

ACTORS IN THE DISTRIBUTION OF WELFARE: POLITICS, ECONOMY, AND CULTURE

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ABSTRACT

This paper focuses on both the classic and recent debates concerning the welfare state. The goal is to determine the actors in the emergence of modern welfare states. I claim social and cultural elements in the social provision of welfare is relevant as a distinct category, and identify *waqf* as a religio-cultural institution and *zakat* as a religio-cultural practice that played and still plays influential role in the distribution of welfare in the case of Turkey. I suggest, if a welfare regime description of Turkey would be made, *waqf* and *zakat* are indispensable and must be analyzed.

Keywords: welfare state, citizenship rights, social policy, social distribution of welfare, *waqf*, *zakat*, *sadaka*.

REFAHIN DAĞITIMINDA ETKİLİ AKTÖRLER: POLİTİKA, EKONOMİ VE KÜLTÜR

ÖZET

Bu yazı refah devleti ile ilgili klasik ve modern tartışmalara odaklanmaktadır. Amacı ise modern refah devletinin ortaya çıkışındaki amilleri saptamaktır. Refahın toplumsal bölüşümünde etkili olan sosyal ve kültürel etkenlerin kendi başına bir kategori oluşturduğunu ve bir dini-kültürel kurum olarak vakfın ve dini-kültürel bir pratik olarak zekatın Türkiye bağlamında hala etkili rolleri olduklarını iddia etmekteyim. Türkiye'nin refah rejimi tasvir edildiği takdirde vakıf ve zekatın kültürel bir bileşen olarak analiz edilmesi gerektiği kanaatindeyim.

Anahtar Kelimeler: refah devleti, vatandaşlık hakları, sosyal politika, refahın toplumsal dağıtımı, vakıf, zekat, *sadaka*

INTRODUCTION

The welfare state has been a largely debated issue among social scientists for a couple of decades now. The literature concerning welfare state, the distribution of welfare, and the future of welfare states is naturally a cross-disciplinary sum. The debates involve state policies, capitalist relations, distribution of economic goods, social communities, non-governmental organizations, as well as other more abstract concepts such as inequality, social justice, citizenship rights, gender issues, and so on. This complex quality of the subject matter is closely related to the historical process of capitalism and historical characteristics of state. Capitalist economy based on nation-state political system is the keystone of the welfare state conceptualization. However, an alternative reading based on the notions of social justice, equality, and distribution of welfare within a society deepens the debate. This is also much related to the tendency of states that lived the golden age of welfare until 1980s to free market economies. State regression from market and austerity policies led the discussions on the distribution of welfare to a much more social-cultural level from state and state expenditure based analyses. Recent studies has now reserved a part of their focus on the role of cultural institutions and social practices on the distribution of welfare and establishing social equality/justice regarding the inequality markets

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create. In this essay, first I will discuss the emergence of welfare states in a Western context benefitting from various approaches, and second I will briefly examine the transformation of welfare states depending on the changes occurred in world politics and economy, and consequently the transformation in the discourse of welfare discussions. On the second part of the essay, my focus will be on the case of Turkey claiming a particular welfare regime description, pertained to Turkey, can be made since social and political welfare institutions have existed in the case of Turkey since 19th century. They were in some ways similar with the ones in the West due to the modernization process of Turkey and increasingly by the effects of the global economy, though in other ways welfare regime of Turkey is quite different mostly because of social and religious elements. In regard to these elements, I will mainly discuss the role of *waqf* and *zakat* in the distribution of welfare.

Cultural Institutions: A New Perspective

Welfare state is a concept to define the state structure that regulates and intervenes the market in order to modify the unequal effects and minimize the risks of the market forces on the members of the society, meaning its citizens. Although presence of state structures that answer to the description can be dated back to perhaps the “pre-modern” times, the welfare state emerged as a concept after the Second World War (Pierson, 2007). In the late 19th century, states became obliged to offer social services because of the rapid growth of industrialism and capitalism in order to prevent their devastating effects, such as increasing epidemics and work accidents (Lipson, 1973; Özdemir, 2007). In the beginning of the 20th century, economic effects of the I. World War and the Great Depression showed that market cannot regulate itself by an “invisible hand”, thus, state regulation and intervention to market increased because of the market failures (Özdemir, 2007). Liberal economies of Western states started to shift their free market policies to centrally planned economies. Post-War period was when state intervention to the market most felt regarding social policies directed to employment or social services such as healthcare, childcare, and retired pensionary. That is because, after the dramatic and destructive effects of the War, states were the only actors capable to regenerate the perished national economies. Until the 1980s welfare state lived its golden age: Employment rates were high, state benefits and social security systems such as retired pensionary, free healthcare and education systems were largely carried out for social justice and equality in order to provide a sense of solidarity (Leibfried & Mau, 2008). Another process, but compassing the former was the development of citizenship rights (Marshall, 2006; Rosanvallon, 2000). The logic was similar with the economic aspect of welfare statism. Citizenship rights appeared to be an egalitarian progress in order to overcome the inequalities market or capitalism creates (Nash, 2012). Hereby, welfare statism can be understood in its three efforts or functions, as Briggs (2006) suggests. First, welfare state guarantees its citizens a minimum income regardless of their labor value in the market; second, it tries to reduce the lifelong insecurities and social contingencies such as sickness, old age, and unemployment. The third and general effort of welfare state is to “ensure that all citizens without distinction of status or class are offered the best standards available in relation to a certain agreed range of social services” (p. 16). Until the 1980s states kept being the primary actor in national markets and the active regulator of the economy. However, in the 1980s this role of the state in the economy, and the social security programs state provides as citizenship right started to become a pressure on the state expenditures. Moreover, global changes in the economic and social structures such as labor and capital mobilizations, demographic changes, and so on, challenged the conventional welfare state architecture (Taylor-Gooby, 2004; Leibfried & Mau, 2008). The result was the gradual regression of the state leaving the field for the free market and also cutbacks in some social programs. Many scholars named the period of state regression retrenchment or austerity period (Korpi & Palme, 2003; Taylor-Gooby, 2004; Leibfried & Mau, 2008; Esping-Andersen, 1990; Pierson, 2007). However, some controversially claimed this was the end of welfare states just by looking at the state expenditures spared for social services in national GDP (Korpi & Palme, 2003).

