be responsible for providing social protection for workers, families and etc. Especially, these theories do not consider the role of state-church conflicts over education and social policy, which were important factors in the welfare state building. Second, along with the industrial revolution, the “national revolution” (the state-church conflict over education and social policy) is equally important for understanding the development of the welfare systems because in continental Europe the religious political parties emerged as a result of these conflicts. The religious parties were significant political actors for mobilizing the working and middle classes not along the class lines, but according to their denominational identity. The emergence of the political parties of religious defense in continental Europe and their absence in Scandinavia or England is a crucial factor that explains why Nordic and Anglo-Saxon welfare regimes developed differently from that of continental Europe. Third, in some cases the power resources and regime analyses do not match the historical facts about the development of the western welfare systems. For example, in its early formative stage Italian and French social policies were highly affected by the liberal and anticlerical ideologies rather than Catholic and Christian Democratic values. The main concern for reformers was to establish the state authority in the fields where church historically was a dominant power. However, the main body of the welfare literature characterizes these countries as the Conservative Catholic welfare states, regardless the historical path that they went through. Fourth, whereas enough importance is given to Catholic social doctrine and Christian Democracy by welfare students, the role of Protestantism has been ignored in the development of the welfare systems (van Kersbergen and Manow 2009: 2-4). For example, in his early research van Kersbergen (1995: 258, footnote 1) states that Protestantism had a positive impact neither on Christian Democracy nor welfare development. However, the claim is partially true, especially if one focuses on the direct link between Protestantism and the welfare state development and neglects the differences between reformed Protestantism and the Lutheran state church (Manow 2004). In their more recent research, van Kersbergen and Manow (2009) argue that the previous understanding of the role of Protestantism in the development of welfare systems is incorrect in two regards. First, Reformed Protestantism

delayed the introduction of modern social policy and therefore negatively affected the welfare state development. Second, the Lutheran state churches in Germany and Scandinavia, unlike reformed Protestantism, was not against the state intervention in social policy. By contrast, the state churches even cherished social protection policies and therefore had a positive impact on the welfare state development (van Kerbergen and Manow 2009: 4).

Manow and van Kersbergen (2009) argue that the differences between Catholicism, Lutheranism, and reformed Protestantism led to the development of the distinct welfare systems in Western societies. According to them, the Protestant free churches and other reformed denominations were against the state intervention, whereas the Lutheran church never challenged the state's role in the social protection issues. By contrast, the formation of social protection systems in Southern Europe was accompanied with severe conflicts between the Liberals and the Catholic clergy, who were supporters of the previous regime (van Kersbergen 1995). Therefore, the social policies that were introduced by the Liberals were full of anticlerical sentiments. In short, the roles of Catholicism and Reformed Protestantism in the development of the western welfare regimes were different from what the proponents of the power resources and regime approaches assumed (van Kersbergen and Manow 2009: 5).

3.1.2 The role of Protestantism and Secularization in the welfare state development

Modernization is one of the substantial theories that explain the development of social policy and the welfare states in Europe. The emergence of the welfare state was a reaction to meet the socioeconomic demands which were brought by modernization. Modernization changed the structure and functions of the state. The state became to provide not only civil and political rights but also social rights such as social and economic equality. The growing demand for social and economic equality was a result of industrial capitalism that destroyed the previous social order and the means of traditional protection and forced people to become dependent on the self-regulating labor market (Flora and Heidenheimer 1984: 22-28; Flora and Alber 1984: 38-44). The emergence of the welfare state was a response to social disorder and disintegration which was caused by the structural-functional changes of

modern society. The disintegration that was caused by modernization urged the state and the different social organization to take countermeasures in order to mitigate the negative outcomes of the labor market on society. A large number of people rendered financially insecure due to the rapidly changing working conditions as a result of modernization and the old social protection systems failed to provide social security for these people. Another important change was the mass mobilization that emerged as a result of the concentration of great amount of people in the factories and in the cities in the course of modernization. Mobilization exerted great pressure on the decision-making process and made social problems palpable on the ruling class level sometimes through public protests and violence and sometimes via social and political organizations. In other words, workers' organizations became active political factors that could put pressure on the policy-making process (van Kersbergen and Manow 2009: 6; Flora and Alber 1984: 38-44).

According to Manow and van Kersbergen (2009), the relationship between industrialization and the welfare state development was not well understood by modernization approach. As a functionalist theory modernization sees social policy development as a rational response of the state to its citizens growing demands. Modernization points out that the problems of the modern society were created by industrialization, which urged the state to implement social policies in order to provide social security for citizens. In short, the state's response to the new challenges and the societal transformation was a technical rationality rather than the result of political conflict (van Kersbergen and Manow 2009: 7).

However, Manow and van Kersbergen (2009) add that the relationship between modernization and the welfare state development should be understood with two significant modifications. First, it was not industrialization itself, but the self-regulating market that urged the welfare state creation. Second, likewise the industrial revolution, the "national revolution" was equally important for the emergence of the modern social policy system (van Kersbergen and Manow 2009: 7).

As it is mentioned above, modernization theory defines the emergence of social policy as state's reaction to the social dislocation and disintegration that was caused by industrialization. Nonetheless, Manow and Kersbergen (2009) claim that the causal link between industrialization and social policy development was not theoretically well

understood. In their opinion, the need for social policy did not come from industrialization but it came with the emergence of the full-fledged and self-regulating market, where labor could be bought and sold as a commodity. There were highly regulated market in history since a long time before, but the self-regulating market was a new and unique notion. As Karl Polanyi puts it: “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 [2001]: 72). However, unlike the other necessary goods for production, labor could not be used solely as a commodity according to the supply-demand principle. Otherwise, due to the rules of the unrestrained market, it would be dangerous for individuals and would ultimately destroy society (van Kersbergen and Manow 2009: 8).

Therefore, the social protection systems were advanced in order to protect human society from the uncertainties of the self-regulating market. In other words, the commodification of labor was followed by its inevitable de-commodification. Polanyi defined this process as the “double movement” which was a common experience for the countries that the self-regulating market emerged in the nineteenth century. The development of social legislation in the nineteenth century in many European countries should be understood as a response to the social dislocation that caused by the self-regulating market (Polanyi 1944 [2001]: 79-80).

Nevertheless, both modernization theory and Polanyi’s “double movement” approach were not sufficient to explain why the counteractions, which performed by the nations against the societal problems were so diverse. The main problems of both theories were that they lacked a detailed analysis about how the social problems were translated into the social policy response and which political actors or social organizations were involved in the countermovement. In contrast, the theories assumed that the emergence of capitalism and the self-regulating market were followed by the same problems that demanded similar solutions. Therefore, both theories remained incapable of explaining the cross-national differences in the development of the welfare states (van Kersbergen and Manow 2009: 10).

According to van Kersbergen and Manow (2009), the differences between the welfare systems depend on the forces that executed the countermovement against the vagaries of

the free market. From this point of view, the role of the political parties (including the religious ones) as representatives of social cleavages is of great significance. Social cleavages were a consequence of state-church conflicts that took place in the course of the national revolution, seeking to gain control over education and the social protection system. This was of great significance because education and social protection that historically belonged to the church were necessary for national state-building as well (van Kersbergen and Manow 2009: 10). Moreover, starting from the 1970s the representatives of the modernization theory admitted the influence of religion on the modern welfare state development, but they characterized religion as a structural factor that affected it in the *longue durée*. The spokesperson of this approach, Peter Flora (1983) claimed that secularization and Protestantism facilitated the welfare state growth. Protestantism eliminated the dominance of religion in society and changed the state-church relation that paved the way for secularization and welfare state expansion (van Kersbergen 1995: 195).

Secularization refers to the historical process in which religion lost its previous authority in many aspects of the social and political life. As a result of secularization, religion lost its previous importance on human behavior and organized religion became weak on temporal issues (van Kersbergen 1995: 195). Bruce's (2002) definition of secularization as follows: the declining role of religion in the economy and governmental issues; a decline of religious roles and institutions in society; a decline in fulfilling religious duties such as church attendance etc. (Bruce 2002: 3).

In the course of secularization, religion lost its previous dominant power on society and culture, and Protestantism hugely contributed to this process. Protestantism eliminated the state-church conflict that paved the way for the welfare state construction. Due to secularization and Protestantism, the traditional societies were transformed into mass democracies and this led to the development of the welfare institutions in Western Europe. Peter Flora (1983) emphasizes the positive link between Protestantism and the welfare state development by stating that in the Nordic countries Protestantism helped to mobilize people "from below". The early development of literacy gave an opportunity to lower class to get involved in politics and lack of the state-church conflict facilitated the state involvement in social problems. By contrast, the Catholic Church mobilized people "from above". The late

development of literacy and the severe state-church conflict over education and social policy retarded the development of the welfare state (Flora 1983: 22).

Manow and van Kersbergen (2009) argue that the Reformation had a positive influence on the expansion of the welfare services. The Reformation eliminated the state-church conflict and weakened the role of religion in society, which led to the growing political salience of class. By contrast, in Catholic countries, where the Reformation did not take place, the advent of the welfare state was delayed by the fervent conflict between church and the state (van Kersbergen and Manow 2009: 12). According to Philip Manow (2004), likewise Catholicism, Reformed Protestantism also had a retarding impact on the welfare state development. In short, the differences between Catholicism and Protestantism led to the emergence of the distinct welfare systems in terms of timing and quality of the social welfare. The qualitative variations refer to the level of “stateness, which entails the level of centralization, the level of state-church integration, the level of state intervention in the economy and the degree of institutional coherence (universalism vs. fragmentation) (van Kersbergen 1995: 195-196).

In his famous article, Arnold Heidenheimer (1983) tried to identify the relationship between religion, secularization and the “westward spread” of the welfare state. The article was designed as two fictional dialogues, the first taking place between Max Weber and Ernst Troeltsch in 1904 and the second between Ernst Reweb and Max Schroelett, the contemporary impersonations of them. The question that addressed to both scholars was how the different Christian denominations reacted to the introduction of social policy. The emergence of the welfare state was dated back to 1883, the year that workers’ insurance was introduced in Germany.

From the Weberian point of view, Protestant countries were assumed to be forerunners in the introduction of social insurance because both Protestant social doctrine and the close collaboration between church and state facilitated the state intervention in social policy. In contrast, Catholic countries lagged behind because Catholicism prevented the economic development. From the Troeltschian perspective, however, there was a significant variation between Calvinist and Lutheran denominations of Protestantism. Lutheranism was not against the state intervention and social insurance, whereas Calvinism, due to its close association with liberal capitalism, strongly opposed the state intervention in social policy

field and therefore had a negative effect on the welfare state development (van Kersbergen 1995: 196).

In his working paper, Philip Manow (2004) speaks about the drawbacks of Esping-Andersen's "three worlds"- typology, stating that the close examination of the welfare state regimes shows that the conservative regime type does not match the empirical findings. In his view, the main problems in Esping-Andersen's welfare state classification generate from the exclusive focus on the class conflict and the selective approach to the role of religious cleavages, while neglecting the impact of social and Reformed Protestantism on welfare state development.

Manow characterizes the Continental-conservative welfare regime as "ugly" because it is not as "good" as the Social Democratic regime, which has a high de-commodification capacity, and also is not as "bad" as the liberal regime, which is less generous in terms of the welfare entitlements. Yet, there are other analytical reasons for Manow to label the Continental welfare type as the "ugly" regime. Firstly, some countries, which were defined as the Continental-conservative regimes by Esping-Andersen, are significantly different from each other (for instance, Germany and Portugal). Re-analysis of the welfare classification shows that the Southern European welfare systems represent a separate group with the distinct features. Secondly, there is no geographical correspondence within the Continental welfare regime that one finds in the Nordic Social Democratic and the Western Anglo-Saxon liberal regimes. In contrast, the Netherlands with their social democratic generosity and Switzerland with its liberal features reveal the discrepancies within the Continental-conservative cluster. Thirdly, Esping-Andersen hints at the impact of Catholic social doctrine on the formation the Continental welfare state, but he avoids from a more detailed analysis of those countries in which Catholicism has led to the emergence of Christian Democratic parties. Yet, he fails to consider the role of Protestant parties in Switzerland and in the Netherlands, and most importantly the anti-welfare attitude of Reformed and free-church Protestantism in Great Britain (Manow 2004: 1-2).

