

Theoretical Approaches to Understanding of a Welfare State in Modern Times

Tatyana Ivanovna Au
Karaganda Economic University Kazpotrebsoyuz, Street Academic 9,
100008 Karaganda, Kazakhstan

Abstract: The goal of this research is to study the problems of the welfare state formation and development in modern times which is characterized by the presence of new challenges and threats such as global financial and economic crisis, international terrorism, migration, social conflicts. This research deals with theoretical approaches to the concept of the welfare state. This research presents characteristics for the welfare state categories and types, analysis of the results of welfare states development in Europe as well as the negative factors affecting efficiency of the welfare states traditional models. The conclusion is that the European standard does not usually take into account the uniqueness of cultural elements, religions, traditions, worldviews, mentalities of Asian countries and this standard can be partly used for the construction of welfare states in the developing countries. An approximate model of welfare state in Kazakhstan as well as proposals for amendments to the Constitution of the Republic of Kazakhstan were developed basing on the analysis of concepts, ideas and scientific approaches delivered by lawyers during the last 10 years in relation to the welfare state, statistical data, documentary sources as well as Internet resources.

Key words: State, welfare state, state system, welfare state system, social partnership

INTRODUCTION

Formation issues of the welfare state in modern times are more relevant than ever and especially for developing countries which include the Republic of Kazakhstan. Article 1 of the Constitution of the Republic of Kazakhstan dated August 30, 1995 states that “The Republic of Kazakhstan proclaims itself a democratic, secular, legal and welfare state whose highest values are an individual, his life, rights and freedoms” (Provisions, 1995). Thus, Kazakhstan has committed itself to carry out social policies that correspond with generally accepted international standards of the welfare state.

The process of integration into the world community requires move of Kazakhstan to the welfare state. The international experience is important in forming the welfare state in Kazakhstan.

The urgency of this problem is also caused by a lack of enforceability in Kazakhstan for social change and therefore, we need to analyze the necessity of certain amendments in the Constitution of the Republic of Kazakhstan with the relevant provisions as well as the development of specific regulatory acts to improve the welfare state policy in Kazakhstan.

However, the problem that should be investigated is that in what way Kazakhstan should choose to form a full-fledged welfare state. For this purpose the experience of the welfare state formation was studied in Europe and USA. The novelty of this is the fact that there

was a generalized experience of the welfare state formation in Asian countries (United Arab Emirates, Saudi Arabia, Japan and others).

The goals of this research are to determine the characteristics of the welfare state formation in the Republic of Kazakhstan, identify constitutional and legal regulation defects and shortcomings of this process, recommendations and proposals development to improve the constitutional legislation of the Republic of Kazakhstan together with its implementation, taking into account the positive experience of welfare state formation in foreign countries, development of the welfare state with optimal model, applicable in the Republic of Kazakhstan.

To achieve these goals it is necessary to solve the following tasks: historical and legal analysis of welfare state concept formation and development; analysis of the legislation of the Republic of Kazakhstan that regulates the welfare state formation and development in terms of its completeness, compliance with the concept of sustainable development and correspondence with international legal standards; appeal to the experience of other foreign countries in the welfare state formation and identification of opportunities to use it in the Republic of Kazakhstan; development of recommendations and proposals on improvement the legislation of the Republic of Kazakhstan in the field of the welfare state regulation and its practical application.

MATERIALS AND METHODS

This research used a set of general scientific and specific-scientific methods. First of all, dialectical method was used as well as techniques such as analysis and synthesis, inductive and deductive methods, the method of ascent from the concrete to the abstract and from the abstract to the concrete which have been applied in determining the general trends, laws, problems and prospects of the welfare state development, formulate general conclusions and theoretical principles. The following specific-scientific methods were used: historical and legal method, comparative legal method, technical method of legal modeling.

RESULTS AND DISCUSSION

As a result, an approximate model of welfare state in Kazakhstan is proposed as well as amendments to the Constitution of the Republic of Kazakhstan.

The concept and essence of the welfare state: Issues of the welfare state and welfare state system concept and essence are now relevant more than ever. The Republic of Kazakhstan recognizes the welfare state itself and supports policies aimed at social development of the state system.