This broad overview, of course, does not include much of the issues discussed in the literature. However, I touched several topics subjected to the welfare debates by mentioning some keywords that now I will elaborate. First, a topic concerning the origins of welfare state must be analyzed in order to clarify the theoretical approach of this paper. As Esping-Andersen (1990) sorts there are two broad approaches to welfare distribution: the “narrower” approach, which Esping-Andersen criticizes, that

sees welfare state “in terms of the traditional terrain of social amelioration” (p. 1). The second one, which he adopts, is the “broader” view that focuses on “the state’s larger role in managing and organizing economy” (p. 2). He further suggests in his famous book *Three Worlds of Welfare Capitalism* there are three different applications of welfare statism because of the different historical trajectories states followed through. Therefore, welfare states cannot be reduced to and conceptualized in one type. This is partly why the author prefers to use the concept “welfare regimes”, not “welfare state.” The proposition of another conceptualization emphasizing the qualitative differences between welfare states is quite necessary for in depth and comparative analysis as Esping-Andersen suggests. However, I believe Esping-Andersen fails to consider the cultural elements and informal relations of welfare distribution as a distinct theoretical category that would also create the differentiation of welfare regimes by neglecting what he calls narrower approach, yet in justice to the author, in practice he partially takes social institutions, such as family structure, into account in his analyses. (Leibfried as cited in Özdemir, 2007). As is mentioned before, the rise of the welfare state is quite related to capitalism and the characteristics states adopted in the context of 20th century Western societies, thus it is a modern concept. The central role states gained increased their ability to infiltrate and regulate everyday life within the national borders (Scott, 1998). As Scott emphasizes “until recently, the ability of the state to impose its schemes on society was limited by the state's modest ambitions and its limited capacity” (1998, p. 88). Of course, this process was the broader transformation of the societies by the modernity, not just states. What I mean is that it is true states and political means gained a significant position in the distribution of welfare in 20th century West. Yet, to be restricted in politics-based analysis means to miss other forms of welfare distribution where and when such modern states were not developed as the form in the West. Therefore, I claim Esping-Andersen’s conceptualization of welfare regimes is relevant and helpful, but needs to include social and cultural institutions of welfare distribution.

Modern Origins of Welfare State: Theories and Discussions

Before searching for the historical-cultural forms of welfare distribution, modern origins of welfare regimes must be analyzed. I will benefit from various approaches that sometimes contradict with each other, but offer useful frameworks for analyzing Welfare states, since each of them offers different causes for welfare expansion, and a multi-causal analysis is indispensable regarding the complexity of the issue. There are several actors and mechanisms in the development of welfare regimes that are independent from each other, yet overlapped and interconnected. The actors and mechanisms can be conceptualized through Mann’s (1986) IEMP model: political, economic, ideological, and military actors/mechanisms. These four sources of power are independent from each other and equally determiner analytical categories through the history, though their influence and role can vary time to time in different periods of history. In our case, in the development of welfare states, I believe, the role of economic, political, and ideological processes are more prominent. The role of military power is quite significant, too, since the economic growth that enabled the welfare expansion was partially dependent on the late Western colonialism, yet this is a subject of another paper. I will neither much discuss on the role of ideological factors, such as social circulation of notions of rights, equality, and social justice, just as long as they constitute social rights in the political arena since ideological process is interconnected with and represented through the political process in the development of welfare statism.

The first approach to mention is Thomas Marshall’s classical historical-political analysis of citizenship rights. Marshall tends to relate the development of citizenship rights to the advance of capitalist system. Particularly, he was interested in how citizenship rights developed as an egalitarian system in the capitalist system: a system of inequality. Marshall’s attention is not much focused on the welfare discussions, yet he provides an analytical framework for conceptualization of welfare policies by his analysis of citizenship rights, especially “social rights” as a subcategory. In Marshall’s (2006) analysis, citizenship consists of three types of rights: civil, political, and social. What Marshall called civil rights that developed in 18th century involve basically the rights for the protection of individual freedom, such as “liberty of the person, freedom of speech, thought, and faith, the right to own property and to conclude valid contracts, and the right to justice” (p. 30). As for the political rights that developed in 19th century, Marshall suggests they mean “the right to participate in the exercise of political power, as

a member of a body invested with political authority or as an elector of the members of such a body” (p. 30). The institutions or forms of government corresponding to political rights are parliamentary democracy and councils of local government. Social rights in Marshall’s analysis are a bit abstract and general as Nash (2012) also indicates. Nevertheless, as developed in 20th century in their modern form, social rights are more related to the institutions and policies of welfare statism. Social element of citizenship rights include system of free national education and those of health and social services:

By the social elements I mean the whole range, from the right to a modicum of economic welfare and security to the right to share to the full in the social heritage and to live the life of a civilized being according to the standards prevailing in the society (Marshall, 2006, p. 30).