According to Manow, the empirical and theoretical gaps that emerge in Esping-Andersen's welfare typology can be filled by considering the role of Protestantism in the development of the welfare states. Since the main body of research (if they considered the role of religion at all) has exclusively focused on the influence of Catholicism on the

welfare state formation, the main distinction was mostly drawn between Catholicism and Protestantism. However, Manow argues that one has to consider the distinctions among Lutheranism, Reformed Protestantism and the free-church currents of Protestantism (in addition to Catholicism) in order to solve the analytical problems that found in Esping-Andersen's welfare regime typologies (Manow 2009: 2).

Furthermore, Manow claims that “[...] once we control for the impact of reformed Protestantism, we can explain many of the institutional and historical peculiarities of the Dutch, British and Swiss cases, all of which have proven highly resistant to any easy categorization within Esping-Andersen's conventional “three welfare state regimes” typology. It is not by chance, I maintain, that the Netherlands, Switzerland, and Britain are the very countries in which reformed Protestantism has had a discernible influence” (Manow 2004: 3). According to Manow, Esping-Andersen himself is perplexed to define the British welfare state because due to its universal principles the British welfare state is close to the Social Democratic regimes (for example, the NHS and the national pension insurance), however residual social protection schemes and great space for private welfare arrangements makes it similar to the liberal regime (Manow 2004: 4).

The problems that arise with the classification of the three European countries – the Netherlands, Switzerland and the UK – in which Reformed Protestantism was dominant allow us to assume that (in contrast to previous studies that neglected the role of Protestantism, e.g. Kersbergen 1995; Huber/Ragin/Stephens 1993; Esping-Andersen 1990; Lagner 1998) Protestantism has had a significant impact on the formation of the distinct welfare systems, although sometimes this impact was indirect and “negative”. The “negative” impact implies the strong antagonistic stance of the Protestant free churches and other reformed branches of Protestantism (Dissenters, Baptist, and Calvinists etc.) against the state intervention into social policy field. The principles such as self-help, the autonomy of the holy local congregations, strict state/church separation, prudence and individual asceticism that these denominations supported had a delaying effect on welfare state development. This “negative” effect is noticeable in all the countries in which reformed Protestantism was dominant (Manow 2004: 4).

The retarding influence of Reformed Protestantism can be easily noticed if one closely examines the evolution of the British welfare state. Initially, Non-conformists became

dominant within the Liberal Party and later gained the upper hand in the Labor Party, where they significantly shaped the nature of the social policy programs (Parry 1986). Non-conformists often underlined the importance of the principles such as individual freedom, self-improvement and *laissez-faire* attitudes that instigated negative feelings towards the state intervention in the social policy sphere (Catterall 1993:683). At the beginning of the twentieth century, British social legislation was heavily affected by Liberals, especially after their landslide victory in the 1906 elections. Non-conformist religious views that revived as an opposition to the 1902 Education Act played a significant role in this victory. Yet, another religiously motivated ideology – the social liberalism, which stressed the importance of personal responsibility and individual initiative along with the state-supported welfare, became pervasive among the left-liberal circles. The moral principles of Protestantism such as self-discipline, merit, prudence, thrift, personal responsibility and so on were main factors that guided the British working class actions. The British working class created voluntary organizations such as mutual self-help and friendly societies on the basis of these principles (Manow 2004: 5). Moreover, Reformed Protestantism had a long-lasting institutional and ideological effect on the development of the British welfare state. Even after the Second World War the “path-breaking” Beveridge reforms was often characterized as “no more than the administrative completion of the moral programme of British nineteenth-century nonconformism” (Milward 1992: 43).

Furthermore, religion had both institutional and cultural impact on the development of welfare state. On the one hand, religious cleavages not only prevented societal interests from getting organized along the class lines but also they created their own conflict lines between the church and the state for controlling welfare services. On the other hand, religion was (and still is) a powerful factor in society as a basis for legitimation. For example, in the USA because of the religious pluralism, the churches could incorporate neither sides of the capital-labor conflict. Therefore, social policy issues were mostly discussed on the religious ground, which means that the individual self-help and local charity principles of Reformed Protestantism played a dominant role in shaping social policy. As a result, voluntary organizations gained upper hand in providing social protection for underprivileged people and the state participated only as a sponsor for subsidizing third party organizations (Manow 2004:6; Quadagno and Rohlinger 2009: 236-

245). By contrast, in Continental Europe, except the Netherlands, the churches were the main recipients of the state subsidy for providing social provision for people in need. In the Dutch case, however, there were both religious and secular voluntary organizations that competed to gain supremacy in the implementation of welfare policy and this competition has led to the rapid welfare state growth after 1960. In contrary to the Netherlands, the dual structure of group-specific voluntary programs and universal state provision had a negative impact on the welfare progress in Switzerland and in Great Britain (the countries in which reformed Protestantism was powerful, too). In Switzerland this was due to the federative configuration of the country that hindered the competition between the different parties to promote more generous social policy; and in Great Britain, there were no different religious camps that to be able to challenge the labor movement for achieving better social protection standards(Manow 2004:6-7).

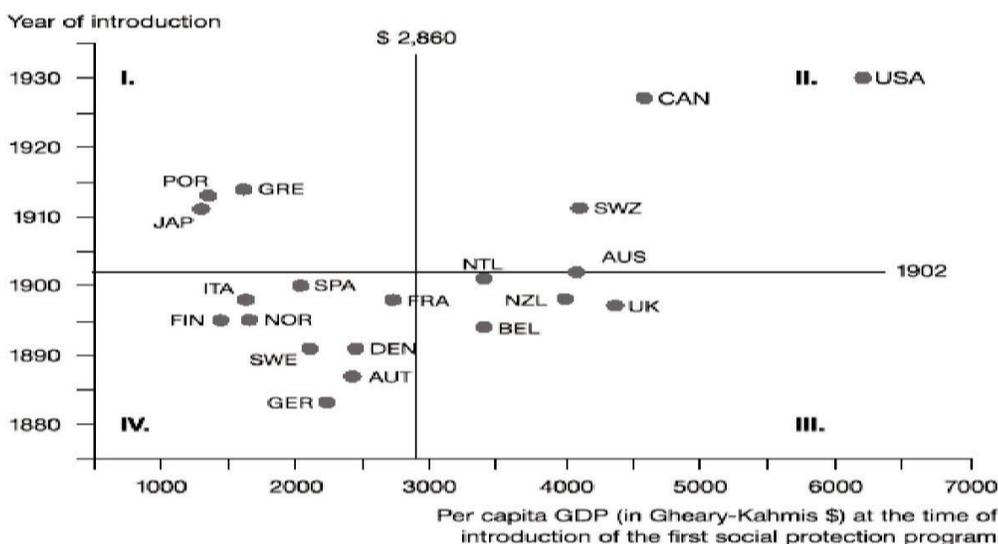
In contrast, in Southern Europe workers always had to fight against the Catholic Church while they were fighting the ancient regime because the Church was the main supporter of the absolutism. Therefore, the social policy programs that were introduced by liberal parties in southern countries (e.g. Italy and France) in the early formative period of the welfare state were highly anti-clerical and anti-church in essence. In fact, this argument negates the general assumption, which claims that Catholic social doctrine was the dominant power in the development of the Southern and Continental welfare state (Manow 2004: 7).

Regardless their similar starting points the Dutch, Swiss and the British welfare systems took different paths in their development process. Yet, there are still many similarities between these countries. Due to the impact of Reformed Protestantism, these countries have many features and structural similarities in common. According to Manow, social Protestantism did not promote social policy intervention as Catholic social doctrine did. However, this does not reduce its importance as an explanatory variable in the evolution of the welfare state. Certainly, the strength of the labor movement, the level of industrialization, constitutional features etc. are important variables for understanding the welfare state development. But the churches, the parties of religious defense, social doctrines are equally important factors for a better understanding of the formation and development of distinct welfare systems (Manow 2004: 8).

According to Manow (2004), the welfare state development started late in those countries in which Reformed Protestantism was a major denomination. In contrast, the countries where a Lutheran state church was dominant could develop early welfare state due to state's early intervention in social policy. This argument suggests that the countries like Great Britain, Switzerland, the Netherlands, the USA, Canada, Australia and New Zealand should be welfare laggards due to the influence of reformed Protestantism; whereas the Lutheran countries such as Germany and Sweden should be forerunners in the social policy introduction (Manow 2004:8-9). The conclusion was drawn by Manow as follows:

Relative 'earliness' or 'lateness' can be understood in two ways – in a chronological sense or in an economic one. Chronological time can be measured as the date of the first social legislation; economic time can be measured, for instance, as the GDP per capita at the time of the first social legislation. Countries, then, can be late in one, two or in no dimensions (see Figure 1, cf. Wagschal 2000: 49): They can be later than average in a chronological sense (quadrant I) and/or later than average in an economic sense (quadrant II and III), or they can be late in none of these two dimensions (quadrant IV). Switzerland, Canada and the United States are clear welfare state laggards, since they are late in both dimensions. Our other reformed Protestant countries, such as New Zealand, Great Britain, and the Netherlands are 'early' in a chronological sense of the word (Australia is a borderline case) – *yet without exception, all of them are late in an economic sense* (Manow 2004: 9).¹

Figure 1 Level of economic development at the time of introduction of the first major social protection program (20 OECD countries)



Sources: Schmidt (1998: 180) and Maddison (1995: 194–201), cf. Wagschal (2000: 49).

¹ The chart was taken from Manow (2004: 9)

A more precise picture emerges if we do not restrict our analysis by looking only at the introduction of the *first* social program. 'Time' becomes a less arbitrary indicator if we look at all major social programs – old age, accident, health, and finally unemployment insurance. The relative economic timing of social legislation can then be measured in two ways: either as the GDP per capita at the time of introduction of each for these social protection programs averaged over all four dates, or as the level of economic development at the 'average' (hypothetical) introduction year calculated as the mean of the different years of major social legislation. With respect to the group of welfare state laggards, the two procedures lead to almost identical results (Table 1), whereas the composition of the groups of early and 'normal' welfare states varies a bit more depending on which of the two methods of calculation is used. (Manow 2004: 9)

Table 1 Rank order according to level of economic development at the moment of introduction of accident, sickness, old age and unemployment insurance as well as family support (1 = lowest, 21 = highest level)

Average per capita GDP in the 'introduction years' of the welfare state	Per capita GDP in the average 'introduction year' of the welfare state
1. Greece (\$ 10,077)	1. Portugal (\$ 1,780)
<i>Mean - 1 Standard Deviation (\$ 10,783)</i>	2. Norway (\$ 2,079)
2. Spain (\$ 10,812)	<i>Mean - 1 Standard Deviation (\$ 2,188)</i>
3. Portugal (\$ 13,204)	3. Finland (\$ 2,476)
4. Norway (\$ 13,278)	4. Greece (\$ 2,526)
5. Italy (\$ 13,421)	5. Spain (\$ 2,525)
6. Austria (\$ 13,386)	6. Sweden (\$ 2,584)
7. Ireland (\$ 13,540)	7. Italy (\$ 2,703)
8. France (\$ 16,850)	8. Japan (\$ 2,709)
9. Finland (\$ 16,951)	9. Ireland (\$ 2,800)
10. Germany (\$ 17,031)	10. France (\$ 3,217)
11. Japan (\$ 17,075)	11. Austria (\$ 3,312)
12. Denmark (\$ 17,763)	12. Germany (\$ 3,416)
13. Sweden (\$ 17,885)	13. Denmark (\$ 3,417)
14. Belgium (\$ 19,490)	<i>Mean (\$ 3,836)</i>
<i>Mean (\$ 20,958)</i>	14. Belgium (\$ 3,887)
15. Netherlands (\$ 21,750)	15. Netherlands (\$ 4,324)
16. New Zealand (\$ 25,274)	16. UK (\$ 5,032)
17. UK (\$ 25,277)	17. Australia (\$ 5,095)
18. Australia (\$ 29,464)	<i>Mean + 1 Standard Deviation (\$ 5,483)</i>
<i>Mean + 1 Standard Deviation (\$ 31,134)</i>	18. New Zealand (\$ 5,670)
19. USA (\$ 35,955)	19. Switzerland (\$ 6,026)
20. Switzerland (\$ 43,816)	20. USA (\$ 7,018)
21. Canada (\$ 47,829)	21. Canada (\$ 7,929)

Source: Manow's (2004) own calculations based on Schmidt (1998: 180 Table 5) and Maddison (1995: 194–201, Table D-1a and D-1b).

