The Return of Religion?
The Paradox of Faith-Based Welfare Provision in a Secular Age

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Abstract

For centuries, churches were the main institutional providers of welfare in Europe before the state took over this role in the late 19th century. The influence of modernization theory meant that modern welfare state theorists increasingly regarded religion and its impact on welfare as a relic from the distant past. It was anticipated that modern, differentiated, and industrialized societies would see the decline and inevitable disappearance of religious welfare provision along with religiosity. Surprisingly, however, at the beginning of the 21st century in many modern industrialized societies, religious institutions are increasingly becoming involved in welfare provision again. The religion blind classic welfare state literature offers no explanation for this phenomenon. This present paper argues that the resurgence of faith-based welfare providers is the reversal of a phenomenon that occurred in the late 19th century when modern states started to strip religious providers of their prerogatives in welfare provision. The result was the ascendance of the modern state and the demise of religion in the late 19th century. The return of welfare to religious providers can therefore be interpreted as the beginning of the demise of the modern state.

Zusammenfassung

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The Return of Religion? The Paradox of Faith-Based Welfare Provision in a Secular Age

1 The renaissance of faith-based welfare

On the night of December 14, 2012, a 25-year-old woman was sedated with date rape drugs in Cologne, Germany, and subsequently raped (Burger 2013). When the police and medical authorities took her for a medical examination and evidence collection, two hospitals refused to prescribe emergency contraception (Dobrinski 2013a; Diehl/Roth 2013). Both hospitals were run by the Catholic Church. The doctors informed the woman that emergency contraception was not in line with the worldview of their employer. The media reported that the doctors feared losing their jobs (Dobrinski 2013b).

The incident was only reported by the press several months later; however it provoked harsh public criticism of the Catholic Church. The negative publicity fell on fertile ground. Earlier in the same year, there had been intense media discourse about the employment practice of Catholic welfare providers. A female manager of a Catholic day care facility had been dismissed after she had divorced and moved in with a new partner (Kamann 2012). The church argued that the promise “till death do us part” (Katholische Nachrichten 2012) was an integral component of the Catholic worldview and they were therefore obliged to terminate the manager’s contract. The press also brought to light similar cases where Catholic welfare providers had decided to not employ or to dismiss people due to their homosexuality or because they had been divorced (FAZ 2012).

The German public (and press) was puzzled: how could it occur that, in a society where church membership was in constant decline, and less than 10 per cent of those belonging to a religion actually actively participated in Sunday services (see Figure 1 for Catholic religiosity), churches continue to play such an influential role in people’s lives?

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The paradox is that in Germany, in sharp contrast to the development of religious practice, churches have massively expanded their involvement in faith-based welfare provision since the 1960s.\(^1\) This is something that has largely gone unnoticed by the public and scholars alike. According to its 2012 annual report, Caritas had 559,526 employees, making it the largest private employer in Germany (Caritas 2012). Through the expansion of their welfare providers (Caritas and Diakonie), the two main Christian churches together have become Germany’s second largest employer (Lührs 2006: 36–38).

What is striking is that, unlike any other employer, Caritas and Diakonie are not subject to German federal labor law. Article 140 of the German Constitution allows the Catholic Church to make employment contracts conditional on the worldview conformity of their employees. This makes it possible for the Catholic Church to dismiss divorced kindergarten managers or homosexuals without fearing discrimination charges.

This is not a uniquely German phenomenon: on a smaller but nonetheless substantial scale, faith-based welfare organizations have also expanded in other modern industrialized countries (Adloff 2006: 20; Bäckström/Davie 2011: 170; Fix/Fix 2002: 2; Frisina 2010: 150; Göçmen 2013: 496). The reason this development is so perplexing to social

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\(^1\) Faith-based welfare providers are defined according to Göçmen who describes them as "any kind of faith-related voluntary association (including churches, mosques, synagogues, and congregations) engaging in social welfare by providing social services, policy consultation, and advocacy" (Göçmen 2013: 496). However, the main focus of this contribution is Christian faith-based welfare providers.
scientists is because, for founding fathers of modern social science, such as Weber, Durkheim, or Marx, secularization was central to Western trajectories toward modernity (Casanova 1994: 18; Helco/Mc Clay 2003: 3; Norris/Inglehart 2004: 3). Secularization entailed modern rationalized states taking over welfare provision from traditional social security institutions such as churches and other faith-based providers. Modern welfare state literature followed this “master model” (Norris/Inglehart 2004: 3) and formed “religion blind” (Kahl 2005: 93) theories.

This contribution argues that the renaissance of faith-based welfare provision can be interpreted as the reverse of the late 19th century development when modern states began to take control of welfare by removing it from the hands of religious authorities. Nation-state builders such as Bismarck and Cavour started to strip faith-based organizations of their prerogatives in welfare provision in order to build liberal and conservative states that were independent from the church (Gould 1999; Hien 2012; Manow 2008: 20; Morgan 2002; Ritter 1982). Their aim was to shift loyalty from religious to state authorities. While the nationalization of welfare represented the beginning of the modern state, the return of welfare to religious providers can be interpreted as the reversal of this process.
The present paper explores what is known about the origins of faith-based welfare and its paradoxical resurgence in advanced industrialized countries in the 21st century. The paper is divided into an assessment of theory, in the first part, followed by an empirical analysis of the expansion of faith-based welfare provision, in the second part. The third, and final, part of the contribution brings both sections together and synthesizes our knowledge on the phenomenon of faith-based welfare provision in advanced industrialized countries in the 21st century.

2 Classic welfare state theory and religion

The recent resurgence of faith-based welfare provision stands in sharp contrast to most hypotheses of secularization theory and its alter ego, modernization theory, both of which were the cornerstones of thought for most of the founding fathers of modern sociology and political sciences. For Durkheim, the old gods were growing old or were already dead (Durkheim [1912]2012: 253), and Weber was certain that the old religions would not survive the onslaught of modernity (Weber [1930]2012). The secularization assumption became one of the founding mantras of modern social science (Casanova 1994: 18–19; Gorski/Altinordu 2008: 56; Norris/Inglehart 2004: 3).