Returning to the main question, how citizenship rights developed in a system of inequality, Marshall does not give much of an answer, but focuses on the sequences of citizenship rights as a parallel, yet contradicting development to capitalism (Nash, 2012). As Marshall claims welfare social services do not aim the equalization between economic classes, but they are for the equality of status between citizens. Therefore, by the expansion in the social services and welfare benefits, inequalities created by the capitalist system will be irrelevant:

The extension of the social services is not primarily a means of equalizing incomes. [...] What matters is that there is a general enrichment of the concrete substance of civilized life, a general reduction of risk and insecurity, an equalization between the more and less fortunate at all levels – between the healthy and the sick, the employed and the unemployed, the old and the active, the bachelor and the father of a large family. (2006, p. 38)

The question of how welfare system is developed or achieved and its relevance to class still lies before us. Marshall’s speculation that inequality of income, meaning class difference, will no longer have much importance as the social rights advance in welfare regimes, regardless of whether it is proved to be true or not, indicates two claims: (1) class conflict was in fact played a role in the development of citizenship rights and consequently welfare statism, and (2) welfare regimes still rest upon the class difference. The role of class conflict is crucial in the development of welfare regimes for the Power Resources Model theorists, which is quite similar with Mann’s model. Korpi describes power resources as actors’ (individual or collective) “ability to punish or reward other actors” (2006, p. 77): a means for the actors to a specific end. As Korpi notes, power resources can be described in terms of their influence, scope -in which situations they can be used-, scarcity of a particular kind of power resources, and convertibility to other resources. Thus, power resources involve ideologies and socio-political networks as well as more material resources such as military and capital. Through the power resources an individual or a class possess, they can exercise their will. For Korpi (2006) and PRM, the unequal distribution of power resources between classes in the case of capitalist and yet democratic Western societies what forms the social consciousness of classes and what brings about social change:

In Western societies variations in the difference in power resources between labour and business interests, [...] can be expected to have a variety of consequences. This difference can influence: (1) the distributive processes in the society; (2) the social consciousness of the citizens; (3) the level and patters of conflicts in the society; and (4) the shaping and functioning of social institutions (p. 80).

Transformation to welfare states is, therefore, regarded as the outcome of class conflict between social classes. Korpi and Palme suggest PRM approach leads to “a conceptualization of welfare states in terms of policies to affect outcomes of, and conditions for, distributive processes in the sphere of markets so as to decrease inequality and/or poverty” (2003, p. 428). Welfare policies and social services are achieved by the labor class as to improve their lives and establish more egalitarian society. How, then, social change resulted in favor of labor class that have very little of power resources in their possession, one might ask. Korpi and Palme’s answer is democracy or rather what Marshall called civil and political rights. Democracy and nation-state combined together maintained the link between citizenship and political right to vote. “Traditional correlation between right to vote and socioeconomic class” was annulled (p. 427). Right to vote was a power resource all citizens possess to shape or at least influence the national politics. The emphasis to the development of rights on the basis of national citizenship seems to be accurate especially for the postwar period since social rights produced a sense of belonging and solidarity among the members of the society, which was very much needed to reestablish the economically perished nation.

Under the impact of Depression and [I.] World War, certain liberal democracies proclaimed bold new ideals of national social provision and took steps to implement them. [...] planning for social life after the conflict combined with intense feelings of democratic solidarity to spur a self-conscious sense of national pride in “the welfare state” as opposed to Nazi “warfare state” (Skocpol, 1995, p. 4-5)

Another example is Bismarck Germany. Briggs (2006) and Pierson (2007) among many others claim Bismarck Germany in the late 19th century was the first country executing extensive social policies that can be regarded as welfare policies. These social policies were often considered as Bismarck’s effort to create a sense beneficial citizenship in the foundation of a united nation. All things considered, welfare regimes gradually expanded through conflict accompanied by the political process of democracy and national citizenship.

Reading of welfare states and welfare policies only in terms of class conflict and economy as they are achieved by lower classes at the total expense of upper classes lacks analytical depth. Therefore, as Rosanvallon (2000) also suggests, an analysis involving the elements of democracy and citizenship rights on the basis of nation state creating a sense of belonging and solidarity is, I believe, indispensable. However, what is the benefit of employers or upper classes in the development of welfare regimes, if the relation between employers and employees cannot be viewed as a “zero-sum” conflict. As mentioned earlier, state intervention and elementary social services were an outcome of social crisis created by the devastating effects of industrial-capitalist system, and market crisis resulted in economic depression and the change to Keynesian economic policies. In the case of market crisis, state is the only actor capable of improving the conditions of the market, needless to say states had always been interested in the regulation of markets and common social problems, such as public health and poverty even in the pre-modern times, though they had been lacking in the necessary means to regulate. Therefore, as Fligstein notes “state-building” has almost always meant “market-building” (2002, p. 201). Building a stable market and consequently economic growth require stable labor force as well as stable economic capital.