Then, Manow (2004: 10) concludes that:

The cluster of late welfare states is apparently quite stable, and comprises all those countries that already qualified as 'late' in our first analysis, which was restricted simply to the introduction of the *first* major social protection program (with Belgium being a borderline case; see above Figure 1; quadrant II and III). Needless to say, the Commonwealth countries of Australia, New Zealand and Canada, as well as the USA, share a substantial influence of reformed Protestantism with our European countries – the UK, the Netherlands and Switzerland (Mol 1972; Barrett 1982). The data therefore quite clearly confirm a pattern of a delayed "westward spread of the welfare state", which Arnold Heidenheimer explained on the basis of religious factors as early as 1983.

Reformed Protestantism had a long-term institutional effect in the timing and further development of the welfare state. It prevented the state's early intervention in the social policy realm and the gap that left in the social security sector was filled by private and voluntary organizations. The belated state intervention, however, did not change the already existing social security systems. Rather, the state became a supporter of the private arrangements by subsidizing and building new welfare mechanisms around the existing arrangements. This kind of late state intervention led to a dualism in the social protection system, where group-specific welfare services were complemented by universal basic state provision. Usually, the private organizations were against the state intervention and the compulsory social programs that were introduced by it (Manow 2004: 13).

According to Manow (2004), the early emergence of voluntary organizations like unions and friendly societies delayed the introduction of compulsory social insurance in the Protestant countries. Because in these countries workers organized themselves around the voluntary organizations relatively early in time and this development later led to a dualism between private, group-specific insurance schemes and basic state provision of social protection. This kind of dualism is highly characteristic for the British, Swiss and Dutch welfare states, in which workers developed their own self-help programs and simultaneously urged the state to improve the security measures at the workplace. This explains why the British and Swiss welfare states were laggards in terms of social protection programs, but forerunners for the early introduction of work safety regulations (Manow 13-14).

The preceding discussions show that religion is an important variable to trace the evolution of the various welfare systems. The severe conflict between church and state, the impact of Catholic social doctrine and parties of religious defense or the absence of opposition against the state intervention formed different kinds of welfare states. However,

focusing only on the role of Catholicism and Christian Democracy – as previous studies have done (Wilensky 1981; Esping-Andersen 1990; Boswell 1993; Castles 1994; Kersbergen 1995) – is not sufficient for understanding the different paths of welfare evolution. Therefore, it is crucial to consider the role of Protestantism and most importantly, to differentiate between Lutheran and reformed Protestantism in order to fill the theoretical and empirical gaps in Esping-Andersen’s regime typology and to understand the development of “belated” welfare states much better (Manow 2004; van Kersbergen and Manow 2009).

3.1.3 Political Class coalitions as the main determinants of the welfare state

Manow and van Kersbergen (2009) argue that the political coalitions behind the Polanyian countermovement for the de-commodification of labor are important factors in shaping the different welfare regimes. Therefore, it is important to focus on the political party configuration of national systems, where the left and right parties gained different strength. The level of generosity of the different welfare systems has usually been related to working-class’ strength by previous studies. For example, the dominant power resources approach defined the welfare state as a project of the left power (e.g. Social Democratic parties) and unions. According to this theory, the welfare state was generous and encompassing in countries with the strong left parties, whereas it remained residual where the left wing was weak (Korpi 2006). However, historical research shows that the left parties could never gain electoral majority alone (Przeworski and Sprague 1986). They always needed to go into a coalition with different social classes (especially with the middle class) for implementing their labor-friendly social policies. Here the class coalition theory gains relevance which was supported by Esping-Andersen (1990) as well.

In the first chapter of his “*The Three Worlds of Welfare Capitalism*” (1990) Esping-Andersen argues that it was not the powerful working-class, but class coalitions that determined the welfare state variations. He claims that the Scandinavian Social Democratic model of the welfare state was successful because it tailored social policies to meet the expectations of the middle class. By contrast, the Anglo-Saxon welfare states failed to do this and welfare provision remained residual. According to Esping-Andersen (1990), “[...]”

the Anglo-Saxon nations retained the residual welfare state model precisely because the new middle classes were not wooed from the market to the state. In class terms, the consequence is dualism. The welfare state caters essentially to the working class and the poor. Private insurance and occupational fringe benefits cater to the middle classes. Given the electoral importance of the latter, it is quite logical that further extensions of welfare-state activities are resisted” (Esping-Andersen 1990: 31). Although the welfare typologies developed by Esping-Andersen were a remarkable job that was followed by different sociologists, it describes the result rather than the cause of the distinctive welfare regimes. Esping-Andersen fails to explain why the Western European countries developed different types of the welfare state and why some welfare regimes cannot embrace the middle class (van Kersbergen and Manow 2009: 16).

Torben Iversen and David Soskice (2006) represented another class coalition theory, which perfectly explains the emergence and development of the various welfare states. Their theory is based on the analysis of different voting systems. They identified that the left parties run government more often in a multiparty system, whereas the right parties in a two-party system. Then they go on to clarify that majoritarian electoral rules create a two-party system with a center-left and a center right party, while proportional electoral rules (PR) results in a multiparty system. Their model assumes three classes – the lower, middle, and upper classes – and a system of (nonregressive) taxation and redistribution. Iversen and Soskice (2006) argued that the fate of class coalition depends on the actions of the middle class. In a two-party system, they claim, the middle class mostly votes for the right party, because if a left party governs it will tax both the middle and upper classes in favor of the lower class. But if a right party governs, the middle class cannot get any benefit, but will not be taxed either. Therefore, in a two-party system where the right party governs more often, the welfare state remains residual. By contrast, in a multiparty system the middle class always enters into a coalition with the left party because the lower and middle classes can together tax the upper class and divide the revenue. This is why in multiparty systems left parties tend to govern more often and the welfare state becomes more generous than in two party systems (van Kersbergen and Manow 2009: 16).

The theory developed by Iversen and Soskice explains more clearly the emergence of different class coalitions than Esping-Andersen’s regime typologies. Moreover, their theory

also clarifies the formation of the different welfare models by emphasizing the role of societal cleavages (also religious ones). As it is mentioned above, the majoritarian electoral rules create a two-party system which the middle class always votes for center-right parties. In a two-party system the left-right, or labor-capital, division appears as a major cleavage, and political parties basically represent the economic cleavage. On the contrary, other cleavages (including religious one) cooperate either with the left or with the right parties. However, this association does not diminish the importance of the religious cleavage. Rather, it is crucial to clarify what kind of role the religious cleavages have played within the dominant left-right divide. For example, the fierce clash between the Anglican high church and the Protestant dissent in the last quarter of the nineteenth century was also the main determinant of the conflict line between Tories and Liberal party (Parry 1986). At the end of the nineteenth and at the beginning of the twentieth centuries the religious dissent lost its political representation with the party system due to the decline of the Liberal party and its replacement by the Labor party. However, later on it became influential within both the Conservative and the Labor party, especially by shaping the latter's social policy programs (Pelling 1965; Caterall 1993). The theory by Iversen and Soskice (2006) perfectly explains the less generosity of the British welfare state. In two-party systems, as the theory claims, other social cleavages get incorporated into the main economic (capital-labor) cleavage and within such systems the middle class usually votes for the conservative parties. As a result, the welfare state becomes less generous and remains residual (van Kersbergen and Manow 2009: 16-18).

3.2 The impact of religious doctrines on the welfare systems

3.2.1 Differences between Christian social doctrines

Religious doctrines played important roles in the development of various welfare systems in Europe. The main Christian denominations – Catholicism, Lutheranism and Calvinism/Reformed Protestantism – immensely affected the poor relief institutions and poverty policies shaping distinct attitudes towards poverty and labor. Additionally, religious doctrines had long-term consequences on political traditions of the European countries that led to the advent of ideologically and structurally different welfare systems (Kahl 2005; 2009). According to Sigrun Kahl (2009), religious doctrines have shaped the welfare states in two ways: “1) Christian social doctrines are embedded in the secular institutions of poor relief (which are today called “welfare” or “social assistance”), reflecting and reinforcing particular values and norms regarding poverty, work, and charity; and 2) social doctrines also affect the churches’ preference formation and political strategies, which can be seen in the churches’ stance toward state involvement in poor relief” (Kahl 2009: 268).

The form of charity in medieval Europe was basically homogeneous until the Reformation, which was a turning point that brought new interpretations to the traditional Christian social doctrine. Calvinism and Lutheranism suggested different solutions to the problem of poverty from that of traditional Catholic principle, which stressed society’s responsibility towards its poor members. Rather, Calvinism and Reformed Protestantism emphasized the importance of work by holding poor people responsible for their own subsistence. The countries in which Calvinism and Reformed Protestant denominations were dominant, such as the Netherlands, Great Britain, and the USA formed their social policies according to this principle. The Lutheran countries, however, chose the middle way by providing social support for poor and simultaneously requiring them to work. These religious doctrines have had a significant impact on modern social assistance in terms of defining its nature and the year of its introduction (Kahl 2005: 93-95).

In medieval Europe, poor relief functioned on the basis of religious principles. But even after the secularization process, when a need to religious legitimation decreased, governments did not avoid from the several hundred years old poor relief systems due to

their low cost, efficiency and flexibility of facing new social challenges. The high success of reforms mostly depended on their correspondence with the old traditions. This explains why countries could not completely detach from their previous social policy traditions while establishing new social policy system (Kahl 2009: 268).

Securing the basic means of subsistence for a citizen is the main concern that necessitates the development of the welfare state. This concern is related to the problems such as who should be responsible for taking care of the poor and what kind of social assistance should be provided for them. These are the main problems that remain unsolved even for the mature welfare states and bring new discussions about poverty, work, labor and society's responsibility versus individuals' duty for providing a living for themselves (Jawad 2012: 60).

In medieval societies, the problem of poverty was justified by religion in a sense that Catholic social doctrine glorified the poor as "God's best friend". "Work" was deemed as a sign of poverty and those who worked for providing their subsistence were considered poor and powerless. Idleness was not welcomed but there was not any mechanism forcing the poor to work. In contrast, they were honored as images of Christ that gave them a central position in medieval society (Kahl 2005: 95-96).

In The Middle Ages, the main concern for Christian population was gaining God's grace in the afterlife and entering to heaven. Helping the poor – God's best friends – and having their prayers was one of the effective ways for people to gaining entrance to heaven. Therefore, there was a legitimate basis supporting the poor by people, who tried to accumulate enough good deeds to save themselves from burning in hell. The church was the main mediator between the rich and the poor by collecting donation and alms from the former group and assisting to the latter one (Kahl 2005: 96; Kahl 2009: 270).

However, the Reformation altered the main principles of charity and suggested a new approach towards work and poverty. In Luther's opinion, all works that were carried out by humans were sins and people were originally sinners. Salvation and God's grace could only be achieved by true faith rather than donating alms and investing in good deeds. Living in poverty was not considered as a justification for the poor and a beggar was not an image of Christ anymore. In contrast, Luther considered beggar as an image of the Devil and giving alms to the poor did not warrant salvation for people. Therefore, the main concern for

Luther was to help people to be rescued from the Devil and to gain salvation (Kahl 2005: 102-103).

In two ways Lutheranism reshaped the attitude towards work. Firstly, work defined as a positive activity that pleased God. In spite of, its material benefits, work also was important for gaining a social status. Secondly, it was not associated with poverty anymore. In contrast, people had to work for providing their material subsistence and overcome poverty. Seeking more material gain than the basic need, however, was not acceptable. All kind of work had equal importance before God and thus, the poor also were responsible for providing their own living. The poor could still be helped in case if they are disabled or if there was no work (Kahl 2009: 271-272).

3.2.2 Calvinism and its attitude towards work and poverty

In contrary to Lutheranism, Calvinism saw capitalism acceptable. However, there were many common features between the two denominations, too. Calvinism, like Lutheranism, denounced begging and encouraged people to work for supporting their own living. According to Calvinism, indulgence and almsgiving were the signs of the corrupt Church system and begging was as bad as robbery. Giving alms was not forbidden in Calvinism but charity also was not appreciated more important than true faith (Kahl 2009: 274).