This resulted in the majority of Durkheim’s and Weber’s successors immediately dismissing the impact of religion on the formation of modern welfare states. Therefore, the first systematic and comprehensive theoretical concept on the origins of the modern welfare state, the “logic of industrialism”, regarded the overburdening and collapse of church-run charities as the start of modern welfare. This thesis postulated that modernization, in the form of rapid industrialization and urbanization, would lead to an overburdening of traditional social security institutions such as guilds, families, and churches (Flora 1986: XIV; Wilensky 1975: XIII). Driven by society’s functional need for social security, the modern state would then step in and take over the role of these organizations as risk-hedging institutions (for critical summaries see Esping-Andersen 1990: 13; Huber/Stephens 2001: 15; van Kersbergen/Becker 2002: 188). Therefore, according to this theory, welfare states formed as a result of secularization. Later literature in the functional tradition of the logic of industrialism qualified these assumptions (Leibfried/Mau 2008: XVIII; for a critical discussion see Manow/van Kersbergen 2009: 7) stating that Protestantism, “the religion of bourgeoisie modernity” (Casanova 1994: 22), would facilitate more rapid industrialization and urbanization leading to an earlier formation of the welfare state than under Catholicism (Alber 1982: 21; Heidenheimer 1983, 1984: 343), which Weber had branded the religion of the traditional old “jog-trot” (Schlendrian; Kahl 2006: 95). However, religious sociologists such as Weber had also predicted that, in the long run, through its involvement in the process of rational modernity, Protestantism would extinguish itself (Weber [1930]2012). Consequently,
according to the logic of industrialism, the decline of religion continues to be a key factor in the formation of the welfare state, and the reemergence of faith-based welfare provision in the age of modernity therefore remains puzzling.

The stagflation crisis of the 1970s demonstrated that modernization did not follow a unilinear and automatic trajectory toward convergence which, in turn, gave rise to increasing criticism of modernization theory.

In the political climate of the 1970s, welfare state scholars turned increasingly toward neo-Marxist theories of state and society to explain the welfare state (Korpi 1983: 1–2). The emphasis on class and class conflict in this power resource approach literature2 (Esping-Andersen 1985; Korpi 1983; Stephens 1979) led to the influence of religion on Western welfare state formation being further dismissed. According to the power resource approach, religion could only play a distorting role in the class struggle toward welfare state formation. Religion would drive a wedge between different parts of the labor movement, (Huber/Stephens 2001: 19) and would ultimately lead to a less inclusive welfare state. In the spirit of Marxist tradition, scholars of the power resource approach attributed “false consciousness” (Korpi 2006: 175–176) to workers that voted Christian Democrat or became members of Christian unions. According to this theory, religion could not have formative powers.

The end of the cold war saw neo-Marxist theories of the welfare state being increasingly challenged by rational, efficiency-centered interpretations of social security formation. This resulted in cross-class coalitions (Swenson 1991: 514) between employers and employees increasingly being seen as the foundation of modern welfare states (Estevez-Abe/Iversen/Soskice 2001: 145; Hall/Soskice 2001: 51; for a critical review see Paster 2013). The rational paradigm regarded religion as even less significant for the Western welfare state than the previous approaches. However, scholars in this tradition would explain the renaissance of faith-based welfare provision on the basis of “efficiency-theoretical considerations” (Streeck 2005: 365). The fact that these organizations were

2 Later scholars of the power resource approach criticized the “zero sum class conflict” (Pierson 2000: 797). At the end of the 19th and beginning of the 20th century, left-wing parties were usually unable to gain enough votes and seats to form welfare legislation (Baldwin 1990: 9). They needed coalition partners. Second generation power resource approach scholars like Esping-Andersen therefore started to emphasize the fundamental importance of cross-class coalitions for welfare state formation (Esping-Andersen 1990: 1). Esping-Andersen's cross-class alliance model was possibly the single most important innovation introduced to the power resource approach in the transition from the first generation (Esping-Andersen 1985; Korpi 1983; Stephens 1979) to the second generation (Esping-Andersen 1990, 1999; Huber/Stephens 2001) of power resource approach scholarship. However, this new approach also faced criticism. Feminist scholars pointed out that Esping-Andersen's analytic framework did not give sufficient consideration to the gendered dimensions of welfare regimes, particularly care work (Sainsbury 1999; Lewis 1992, 1997; Orloff 1993, 1996). Furthermore, scholars of the southern European welfare states pointed to the possible existence of a fourth, Mediterranean cluster (Ferrera 1996). Both critiques led to a series of revisions of Esping-Andersen's original argument (see Esping-Andersen 1999).
non-profit would guarantee cheap, high quality welfare provision. In times of budgetary constraint, governments would prefer to outsource to faith-based providers than contract out to other market-based actors.

During the past half century, the paradigms of welfare state research have shifted between modernization, neo-Marxist, and rational, efficiency-centred theories of the welfare state. The significance of secularization theory, on the other hand, has remained constant and has continued to inform welfare state theory over the past 50 years. Consequently, modern social science lacks adequate tools to explain the surprising renaissance of faith-based welfare provision at the beginning of the 21st century. However, there has always been a branch of the literature which, in its analysis of the welfare state, explicitly attributed a formative role to religion.

3 Religion and welfare with Christian democracy

The first articles referring to a possible connection between welfare and religion date back to the 1980s. Heidenheimer (1983) explored the different welfare conceptions of the main continental European Christian denominations by presenting the dialogue of a fictive encounter between the two religious sociologists Ernst Troeltsch and Max Weber. The "Protestant Ethic Thesis" is advanced as a possible cause for the residual welfare models of countries in which Protestant dissenters became a politically influential force. Kaufmann (1988) developed this notion further in one of the first empirical investigations on the subject where he purported that the variation in welfare systems between the UK and Germany can be explained by the countries' different denominational constellations.

The discussion acquired a new angle when the first welfare regime approaches emerged (Rimlinger 1971; Esping-Andersen 1990; Castles 1993). Esping-Andersen highlighted that the commitment to traditional family values in Conservative welfare regimes in continental Europe was typically shaped by the church (Esping-Andersen 1990: 27). However, in his research, religion is ultimately eclipsed by his cross-class alliance framework (Esping-Andersen 1990: 32) and the conservative regime cluster is “not partic-
ularly well explained” (Manow/van Kersbergen 2009: 15). Shortly afterwards Esping-Andersen’s student van Kersbergen developed the first groundbreaking analysis of the origins and politics of conservative welfare regimes (van Kersbergen 1995).

Van Kersbergen found that many characteristics of these regimes were congruent with the social policy program of European Christian democracy. In contrast to the liberal concept of the limited “night-watchman” state and the socialist ideals of a strong and encompassing state, Christian democracy follows an organic interpretation of state-society relations. Parastatal social organizations prevail as intermediary institutions for most interactions between the state and the family (which, according to the Christian democratic ideal, replaces the individual as the smallest social entity). They facilitate and intermediate all socio-economic relations, while the state remains confined to a supervising role.4

Van Kersbegen finds this subsidiarity and mediation concept reflected in the parastatal organization of continental European welfare states that are self-administered by the social partners (van Kersbergen 1995: 189). Although van Kersbergen does not explicitly comment on the issue of faith-based welfare provision, the preference for contracting out state tasks to parastatal organizations according to the subsidiarity principle would explain why faith-based provision exists in countries with a long Christian democratic tradition such as Austria, Germany, the Netherlands, and Belgium.