In the light of the Keynesian doctrine of economic policy, the welfare state came to be seen not so much as a burden imposed upon the economy, but as a built-in economic and political stabilizer which could help to regenerate the forces of economic growth, [...] (Offe, 2006, p. 67).

When we look at the development of first social policies shown in Figure 1, its relation to capitalist growth seems clearer. Here “industrial accident” insurance as the typical first social policy introduced in the Western countries is what was required of the rapid growth of industrialism. It also provided for employers labor force for riskier works and freedom from costly court procedures (Korpi, 2003). Increasing wages, insurance programs, family allowances, and so on, also increased the purchase power of the society that kept the growth of productivity, consumption, and economy. Both classes, thereby, benefit from the increase in the total product, though admittedly relative shares of classes in the distribution did not change substantively (Korpi, 1978).

Figure 1. – Years of Introduction of Social Insurance.

	<i>Industrial accident</i>	<i>Health</i>	<i>Pension</i>	<i>Unemployment</i>	<i>Family allowances</i>
Belgium	1903	1894	1900	1920	1930
Netherlands	1901	1929	1913	1916	1940
France	1898	1898	1895	1905	1932
Italy	1898	1886	1898	1919	1936
Germany	1871	1883	1889	1927	1954
Ireland	1897	1911	1908	1911	1944
UK	1897	1911	1908	1911	1945
Denmark	1898	1892	1891	1907	1952
Norway	1894	1909	1936	1906	1946
Sweden	1901	1891	1913	1934	1947
Finland	1895	1963	1937	1917	1948
Austria	1887	1888	1927	1920	1921
Switzerland	1881	1911	1946	1924	1952
Australia	1902	1945	1909	1945	1941
New Zealand	1900	1938	1898	1938	1926
Canada	1930	1971	1927	1940	1944
USA	1930	—	1935	1935	—

These categories include schemes which were initially voluntary but state-aided as well as those that were compulsory.
Sources: Flora, 1987a, pp. 144, 210, 433, 559, 627, 777; Flora, 1987b, vol. 1, p. 454; Flora and Heidenheimer, 1981a, p. 83; Dixon and Scheurell, 1989, pp. 151, 245, 192.

Source: (Pierson, 2007, p. 110)

Another approach in the discussions of welfare regimes that I find useful to mention, at least briefly, is New Institutionalism. The main argument of the approach is the motto: “patterns of governance matter” (P. Pierson, 1996, p. 152). There are two main implications of this claim for the expansion of welfare regimes. Institutions in general are structures where patterns of governance, power relations, and social interactions are routinized. Thus, as Skocpol (1995) and her collaborators claim political institutions of social policies in the welfare states must be reflected consequential structures. P. Pierson (1996) in reference to new institutionalism suggests that as the policy decisions regarding the distribution welfare grew up in successive phases in the industrializing Western World, they had pervasive effects on economic and social life and their impact on political processes gradually expanded. The second argument I derive from the approach is different political, economic, and social institutions of states would have different patterns of governance, different trajectories, and different policies of welfare distribution, and consequently different welfare regimes.

Different Trajectories, Different Regimes

The issue of different trajectories is important for the aim of this paper since I claim cultural and historical difference of Turkey introduces different kind of welfare distribution. Esping-Andersen’s (1990) initial model suggests there are three types of welfare regimes: liberal, corporatists, and social-democratic regime types. In liberal regimes, such as in the US, where modest social insurances are predominant and policies of welfare still favor largely free-market economy. That is to say, the aim is to establish equality in the minimal needs. “In this model, the progress of social reform has been severely circumscribed by traditional, liberal work-ethic norms” (p. 26). Therefore, the entitlement to the rights is quite strict, and social insurances are promoted by states to be dependent on private sectors. “De-commodification”, meaning the policies intend to make possible for a person to be able to subsist a livelihood without reliance on market, is minimized in liberal welfare regimes. Second, in corporatist/conservative welfare regimes, liberal notions, or “obsessions” (p. 27) as Esping-Andersen describes, such as free market and commodification are never predominant. Social rights are hardly subjected to discussion. The conservative side of the regime is explained by Esping-Andersen as such:

Corporatist regimes [France, Austria, Germany, and Italy] are strongly committed to the preservation of traditional family-hood. Social insurance typically excludes non-working wives, and family benefits encourage motherhood. Day care, and similar family services, are conspicuously underdeveloped; the principle of “subsidiarity” serves to emphasize that the state will only interfere when the family’s capacity to service its members is exhausted (1990, p. 27).