The founder of the welfare state concept is considered to be L. von Stein, who in his book “the present and future of state and law science in Germany,” wrote: “the state is obliged to maintain absolute equality of rights for all social classes for a separate self-defined identity thanks to its power”. The government should “implement the economic and social progress for all members because development of one is a condition and consequence for the development of other and in this sense we are talking about public or the welfare state”.

This idea was supported by other scientists and politicians in particular, US President Woodrow Wilson, who wrote about the duty of the State to create equal conditions (chances) for all and to maintain a certain standard of living, Leon Duguit put forward the concept of “good-state” (Egorshina and Semenov, 2003), F. Fabricius connected the welfare state with such characteristics as state obligation to take care of all population stratum and groups that are in a weaker economic position; state obligation to balance conflicting social interests and provide an opportunity for all citizens to lead a dignified human life; obligations and powers of state to create a social order; impact of new and different

forms and interests on ownership including its redistribution; obligation of individual to participate in solving common problems.

Currently, the problem of the welfare state formation was developed and adequately represented by a number of Russian scientists such as Baev and Shunyaeva, Yu (2011), Makedonskaya (1997), Nechayeva (2007) and many others. In the Republic of Kazakhstan, this problem has not been studied properly.

As a legal category the concept of “welfare state” is first appeared in the Constitution (Fundamental Law) of Germany in 1949 then it became part of the French Constitution of 1958, Spain in 1978, Romania in 1991, Slovenia in 1991, Colombia in 1991, Peru in 1993, Ukraine in 1996, Ecuador in 1998, Venezuela in 1999, a number of other countries and as already noted, it is now present in the Constitutions of Russia 1993 and the Republic of Kazakhstan in 1995. However, the nature and content of this category in Kazakhstan and Russian legislation is not fully developed. And that is why the welfare state in most cases is treated as a state, rendering the targeted social protection for certain groups of population. Mamut, Baglai (1998) and Batalov (1997).

We believe that the definitions given above reflect only one welfare state characteristic such as implementation of the social functions that greatly impoverishes the concept of “welfare state”.

Some definitions are formulated by reference to the basic principles implemented in the welfare state. Nechayeva (2007) believes that welfare state is “the state in which the principles of social justice and solidarity enshrined in law and consistently implemented in all areas of public life”.

There are scientists who understand the definition of welfare state by listing characteristics of such state. Thus, according to some authors, the welfare state is a state that developing social market economy, aiming at stable provision of high standards living and population employment, actual exercise of the rights and freedoms of citizens, creation of modern and accessible education to all citizens, health care, culture, social security and services, supporting the poor population”.

In recent years, definition of the welfare state has been disclosed through the prism of relationship “state-individual” (Lukyanenkov, 2007). In our opinion, the definition of welfare state should be reflected in the relationship of “state-society”, not just “state-individual”. Of course, the welfare state in its policy takes into account interests and rights of individual but the essence of such a state should be treated differently, otherwise such state should be called anthropocentric. At

the same time, relationships between state and society predetermine relationships between state and individual.

It seems that the essence of the welfare state aims to reconcile conflicting interests between different groups, sectors of society and within them in order to create conditions for improving welfare and living standards for all society members. The very same welfare state can be seen as a state, the social function of which is to provide a high level of social security on the basis of social partnership and social responsibility, business structures and civil society.

Classification of welfare states: Scientists have described classification of welfare states in theory. According to foreign scientists Norman Furniss, Timothy Tilton, Thomas Marshall, Costa Esping-Anderson there are three basic models of a welfare society. The first is “positive state of social protection”; (example the US), the second is “state of social protection” or “state of social security state” (social security state) (example UK), the third “social welfare state” (Social Welfare State) (example Sweden) (Normann and Timothy, 1977; Marshall, 1972). According to Ahinov and Kalashnikov (2008) these states can be interpreted as follows: “positive state of social protection” is the state, focused on compensating the chances for the well-being of all citizens, provision and guarantee of “equal opportunities”; “the state of social security” provides equal opportunities for citizens, creates the conditions for full employment and guarantees to all citizens, without exception that their income will not be lower than living wage; “social welfare state” provides full-time employment, level the differences in income of the entire population, creates numerous permanent state and public social services.