A number of studies confirmed van Kersbergen’s link between Catholic doctrine and specific social policy. Morgan (2002) showed the impact of the religious cleavage on the origins of early childhood education in Europe. Naumann highlighted the importance of the Catholic worldview for the entrenchment of post-World War Two family policy in Germany (Naumann 2005: 51). Algan and Cahuc (2006) established a link between Catholicism and the level of labor protection in southern Europe.5

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4 In contrast to the liberal individualism of liberal parties and the socialist collectivism of social democracy, Christian democracy has the family as the central reference point in society. This is reflected in the conservative welfare regimes which “are characterized by a family bias in their tax-benefit system and by a heavy reliance on benefits in cash rather than in kind” (van Kersbergen 1995: 4). Conservative welfare regimes provide “paid jobs for men, unpaid domestic labor for women” (van Kersbergen 1995: 190). Christian democracy is not only based on familialism but also on a cross-class appeal. Christian democratic parties therefore need institutions that mediate between different components of the societies that they represent. Van Kersbergen finds this aspect reflected in the conservative welfare states that foresee large transfer payments between different groups of society (van Kersbergen 1995: 188).

5 Emmenegger (2010) criticized this and suggested that the strong connection between preferences for a male breadwinner model and strong labor protection is not unique to Catholicism but is linked in general to high levels of religiosity. Indeed, the papal encyclicals do not explicitly talk about labor protection and, according to the doctrine of class harmony in Catholic social teaching, labor protection would be obsolete as dismissal would simply not occur.
Manow was one of the first to systematically criticize van Kersbergen’s social capitalism concept for its exclusive focus on Catholicism. In a thought-provoking piece, he argued that the wide variations within the conservative cluster can be explained by taking into account “that Protestantism—in contrast to the received wisdom in the literature (van Kersbergen 1995; Huber/Ragin/Stephens 1993; Esping-Andersen 1990; Langer 1998)—has contributed in a substantial and distinctive way to the development of the Western welfare state” (Manow 2004: 5). In contrast to the earlier logic of industrialism interpretations of the role of Protestantism, Manow regards the distinction between the welfare doctrines of reformed Protestantism (Pietism, Calvinism, Zwinglianism), with their emphasis on “individual asceticism” (Manow 2004: 5) and mainline Protestantism, to be crucial. According to Manow, while etatist mainline Protestantism has welfare enhancing effects, reformed Protestantism, with its inherent antietatism, is an impediment to state-based welfare provision. Consequently, countries that are predominantly mainline Protestant favor state-driven welfare arrangements and dismiss faith-based welfare provision, while countries where Catholic and reformed Protestant denominations dominate are more likely to have larger faith-based welfare sectors.

To resolve some of the controversy their works had sparked, van Kersbergen and Manow joined forces and published an edited volume in 2009. In the introduction they write that “the dominant reading in the literature, which explains the specific features of the continental welfare regime as a manifestation of Catholic social doctrine, is historically inadequate” (Manow/van Kersbergen 2009: 3). Reflecting many of Manow’s insights, they argue in favor of a reformulation of the influence of Protestantism on welfare. While Protestant sects (Calvinism, Zwinglianism, etc.) have a detrimental effect on state welfare, “the Lutheran state church in Germany or in Scandinavia held no major reservations against the state playing a dominant role in social protection” (Manow/van Kersbergen 2009: 4).

Thus, not only Catholicism but also Protestantism had an influence on welfare state formation. However, religious doctrines do not influence welfare state outcomes directly, but do so through political parties. Manow and van Kersbergen’s earlier frameworks did not elucidate why some countries see the emergence of Christian democratic parties and others do not. However, in their 2009 book, van Kersbergen and Manow present a mechanism that can be used to determine this. Following Duverger’s law, they reason that majoritarian electoral systems tend to generate two-party systems, while proportional representation results in multiparty systems. The authors add Iversen and Soskice’s insight (2006) that majoritarian systems tend to be less redistributive than multiparty systems because majoritarian systems lead to right party incumbency. However, they are critical of Iversen and Soskice’s theory for only being able to account for more or less redistribution but not specific forms and structures of social policy regimes. Manow and van Kersbergen therefore propose a “Rokkanian complement to the Iversen and Soskice (2006) model” (2009: 23). They argue that, in majoritarian two-party systems, political conflict will be reduced to a dominant capital-labor/right-left cleavage while proportional representation and multiparty systems allow for the reflection of
multiple cleavages in the party system. Since the church-state conflict was resolved early on in Scandinavia, only the capital-labor and the center-periphery cleavage remained virulent. Therefore, Scandinavia saw the emergence of social democratic and agrarian parties. In continental Europe, where the church-state conflict remained the dominant cleavage along with the capital-labor conflict, Christian democratic parties emerged and became influential players in welfare legislation (Manow/van Kersbergen 2009: 19).

Van Kersbergen and Manow emphasize the importance of class coalitions and their interface with religion (hence the title: *Religion, Class Coalitions and Welfare States*). However, they do not explain that such coalitions not only result in class compromise but that these compromises can facilitate or necessitate the emergence of fundamentally new configurations of socio-economic thinking (for the concept of emergence in evolutionary theory see Streeck 2010 or Lewis/Steinmo 2010). Manow describes the phenomenon of emergence in his work on post-World War II German Christian democracy. The conflict between and later fusion of Protestant ordoliberalism and Catholic Christian socialist ideas (Manow 2000, 2001) that became the foundation of Germany’s social market economy is an example of how a distinct new social doctrine with far-reaching policy consequences can emerge from two distinct and opposed ideologies. A similar phenomenon emanated from the compromises struck between Bismarck’s Protestant state socialism and the social Catholicism of the Centre Party during the foundation of early German social security legislation. Had Bismarck won majority support to pursue his original ideas, the German welfare state of today would have looked very different (more similar to a residual Scandinavian system, see: Abelshauser 1996; Hien 2012: 162–165). Had Catholic provision prevailed, German welfare would have been similar to the Italian welfare state that the Democrazia Christiana created in the 1950s and 1960s (Hien 2012: 289–311). Instead, the final outcome of the legislative conflicts and efforts of the 1880s was a mix of both religiously informed welfare doctrines. This compromise itself became a dominant social policy ideal and a paradigm for social policy in Germany throughout the next century (Kaufmann 2003). A similar emergence phenomenon presumably occurred in Scandinavia when Protestant middle class farmer values were forced to fuse with socialist ideology.