However, the corporatist European regime has embodied both “liberal” and “social-democratic” elements over the decades as the author emphasize. The last, in social-democratic/Nordic regimes, social rights and policies of de-commodification is expanded for the new middle class. The goal is not to maintain the equality in the minimum standards, but in the highest possible. Therefore, this regime is tailored to involve “de-commodifying” and “universal” social programs, and for satisfying differentiated expectations (p. 28). In contrast to liberal and corporatist programs, the social programs and policies in Nordic regimes address to independence of individual: freedom both from market and traditional family. This classification of Esping-Andersen has met substantial negative criticism as well as applause and constructive criticism. One line of the negative critics claimed classification of Esping-Andersen is an oversimplification and blind to unique differences between the countries he analyzes (Arts & Gelissen, 2002; Özdemir, 2007). However, as Arts & Gelissen claim, the classification must be understood in terms of ideal-types, and it is possible to make other classifications in terms of Esping-Andersen’s analytical framework by analyzing more data and using different analysis methods, since it has theoretical and empirical value. Such efforts have been made since, and more classifications have been offered by other scholars of the field:

Figure 2. – Welfare Regimes Classification in the Literature

	<i>Type</i>				
	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>
Esping-Andersen (Decommodification)	<i>Liberal</i> • Australia • Canada • <u>United States</u> • New Zealand • Ireland • United Kingdom	<i>Conservative</i> • Italy • Japan • France • <u>Germany</u> • Finland • Switzerland	<i>Social-democratic</i> • Austria • Belgium • Netherlands • Denmark • <u>Norway</u> • <u>Sweden</u>		
Leibfried	<i>Anglo-Saxon</i> • <u>United States</u> • Australia • New Zealand • United Kingdom	<i>Bismarck</i> • <u>Germany</u> • Austria	<i>Scandinavian</i> • <u>Sweden</u> • <u>Norway</u> • Finland • Denmark	<i>Latin Rim</i> • Spain • <u>Portugal</u> • <u>Greece</u> • <u>Italy</u> • France	
Castles & Mitchell	<i>Liberal</i> • Ireland • Japan • Switzerland • <u>United States</u>	<i>Conservative</i> • <u>West-Germany</u> • Italy • Netherlands	<i>Non-Right Hegemony</i> • Belgium • Denmark • <u>Norway</u> • <u>Sweden</u>		<i>Radical</i> • <u>Australia</u> • New Zealand • United Kingdom
Siaroff	<i>Protestant Liberal</i> • Australia • Canada • New Zealand • United Kingdom • <u>United States</u>	<i>Advanced Christian-democratic</i> • Austria • Belgium • France • <u>West-Germany</u> • Luxembourg • Netherlands	<i>Protestant Social-democratic</i> • Denmark • Finland • <u>Norway</u> • <u>Sweden</u>	<i>Late Female Mobilization</i> • <u>Greece</u> • Ireland • <u>Italy</u> • Japan • <u>Portugal</u> • Spain • Switzerland	
Ferrera (Europe only)	<i>Anglo-Saxon</i> • United Kingdom • Ireland	<i>Bismarckian</i> • <u>Germany</u> • France • Belgium • Netherlands • Luxembourg • Austria • Switzerland	<i>Scandinavian</i> • <u>Sweden</u> • Denmark • <u>Norway</u> • Finland	<i>Southern</i> • <u>Italy</u> • Spain • <u>Portugal</u> • <u>Greece</u>	
<i>continued over</i>					
Bonoli (Europe only)	<i>British</i> • United Kingdom • Ireland	<i>Continental</i> • Netherlands • France • Belgium • <u>Germany</u> • Luxembourg	<i>Nordic</i> • <u>Sweden</u> • Finland • <u>Norway</u> • Denmark	<i>Southern</i> • <u>Italy</u> • Switzerland • Spain • <u>Greece</u> • <u>Portugal</u>	
Korpi & Palme	<i>Basic Security</i> • Canada • Denmark • Netherlands • New Zealand • Switzerland • Ireland • United Kingdom • <u>United States</u>	<i>Corporatist</i> • Austria • Belgium • France • <u>Germany</u> • Italy • Japan	<i>Encompassing</i> • Finland • <u>Norway</u> • <u>Sweden</u>		<i>Targeted</i> • <u>Australia</u>

Note: Underlined countries indicate a prototype.

Source: (Arts & Gelissen, 2002, p. 149 – 150)

As can be seen in Figure 2, none of the classifications above involve countries of middle-east or what might be called “underdeveloped” countries in general. This is partially understandable in terms of analytical purposes if these scholars confined themselves in the analysis of welfare regimes of “developed” countries. Yet, if the idea is there is not one type of welfare state, but several welfare regimes, then an analysis, plus comparison concerning the welfare distribution in “underdeveloped” countries must be asserted. Moreover, even though “underdeveloped countries” discourse is not particularly used in the works of scholars mentioned above, disregard of those countries in welfare discussions on the basis that welfare state structure did not mature in them as in the West has the implication of a universal scheme of progress.