The main difference between Lutheranism and Calvinism was that the latter gave more importance to predestination and to signs of salvation. To Calvinist, everyone's destiny was determined by God prior to birth and being rich was considered as a possible sign of God's grace. Lutheranism stated the possible forgiveness of sinners by God if they were humble and true believers, whereas in Calvinism sin was unerasable (Kahl 2009: 275). Calvinism emphasized the importance of work by stating that everybody should be responsible for their own survival. Labor was the best way for gaining God's grace, particularly, systematic and disciplined work was considered effective for salvation. Therefore, only in Calvinist/Puritan tradition the workhouse became a practical tool for involving the poor in labor in order to alleviate their poverty and help them to gain God's mercy. After its introduction, the number of workhouses dramatically increased in Calvinist/Reformed Protestant countries. The first workhouse in England was the London Bridewell, which was

introduced in 1555 and by the 18th century the total number of them reached to 200 (Kahl 2005: 108).

Catholicism was against outdoor relief because there was no assurance whether the poor received the donation or not. Calvinism was also against outdoor relief but for the different reason. Calvinist claimed that outdoor relief had a negative impact on the poor by making them lazy and discouraging to work for their own subsistence. Therefore, they initiated the workhouse (indoor relief) to prevent the poor from becoming idle and to ensure that only the deserving poor could benefit from poor relief. Although Catholicism considered the community responsible for supporting their poor members, this support was seen as a charity rather than entitlement. In Calvinism, however, paupers were obliged to work in the workhouse. Thus, the poor legislations in England such as a 1572 act, the 1723 Work House Test Act, and the 1834 Poor Law Report envisaged provision for the poor only within the workhouse (Kahl 2005: 108-109).

However, practical implementation of poor legislations was financially difficult. Outdoor relief was originally thought for disabled people, whereas able-bodied had to work in the workhouse. But it was cheaper to provide assistance through the local parishes rather than maintaining workhouses. The poor, according to the poor law, should be categorized and only the able-bodied should be accommodated in workhouses. But this plan could not be implemented and workhouses soon became crowded by the disabled paupers. The able-bodied entered workhouses only during an economic crisis. The ineffectiveness of the poor law practically deprived the able-bodied of the benefits of poor relief (Kahl 2009: 277).

The workhouse was the perfect environment for implementing Calvinist doctrine, which required people achieving God's grace not only by praying but also by working. The workhouse was established to prevent the poor becoming lazy and encourage them to leave poverty, since the latter was characterized as sin. According to Calvinism, the level of relief should be so minimal and the conditions, under which it was granted, should be so harsh that only the most destitute people would be willing to apply for it (less eligibility principles) (Kahl 2009: 277).

Furthermore, Calvinism differentiated between two kinds of work – work as a sign of God's grace and work as a means of punishment for the poor. Against the Lutheran statement that all work has equal value before God, Calvinists claimed that only rational

and disciplined work could please God. Moreover, if in Lutheranism grace could be achieved by true faith and in Catholicism by good deeds, however, Calvinist predestination hinted that salvation could not be obtained in a lifetime. Therefore, the work ethic and material wealth were assumed as a sign of God's mercy (Kahl 2009: 278).

Calvin stated that poor relief should be under the church's authority and should be funded by the voluntary organizations, rather than the government. The antistatist stance of Calvinism was similar that of Catholicism, however, the two religious doctrines had different reasons for holding this position. Catholicism often highlighted the necessity of subsidiarity, whereas for Calvinism sovereignty was more important. The Calvinist/Reformed Protestant poor relief administration was less secularized compare to its Lutheran counterpart and therefore, the Church and private charity organizations were dominant in delivering social assistance. The government intervention took place when the existing organizations experienced financial difficulties (Kahl 2005: 110).

In contrast to the Dutch poor relief, England could establish more secularized and centralized poor relief system by introducing poor rates and legislations for controlling poor relief. However, English state church was different from the Lutheran state church in a sense that its doctrine was a mixture of Catholic doctrine in worship and church administration and Puritan Calvinism in political matters (e.g. the 1701 Act of Settlement required all kings to be Protestant). Moreover, English state church has emerged later than Lutheran church and later on, was challenged by nonconformist denominations, which developed from Calvinism. The English poor relief system, however, remained relatively secularized and Calvinist attitude towards poverty and work hugely affected its nature. The local church and charity organizations played an important role in the collection and distribution of donations. Furthermore, the poor relief legislations by banning outdoor relief and diminishing the level of charity to the workhouses, more often remained ineffective in fighting poverty (Kahl 2009: 279).

The early introduction of the poor relief legislations and poor rates could not alleviate poverty problem in England. In contrast to Lutheran countries, the English poor laws could not establish state responsibility for the poor. Therefore, private religious charity and voluntary organizations continued being central actors in supporting the paupers (Kahl 2009: 279).

3.2.3 Christian social doctrines and the state intervention

The previous welfare studies (Rimlinger 1971; Flora 1986: XV; Levine 1988; Skocpol 1992) did not consider poor relief institution as an important factor in the development of the welfare state. Rather, they defined the emergence of the modern and comprehensive welfare state as a historical break with the poor relief tradition. In contrary to them, Sigrun Kahl (2009) argues that old poor relief has significantly shaped the future development of modern welfare systems. She claims that poor relief was a historical origin of the welfare state because it was the first mechanism of public redistribution for supporting poor people. The nature of poor relief determined how far state intervention into social protection was morally acceptable and institutionally relevant (Kahl 2009: 283).

The high level of involvement of the state in poor relief later led to the emergence of the more comprehensive and generous welfare models. *Social insurance* was historically established on the base of poor relief. However, the latter retained its existence for providing support for those who were not covered by social insurance. The countries with centralized, tax-financed and state-run poor relief system were also pioneers in the introduction of social insurance. Social insurance first was introduced in Lutheran countries, in which the old poor relief was not efficient and capable in facing new challenges that were caused by industrialization. The religious denominations had a great influence on the timing of the welfare state formation in Western Europe (Kahl 2009: 283). The Lutheran countries were forerunners in this process, whereas Catholic and Reformed Protestant countries were considered welfare laggards (Manow 2004).

The introduction of *social assistance*, however, in Calvinist/Reformed Protestant countries took place before Lutheran countries. Catholic nations launched it either very late or not at all. In Calvinist and Catholic countries social assistance was basically fragmented and ungenerous, whereas the Lutheran countries had a unitary and more generous system. It becomes clear that in Catholic countries a strong church authority on social provision has led to the late development of the welfare state with a limited state intervention in social policy. In contrary to Catholic and Reformed Protestant countries, the Lutheran church was not against the secular social assistance and state intervention in social policy. Therefore,

we observe early introduction of *national social insurance* and early development of the welfare state in these countries (Kahl 2009: 283).

The negative attitude of Calvinism towards the state intervention in the social policy domain, in contrast, led to the late and less generous welfare state, compared to the Lutheran nations. The countries, where Calvinist/Reformed Protestant traditions were powerful, have never introduced a national social insurance system. Instead, these countries have established early national social assistance schemes with a basic level of assistance to individuals, especially in extreme cases and promoted private insurance and non-statist welfare organizations (Kahl 2009:284).

3.2.4 The Churches as political actors

Catholic, Lutheran and Calvinist social doctrines shaped distinctive attitudes towards poverty and the state involvement in social problems. However, along with social doctrines, the state-church cleavage determined the extent of the state intervention in social policy. In other words, in some countries, the religious cleavage became politicized and led to the development of religious parties, while in some other countries the church integrated into the state bureaucracy (Anderson 2009:210-211). The churches were highly influenced by religious doctrines in regard to define their attitudes toward the growing importance of the state in social issues. For instance, Lutheran Church doctrine facilitated the state-church incorporation during the Reformation and therefore the church did not feel threatened by the expansion of the state authority over social policy. By contrast, Catholic and Calvinist strongly opposed the newly-emerged welfare state, because Catholic subsidiarity and Calvinist individualism and “self-help” principles were against the state dominance in social policy sphere (Kahl 2009:284-285; Manow 2004).

Furthermore, it is also important to clarify how Catholics and Calvinists adjusted their interest towards the already created welfare system. Once the churches became sure that the welfare state was established and there was no way back, they decided to secure their interest on the maximum level. Especially, the church called for more state intervention when the traditional charity organizations failed to cope with new socioeconomic challenges. Both Catholics and Calvinist saw the state intervention useful for securing their positions. For instance, Reformed Protestants were forerunners in poor law reforms in

Britain; or a coalition between the Liberals and nonconformists in 1906 led to the landslide victory of the Liberals and made opportunity for Lloyd George to implement his reforms (Kahl 2009: 285-286).

Chapter 4: The historical development of the British Welfare State

4.1.1 The Old Poor Law period

The fourteenth-century economy of England was hugely affected by the Black Death, which led to a big labor shortage and vagrancy. It was these problems and fear of social disorder that urged the state to take adequate countermeasures against poverty rather than considering it as a subject to Christian charity. Thus, the state introduced the Statute of Laborers in 1351 in order to control labor wage and reinforced it with the Poor Law Act of 1388, which was designed to restrict labor mobility. The poor laws were originally thought of preventing labor mobility that often led to an increase in the wage rate. However, the punitive character of the laws could not prevent people from wandering. Therefore, the Tudors, starting from Henry VIII implemented more supportive policy towards the disabled paupers. In 1536 the parishes were authorized by the state to collect money for supporting the poor in order to discourage begging. But the attitude towards able-bodied vagrants remained unchanged (Fraser 1973: 28; Elton 1953: 55-60).

During the Elizabethan rule there were two main economic factors that increased the level of poverty and labor mobility: first, a large number of people become displaced as a result of the enclosure process, which turned the arable lands to pasture; second, the great inflation that was caused by the import of precious metals from the New World. Of course, the impact of the inflation on poverty could not be understood by that time. However, the enclosure process changed the state's vision on poverty by letting it distinguish between the genuinely unemployed and the idler. As a result, the notion of "setting the poor on work" became a central principle for the Poor Law Act of 1576 and was also followed by the later legislations on poverty. The Poor Law of 1576 envisaged the establishment of the workhouses where able-bodied paupers were to be forced to work for receiving the poor relief. However, the idea could not be realized until 1601 due to the unwillingness of local parishes and magistrates to finance the building of the workhouses (Rimlinger 1971: 19; Fraser 1973: 29; Elton 1953: 63-64).

The Poor Law Act of 1601 or with its different name 43rd of Elizabeth was a response to the economic troubles by the state in order to prevent possible social disorder. The futility of the previous punitive poor laws made the state to seek for more rational solutions to poverty. As a result classification of the poor was considered more appropriate for

reducing poverty. The Law identified three groups of paupers that should be treated differently. The disabled poor (the aged, the chronic sick, the blind etc.) were to be placed in “poor-houses” and to be provided with poor relief; the able-bodied had to work in workhouses and the able-bodied, namely, persistent idlers who refused to work were to be punished in a “house of correction”. Moreover, the Poor Law of 1601 defined the administrative basis of poor relief. According to the Law, each parish was responsible to run its own poor relief through overseers that were to be appointed by the magistrates. Poor relief should be financed through poor rates that were imposed by overseers on each property. The whole system was supervised by the Privy Council (Fraser 1973: 30; Feldman 2003: 83).

The new system that was defined by the Poor Law raised some problems on the national level. It was each parish’s duty to take care of its paupers. However, there were vagrant paupers whose original place of residence was hard to detect. This often led to a dispute between parishes to determine who should be responsible for those vagrants. Both ratepayers and overseers were interested in decreasing the number of paupers in their parishes who relied on poor relief (Fraser 1973: 31).

The Act of Settlement of 1662 was adopted in order to solve the problems that emerged as a result of illegal mobility. By the adoption of the Act, the legal settlement was gained through birth, marriage, inheritance, and apprenticeship. Initially, a vagrant should be sent back within forty days since his arrival in a parish unless he settled down in freehold land. But usually, parish overseers did not send the newcomers who did not ask for poor relief. The new Act, however, required them to send the vagrants to their original places of settlement. This was a costly process that the parish overseers often tried to avoid. Therefore, despite its anti-mobility stance and punitive measures the Act of Settlement was not an effective tool for preventing mobility. As a result, the social mobility led to the expansion of cities in the late eighteenth century (Feldman 2003: 84-85; Fraser 1973: 31).

Furthermore, none of the legislations could solve the settlement or poor relief problems. The classification of the poor into three different groups did not work in practice and ultimately paupers from all groups were collected in workhouses. Different measures were taken to alleviate poverty. In 1696 at Bristol several parishes came together to establish the Corporation of the Poor or “pauper manufactory”, which aimed to provide enough relief for

the poor in exchange for their work in workhouses. Despite their large-scale implementations by many other towns the parish corporations failed to fight poverty. Instead, Sir Edward Knatchbull's Act of 1722 promoted the extensive use of the workhouse as a means of subsistence for the poor from all categories (Fraser 1973: 32; Marshall 1937: 42-44).