Parties and the election system are central to van Kersbergen and Manow’s framework. The nature of the state-church conflict determines which cleavages are present in society, while the electoral system filters and decides which of these cleavages will be represented in the party system. However, it is plausible that different religious doctrines (Protestant, Catholic, Calvinist) respond in different ways to different electoral institutions in light of the various existential challenges experienced by their subcultures.

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6 For the purpose of this paper, it would be interesting to determine how the necessity of such compromises provides space for institutional emergence and thus the emergence of intermediary societal organizations like faith-based welfare providers. The outsourcing of state welfare to faith-based organizations that are neither state nor private providers could be a resource for compromises between opposing ideological forces that favor state or private solutions respectively.
The non expedit which Pope Pius IX used to forbid all Catholics from participating in the suffrage extension of Italy from 1874 onwards (Pollard 2008: 25) is an extreme example of how religion, its subcultures, and its political outlets are not necessarily determined by the electoral system but can bypass it to achieve their political goals. At the end of the 19th century, political Catholicism in Germany was confronted with a strong Protestant-Prussian state apparatus (Smith 1995, 2008) which challenged its position. This is another example which demonstrates that electoral institutions may also define electoral behavior in other ways than the simple majoritarian-proportional representation dichotomy suggests. Catholics took advantage of their concentration in strongholds and the electoral institutions of the German empire to assume a pivotal position in the party system and become an extremely influential force in the formation of imperial welfare legislation (Hien 2012: 159–161; Morsey 1981; Lönne 1986). Although Protestantism encompassed the majority of the electorate, it could not capitalize on its numerical strength due to the fragmented nature of its representation in several different parties and subcultures in the empire (Lepsius 1973, 1993).

Thus, political actors do not always need to go by the book and can circumvent electoral institutions. In Italy, for example, this resulted in a Catholic parallel state which existed alongside the liberal state institutions, a conflict that only Mussolini was able to resolve with his dictatorial ambitions (Quine 2002; Carter 2010: 77–123). In Germany, the collaboration enforced by the electoral institutions led to a fusion of Catholic and Protestant social policy ideas.

In Germany, this provided an opportunity for compromise, which arguably entailed the enshrining of faith-based welfare provision as a non-state alternative. This compromise was sustained by the inter-confessional Christian Democratic Party which was created after World War II and introduced Article 140 on the privileges of faith-based welfare providers to the German Constitution. In contrast, in Italy the liberal state elites and the church saw the control of welfare as a zero-sum game. As a result, the early liberal state attempted to place faith-based welfare institutions under rigid secular state tutelage (albeit with little success see Farigon 1986: 16; Quine 2002: 56). After World War II the balance of power shifted. Political Catholicism became the dominant political force at the expense of liberalism and was able to massively influence social security legislation through the formation of the Christian Democratic Party.

From van Kersbergen and Manow’s works, it can be deduced that faith-based welfare provision is more likely to play a significant role in a country where there is a long tradition of Christian democratic parties. This framework explains why faith-based welfare provision dominates in Germany and Belgium (strong Christian democratic parties) and is absent in France (no Christian democratic party) but tells us little about why faith-based provisions in countries such as the Netherlands, which have a long tradition of Christian democratic hegemony, is marginal.
4 Religion and welfare without Christian democracy

The second major branch of the religion and welfare literature claims that Christian democratic parties are not the only influential factor when it comes to the connection between religion and welfare. Castles had already criticized van Kersbergen in the 1990s for his strong reliance on the influence of Christian democratic parties (Castles 1993: 10). He argued in favor of an organic bottom-up approach in which religion influences policy because “[t]he transmission of such beliefs and customs occurs through processes of socialization within the family and community” (Castles/Flood 1993: 295). According to Castles, societies in which this occurs constitute a “Catholic family of nations” (Castles 1993: 7). Here, the church remains an important influential factor, even in the absence of Christian democratic parties. It influences politics through its strong popular mandate and through its leverage among religious political elites. Fix adds that large faith-based welfare providers can also become powerful lobbyists that drive the process of expansion of faith-based welfare provision autonomously (Fix 2002: 1–2).

Both Fix and Castles see the political and religious implications of the reformation as the starting point for the divergence of social policy regimes in the Western world. Castles argues that, after the French and industrial revolutions, the “great divide between Catholic and Protestant Christendom” (Castles 1993: 4) is the third most important factor influencing how variances between public policy regimes are shaped. Fix presents a similar argument (Fix 2002; Fix/Fix 2002, 2005): the context of the national revolutions of the 19th century, the nature of the church-state conflict, and the different affinities of the Christian denominations toward the state determine the impact of religion on social policy and ultimately the degree of faith-based involvement in the welfare sector (see Schmidt 1995 for a similar argument).

The paradox that faith-based provision is marginal in highly Catholic or majoritarian Protestant countries is explained by Fix through the absence of church-state conflicts in these countries. The early capturing of the church by the state through the creation of state churches in Scandinavia made independent faith-based welfare provision not only impossible but also superfluous for the Protestant church. The church could enact welfare policies that were in line with its worldview through the state. According to Fix and Fix (2005), a similar phenomenon occurred in the countries where the Counter-Reformation was most successful. In Spain, where, after the reformation, an early Catholic union emerged between the state and the church, the church generated little independent welfare provision as it could influence the shape of welfare through the state.

Wherever the church-state conflict was violent, the situation was different. Where there was strict church-state separation, like in liberal France (and to a certain extent in early liberal 19th century Italy), religious welfare providers were confined to a marginal role or subsumed under secular state tutelage. In mixed denominational countries where none of the religions were able to gain the upper hand, Protestant, reformist, Catholic, and liberal forces found themselves in a continuous political struggle, and political
compromises were required to restore unity and peace. One important component of these compromises was the granting of welfare prerogatives to the different Christian communities by the state. In line with the pillarization of societies and politics, this led to pillarized faith-based welfare provision (Fix 2002). The competition between the different faith-based providers and the fact that, in contrast to other market-based or third sector providers (as was the case in Germany), they received certain legally enshrined privileges guaranteed the proliferation of faith-based welfare in mixed denominational countries such as Germany, Belgium, Switzerland, and the Netherlands.

Essentially, Fix and Fix (2005) provide an historical institutionalist explanation for the phenomenon of faith-based social security provision. They emphasize political conflicts and a path-dependent development from the institutional settlement of these conflicts onwards. However, their accounts seldom refer to the possible impact of the different welfare doctrines of Christian denominations.