Each model has its pros and cons. Thus, in the first model, the state provides more independency for its citizens, however, such model does not consider the presence of socially passive citizens that have no qualification skills nor job and cannot take care of themselves. The second model in some extent may give rise to parasites, i.e., people who prefer to live on social allowance without employment. The third model may cause dissatisfaction of the population that pays high taxes and fees to provide the welfare of the vulnerable groups.

The German political sociology distinguished liberal, conservative and social democratic welfare state which differ from each other on a variety of indicators and signs (Esping-Andersen, 1990).

This classification of the liberal welfare state provides equal opportunities for citizens and directs them to an

active job search, social assistance is provided only to the most vulnerable groups of the population and social programs are financed by private insurance and personal savings. Thus, every citizen has a personal responsibility for their own well-being and fate of his family.

The conservative welfare state is based on a partnership between private sector, government, charitable and social organizations. Private social insurance plays a much smaller role than in the liberal model. The state is ready to replace private sector where it cannot ensure the welfare of citizens.

The social democratic welfare state is characterized by the fact that social state policy is the direct responsibility of the state. Social services are provided on a universal, free for all basis, rather than depending on citizen's needs but the level of income is considered. Social policy objectives are achieved through a uniform distribution of the entire population income, carried out by the state.

This classification was the basis of many classifications cited by other authors. So, T.V. Moiseenko believe that “in practice, there are three basic models of the welfare state: liberal, conservative and social democratic. A typical representative of liberal model is the United States and other English-speaking countries, social-democratic model is common in Sweden and other Scandinavian countries, conservative model is common in Germany and other Western European countries. With that we can identify three basic models of the welfare state in Europe: “Nordic” or “Swedish” or (as called by Vogel the North European model (Sweden, Norway, Finland, Denmark); “Catholic” or Southern European model (this includes Orthodox Greece, together with Italy, Spain, Portugal and Ireland) and Central European (Germany, France, Belgium, Austria, Netherlands). With that fourth model of the modern welfare state is likely to be considered “American” or strictly liberal (USA, Canada, Australia and a part of Japan). If we arrange all the four indicators (by I. Vogel) on the line from the least expressed state social functions to the most expressed social functions, at the extreme poles, we will have “American” (with a minimum level of social protection for population) and “Swedish” (with a maximum degree of protection) models. The “Catholic” (South European) model immediately following the “American” (with minimum social protection degree by European standards) and the “German” (Central European) model will face the “Swedish” (social protection degree is closer to Nordic level) (Moiseenko, 2008)”.

The following four-tier classification is presented by S. Fedorov: Nordic model (Denmark, Finland, Sweden, The

Netherlands) has a high level of social protection and universal character of social allowance; Anglo-Saxon model (UK, Ireland) has universal character of social allowance, however, assistance is provided in urgent situations in the first place money is transferred to individuals of working age; Continental model (France, Germany, Belgium, Austria) has social protection on the professional and corporate basis. The size of the social allowance depends on the size of employee contributions; Mediterranean model (Greece, Italy, Portugal, Spain) is a subsort of Continental model.

On the basis of indicators presented in Scandinavian labor movement catalogues V. Miletsky introduces the following classification of Foreign countries: Australia-liberal welfare state, Austria-conservative welfare state, Belgium-conservative welfare state, the United Kingdom-liberal welfare state, Germany conservative welfare state, Denmark-social-democratic welfare state, Ireland-conservative welfare state, Italy-conservative welfare state, Canada-liberal welfare state, Netherlands-conservative welfare state, Norway-social-democratic welfare state, the United States-liberal welfare state, Switzerland-liberal welfare state, Sweden-social-democratic welfare state, Finland-conservative welfare state, France-conservative welfare state, Japan-liberal welfare state.