The Thomas Gilbert's Act of 1782 facilitated the creation of parish unions and by 1834 there were 67 such unions that combined more than 900 parishes. The Act also encouraged outdoor relief along with the workhouse because the former was relatively cheaper than the latter for sustaining paupers (Fraser: 32). However, the new suggestions and laws were not sufficient in dealing with social and economic challenges that were brought by time. Initially, the Poor Law of 1601 defined three different groups of paupers with specific treatments for each but later development led to the different variations and modifications in its implementation. The variations in implementations of poor relief were largely suggested by parish overseers and magistrates and aimed to levy more tax on population. However, the old Poor Law became incapable to deal with the problems that were caused by population growth, increased mobility, industrialization and economic instability. By the end of the 18th century due to scarcity and food shortage, there was a growing demand for state support not only by unemployed people but also by those who were in work. The attempt by Parliament to regulate wages according to living cost could not be realized and dismissed in 1796 (Fraser 1973: 33; Marshall 1937: 45, 47).

Parliament's incapability of solving the problems prompted parish overseers and magistrates to meet at Speenhamland in 1795 in order to seek solutions to the problems. Similar meetings were held several times and as a result it was decided that each parish should supplement deficient wages according to the scale based on bread price rather than regulating wage. This decision afterward was harshly criticized by later poor law reformers for its negative consequences. The great demand for supplementing wage forced Poor Law authorities to look for the different forms of relief for supporting people in need. As a solution, much importance was given to outdoor relief, which consequently undermined the workhouse test. There were several forms of supplementary assistance, which could be provided in money, in kind or in a form of child and family allowances. The main

drawback of the relief was that it was devised to help those in work but not to cover unemployed people (Fraser 1973: 33; Mandler 1987: 134).

Apart from its negative consequences, the allowance system had a positive effect on later social policy development. First of all, it was concerned with providing social welfare for those who were in work but still lived below subsistence level. In contrary to poor relief the allowance system was humanitarian and did not include any punitive measures against its receivers. Secondly, it erased negative social stigma from poor relief because the receivers of allowances were not idlers but working people who still lived in poverty (Fraser 1973: 34).

In the early 19th-century English society tolerated the increased cost of poor relief due to the prolonged war with France. A rapid increase in population during the Industrial Revolution rendered the Poor Law incapable to meet the expectations. Between 1781 and 1811 the population of Great Britain almost increased twice due to the high birth rate and a series of bad harvest led to chronic food shortage. After 1815 the negative consequences of the allowance system were largely criticized and new public debates arose on the nature of Poor Law that lasted until the adoption of the Poor Law Amendment Act of 1834 (Fraser 1973: 34; Rimlinger 1971: 37-38).

4.1.2 Liberalism and debates on poor relief

The Industrial Revolution that took place in the late eighteenth century changed the traditional social order and brought new liberal ideology to society. In newly emerged capitalist society, the poor should not be supported by other people; rather every individual had to pursue his/her own happiness and should be responsible for his/her success or failure. Of course, the traditional rules did not vanish immediately with the rise of the liberal ideology. In fact, new ideas and policy emerged out of their combination. However, in the long term liberalism played an important role in the further development of social policy. The liberal ideas were important factors in fighting the traditional protectionism and in shaping the nature of new institutions. Initially, liberalism delayed the emergence of social security policies and later it significantly shaped their nature (Rimlinger 1971:35; Mandler 1987: 131-132).

The importance of reforms in poor relief and the creation of an effective and centralized system were acknowledged even at the beginning of the 19th century when England was at war with France. Poor relief was so fragmented that each magistrate, overseer and relieving officer had his own approach and solution for social problems and the offered solutions were mostly not adequate to cope with poverty (Mandler 1987: 133). Among these solutions there was a strong abolitionist approach which envisaged total replacement of the Poor Law. However, by 1820 this stance was abandoned by its supporters in order to get a compromise that would eliminate the drawbacks of the Law (Fraser 1973: 35).

One of the famous supporters of abolitionism was T.R.Malthus, who highly influenced by an adamant critic of the Poor Relief Joseph Townsend. According to Townsend, the Poor Law promoted laziness and discouraged self-help rather than curing poverty. Townsend's argument was theoretically developed by Malthus and became popular among abolitionists. In his "Essay on the Principle of Population", Malthus argued that population growth would lead to increased demand for the means of subsistence that could never be provided. To him, overpopulation and scarcity could be avoided by restricting marriages. Thus, he denounced child allowances as causes of population growth. Furthermore, he considered that poor relief undermined individual's desire to independence and motivated idleness (Fraser 1973: 36; Rimlinger 1971: 38).

In the second edition of his essay, Malthus even more harshly criticized poor relief by claiming that reliance on government relief was detrimental to individual liberty. Later on, this claim became an important argument against social security. According to Malthus, people have a natural right to freedom but not to social security and the latter should be provided by individuals themselves. This implied that the poor had no rights to the government support and they were responsible for their own destitution. He believed that abolition of the poor laws would increase society both in moral and material senses. However, Malthus also knew that an abrupt abolition would bring negative outcomes; therefore, he was a proponent of gradual abolition through educating the poor. In his view, clergymen particularly were responsible for educating people about the importance of self-help principle. Like the other reformers, he also considered religion as an effective tool for justifying morality behind the self-help principle (Rimlinger 1971: 40-41).

The similar conclusion was developed by David Ricardo in his “Principles of Political Economy”. He argued that there was fixed amount of national wealth in wages funds and there more proportion of the wealth was paid as poor relief the less proportion would remain for wages. Therefore, both Malthus and Ricardo were against the Poor Law and wanted its abolition (Fraser 1973: 36).

Many suggestions were proposed during the debate on the Poor Law reforms for alleviating poverty. The promotion of friendly societies, saving banks and education were among the suggestions that could not get enough support. However, there was an increasing trust in individual self-help, which also was supported by Adam Smith, among the debaters. It was believed that the Poor Law made people dependent and unmotivated to take the control over their lives. In contrast, individual self-help was deemed to set people free and provide better opportunities for them to support their livings (Fraser 1973: 37; Mandler 1987: 136). This was the very principle that played an important role in the future formation of British social policies.

Another critic of the Poor Law was a classical economist, Nassau Senior, who supported the emancipation of the working class. He argued that historically by restricting the labor mobility the Poor Law was a barrier for social progress. The Law was against the freedom of the workers and prevented people from pursuing their self-interests. Therefore, Senior wanted to free the poor from serfdom and make them independent people who could rely on their own labor. However, Senior like the other members of the Poor Law Commission did not want the total abolition of the Poor Law. Rather, he thought that poor relief could be given in the workhouses if it would not provide better conditions than that of normal workers (Rimlinger 1971: 42-44; Mandler 1987: 149-150).

The economic crisis that followed the war became more severe in 1817-19 and prevented any reforms to be implemented. The growing demand for poor relief in the post-war years increased poor rates. The abolition of the Poor Law was not seen as a rational solution because there was not any other mechanism to fight the post-war crisis and prevent possible social disorder. However, once the crisis passed the debates on poor relief reduction revived again. In the 1820s a group of local reformers in Nottinghamshire introduced a deterrent Poor Law that promoted indoor relief on the basis of the workhouse principle. In 1826 poor rates again increased £7 million per year as a result of the financial

crisis and led to new debates around the poor relief. However, it was not only increasing poor rates but also Swing Riots of 1830 that threatened social order and forced the state to conduct reforms in poor relief (Fraser 1973: 38; Mandler 1987: 148-149).

The new Whig Government under Earl Grey repressed the participants of riots, nine laborers were executed and more than 900 were imprisoned. Nevertheless, the government in 1832 established the Royal Commission, which investigated the drawbacks of the Poor Law and in 1834 came with a report on it. The report was prepared by the laissez-faire economist, Nassau Senior and the former secretary to Bentham, Edwin Chadwick. Despite of its inaccuracies the Report had a great impact on the Poor Law Amendment Act, which significantly shaped the nature of subsequent social legislations (Fraser 1973: 39).

Assistant Commissioners were appointed by the Royal Commission in order to collect data from the provinces about the problems of the Poor Law and to prepare a report for the Commission. The conclusion drawn by Chadwick and Senior on the base of local reports saw the allowance system as the main problem that demoralized and pauperized people by intervention in the free market principles. In their view, the wage levels should be determined by the free labor market rather than being corrected by the Poor Law authorities. Despite Chadwick's high opinion on it, the Report was criticized by many because of its inaccuracies and the selective nature of the methodology that it was based on (Fraser 1973: 39-40; Rimlinger 1971:52-54; Rose 1986: 12-14).

Yet, the criticism could not prevent the Report influencing the nature of the new Poor Law, which in its turn had a prolonged impact on subsequent social policy. Generally, the Report suggested three solutions for the problems: the principle of "less eligibility", the workhouse test and administrative centralization and uniformity of relief. The principle of "less eligibility" and the workhouse test was interrelated in a sense that poor relief should be assigned in return for hard work. The conviction behind this was that allowances system or social welfare made people idle and less motivated to work and to maintain their own livings. In contrast, hard labor in exchange for poor relief would force the poor to become more industrious and to rely on self-help. This implied that pauperism in most cases was a willful and voluntary choice of individuals. Both Chadwick and Senior believed that people would be more motivated to rely on self-help if they knew that their labor could provide

better living standards for them than poor relief did (Fraser 1973: 40-41; Rimlinger 1971: 53; Rose 1986: 34-35).

The principle of “less eligibility” that Chadwick borrowed from Bentham became pervasive in the 1830s and had a tremendous role in shaping future attitudes towards poverty. All suggestions for reform emphasized the importance of self-help and every overseer and magistrates tried to promote self-reliance and self-respect. The institutional care for the disabled was not a matter of discussion and the report had little concern about it. In contrast, Chadwick was concerned about differentiating between the poor who could be able to support himself and the indigent who was in real destitution. In his view, giving relief to laborers was against the original principles of the Poor Law (1601) and the allowance system had driven it to focus on supplemental wages rather than taking care of real paupers. The aim of the 1834 Poor Law Report, however, was to discourage real pauperism, but not to deal with poverty (e.g. low wages) (Rimlinger 1971:52-53; Fraser 1973: 42; Rose 1966: 607).

By reinforcing a workhouse test and abolishing outdoor relief, Chadwick aimed to correct three main mistakes of the allowance system. First, the Poor Law had to cover only the real paupers, but not the poor with low wages. Second, paupers had to work in return for relief they received. Third, the living standards in workhouses should be lower than that of the independent laborers in order to discourage people from going to workhouses. These measures were assumed to reduce the need for poor relief and would lead to poor rates decline (Fraser 1973: 42-43; Rimlinger 1971: 54; Mandler 1987: 149-151).

The new Poor Law put more emphasis on individual self-help by stating that men were masters of their own fate. The individual had full command of his life to find salvation. Therefore, the new legislation had to encourage individual responsibility by reducing the level of social security. It was widely believed that poor relief promoted idleness by providing security for the poor. Thus, it was assumed that people would become more responsible and industrious under fear of insecurity. Additionally, the harsh working conditions in workhouses also would force the poor to find employment. Later, the increasing rate of unemployed people in the industrial cities, however, showed that this presumption was not based on reality (Fraser 1973: 44; Rose 1966 607-608).

Furthermore, the report offered administrative changes to poor relief system. There were 15000 separate parishes that could not provide effective poor relief due to corruption and their fragmented structures. Therefore, Chadwick preferred a uniform system that administrated by a central board. The central board would be responsible regulating the local poor relief practices and running workhouses. The parishes were suggested to join together to make unions. This was the end of parish sovereignty and it was the first time that poor relief became centralized (Fraser 1973: 45; Feldman 2003: 85-86).

4.1.3 The New Poor Law

After two years of preparation, in 1834 Poor Law Amendment Act by the Royal Commission passed both Houses of Parliament with the support of a majority and gained the royal assent in August 1834. Both the main parties – the Whigs and the Tories – supported the bill hoping that it would reduce poor rates. However, there was opposition in Parliament radicals such as William Cobbett who defended the poor’s right to relief and those who mostly concerned about the centralization and increased patronage that the new Law would provide (Fraser 1973: 45; Rimlinger 1971:52).