The most interesting and comprehensive account of this aspect is provided by Kahl in her works exploring the connection between the salvation models of different forms of Christianity and their preferences for different welfare state configurations. Focusing on poor relief, the fundamental component of any welfare state (Kahl 2005, 2006), she shows that the differences in the salvation mechanisms between Calvinism, Lutheranism, and Catholicism are the root cause for the variances between poor relief regimes of OECD countries. Kahl summarizes that “the Catholic Christian has a religious obligation to give to the poor. The Calvinist Christian has an obligation to work. The Lutheran Christian must rely on faith alone because charity and work become detached from individual salvation” (Kahl 2009: 289; for a similar argument see Kaufmann 2012: 6). These different tenets of religiously informed behavior have been institutionalized in Western welfare enabling the transmission of religious concepts in a highly secular environment.

Kahl not only adds another layer to Castle and Fix’s explanations by emphasizing the importance of the content of religious doctrine but she also qualifies the other approaches. She points out that today, the “direct” influence of religion on welfare states might be “hard to detect” (Kahl 2009: 267) because, in today’s Western world, religion has become secularized through its institutionalization in the modern welfare state. This process of cultural transposition (Kahl 2006: 73) extends religious influence beyond the existence of Christian democratic parties, strong religious practice of a population, or direct church presence in politics. Kahl argues that “[r]eligion also works its way into politics by shaping a country’s political tradition, and religiously rooted ideas become part of the accepted spectrum of plausible policy options” (Kahl 2009: 267). Thus, Kahl turns the assumptions of securalization theorists such as Norris and Inglehart (2004) on their head by arguing that the welfare state has not secularized religion but that it is religious doctrine with a secular coating.
The literature that emphasizes religious influence on welfare through Christian democratic parties and that which focuses on religious influence without Christian democratic parties provide a deep insight into the connection between welfare and religion, in general, and the conditions for the existence of faith-based welfare providers, in particular. A close reading of Castle, Fix, and Kahl’s research indicates that the religious influence on welfare can still be significant even in countries without Christian democratic parties. The development of the welfare state in countries such as France, Ireland, and Spain confirms this and also helps to explain why we see a comparatively low level of faith-based welfare provision in countries with a long tradition of Christian democratic parties, such as the Netherlands. However, much of the legal institutionalization of religious welfare provision that Fix and Kahl discuss was enforced by Christian democratic parties (for Protestant and Catholic influences of Christian democratic parties on recent German family policy see Hien 2013). Consequently, the “with Christian democracy/without Christian democracy” approaches complement each other to a far greater extent than some of their protagonists would care to acknowledge (see Castle’s critical remarks on van Kersbergen, Castels 1993: 10 and Manow’s detailed, but seemingly indifferent, discussion of Kahl and Fix, Manow 2008: 12–13).

The aforementioned approaches provide an explanation for the persistence of faith-based welfare provision despite declining levels of religious practice. However, although the literature offers a robust account as to why faith-based welfare provision still exists, it provides no convincing argument as to why it has started to grow again. Fix and Fix’s path-dependent approach only explains why expansion is potentially greater in some countries than in others but does not account for the overall growth trend as the path-dependent legacies of the state church and interreligious conflicts should fade rather than accelerate with time. On the other hand, the literature that emphasizes Christian democratic parties struggles to account for the expansion of faith-based welfare expansion in times when Christian democratic parties are increasingly being forced to emancipate themselves from their shrinking religious core constituency to become “modern unsecular parties” (van Kersbergen 1999, 2008: 276; Kalyvas/van Kersbergen 2010: 188). However, contrary to all these developments, faith-based welfare provision is on the rise in most modern industrialized countries.

5 The empirics of faith-based welfare provision

As already indicated in the introduction of this contribution, the volume of Christian welfare provision in Germany has increased at an astonishing rate in recent decades. While the Protestant Diakonie employs approximately 450,000 people (Diakonie 2013), the equivalent figure for the Catholic Caritas is even higher (559,526). Combined, this

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7 However, they indicate that, once established, faith-based providers become powerful lobbyists.
makes them the second largest employer in Germany. The Catholic Church has become 
the largest private employer in Germany, only outranked by the public sector (Caritas 
2012). In addition to their permanent employees, both organizations also have a large 
number of volunteers.

The number of contracted employees has steadily increased in recent decades. In 1980, 
Caritas had 283,821 employees, this figure then increased to 347,566 in 1990, and 
reached a new peak of 484,957 in 2000. By 2013, Caritas had increased its workforce 
by another 75,000 people (see Figure 1). The majority of these employees are female 
and work in the care sector. Elderly care and childcare have a very high growth poten-
tial in Germany where female labor market participation has steadily increased since 
the 1970s and there is an excessive aging of the population. In line with this, Germany 
made a shift away from the male breadwinner centered family policies in the mid-2000s, 
which included a childcare guarantee for each child from 2013 onwards (Fleckenstein/
Seeleib-Kaiser 2011; Henninger/Wimbauer/Dombrowski 2008). This indicates that 
there is likely to be a further increase in the number of people employed by faith-based 
welfare providers in the coming years (on the involvement of the Catholic Church in 
the reforms see Hien 2013).

These developments stand in stark contrast to the decline in religious practice and 
church membership in Germany. Since the 1960s, both churches have been hemorrhag-
ing members and religious practice has plummeted. While in 1950, 50.4 percent of all 
Catholics still attended Sunday mass on a regular basis, according to the generous es-
timates of the Catholic Church, this figure has now declined to around 11.8 percent 
(Sekretariat der Deutschen Bischofskonferenz 2013). At 3.8 percent in 2011 (EKD 2012), 
Sunday service attendance in Protestant churches is even lower. Since reunification, the 
number of people claiming no affiliation to either of the two main Christian confessions 
has grown at an increasingly rapid pace (2013 Census). This growth has also acceler-
ated since the abuse scandals in the Catholic Church during the 2000s. The last census 
indicated that in 2011, only two-thirds of Germans were members of the Catholic or the 
Protestant Church while both churches had almost universal coverage rates in the 1950s.

This development is not unique to Germany. Other countries are also observing a de-
cline in religious practice and church membership while the opposite is true for the 
development of faith-based welfare provision. In Austria, faith-based welfare provision 
increased strongly during the 2000s while religiosity declined. In the country that led 
the counterreformation, the percentage of Catholics among the Austrian population 
decreased from 89 percent in 1951 to 63.2 percent in 2012 (Katholische Kirche Öster-
reich 2013) of which only 12 percent attend Sunday mass (see Figure 3).