Social Change and New Challenges to Welfare States

This image has changed, though, by the scholars themselves mentioned above, because of the changes in the welfare regimes. As I mentioned in the introduction, until the 1980s welfare states lived their golden age, yet with the influence of social, economic, and technological changes in the world, states

started to retreat from market and the period of austerity has begun. Many scholars (Korpi & Palme, 2003; Taylor-Gooby, 2004; Leibfried & Mau, 2008) suggest the future of welfare regimes cannot be understood only in terms of state expenditure or economic growth rates, because, there are new patterns of social change that create “new risks” for both citizens and states (Taylor-Gooby, 2004, p. 1). Therefore, a new perspective is required in order to understand and analyze the changes in the structure of welfare states or the challenges they face and whether welfare regimes are fading or not. As Taylor-Gooby (2004) suggests, through the end of 1970s economic growth rates started to decrease and became more and more uncertain. One of the reasons of the decrease is referred as “free-rider problem”, meaning welfare regimes produce a large group of people who benefit from several social services and programs, yet do not work nor contribute to the welfare of the society and the costs of the benefits, since they are able to live on as so. This is, in fact, I believe, what constructed the ideological justification of the welfare retrenchment arguing that welfare policies bring out idleness, and decreases productivity, thus economic growth. The failure of Soviet alternative was also an important development strengthening liberal economic discourse (Özdemir, 2007). Back to the social changes, Taylor-Gooby (2004) points out in post-industrial societies, the rate of women’s employment started to increase since an average family cannot depend on only one salary anymore. Another change concerning the population is the increase of elderly people in societies, which equally means the increase of state expenditure on pensions and health care programs. This is, in fact, related to the women’s employment issue: women who stayed at home taking the care of the elderly and children now work outside of home. Therefore, the responsibility for the welfare of children and elderly depends more and more on the state. Changes in the labor market brought about two consequences. First, the rapid changes in technology decreased the unskilled manual labor. Therefore, the link between job opportunity and education has grown stronger. Second, increasing globalization makes labor and also capital mobility possible. Taylor-Gooby claims that with these social and economic changes welfare regimes face new challenges, which can be conceptualized in three headings: “rising demands”, “restricted resources”, and inability of states to cope with these two (2004, p. 6). The population growing older means “demands” in terms of social policies such as pensions or healthcare, are rising. Moreover, working of women outside of home mean again an increase in the demands of services for families and childcare. However, because of the dearth of policies for working mothers, birthrates are in decline. As a result, the population grows older, and old population means less productivity and less economic growth. Therefore, states face restricted resources. Yet, this is not the only cause of restricted resources or economic retrenchment. It is also because of the changes in the market. With the developments in technology, transportation, and communication, both capital and labor have a high degree of mobility around the globe. There are no closed societies or rather economies of old. Companies seeking to increase their profits move their business along with the employment opportunities to countries where the expense of labor is cheaper, such as China or India. Consequently, on the one hand the unemployment rate in welfare states is increasing, and on the other hand tax revenue of states is decreasing.

Another process challenging the welfare system is the “individualization of society” (Rosanvallon, 2000, p. 96). This means societies, now, becomes more and more heterogeneous in terms of needs, wants, and demands. “Old” policies of welfare states whose core agenda was the issues of economic growth, distribution, and social security that lasted till early 1970s from immediate postwar period were not able to answer the “new” (cultural/ethnic) demands of the people seeking recognition and freedom to exercise their “way of life” (Offe, 1985, p. 821-825). For Touraine (1985), this meant class-based social conflict shifted to conflict based on differentiated identities. The welfare system well-designed for attending to more homogenous populations, groups and classes, now expected to take on responsibility for individuals in their own specific situations (Rosanvallon, 2000). Hereby, we can see academic interest shifted to social conditions that created new ways of welfare distribution: changes in population, family structure, cultural identities, and also changes in technology, labor-capital flexibility, and so on. Moreover, welfare distribution of other, non-Western, countries became more and more a focus of interest in the discussions.

Social - Cultural Institutions in the Welfare Distribution in the Case of Turkey

Up to this point I laid out the theories and discussions on the modern origins of welfare state and explained changing socio-economic conditions that necessitated and created new kind of social policies as well as shifted the academic interest to different countries, which have been neglected for a long time. Now, I will discuss the position of Turkey, what actors played a role historically in the distribution of welfare. When looking at the ever increasing studies since 1990s concerning the welfare distribution in the Turkey and Middle East, we see several line of discussions. We can see many scholars focus on Islam as a religion and its significant role on the social distribution of welfare through practice of *zakat* (Dean & Khan, 1997; Kuran, 2004; Aydođmuş, 2007; Jawad, 2008; 2009; Jawad & Yakut-Çakar, 2010; Ongan, 2008; Ismael & Ismael, 2008). Another line of academic interest include more state-centric studies of social policies, labor economics, valuable empirical analyses, and so on (Robalino, 2005; Buđra, 2007; Mares & Carnes, 2009 MacLean, 2011). There are also historical studies on the origins of welfare institutions in Muslim regions that mainly focus on the role of the institution of *waqf* and other philanthropic organizations (Peri, 1992; Özbek, 2001; Yediyıldız, 2003). I argue if a conceptualization of welfare regime of Turkey would be made, *waqf* -as an institution of social provision of welfare- and *zakat* -as a practice directed to maintain social justice and the relief of poverty- are two key concepts. That is because, if “the patterns and institutions of governance matters”, *waqf* and *zakat* are rooted deep in the region both historically and culturally, thus need to be credited in regard to welfare regime conceptualization of Turkey (Jawad & Yakut-Çakar, 2010). Therefore, in this second part of the paper, first, I will discuss how Islam is relevant in the context, second, the historical examples of welfare policies and cultural institutions, particularly *waqf*, and how it transformed in the late Ottoman society, claiming such policies and institutions existed in the region that were similar to Western examples and cannot be disregarded. Third, I will argue *zakat* as an Islamic institution, which is claimed in the literature to play an important part in Muslim regions to maintain social justice.