A new commission was established in order to administer the Poor Law. However, it did not have as much authority as people expected. Despite its independence from Parliament the Commission could not force the local Poor Law Unions to build workhouses. Private charity was still important for supporting those who were not covered by the Poor Law (Fraser 1973: 45-46; Rose 1966: 609-610).

Despite its drawbacks, the Poor Law could achieve one of its primary goals; it reduced poor rates. During the following twenty years after the introduction of the Poor Law, poor rates fluctuated between £5 and £6 million per annum (Fraser 1973: 46). The new Poor Law was successfully introduced in southern provinces between 1834 and 1836 that was followed by poor rates reduction. However, these successes were not solely related to the effectiveness of the new Law; rather, it was due to a good harvest and increased demand for employees in railway construction. Thus, later the introduction of the new Law in the North was accompanied by depression and mass unemployment due to the economic crisis that emerged in the northern cities (Rimlinger 1971: 55).

There was a mass protest against the new Poor law due to increasing unemployment in the northern industrial cities. The Poor Law was originally devised to cope with rural poverty and it had limited view on industrial problems. The main cause of poverty in industrial areas was economic crises that rendered the great amount of people unemployed. These people were not idle paupers but former employees who lost their jobs due to uncertainties of the capitalist economy. In short, the new Poor Law was incapable of coping with temporary unemployment that was very specific for big industrial cities (Fraser 1973: 46).

Consequently, strong opposition to the new Law turned into violent riots in Oldham, Rochdale, Todmorden, Huddersfield and Bradford in 1837 and 1838. However, the violent protests did not last long partially due to the association of the protestors with the Chartist movement, in which workers sought enfranchisement as a solution for their problems. Another reason was the great autonomy of local unions that also prevented violent protests. A strong opposition by magistrates and local political leaders prevented the Poor Law Commission from becoming a centralized power on the poor relief system. As the result, in some places, the local unions refused to implement workhouse test and continued their local practices in poor relief. In Liverpool, Parliament even had to abolish the new local unions and restore the previous system. Gradually, it became clear that outdoor relief could not be totally dismissed; therefore the Poor Law Commission had to devise the labor test in return for outdoor relief, which by 1854 84 percent of paupers relied on (Fraser 1973: 48).

The Poor Law Commission had a supervisory function. It could inspect, give suggestions, criticize but could not force local unions to implement its demands. Moreover, in 1847 the Commission was replaced by Poor Law Board whose President was to be a member of the government. However, the struggle over making a better poor relief system disappeared after Chadwick's retirement. By 1870 expenditure on poor relief started to increase again and poor relief became the most hated solution for poverty (Fraser 1973: 49-50; Rose 1966: 608). Therefore, the government had to think about an alternative solution for social problems.

4.1.4 Victorian philanthropy and the charity organizations

Despite the great proliferation of the liberal ideas and self-help principle, the great variety of philanthropy was a characteristic feature of the Victorian era. There were different kinds of charity organizations that were catered for the various philanthropic purposes. By 1861 there were more than 640 charitable institutions, which played more important role than the Poor Law authorities in supporting underprivileged people. Additionally, private individual charity, especially in London, had a significant share in philanthropy (Fraser 1973: 115-16).

The large variety of charitable organizations was a sign of the broad scope of Victorian philanthropy. Hence, religious denominations such as Anglicans, Nonconformists and Roman Catholics had their own charitable organizations and funds, which were designed to take care of their own poor (Thane 1982: 13). In 1859 the Jewish Board of Guardians was established within the Poor Law to provide poor relief for Jewish immigrants. The religious organizations, however, provided a temporary support for the poor, especially during economic crisis. Another important kind of a denominational charity was visiting societies, which the most popular one – the Metropolitan Visiting and Relief Association was established in 1843 and led by Anglican Bishop Blomfield. Unlike other charity organizations such as charity schools, hospitals, asylums, and so on, visiting societies were going out meet the poor and provide relief in their own homes (Fraser 1973: 116).

Many charity organizations that were established in the mid-nineteenth century could be distinguished according to the problems they were concerned. For instance, the Peabody Trust aimed to provide affordable homes for the working classes or the National Benevolent Institution was established to support aged and dependent gentlemen, who once used to be self-sufficient. The great diversity of the philanthropic organizations (such as the RSPCA², the YMCA³, Dr. Barnardo's, the Salvation Army and the RNLI⁴) and religious societies was a manifestation of the growing importance of charity in nineteenth-century England. Some of these voluntary organizations even were against the state intervention in social policy. The big number and variety of the charity institutions were driven by four main concerns: “a fear of social revolution, a humanitarian concern for suffering, a

² Royal Society for the Prevention of Cruelty to Animals

³ The Young Men's Christian Association

⁴ Royal National Lifeboat Institution

satisfaction of some psychological or social need and a desire to improve the moral tone of the recipients” (Fraser 1973: 117).

Fear of social revolution was one of the significant reasons behind Victorian philanthropy that urged privileged middle-class to provide support for the poor. The privileged social groups were ready to donate a small part of their wealth to charity in order to reduce social tension, especially during economic distress. The charity was assumed as a sort of insurance for securing social order and the distribution of wealth in society. There was a general conviction among people that charity was a temporary measure to help the poor to overcome poverty. However, even during the economic prosperity charity remained as an essential tool both for the government and for the social groups to reduce a social anxiety (Fraser 1973: 117).

Feeling empathy towards the destitute people was another reason that motivated Victorians to provide support for the poor. More often this motivation derived from religious principles since charity was also considered as a Christian virtue. Especially in the 19th century, important changes took place when the idea of serving God was replaced with the idea of serving one’s fellow-man. Human wellbeing became a central issue for the interpretation of religious principles as well (e.g. Christian Socialist ideas by F.D. Maurice). In short, religion was an important factor that motivated people to take care of their disadvantaged fellow human beings (Fraser 1973: 117-118).

Usually, the recipient of charity was not the only one who benefited from it, but also the donor used charity for satisfying his psychological and social needs. Charity and alms-giving had a positive impact on avoiding a feeling of guilt, which was often associated with the accumulation of wealth. Therefore, the middle class often felt moral obligation to share some parts of their wealth through philanthropic activities. Sometimes charity was seen as a way of overcoming sorrow caused by the death of close relatives. Moreover, many wealthy women who had much leisure time found charity as a means of socialization. In general, philanthropy was a sign of merit and social duty for nobles, who often competed with each other in supporting the poor. Bragging about their philanthropic deeds was highly characteristic for the Victorian philanthropists (Fraser 1973: 118).

Furthermore, in the Victorian period, likewise the previous years, poverty was associated with idleness and lack of morality rather than with the problems of the economic

and social system. Therefore, through charity, the nobility and the middle class were interested in initiating moral changes in the poor to overcome poverty and develop self-help mentality. However, the further development showed that charity was not an effective method for promoting self-help principle and fighting revolutionary ideas. Like the Poor Law, it also increased poverty rather than alleviating it (Fraser 1973: 119; Rose 1986: 38).

The inefficiency of charity mostly was related to the great number of the organizations of the same kind which competed with each other and could not cooperate for providing more comprehensive social protection. Especially a strong discord between religious denominations such as the Church of England and the Dissenters was very specific for Victorian philanthropy. Moreover, there was not a proper investigation to identify what were the actual needs of the poor. As a result of this, some important fields of charity remained underdeveloped or completely ignored. The high structural expenses were another reason that rendered charity incapable to meet the demands (Fraser 1973: 120).

The incapability of the charity organizations raised questions about their appropriateness. The large number of the organizations and charity funds, against the expectations, did not reduce the level of poverty. In contrast, the number of applicants for charity increased. Therefore, many political and public figures of the time condemned charity for nurturing laziness and servility rather than promoting self-help in recipients (Fraser 1973: 120-21).

In 1869 the Charity Organization Society was founded to solve the existing problems in charity by employing scientific methods of social casework and educating the recipients of aid to become independent, self-sufficient individuals. Despite its revolutionary use of scientific methods in investigating poverty, the COS was a strong supporter of the traditional self-help principle. The early leaders of the Organization argued that scientific methods should serve to the moral improvement of the paupers. According to them, the eligibility and background of applicants should be carefully investigated before granting them aid. The conditions for granting charity, however, was so demeaning that only real indigents were assumed to apply for it. The COS helped the poor whose moral improvement was deemed possible; the alcoholic, the persistent idler was not granted aid for being hopeless to recover. The COS was against the state intervention in the charity realm and considered poverty as a result of personal failure rather than the negative effect

of the economic system. The COS considered that the predictable interruptions of income due to old age, illness, and unemployment were to be covered by an individual himself. The COS's assistance was only possible in emergency situations such as economic distress (Fraser 1973: 121-123; Rimlinger 1971: 58; Rose 1986: 26-27).

4.1.5 Growing awareness of poverty

The last two decades of the 19th century were marked by the growing awareness of poverty in English society. However, this was not a new phenomenon, since there had been investigations and discussions on pauperism and ways of its elimination even several decades before. Especially in the 1830s Chadwick and later many other politicians and public figures such as Dickens, Disraeli, Kingsley, and Mrs. Gaskell had expressed their concern about increasing poverty and its negative influence on society. A London journalist, Henry Mayhew was the one who investigated the state of the poor by visiting the urban areas in England and Wales in the mid-19th century. His articles in the Morning Chronicle defined the real causes of poverty and criticized the inadequate measures that were taken to reduce it. In 1851 Mayhew's investigations was published under the title London Labor and the London Poor, which along with the other things, criticized the public neglect of poverty (Fraser 1973: 123; Thane 1982:13-14; Rose 1986: 23-24).

Furthermore, by the 1870s the neglect of poverty was largely due to the blind conviction that economic prosperity and self-discipline would gradually eliminate poverty. However, the situation changed once the British economy hit by the "Great Depression" which lasted between 1873 and 1896. The growing competition with the US and Germany and the failure in the new fields of industry produced a depression of profits, prices and interest rates that negatively affected entrepreneurship (Thane 1982: 14). During the depression, there were periods that marked with high unemployment and low wages, and forced the government to establish a Royal Commission to investigate the validity of free trade. The results, however, showed that the growth in the national wealth did not reduce the level of poverty as it was once anticipated. It became clear that economic growth and self-help were not proper solutions to overcome poverty.

The publication of Henry George's Progress and Poverty in 1881 led to new discussions and investigations, which drew public attention to the problems of poverty. Especially a

short pamphlet – *The Bitter Cry of Outcast London* (1883) – by Andrew Mearns was very important in raising awareness about the unbearable living conditions and housing problems in the slums of London (Thane 1982: 17; Rimlinger 1971: 58; Rose 1986: 23-24). The problem further was highlighted by a journalist W.T. Stead in the Pall Mall Gazette and soon was followed by the creation of a Royal Commission on Housing. The similar propaganda on working-class housing was continued by a journalist G.R. Sims whose articles often appeared in the Pictorial Work newspaper. As a result, the growing awareness of poverty produced a religious and humanitarian concern for its correction (Fraser 1973: 124-25).

Founder of the Salvation Army, a Methodist preacher William Booth was another important activist whose main concern was to familiarize society with the real situation of paupers. In his book, *“In Darkest England and the Way Out”*, Booth compared civilized England with undeveloped Africa in order to draw enough attention to the level of poverty in society. His visits to poor within the Salvation Army to save bodies and souls later encouraged the university settlement movement, which aimed to reduce the gap between the middle-class and the poor. The first settlement of this kind was Toynbee Hall that was established in 1884 by Samuel Barnett to involve university graduates in educating the poor and to achieve mutual knowledge between the classes (Thane 1982: 23). By the end of the 19th century there were around 30 settlements, which made the opportunity for young philanthropist to be in touch with the poor and in contrary to the individualist ideology, to understand the authentic causes of poverty (Fraser 1973: 126; Rose 1986: 32).

In the 1880s it became clear that the economic growth did not provide equal opportunities for all and individuals’ fortune was not solely in their own hands. Rather, economic and social environment determined their destiny. Effective measures were necessary to alleviate poverty; however, there was not accurate statistic about its level. It was this deficiency that forced Charles Booth to investigate the extent of poverty (Fraser 1973: 126).

Booth conducted several surveys between 1886 and 1902 on poverty, initially, in East London and then in the entire city. His surveys found that 30 percent of population lived under the “poverty line”, the concept that was coined by Booth himself. The surveys later was published under the title *“The life and Labor of the People in London”* between and

1899 and 1903 that became important source for further researches (Thane 1982: 4-5). Booth also invented method for social investigations that later was hugely used by his contemporaries. He mentioned casual earnings, old age and most importantly, the conflict between state and voluntary relief as main problems of the social protection system. In his view, the great level of poverty confirmed that voluntary assistance was not an appropriate remedy; therefore the state intervention in social protection field was necessary (Fraser 1973: 127; Rose 1986: 28).