Yet, an increasing number of Austrians receive care from or work for care service pro-
viders that are connected to the Catholic Church. Catholic Caritas has expanded its 
provision in the elderly care sector in particular. The number of elderly care homes
increased from 31 to 46 facilities between 2003 and 2011, and the number of residents in these facilities more than doubled to 4,450 (Caritas Austria 2002–2011). The number of people employed by Caritas Austria in this sector increased from 2,500 in 2002 to 5,400 in 2011 (Caritas Austria 2002–2011). The employment figures for the Protestant Diakonie are considerably lower in predominantly Catholic Austria. However, the total number of people employed by Diakonie Austria also steadily climbed from 5,500 in 2006 to 7,450 in 2012 (Diakonie Austria 2006–2012).

The fact that the overall volume of care provided by Caritas is considerably smaller in predominantly Catholic Austria than in denominationally mixed Germany can be attributed to two factors: first, there is considerably less competition among faith-based and other third sector providers in Austria (Fix/Fix 2005: 87). Second, historically, the early fusion between the Habsburg emperors and the Catholic Church shortly after the reformation made independent Catholic charity superfluous or caused it to be subsumed under state tutelage in Austria (Fix/Fix 2005). The development of independent Catholic charity in Austria was much more limited than in Germany, where it emerged as a counter-reaction to the Protestant Bismarckian state (Hien 2012). Unlike Germany, Austria also has no legislation giving faith-based welfare providers a more privileged role than other non-state welfare providers (Fix 2002). Furthermore, in the absence of

Figure 3 Catholic Church attendance on a regular Sunday in Austria, 2003–2011

In 2012, 5,360,000 people in Austria were Catholic (63.2 per cent) of which 646,773, about 12 per cent, attend Sunday church service.
a reform of the male breadwinner model in Austria, state-driven expansion of childcare is limited. However, once this model no longer dominates, Caritas is likely to expand its welfare provision in the childcare sector.

In Germany and Austria, Catholic and Protestant welfare service providers monopolize the faith-based welfare segment. In Germany, both associations have their own statistics departments and publish data on their revenues and activities in the welfare sector. Caritas Austria also provides data on its involvement in the care sector. An assessment of the situation in other countries is more difficult. Most other countries have a larger number of faith-based providers which are usually internally fragmented by region or sub-divided by welfare field. The fact that faith-based welfare organizations in other European countries are comparatively small also leaves limited resources for the maintenance of internal statistics and documentation offices. Caritas Switzerland is only a loose federation of the cantonal Catholic service providers and Caritas Belgium is subdivided along linguistic and regional lines. Also in the Netherlands, the organization of faith-based organizations is highly fragmented. In Italy, faith-based charity is usually organized on the parochial level. Frisina reports that in Italy in 1988, there were 4,098 social assistance services connected to the Catholic Church and this figure had increased...
to 10,938 by 1999 which represents an annual rate of approximately 15 percent (Frisina 2010: 150). However, Caritas Italy does not provide statistics on the development of its service provision. Comparative empirical studies of the faith-based welfare sector are largely absent (Kaufmann 2012: 5; Fix/Fix 2005: 19).

Birigt and Elisabeth Fix have, to my knowledge, (and by their own assessment; Fix/Fix 2005: 19), provided the only comprehensive comparative study of the care profiles of European faith-based welfare providers. In a unique project, they used surveys to gather data from faith-based organizations across Europe. In Belgium, they identified 54 different organizations, in the Netherlands, they targeted 76 faith-based welfare providers, and in Switzerland, 198 organizations (Fix/Fix 2005: 41). The study provides an extraordinarily rich source of data for the comparative study of faith-based welfare provision. A second wave of data collection was planned but never completed (Fix/Fix 2005: 11). The study offers a snapshot of faith-based welfare provision during the early 2000s. Unfortunately, the study does not provide any time series data and does not analyze the relationship between faith-based welfare provision and the overall volume of the third sector. Figure 4 summarizes Fix and Fix’s results. It indicates the number of people employed in the faith-based welfare sector in each country.

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8 However, there is an increasing number of comparative studies on the strength of the third sector but this literature does not single out religious providers in its analysis. See, for example, Eurovol Project Robert Bosch Foundation “Ein neues bürgerschaftliches Europa. Eine Untersuchung zur Verbreitung und Rolle von Volunteering in zehn Ländern”1992–1995; “John-Hopkins Comparative Nonprofit Sector Project” by Lester Salomon and Helmut Arnheimer, and the “Observatorium für die Entwicklung der sozialen Dienste in Europa” project.
Due to the significant differences in the population sizes of the countries in this study, Figure 5 can be misleading. Therefore, Figure 6 shows employment in the faith-based welfare sector relative to the total population. This reveals that, while numerically the German figure is significantly higher than that of the other countries, faith-based welfare employment is quite considerable in some other cases too.

The study does not however take account of voluntary workers used by the faith-based organizations in different countries. This might distort the image significantly in some cases. Bode (2003) shows that the number of people employed by faith-based organizations in France, for example, is limited, but these organizations rely on broad networks of volunteers.

In other countries, such as the US, where faith-based welfare provision is a cornerstone of the residual welfare state, faith-based organizations have traditionally garnered public and academic attention (Coleman 2003; Carlson-Thiess 2003). The managerial magazine Forbes, for example, not only provides an annual ranking of the richest people but also of the largest charity organizations in the US. In 2012, Catholic Charities USA was the third largest charity in the US (Forbes 2012, in 2007 Forbes ranked them in 5th position). They were only beaten by United Way and the Salvation Army, two organizations that also evolved from a religious background. The annual report of Catholic Charities USA, the largest private network of independent social service providers, revealed that in 2011, the organization had 65,792 paid employees, 311,850 volunteers, and 6,513 board members on their books (Catholic Charities USA 2012). This marks an increase from 2010 when the organization had 65,033 paid employees, 309,726 volunteers, and 6,440 board members. In 2002, the organization only employed a total of 336,000 people (Adloff 2006: 16). The quantitative increase in faith-based welfare provision in the US is accompanied by a qualitative shift. Since the Clinton welfare reforms and the introduction of charitable choice in the 1990s, “faith-based organizations receiving public money in return for offering social services are no longer prohibited from displaying their religious symbols and rituals when they deal with clients” (Adloff 2006: 20). However, the US case differs sharply from the continental European cases in one specific aspect: in the US, religious practice and membership of religious organizations is not in decline.

The above review of the development of faith-based welfare provision in advanced industrialized countries shows that some countries exhibit a clear growth trend of faith-based welfare providers despite the fact that religious practice and church affiliation in these countries is in decline. This trend appears particularly marked in Germany and Austria, whereas comprehensive time series for the other cases are not available. For other continental European countries, it proved impossible to identify reliable time series data without carrying out a broad-ranging survey project such as that conducted by Fix and Fix. However, one can rely on secondary accounts by scholars of the faith-based welfare sector, all of which point to an overall increase in faith-based welfare provision (Bode 2003; Frisina 2010: 150; Fix 2002; Helco/Mc Clay 2003; Göçmen 2010). In many
countries, the increase in women's employment, in particular, challenges to policies that support the traditional male breadwinner model. This, in turn, will lead to an increased demand for care and nursing services for both children and the elderly. It is likely that we will see a further growth of faith-based welfare provision in these sectors. The non-profit character of these organizations seems to make them particularly attractive to politicians.