The Role of Islam

As I suggested above, the welfare regime of Turkey and the social policy in the region cannot be understood without taking the historical religious welfare institutions and current revival of Islamic organizations in the role of social welfare provision into account. That is because, Islam as other world religions, has played a significant role in shaping social principles about human happiness and well-being not just in an ideological level, but it has also influenced social-practical outcomes in society. Therefore, the study of social welfare provision practiced through Islamic references is central for understanding Muslim regions (Jawad & Yakut-Çakar, 2010). Even scholars who think of Islam as a burden to Muslim societies and economic growth and reason of “underdevelopment”, such as Kuran (2004) claims that influence of Islam on the welfare distribution has been widespread to both state and non-state, non-governmental, sectors.

Concrete examples of Islam’s influence in social provision of welfare will be dealt in the cases of *waqf* and *zakat* later, though its spheres of influence is much wider: wider than the compass of this paper. Communities, family relations, and kinship as safeguard systems: their practices of political patronage and economic caretaking, and countrymen and religious community organizations, and humanitarian aid foundations in an institutional level, these all, at least partially, operate with ideal and actual references to Islam. Regarding the current revival especially of those aid and welfare organizations with religious references, Islam seems to be an important actor in the context. The reasons of this revival vary, though overall claims are asserted for the proliferation of Islamic welfare organizations (IHH, Yardimeli, Cansuyu, and so on) in the Middle East² by Jawad & Yakut-Çakar (2010) that I find useful. Main arguments are social-religious groups and communities (1) are growing “disenchanted” with the state failure to execute efficient social policies and services, (2) “feel disillusioned” with the secular state, in return these social-religious communities (1) try to fill the gap of social services, which the state is unable to, and (2) they try to offer “an alternative vision” on social justice and “political option”, and even an alternative way of life based on Islam and Muslim identity (p. 666-667).

² The countries in the Middle-East subjected to the Jawad & Yakut-Çakar study are Lebanon, Iran, Turkey and Egypt (2010, p. 1).

However, in the case of Turkey, as also recognized by the authors, a conflict between state and Islamic welfare organizations does not exist as of now:

Not all Middle Eastern states are in conflict with Islamic (or religious) welfare organizations. [...] religious welfare non-governmental organizations (NGOs) are subcontracted by the state to offer social welfare services. In these cases, common political goals underpin the relations between the state and welfare NGOs (p. 667).

Waqf as a Socio-Cultural Institution of Welfare Distribution

The main actor in the distribution of welfare existed for centuries in the region was local *ewqaf* (sing. *waqf*) (Yediyıldız, 2003). *Waqf* was an endowment made by a Muslim to a religious, educational, or charitable cause that is held by an institutional trust (Yüksel, 1998). The person who made the endowment has the right to determine to what purpose the donation can be spent. The profit *waqf* made by donation and its assets were used only in its predetermined charitable purpose. *Ewqaf* were also inalienable, forbidden to be sold or transferred to others. Therefore, there were various functions *ewqaf* fulfilled in terms of charity, yet in regard to social distribution of welfare, local *ewqaf* provided free education and healthcare, cash or in kind assistance for poor individuals and families, and care for orphans.

In the religious sphere, for example, the *waqf* was made responsible for the building and maintenance of mosques and other centers of worship, as well as for the upkeep of their clerical staff. In the field of education the *waqf* contributed much to the founding and operation of various types of cultural establishments and institutions of learning. Institutions of social welfare and poor relief, such as hospitals, soup kitchens and diverse charity funds, were mainly financed by the *waqf* (Peri, 1992, p. 167).

Moreover, the civic social services now modern national states are obliged to provide, such as water provision and distribution to villages and districts, paving of roads, the building of bridges, the digging of wells were catered by local *ewqaf* (Peri, 1992). However, in parallel with the developments in the West, state apparatus in the Ottoman Empire also started policies of centralization that resulted in social policies being carried out by centralized administration (Aysan & Kaya, 2008). Consequently, local *ewqaf* lost their influence in the social arena, especially after the establishment of Ministry of *Ewqaf* in 1826 that was responsible of the control of *ewqaf*.

In the late Ottoman period, starting from II. Mahmut and especially in the rule of II. Abdulhamit, a system of philanthropy, “a monarchial welfare system”, composed of the sultan’s “gift” apparatus and philanthropic performances, and also modern welfare institutions were quite established (Özbek, 2001, p. 5). Social provision of welfare among society, which was rooted in the cultural and religious norms of the Islamic society, and increasing state involvement and regulation instituted a complex system of welfare distribution. In the period of II. Mahmut, social security policies concerning healthcare and retirement were deployed: organizations dealing with epidemics, such as smallpox, and a system of pensionary directed to army men and *ulama* were established (Aysan & Kaya, 2008). In the period of II. Abdulhamit, direct aids instead of institutional programs were more prominent, yet more institutions were established such as *Daru’laceze* (needy and elderly house), *Hamidiye Etfal* (children) and *Gureba* (poor-needy) Hospitals. According to Özbek (2001), state’s expanding involvement in the civil forms of philanthropic performances, which had been carrying out the distribution of welfare, by executing new-modern policies can be understood in terms of Sultan’s effort to maintain legitimacy of the state for the various publics in the Ottoman domains that sought for independence. The solution for the “legitimation crisis” (p. 17) was thought to be by the way of implementation social policies for the society, which can be regarded as a similar effort of that in Bismarck Germany.