Booth's concept of the "poverty line" and the conclusion about 30 percent of total poverty raised suspicions about the validity of his surveys in the Charity Organization Society. It was assumed that 30 percent of poverty might be peculiar for London but not for the whole nation. These suspicions led Seebohm Rowntree to conduct a new survey in York in 1899. In his survey – *Poverty: A study of Town Life* – Rowntree tried to identify between the level of poverty in a small historic town and the metropolis. The result of his survey with 28 percent of poverty was strikingly similar to Booth's conclusion confirmed that significant part of the population lived in poverty. Both investigations provided statistical evidences for the state to take action for reducing poverty. These surveys showed that the economic growth did not reduce the level of poverty and it was not the result of personal failure. Rather, poverty increased due to complex economic and social factors, which could not be overcome by private charity. The state intervention was deemed necessary to solve the problems of poverty (Thane 1982: 5-6; Fraser 1973: 127; Rose 1986: 29-30).

4.1.6 The growth of state intervention in social policy

The growing public awareness of poverty that was followed by empirical investigations made it an important political issue, which needed to be solved. The democratic changes such as the enfranchisement of urban workers in 1867 and of rural workers in 1884 were also significant factors in this process. The enfranchisement gave opportunities for the great number of people to exert influence on politics and forced politicians to consider public opinion. As a result, not only the left power but also conservatives had to support some pro-welfare policies. For example, the Conservative Prime Minister Lord Salisbury was one of the advocates of housing reforms for the working class in the 1880s. Along with a genuine

concern for improving the quality of housing for the working class, there was a desire in his action to gain their support (Fraser 1973: 128).

The 1880s were also accompanied by the rise of Marxist ideology and British socialism, which led to the emergence of different socialist groups. This rise partly was due to the economic distress that mobilized people around socialist ideas. One of these organizations was the Socialist Democratic Federation was founded by Henry Hyndman, which included poet William Morris and Karl Marx's daughter Eleanor Marx. The last two left the organization in 1884 to create the Socialist League, which did not survive long and was split into small groups. Another famous socialist organization was the Fabian Society, which also was founded in 1884 and aimed to involve intellectuals into the socialist movement. The prominent Fabians such as Sidney and Beatrice Webb and Bernard Shaw were among those who supported the gradual socialist reforms and believed that socialism would advance once the government faced with the growing challenges of industrial society. The economic and political developments in the 1880s increased the importance of the working class and made it a significant factor in the political arena. The members of the Trades Union Congress were more than a million and after the London Dockers' strike in 1889 unionism became expanded even further. Labor mobilization led to the crucial changes in the political system as well. In 1874 there were two Liberal MPs that represented the working class; in 1893, however, workers created the Independent Labor Party in Bradford. In 1900 the Social Democratic Federation, the Fabians and the trade unions came together and established the Labor Representation Committee that later was named the Labor Party. In early 20th century, the Labor Party overtook the Liberal Party to become the main opposition to the Conservative Party (Fraser 1973: 128-29; Thane 1982: 15-16).

The growing popularity of socialism and the labor organization forced the Conservatives and the Liberals to take adequate measures to prevent them. Despite their small numbers, socialist had clear social programs that were very appealing for the working class. Therefore, the government had to adopt new social policies in order to prevent the working class to join socialists. Social policy was used by the government to mitigate social grievances and to undermine socialism. Hence the 1870s and 1880s were accompanied with the adoption of several legislations to cope with social problems. After the extension of the

franchise public health, education, working conditions, housing all became serious political problems which required their solutions (Fraser 1973: 129-30).

The political changes demanded active state intervention in the social policy realm. Although Disraeli and Lord Randolph Churchill were active proponents of social reforms, it was Liberal Joseph Chamberlain who drew public attention to this problem. Between 1873 and 1875 he was a Mayor of Birmingham and then a Member of Parliament from 1876. He served as President of the Board of Trade in Gladstone's second ministry from 1880 to 1885 and became a leader of the social reform movement. Chamberlain was an ardent critic of Lord Salisbury and the Conservatives due to their social policy. He also condemned wealth inequality and capitalist society for the sake of great underprivileged majority (Fraser 1973: 130-131). This was clear in his 1886 circular, which was issued after riots of unemployed workers in London. Chamberlain issued a circular, which urging local authorities to schedule public works for the period of depression to eliminate unemployment. The circular formally acknowledged that unemployment was not a personal failure and this group of people should not be stigmatized as paupers. Therefore, some relief was envisaged for unemployed people outside the Poor Relief schemes. This was a significant break with the Poor Law that eventually led to the Unemployed Workmen's Act of 1905. Although its inefficiency the Chamberlain Circular created a precedent that genuine unemployment should not be treated in terms of the Poor Law (Thane 1982: 39; Rose 1986: 39).

In 1886 Chamberlain left the Liberal party as a protest against Gladstone's Irish Home Rule and also due to his resistance to social reform. Later he joined the Conservative party and became Secretary of Colonies in Salisbury's unionist government in 1895. Thus, he did not actively engage in social policy matters and the only important legislation was the Workmen's Compensation Act of 1897, which held employers responsible for the injuries that happen to their employees while at work. However, his old-age pensions program did not receive enough attention by the Salisbury ministry (Thane 1986: 17; Fraser 1973: 131; Rimlinger 1971:59).

By the end of the 19th century, the extent of the state intervention in social policy was not sufficient to overcome poverty and mitigate the inequality of wealth in society. Despite the positive changes that had been achieved so far, the public opinion was easily diverted

by state propaganda from the social problems into the Boer War between 1899 and 1902. However, the Boer War showed that a lot of people were unsuitable for military service due to their poor health, which was mainly caused by malnutrition. This was a very disturbing issue that produced new discussions around social reform. The late Victorians became aware that the main problem was not pauperism but poverty, which encompassed at least 30 percent of the total population as the empirical surveys indicated (Fraser 1973: 133-34).

The costly Boer War prevented the government from taking an active participation in social policy and increasing social expenditure. However, the post-war Conservative government also did not face strong pressure for doing so. The Conservative prime minister, Balfour and the members of his cabinet were less concerned about social reform apart from an education issue. The Education Act of 1902 was made by R. L. Morant, the civil chief servant at the Board of Education, but Balfour played an exceptional role in its passage (Thane 1982: 64-65).

The new legislation abolished all separately elected school boards and handed over their duties to the county and municipal councils. The councils were authorized to establish secondary and technical schools and finance them through rate support. They were also for the first time allowed to fund denominational primary schools that, in turn, gave them the great authority to appoint the teachers for all subjects apart from religious ones. The reform was aimed to standardize the financing and to improve the quality of education especially in denominational schools, where it was in a poor condition. Also, it was expected that the new education system would be able to provide a skilled workforce for the competitive economy. Moreover, the abolition of the separately elected school boards was a step towards reducing the impact of local authorities and religious denominations upon education that was established since 1870. The Church of England did not oppose the Education Act because the legislation envisaged rate subsidies to the religious primary schools, which used to be controlled by the Church. In contrast, the Nonconformists were strongly against the Bill because it only covered the Anglican schools and did not offer any alternatives for Non-Anglican children. The Nonconformist opposition to the Act and their support to the Liberals were important factors that led to the defeat of the Conservative party in the 1906 election (Thane 1982: 65-66).

4.1.7 Liberal social policy

As a result of growing unpopularity, the Conservative Prime Minister Balfour resigned in December 1905 hoping that a weak Liberal Party would dismantle and help the Conservative Party to win the next election. However, the strong Liberal leader Sir Henry Campbell-Bannerman could solve the intraparty discontent and formed the powerful government, which also included Lloyd George and the former trade union leader John Burns. The appointment of Burns was a sign of democratic achievement since he was the first working man becoming a member of the government. Campbell-Bannerman called an immediate election in January 1906, which resulted in a landslide victory for the Liberal Party. This victory was a product of the democratic changes that was started since 1880s (Fraser 1973: 135; Thane 1982: 74).

There were several factors behind the Liberal Party's victory. One of the main factors was the Boer War, which in the short term brought popularity to the Conservative party, however, in the long term associated with big social problems. The Liberals used this moment to criticize the Conservatives that they ignored the British working class. The import of a cheap Chinese workforce into South Africa was another reason, which mobilized the Trade Unionist against the Conservatives. Moreover, the Nonconformists' opposition against the Education Act of 1902 was also an important factor that helped the Liberals to win the election (Fraser 1973: 136).

The most significant outcome of the election was the representation of 53 Labor members, 29 of whom were backed up by the Labor Representation Committee, which soon became the Labor party. This success was possible due to the alliance between the Liberals and the Labor, which both were the Nonconformist left parties. The Taff Vale case which deprived the trade unions of peaceful protests was also an important factor that led to the growth in the Labor membership. The Labor party gradually became the main competitor to traditional Liberalism to represent the working class in the political system (Fraser 1973:136-37). It was a Labor backbencher Wilson who introduced the Education Act of 1906, which envisaged provision of meals for schoolchildren. The provision was to be financed through voluntary contributions and public funds apart from the Poor Law and should be administered by the Board of Education. The Charity Organization Society was

against the Act by claiming that it would reduce parents' responsibility towards their children (Thane 1982: 75).

Moreover, the case of meal provision initially was raised by Tory John Gorst but was rejected by Balfour's Unionist Government, which was against any social provision that would lead to a tax increase. The Liberals' meal provision for poor schoolchildren was not a big progress at least until 1914 when the Exchequer decided to cover the half cost of the support; however, it had significant consequences. Meal provision was a sign of declining individualism and growing state responsibility in the social policy realm that followed by Chamberlain's circular of 1886, which acknowledged unemployment as a social problem that should be treated outside the Poor Law system (Fraser 1973: 138).

In 1907 the Education (Administrative Provision) Act passed by the Liberal government and arranged school medical treatment on the basis of the Physical Deterioration Report of 1904, which was made by the Conservative government. The Act envisaged the establishment of a medical department within the Board of Education and eventually the creation of school clinics throughout the country. It was followed by the Children's Act of 1908, which imposed penalties for neglect of children's health by parents (Thane 1982: 77-79). The Act defined children's legal right and made community responsible for their welfare in case of parental negligence. Moreover, the Act also shed light on the maternity problems that led to establishment of maternity and child welfare clinics, which from 1914 started to receive Government grants. The Act in general was another important step in extension the state's responsibility in the social policy sphere (Fraser 1973: 139; Hay 1983: 43-44).

The introduction of old-age pensions was one of the important social reforms that delayed for several years. Its introduction by the Liberals in 1908 marked the beginning of the new period in the social policy development. Since it had been discussed for several decades, the introduction of old-age pensions did not face any opposition. Initially, the idea of social insurance for sick and old people was proposed by Canon William Blackley in 1878. According to his scheme, the fund for sickness and old age should be financed through compulsory contributions. His suggestion was strongly opposed by the friendly societies and significantly delayed its introduction. However, Charles Booth's investigations showed that old age was one of the main reasons of poverty. The positive

changes were expected when Chamberlain as a prominent politician involved in the issue in the 1890s. But his contributory pension scheme was also rejected by the friendly societies, which did not want to share the contributions from the working-class with the state. On the other hand, Booth's non-contributory scheme, which put all responsibility on the state, was considered too expensive. Consequently, both of the schemes were declined despite the strong public support for them (Fraser 1973: 140; Rimlinger 1971: 59; Hay 1983 45).

In order to solve the problem in 1893 the Gladstone ministry appointed the Royal Commission on the Aged Poor which also included Booth and Chamberlain. However, the report was made by the Commission was incomplete and resulted in some Poor Law circulars that authorized guardians to provide some outdoor relief for the aged. In 1896 Salisbury's ministry appointed a Treasury Committee which in two years made a report supporting contributory pensions; however the public debated that was encouraged by the New Zealand's pensions reform led to the appointment of a Commons Select Committee, which supported non-contributory pensions. This was the first legislation that supported old-age pensions financed through taxation. Nevertheless, the costly Boer War prevented the government from implementing pension reform and Balfour had to postpone it. This was followed by popular discontent and in 1899 Booth organized a national movement demanding pension reform. The national movement was led by F.H. Stead, a Congregationalist minister and trade unionist Frederick Rogers, the chairman of the Labor Representation Committee. Moreover, the Fabian Society, the Trade Union Congress, the cooperative movement and the Labor party all were in favor of non-contributory old-aged pensions. Even during the Liberal party governance one of the main opponents of state pensions, the Charity Organization Society supported a voluntary contributory scheme, whereas the others, namely friendly societies were in favor of non-contributory pensions. In short, there was no opposition against the Liberal government to postpone the introduction of old-age pensions (Fraser 1973: 141; Rimlinger 1971: 60; Thane 1982: 81-84).