The fact that faith-based welfare provision is on the increase in advanced industrialized countries also poses a strong challenge to contemporary versions of secularization theory which see a straightforward connection between the development of modern state-provided welfare and the decline of religiosity.

### Figures 6
Employees of faith based organizations as percentage of the total population in 2002

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>1.08</td>
</tr>
<tr>
<td>Belgium</td>
<td>0.74</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.44</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0.19</td>
</tr>
<tr>
<td>Austria</td>
<td>0.21</td>
</tr>
<tr>
<td>Norway</td>
<td>0.33</td>
</tr>
</tbody>
</table>

Source: Fix/Fix (2005) and own calculations.

6 **Substitution**

The most prominent attempt to reinforce the positive connection between secularization and the modern welfare state is made by Norris and Inglehart. Worldwide, they identify strong correlations between a country's level of development and the decline of religion within it. Their theories about this phenomenon follow the Durkheimian functional notion of secularization, according to which the social functions of religion become increasingly crowded out through institutional equivalents on the path toward modernity (Norris/Inglehart 2004: 9). Industrialization, urbanization, and modern state institutions lead to a level of secular individual existential security that erodes religiosity. People living in weak and vulnerable societies need religious values to account for and to psychologically overcome adverse life risks such as disease, natural disasters, famine, or war. Modernity makes societies rich and affluent, improves health care, minimizes the impact of natural disasters, and reduces the chance of war. This
makes religion superfluous (Norris/Inglehart 2004: 4). Norris and Inglehart call this the “security axiom”, although the notion of security “remains as a nontestable subjective concept throughout the book” (Kuru 2005: 1302). Furthermore, their concept of human security includes basic state-provided social security (Norris/Inglehart 2004: 9, 19) and yet the authors go into very little detail on this issue. According to their theory, the fact that religions are increasingly providing welfare themselves is an unexpected development in modern, affluent societies.

Other authors discuss the logic behind the security axiom in more detail. They point out that faith and state-provided welfare are functionally equivalent when it comes to insuring the human mind against adverse life risks (Clark/Lelkes 2005; Huber/Stanig 2011: 828; Scheve/Stasavage 2006: 255). The idea is that faith and the belief in life after death increase human tolerance of misfortune and make life easier. The long-term commitment made by modern states in their social insurance programs works in a similar way to religious doctrine. Both provide a material and a cognitive guarantee against adverse life risks. Consequently, with the ascendance of the modern welfare state, the demand for religious assurance is displaced by state-provided welfare.

Gill and Lundsgaarde provide a different interpretation of the phenomenon. They expand on Berger who claims, in his recent work, that “[m]odernity tends to undermine the taken-for-granted certainties by which people lived through most of history … and religious movements that claim to give certainty have great appeal” (Berger 1999: 11 cited in Gill/Lundsgaarde 2004: 400). Thus, there is no reason to believe that modernity automatically results in less religiosity. Therefore, Gill and Lundsgaarde set out to “empirically demonstrate that state welfare spending has a detrimental, albeit unintended, effect on long-term religious participation” (Gill/Lundsgaarde 2004: 401). It is not secular beliefs that grow through the modernizing force of the welfare state and erode the demand for religion, as assumed by Norris and Inglehart. Instead, the welfare state has an unintended consequence on the supply side of religion.

In the absence of state-provided welfare (or in the case of limited state welfare provision) churches fund their welfare efforts through donations and contributions from their followers. The more funds churches have, the more welfare they can provide and the more welfare they provide, the more followers they attract. Consequently, religious personnel have an incentive to recruit followers and stipulate belief. When the state provides generous welfare, the incentive for churches to do the same diminishes as it undermines the logic of recruitment through welfare provision. Gill and Lundsgaarde assume that it would be impossible for churches to compete with the state in the welfare sector (Gill/Lundsgaarde 2004: 405–407). In combination with state funding of churches and their clergy, the modern welfare state erodes the incentive for religious personnel to recruit new or to maintain the existing pool of religious people. The religious market place no longer functions and the supply of religion then runs dry. Consequently, religiosity declines. This is how state-provided welfare crowds out faith and religiosity (Gill/Lundsgaarde 2004: 399).
Gill and Lundsgaarde acknowledge that the phenomenon of faith-based welfare poses a challenge to the explanatory power of their framework. They therefore qualify that “[t]o the extent that funding to provide welfare comes from the state … the clergy have little incentive to encourage religious practice” (Gill/Lundsgaarde 2004: 409). Consequently, religiosity also remains low where faith-based welfare provision is state funded. This overlooks the ability of faith-based welfare organizations to make their service provision directly conditional on compliance with their worldviews, which is something that applies to both their employees and the recipients of their care services. The case of the woman in Cologne who was raped and subsequently denied emergency contraception at a Catholic hospital, and the dismissal of divorced or homosexual kindergarten teachers in Germany, that were discussed in the introduction, are examples of the influence of religious norms through religious welfare provision. This continues to occur despite the fact that the majority of Caritas Germany’s budget comes through state channels, and despite plummeting rates of religious practice. Whatever the resurgence of faith-based organizations in highly developed modern countries at the research frontier represents, it is hard to believe that it is yet another instance of secularization.

The conflicting interpretations of the correlation between secularization and the modern welfare state presented by Norris and Inglehart on one hand, and Gill and Lundsgaarde, on the other, is ultimately a symbol of the deep schism dividing the field of religious sociology today. Proponents of supply side and demand side interpretations of religiosity and secularization occupy two camps standing in sharp opposition to one another (Bruce 2011; Norris/Inglehart 2004 v.s. Innacone/Finke/Stark 1997; Finke/Stark 1998; for a summary see Gorski/Altmordu 2008: 57–58). However, both interpretations overlook the paradoxical rise of faith-based welfare organizations in modern societies.

7 The reversal thesis

Despite the controversy that evolved around it, the idea of a correlation between the existential security provided by the modern welfare state and levels of religiosity remains intriguing. What if the rise of faith-based welfare organizations in modern societies is not actually state welfare by another name, as Gill and Lundsgaarde assume, but rather indicates the reversal of the security axiom, and consequently, a decline in state-provided welfare in advanced industrialized countries, leading, in turn, to an increase in religious welfare provision?