The above given classifications indicate the presence of common signs of welfare states. It may be noted that it is extremely difficult to develop a common classification, because there are many countries, most of which form the welfare state systems and these states are different from each other by form of government, political regime and other characteristics. The above given classifications are not including Asian countries, Latin America, although some of them already have formed the welfare state, the positive experience of these countries should be taken into account. Therefore, some scientists propose to talk about different levels of state welfare. In the framework of this approach, Sweden is following a social policy due to high taxes, in Kuwait and United Arab Emirates social well-being is provided in the absence of taxes. I.e. countries with different sources of social programs financing are the welfare states with roughly the same set of social features and cannot be considered as one type of the welfare state, upon condition that we are talking only about the citizens of these countries (Akhinov and Kalashnikov, 2008).

The negative effects of welfare states in Europe: According to scientists, the current period is characterized by crisis of the welfare state in Europe. Processes of globalization and destabilization of

economics in EU countries, changes of demographic situation in Europe (low birth rate, increase in life expectancy), total migration of people from Arab and Muslim countries have created risks that lead to a change in assessing the effectiveness of modern European state. The existing and recognized model of the welfare state fail under new environment in Europe in support of this, there are mass strikes in Germany, France and Belgium. Residents of Europe, accustomed to a rather high living standards compared to developing countries, painfully react to the attempts of European states to give up part of their social obligations, expressed in increasing the retirement age, introduction of violent measures for the budget economy, increasing duration of the working day and week.

The crisis of the welfare state model in Europe is manifested in the fact that full state social support for the unemployed, migrants from Syria and other Muslim countries does not stimulate citizens and refugees to seek employment. So, E.A. Popova points out that “the welfare state is not an absolute good. One of the dangers hiding in the welfare state is overly active and comprehensive state paternalism which dramatically reduces the propensity to take risks and make independent decisions that require investments. One of the striking example of this situation is Germany of the late twentieth century. Germans do not want to change jobs and place of residence (to get a better job) and even in desperate situations they do not agree to work at badly paid jobs, preferring not to work at all to help the unemployed and provide them with decent living conditions, the welfare state remove the desire to look for a job.

Thus, we can conclude that the crisis of the welfare state traditional models in Europe requires a revision and development of new models. Since some of the welfare state traditional models do not work effectively, we need to address to the experience of actively developing countries in the direction of the welfare state, the countries that were unfairly dropped from the sight of the European welfare state researchers. They are such Asian countries as Kuwait, United Arab Emirates, Saudi Arabia, Thailand, Japan and others. Social rights and social guarantees embodied in the constitutional legislation of these countries in some cases, exceed the rights and guarantees of European countries.

Traditional typology and classification of welfare states covered by this work have one drawback. The scientists did not include Asian countries, although the experience of forming the welfare state is extremely interesting. For example, Kuwait and United Arab Emirates whose citizens receive a considerable economic support in the absence of taxes due to the redistribution of

profits from exploitation of natural resources. In addition, the typologies and classifications are based on the targeting criteria (i.e., who is supported) and funding sources (who and in what proportion finance the social support).

Forming the welfare state in the Republic of Kazakhstan: Which way should Kazakhstan choose to form a full-fledged welfare state? Should Kazakhstan choose the path of European countries or to find another way? It can be concluded that in the context of the welfare state crisis in Europe and intensive development of the welfare state in Asia (United Arab Emirates, Saudi Arabia, Japan and others) perspective is not in the traditional models of the welfare state (liberal, conservative, social-democratic) but in the mixture of all these models.

The Republic of Kazakhstan shall establish an independent scheme of the welfare state based on social partnership and national context (existence of a non-state sector of social protection on the basis of relationships, community and Muslim religion). This means that the sources of funding are government, business structures and able-bodied citizens. The presented models often have imbalances to one or another source of funding. Thus, the patronage of the state leads to a decrease in social activity of citizens and social responsibility for the business structures. In the case when social assistance is provided by an excessive increase of tax in respect to the citizens, entrepreneurs and business structures, it causes resentment on their part. Business structures and individual entrepreneurs should not be a subject of taxation; this will destroy their interest in further business development.