Eventually, in 1908 Old Age Pensions Bill passed in Parliament and entitled all people over seventy with non-contributory pensions. This was an important event in the British social policy development because unlike the Poor Relief, it did not put a bad stigma on the receivers. Therefore, there were more people applying for pensions than it was expected before. However, the total replacement of the Poor Law needed more comprehensive social

policy that could encompass the poor, who belonged to different categories (sick, unemployed etc.). The stigmatizing features of the Poor Law made people reluctant to apply for it and therefore it was not effective to fight poverty. Most of the social policy legislations in the 20th century were adopted to rescue people from the Poor Law's negative stigma and provide more decent alternatives. The old-age pensions were entitled as social right for citizens and did not have any punitive character (Fraser 1973: 143; Hay 1983:46).

4.1.8 The origins of the modern welfare state

No effective results could be gained as long as poverty was fought on the basis of the Poor Law principles and provided by the voluntary organizations. Thus, the introduction of a budget proposal by Lloyd George in 1909 was the new stage in the development of the British welfare state. According to the budget proposal, social provisions should be financed through income taxes. The proposal envisaged the wealth distribution by putting more taxes on the wealthy minority in favor of the poor majority and therefore it was titled as "the People's Budget". Despite the strong opposition by the House of Lord the new budget passed in Parliament in 1910 and the conflict between two chambers over the budget was settled by the Parliament Act of 1911, which abolished the Lords' veto power (Fraser 1973: 144-146).

The increased revenue through taxation enabled the extension of social policy. However, there were different attitudes towards the introduction of new social provisions. The Reports of the Royal Commission on the Poor Law that became ready in 1909 was in favor of preserving old traditions which based on less eligibility principle. The head of the Poor Law Division, J.S. Davy advocated the Poor Law principles (such as a stigma of pauperism, workhouses, and disenfranchisement) in order to cope with new social challenges. But the Majority Report of the Royal Commission did not support Davy's proposal, instead, it suggested remodeling the Poor Law. Due to their bad reputation the term "Poor Law" was suggested to the "public assistance" and the office of guardians should be altered with the Public Assistance Committees, which should be responsible for controlling all social services through voluntary organizations and social case-work agencies. However, the general attitude towards poverty did not change and it was still seen as a result of personal failure (Fraser 1973: 148).

By contrast, the Minority Report by Beatrice Webb was in favor of the complete abolition of the Poor Law and suggested the establishment of separate departments for controlling different social services such as healthcare, pensions, education etc. The Report also envisaged the creation of public works in times of economic depression to prevent unemployment. Despite its advantages, the Minority Report was ignored by Parliament but it had a significant impact on the future development of social policy (Fraser 1973: 149; Rose 1986: 42-43).

Furthermore, all the changes that were suggested by both Majority and Minority Reports were remained unimplemented. Especially, the president of the Local Government Board, John Burns was against the changes and he was supported by Lloyd George, who had his own social insurance program (Rose 1986: 43).

The main concern for Lloyd George was to extend social provisions against the life accidents such as sickness or the death of the family breadwinner, which often led to poverty. Therefore, he suggested a contributory social insurance program, which aimed to provide social protection for workers in return for their contribution to the public fund. However, despite its approval by a majority of people, the social insurance proposal faced with a strong opposition by different social groups. Firstly, the friendly societies were against the state competition in their areas of action. But L. George could neutralize them by guaranteeing their future activities in the healthcare system. Secondly, the medical profession, who was tired of friendly societies' exploitative contracts, was also unwilling to become a part of state medicine. Thirdly, the commercial insurance companies, which usually provided minimal death benefits also felt scared for losing their customers. Eventually, L. George had to compromise in order to reconcile all the vested interests (Fraser 1973:150-153; Hay 1983: 54-57).

As a result, National Insurance Act was introduced in 1911, which Part I was the health insurance scheme. According to the document, weekly contributions should be made by the employee, the employer and the state to an accumulating fund to finance the benefits. The employees had to join to "approved societies", which was controlled by the state. Insured workers were paid sick pay (10s per week) and were provided with free medical treatment. The Act also provided maternity benefits and sanatoria allowance for tuberculosis.

However, it did not provide medical treatment for dependents of insured workers (Fraser 1973:154-55; Thane 1982: 84-85).

Despite its shortcomings, the health insurance scheme was an important step in the involvement of the state in social policy. L. George achieved it after a severe confrontation with the vested interests, the Unionists, and the Fabians. Furthermore, the health insurance for its large scale was the first social service that provided outside the Poor Law and was an important step in the development of the British welfare state (Fraser: 156-57).

The second Part of the National Insurance Act was dedicated to unemployment insurance scheme, which had been prepared by Churchill and his advisers since 1908. The unemployment insurance emerged as a result of a long development process and was a part of the multifarious Liberal reforms. Although working hours for children and for women were reduced with the introduction of the Factory Act in 1878, there was not any such legislation for male workers (Fraser 1973: 27). Eventually, in 1908 the miners achieved an eight-hour day with the introduction of a bill by the Home Secretary, Herbert Gladstone. This change took place due to the growth of the Labor Party and for the big number of mining MPs in Parliament. Another important legislation was Churchill's Trade Boards Act of 1909, which established boards to determine minimum wages. This was an important step by the state to prevent unfair exploitation of workers by capital. The Shops Act of 1911, which also was introduced by Winston Churchill, granted half-day closing once a week to shop workers (Fraser 1973: 157-158).

Along with unemployment, *underemployment* was also one of the crucial problems of the time that often forced casual workers to seek a new job. A young economist and a member of the Board of Trade, William Beveridge suggested labor exchanges in order to solve the problem. According to him, labor exchanges should be provided outside the Poor Law and controlled by the Board of Trade. The service was designed for connecting employers with potential employees and preventing people from spending much time for searching employment. In 1909 the Labor Exchanges Act passed in Parliament and Beveridge himself became a director of the new service in 1910. The newly established service, which was controlled and financed by the state, was also useful for the normal functioning of a free market economy (Fraser 1973: 159; Hay 1983 50-52).

The introduction of the unemployment insurance scheme was a logical continuation of labor exchange, which was aimed to extend the state protection for employees. The most positive side of the insurance scheme was that it promised universal protection without differentiating between deserving and undeserving. Insurance was to be financed partly by the state subsidy and through the payments by employees and employers. Unlike the health insurance scheme, unemployment scheme did not lead to severe conflict and smoothly passed in Parliament (Fraser 1973: 159-60; Thane 1982: 86).

The National Insurance Act that providing health and unemployment schemes was the most important social legislation by a Liberal Government, which had also introduced school meal, school medical inspection, “the Public Budget”, trade boards, old age pensions, and labor exchanges outside the Poor Law. Especially, two Liberal ministers – Lloyd George and Winston Churchill had a range of social programs, which envisaged to provide socially acceptable provisions for the poor and gradually to abolish the Poor Law.

Conclusion

As it is discussed in the theoretical part, the conventional approaches to the development of the welfare state could not successfully explain the variations between the welfare systems. These theories neglected the role of religion and religious cleavages, of parties of religious defense and of severe state church conflicts, which had a long-lasting impact on nature and the development of the welfare state. The power resources approach saw the development of the welfare state as a result of the working-class mobilization. The theory stressed the role of the left power in the formation of the welfare state. Modernization theory defined the emergence of the welfare state as a response to the socioeconomic changes that were caused by the Industrial Revolution. However, it did not mention the role of the “national revolution”, which was equally important for the development of the welfare state. The religious cleavages and fierce state-church conflicts that emerged in the wake of the “national revolution” were decisive factors in the development of the European political system. Political parties of religious defense, which became important actors in the political arena, were a result of the fierce state-church conflicts. The religious parties were crucial actors in mobilizing workers and the middle class “along cross-cutting lines of denominational belonging” (van Kersbergen and Manow 2009: 3). Moreover, studies identified that Catholicism had a greater impact on the welfare state development than the left power (Wilensky 1984). The Christian democratic parties were interested in promoting social policy programs in order to gain the working-class vote in elections (van Kersbergen 1995).

Furthermore, an exclusive importance was given to the role of Catholicism and Christian democracy in the development of the welfare state, whereas Protestantism was deemed irrelevant. Since Protestantism did not lead to the emergence of social cleavages and religious parties, its impact on the development of the welfare state was considered insignificant. In fact, however, the absence of a state-church conflict in the Protestant nations facilitated the early state intervention in social policy issues. In contrast, reformed Protestant denominations, likewise Catholicism, had a retarding effect on the development of the welfare state. Their “anti-statist” stance delayed the state involvement in poverty problems. Although reformed Protestantism did not create a religious cleavage, the

dissenting denominations played an important role within the left-right or labor-capital cleavage. Their support determined the fate of the political class coalitions and had a significant impact on the adoption of social policy legislations.

All above-mentioned facts defined the macro-institutional effects of religion on the development of social policy and the welfare state. However, religion also was an important factor on the micro-normative level shaping different attitudes towards work, charity, and poverty. Religious doctrines envisaged different approaches to distribution, redistribution, the state involvement in social policy that ultimately led to distinctive social and economic outcomes. For instance, Calvinism/Reformed Protestantism stressed the importance of “self-help” and individual responsibility that highly influenced the content of social policy legislations. These norms and values that were embedded in poor relief also had important institutional implications for the development of the modern welfare arrangements (van Kersbergen and Manow 2010; Sigrun Kahl 2009; Rana Jawad 2012).

In England, the state involvement in poverty issues started under Henry VIII when the country was transformed into Protestantism. Although the church’s lands were confiscated by the state, its dominance on poverty matters continued. Schools and hospitals were controlled by churches. During the Reformation the church became a part of the state apparatus, however, the state’s poverty policy and poor relief were executed through churches and local parishes. The adoption of the Poor Law in 1601 was an attempt by the state to prevent vagrancy and to maintain social order. But the content of the Law was heavily affected by Calvinist self-help principle and individual responsibility. The Poor Law envisaged assistance only for the disabled poor. Poverty was associated with idleness and thus, the able-bodied poor were forced to work in workhouses in return for relief they received.

However, the rapid socioeconomic changes that were caused by the Industrial Revolution rendered the Old Poor Law incapable of coping with poverty. The debates around the establishment of a new social legislation were significantly influenced by liberalism. In general, liberal ideology, which emphasized the role of the free market principles and individual responsibility, was highly characteristic for nineteenth-century England. This ideology was heavily affected by the liberal thinkers such as Adam Smith,

Thomas Malthus, and Jeremy Bentham, who also emphasized the importance of Calvinist self-help principle.

Furthermore, the Poor Law of 1834 also established on the basis of “less eligibility” and “self-help” principles, which envisaged poor relief only for the disabled poor. The inefficiency of the New Poor Law in alleviating poverty problems led to the emergence of many voluntary organizations for supporting the poor. Charity and different kinds of philanthropy became an important tool for providing help to the poor. Despite the increasing number of the charity and mutual aid organizations, no effective results had been achieved in reducing poverty level in the nineteenth century. Poor relief and charity were not adequate for alleviating the negative consequences of the socioeconomic changes. By the end of the nineteenth century, the growing awareness of poverty and the working class mobilization forced the government to take more active part in reducing poverty level. The extension of suffrage and the fear of growing socialism also had a strong impact on the state involvement in social policy.

The Liberal party, in which nonconformists had a strong position, played a significant role in initiating new social legislations in England by the end of the nineteenth century. In England Reformed Protestantism did not create parties of religious defense. However, both the established Church of England and dissenting denominations had important roles in the political arena. The first usually supported the Conservatives, while the latter had a strong impact on the Liberal party (Soper and Fetzer 2002:174). Religious denominations determined the fate of political class coalitions by supporting either the left or right parties. The landslide victory of the Liberal party in 1906 over the Conservatives became possible due to the strong support by the Nonconformists. Later on, the Nonconformists gained the upper hand in the Labor party when the latter replaced the Liberals as a main rival of the Conservatives.

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