The neo-liberal policies of the 1990s and the 2000s that were aimed at curtailing the role of the state in welfare not only provided space for market-based social security provision but also made room for faith-based organizations. Policymakers in the US and the UK explicitly argued in favor of substituting state welfare with faith-based welfare provision. According to Göçmen, “[i]n the case of the US, the emphasis on religious com-
Communities and organizations as possible actors of social service provision has increased since the Reagan era” (Göçmen 2010: 4, 2013; see also Hungerman 2005; Gruber/Hungerman 2007). Studying faith-based welfare provision in five countries (Britain, France, Germany, Sweden, and Turkey), Göçmen concludes that “what we are currently witnessing is a political process that invites faith-based organizations to the public arena as possible solutions to the contemporary problems of societies” (Göçmen 2010: 5, 2013). This implies that governments invite faith-based actors to fill the gap that their withdrawal from welfare provision has left. In Austria, in his government declaration in 2000, Chancellor Schüssel announced that the country needed to “improve the allocation of tasks between private and state” and that his government aimed to “establish a powerful and lively welfare society alongside the welfare state” (Wohlfahrtsgesellschaft; Schüssel 2000). One of David Cameron’s flagship campaign items in 2010 was the Big Society project (Prince 2010). The idea was to replace state welfare services through third sector welfare providers giving churches a particularly prominent role. Ranci and others have pointed to similar lines of argumentation advanced by Italian politicians when rolling back state welfare provision due to budgetary pressures during the 1990s (Ascoli/Pavolini/Ranci 2002; Ranci 1994). Rieger even goes as far as to predict that permanent austerity will, in the long run, lead to higher levels of religious practice (Rieger 2008: 390).

It will indeed be very interesting to see whether the Great Recession of the late 2000s and the subsequent austerity policies in countries such as Greece, Spain, Italy, Ireland, and Portugal will accelerate the growth of the faith-based welfare sector in order to fill the gap that the government funding cut-backs have left. Surprisingly, the historical record suggests otherwise. In a study of the US, Gruber and Hungerman find that the Great Depression of the 1930s had the reverse effect: faith-based welfare provision decreased dramatically as a result of government expansion under the New Deal (Gruber/Hungerman 2007). The purity of the substitution thesis is also challenged by the fact that most faith-based welfare provision in countries with a long tradition of faith-based welfare remains state funded. Therefore, it might be wise for future analysis to separate highly institutionalized fields of faith-based social service provision, such as elderly or child care, that are very capital and knowledge-intensive and subject to state monitoring, from other forms of faith-based welfare provision, such as soup kitchens or shelters. Using detailed examination of program structures and the funding sources of faith-based welfare providers, future studies should verify the type of faith-based welfare provision that starts to grow once the state withdraws. Studies analyzing the faith-based welfare sector in relation to other welfare sectors are also required. In any case, the aftermath of the world financial crisis represents a unique laboratory for testing the validity of the reverse substitution argument or the security axiom and its connection to religiosity in the coming years.
If it is true that the demise of state-funded social security triggers a rise in faith-based welfare provision, then the implications could potentially be huge. The situation would mirror developments that occurred during the state-building processes at the end of the 19th century but this time the process would be reversed.

Before the advent of modern welfare, most institutionalized European welfare was run by faith-based organizations (Alber 1982: 24; Fix/Fix 2002: 55; Ritter 1982). The main religious denominations all had welfare doctrines that they pursued through their own welfare institutions (Kahl 2005: 92–93; Kaufmann 1988: 73–76). The churches ran soup kitchens, poor houses, hospitals, shelters, and hospices (Fix 2002: 2). Welfare provision was used to expand the number of followers or to bind believers closer to their institution (Bode 2003: 205). It considerably increased the social and political power of the churches and enhanced their social control.

When the newly emerging nation-states increasingly tried to organize welfare through the state at the end of the 19th century, it caused bitter conflict with religious institutions (Kalyvas 1996; Lipset/Stein Rokkan [1967]1990). After education and schooling, the conflict over welfare provision was the second most important dispute encountered by national elites in their state building efforts (Fix/Fix 2002: 58; Manow 2008: 21; Manow/van Kersbergen 2009: 3). Similar to the conflict over education, the dispute over welfare prerogatives, was one in which the hearts and minds of the people were at stake (Morgan 2002). It would ultimately decide whether the loyalty of the population would rest with the old religious institutions or shift towards the emerging nation states.

When most European nation states started to build modern welfare states at the turn of the 19th century, they did so, not only as a functional response to the requirements of modern modes of production and industrialization, but also in order to increase social cohesion and to enhance the attachment of the population to their new state creations (Kaufmann 2003, 2012; Ritter 1982; Manow 2008). The idea was to shift the loyalty of the population away from religious institutions toward the new state institutions. Welfare was seen by nation builders, such as Bismarck, as key to this process. In his conceptual-historical work, Rieger shows that welfare provision and religion was already connected in this way during the evolution of governance in Israel and ancient Christian communities (Rieger 2005, 2008). Bäckström and his collaborators therefore ask, almost fearfully, in the introduction “what happens, or will happen, when the work of churches in the sphere of welfare regimes begins to expand rather than contract?” (Bäckström/Grace2011: 9). The answer, in drastic terms: if faith-based organizations increasingly take over welfare tasks from the state, then this might trigger a rewind evolution toward a 19th century situation predating the evolution of the modern state as we know it today.
8 Conclusion

The substitution thesis and the recent increase in faith-based welfare provision indicate that religion is still a force that students of the welfare state should keep an eye on. Employees or beneficiaries of faith-based welfare services may no longer attend church or adhere to what the pulpit preaches, but they are directly subject to compliance with the worldview of their faith-based welfare provider. The doctors who refused to prescribe emergency contraception to the raped girl in Cologne did so, not because they were strong believers, but because they feared that their Catholic employer might terminate their contracts. One could develop this argument further and assert that once faith-based organizations manage to completely force out secular providers, welfare services might then only be available to those who comply with the faith-based ideology of these providers. The first implication of this discussion is therefore that the increase in faith-based welfare provision might result in competing normative zones of influence within a country. The second implication is based on the historical observation of the connection between religion and welfare. If future research supports the reversal thesis, then this would be an indication for the decline of the modern state. The third implication lies in the religious character of faith-based welfare provision. What happens to religions and religious actors when they increasingly shift their strategy from traditional forms of religious transmission through church services to other models of religious transmission, such as faith-based social service provision? This is a question that the present contribution has not even attempted to address. Only more nuanced and detailed research could provide an insight into the answer. What is certain, however, is that it will have significant implications, not only for our understanding of the welfare state, but also for reassessing different interpretations of secularization.

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