For the actual and verifiable formation of the welfare state in the Republic of Kazakhstan it is necessary to implement a set of following measures: establishment in the Republic of Kazakhstan social standards of quality and standards of living at the level of international standards (existing indicators of subsistence rate and minimum wage allow to maintain the physiological activity and without taking into account all costs for non-food products and paid services); gradual elimination of the huge gap in the distribution of economic, environmental and cultural resources between high-income part of the population and the poorest part of the population by introducing a moderate progressive tax; redistribution of income from use of natural resources and personal share allocation for each citizen of the Republic of Kazakhstan as a rent from commercial use of natural resources; strengthening the state and public control over the flow and movement of social benefits, pension savings;

government support and promotion of social entrepreneurship, formation of its legal and regulatory framework; implementation of charitable policy and other social insurance funds, sponsored by representatives of business community, active use of traditional institutions and customs of Kazakh people in the field of social support, based on relationships, community and muslim religion.

The key success factor for the development of the welfare state in Kazakhstan is its reflection in the Constitution of the Republic of Kazakhstan. The Constitution of the Republic of Kazakhstan dated August 30, 1995 must be assigned with the following provisions: the main goal of the policies and activities of the Republic of Kazakhstan as the welfare state is creation of conditions for a dignified life and free development; provisions for socially oriented economy and further development of the public-private partnership institute in the field of social services; securing the principle of social justice, including fair distribution of social wealth created by nature and human labor; postulate of legal equality and actual levelling of socio-economic status of people, social, ethnic and other communities, contributing to the development of society (the Republic of Kazakhstan is different from the European countries by large territory, various climatic conditions, uneven distribution of population, multiplicity of ethnic and other communities); provision of social partnership and social responsibility of every citizen, business structure and state.

CONCLUSION

We can highlight the following points: the traditional model of the welfare state is to be revised, taking into account negative trends in the development of the welfare states in Europe and intensive development of the welfare state in Asia (United Arab Emirates, Saudi Arabia, Japan and others). Perspective is not with the traditional models of the welfare state (liberal, conservative, social-democratic) but in the mixture of all these models.

During the formation of the welfare state in Kazakhstan it is not possible to copy a particular model of other welfare state. It is necessary to consider the uniqueness of cultural elements, religion, traditions, worldview, mentality of the citizens.

The Republic of Kazakhstan shall establish an independent welfare state scheme of social development according to the national context (existence of non-state sector of social protection on the basis of relationships, community and muslim religion).

REFERENCES

- Akhinov, G.A. and S.V. Kalashnikov, 2008. Social Politics: Theory and Practice. JSC Economy Publishing, Moscow, Pages: 85.
- Baglai, M.V., 1998. Constitutional Law of the Russian Federation. Publishing Group Norma-Infra, Moscow, Pages: 118.
- Batalov, E.Y., 1997. Whether Russia will live up to the welfare state. Russian Federation Today, Russia, No. 8, pp: 48.
- Egorshina, O.P. and O.V. Semenov, 2003. Formation and development of welfare state idea: The social state of law. Proceedings of the Theory and Practice: Materials of the Interuniversity Scientific-Practical Conference, June 21, 2003, St. Petersburg, pp: 78-79.
- Esping-Andersen, G., 1990. The Three Worlds of Welfare Capitalism. Cambridge University Press, UK.
- Lukyanenkov, M.V., 2007. The social responsibility of state, business and citizens in the context of tax relations. Master's Thesis, Cand. Sc. Law, Penza, Russia.
- Makedonskaya, Z.K., 1997. Legal nature of the Russian federation as a welfare state. Master's Thesis, Cand. Sc. Law, Moscow.
- Marshall, T.H., 1972. Value problems of welfare-capitalism. J. Soc. Policy, 1: 15-32.
- Moiseenko, T.V., 2008. Main tendencies of formation and prospects of formation of the welfare state in modern Russia Master's Thesis, Cand. Sc. Law, Moscow.
- Nechayeva, E.G., 2007. Welfare state: The legal understanding and practice. Master's Thesis, Cand. Sc. Law, Moscow.
- Normann, F. and T. Timothy, 1977. The Case for the Welfare State: From Social Security To Social Equality. Indiana University Press, Bloomington, London, pp: 1-21.
- Provisions, G., 1995. The Constitution of the Republic of Kazakhstan. Jurist Publisher, Almaty, Kazakhstan, Pages: 4.
- Yu, E., 2011. Constitutional and legal characteristic of the Russian federation as a welfare state. Master's Thesis, Cand. Sc. Law, Moscow.