Zakat as an Islamic Practice

As I repeatedly mentioned, *zakat* is one of the central principles of the Islamic faith and one of the most influential and noticeable Islamic social institution directed to welfare and social justice. The practice of *zakat* is based on the notion of communal or *ummah* (collective community of all Islamic peoples) solidarity (Jawad & Yakut-Çakar, 2010). It is “the religious duty imposed on Muslims to give a proportion [2.5%] of their disposable wealth for distribution to members of the Ummah who are in

need” (Dean & Khan, 1997, p. 196). As the authors note, zakat cannot be considered as an act of charity, nor it is voluntary; zakat is an obligation on all Muslims who are able to, thus it is an act of piety, nonetheless, an instrument for income redistribution and welfare spending. “It serves the cause, not of the charity, but of social justice” (p. 198). Pious Muslims who increased their wealth (enough to be obliged to zakat) by the grace of God are expected to give the “right” and “share” of the poor and needy in his earnings. Zakat is regarded to purify the giver’s greed and receiver’s envy. Zakat functions to prevent accumulation, exploitation, and social conflict (Dean & Khan, 1997, p. 198).

The function of zakat is of course arguable. On the one hand, it brings a religious backbone for solidarity among people, a moral base for economic activities, and a concern for the social welfare. On the other hand, it is reasonable to assert as Hart (2011) and Ongan (2008) that zakat legitimizes the economic inequalities. Wealthy members contribute to the community they participate, yet their contribution correspond to only a small part of their income. Therefore, the practice of zakat cannot disentangle the economic structures that create unequal economic distribution only by itself. Viewing the practice of zakat like Dean and Khan (1997) as a matter of ideology or nostalgia in a theoretical level lacks sociological depth. I claim, in reference to Hart (2011), informal practices of welfare distribution such as zakat or acts of charity must be considered as a resistance to the modern capitalism, which is an economic and social system that is based on individual prosperity, accumulation of wealth, and consumption. Hart in her field study of an Anatolian village that developed rapidly after the establishment of a particular “madder” cooperative suggest zakat and *sadaka* (charity) bridge the gap between secular and capitalist national economy and morality-based local economy, yet they are an act of criticism towards modernity and economic development or rather their “corrupting” and unjust outcomes. In the case of Hart’s study, the foundation of cooperative is described as it is based on a Western scheme of development, and this scheme is conflicted with the Islamic effort to maintain communal solidarity and promote caretaking the welfare of others. Capitalist accumulation that is the outcome of working in the cooperative is not met the common cultural expectance of social justice with Islamic references, and as Hart (2011) describes, this conflict creates a moral, social, and economic frustration among the members of the village (p. 96-97). This image is not particular to the mentioned village, though. Tuğal (2002) also speaks of a similar process in the national level:

In Turkey, the influence of world capitalism and the modernization projects of the local élites have created institutions and relations (the real) that radically differ from the moral order envisioned by Islam (the imaginary): they have introduced objectifying relations (those of class) among religious populations, which contradicts what is expected from human bonds within a religious framework (p. 91).

In this context, zakat and *sadaka* functions as an amelioration instrument and a means to overcome the unequal effects market create. In this definition, it is clear zakat, a cultural institution in a terrain of social amelioration, cannot be discredited concerning the welfare regime of Turkey. Rather in a broader level, cultural and religious practices of social amelioration for social welfare are worthy of academic interest in the welfare discussions.

CONCLUSION

The discussions on the issue of welfare distribution is, once again, a complex and cross-disciplinary sum. It is a whole political, economic and social processes cluster, and a context in which both grand theories and ethnographic researches must be attended to. Starting from this point of view, I discussed, first, how the concept of welfare state emerged. I suggested there were two main processes in its emergence: Political process in which the main actor was state and economic process in which the main actors were classes and market. These two processes are interconnected and the development of welfare state cannot be understood by reducing it to only one of these processes. Through class conflict on the one hand, and democratic nation state system on the other, welfare state and social rights were achieved and economic growth, relative social justice, and welfare were maintained. The expansion of welfare statism was experienced differently in countries, though, because of the different characteristics and historical trajectories of the countries. Instead of conceptualization of one welfare state, Esping-Andersen’s (1990) comparative analysis led to the conceptualization of “welfare regimes” and his contribution steered welfare literature to recognizing differences between various countries’ welfare policies and new classifications by other scholars. The retrenchment of welfare statism after

1980s had also a similar influence. State regression from social policies and decreasing welfare spending on behalf of market gave rise to the interest in how welfare is distributed through other than the means of state structure. Therefore, in the second part of the paper I investigated what those other cultural and social institutions might be for welfare distribution in the case of Turkey. I spotted waqf and zekat as historically and prominently influential institutions and practices in terms of social provision of welfare. I claim if the welfare regime of Turkey would be analyzed, waqf and zekat (and sadaka) are two key cultural institutions that must be studied. However, as I mentioned welfare regime is a whole with many ingredients. What I merely suggested was waqf and zekat has played and still plays an important role in the social reality of Turkey concerning welfare distribution and social justice.

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