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David T. Beito. *From Mutual Aid to the Welfare State: Fraternal Societies and Social Services, 1890-1967.* Chapel Hill: University of North Carolina Press, 2000. xv + 320 pp. \$55.00 (cloth), ISBN 0-8078-2531-x; \$24.95 (paper), ISBN 978-0-8078-4841-8.

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David Beito's *From Mutual Aid to the Welfare State* is an impressive examination of North American fraternalism and the extent of mutual aid provided by fraternal orders over much of the twentieth century. Readers will be struck by the range and scale of social services and types of insurance provided by these organizations. In contrast to earlier studies of fraternalism that have emphasized the exclusionary bases of these societies and that have concluded that fraternal methods of insurance were failed methods, Beito (History, University of Alabama) presents fraternal social insurance initiatives as successful in covering much of the needy (poor) population in an efficient manner. In the end, Beito argues that these successful fraternal methods of dealing with economic need wilted beneath a growing web of government regulation and were crowded out of the insurance markets by the rise of government social insurance.

The strength of Beito's work is the detailed case studies of the histories and social service activities of several organizations. For example, the examinations of children's homes built and operated by the Loyal Order of the Moose (Chapter 3) and the Security Benefit Association (Chapter 4) present the diversity of fraternal approaches to aiding the "orphans" of their unfortunate members. Despite the differences across fraternal children's homes, both contrasted sharply with character of publicly-run orphanages, and in this sense provide examples of progressive approaches to social services. Beito then provides some fascinating data on the economic outcomes of "alumni" of the homes suggesting that fraternal orders were successful in providing for their members' orphans.

Similarly, Beito's examinations of fraternal hospitals and sanitariums in Chapters 9 and 10 provide a fresh per-

spective on how voluntary action could provide needed hospital services. Given the perception of fraternalism as largely a relatively well off, white man's movement, Chapter 10's examination of hospitals built and operated by black fraternal orders provides a challenge to some of the prevailing views of fraternal organizations. Clearly fraternal mutualism was effective for meeting some of the economic needs for many non-whites and poorer members of American society.

If there is a weakness with Beito's book it is that he presents a peculiar view of American fraternalism that is a product of his primary sources for evidence, which are largely drawn from the post-World War I period for life insurance fraternal orders. A primary example of the peculiar picture of American fraternalism that Beito paints is his repeated claim that American and British fraternal organizations differed substantially in that the British friendly societies "focused almost exclusively on sick and funeral benefits and medical services." While the sick and funeral benefits were found in American societies, Beito maintains that the "provision of insurance (life) was the most visible manifestation of fraternal and mutual aid" (p. 2). Further, Beito's evidence reveals that the American organizations (to varying degrees) expended a great deal of resources on hospitals and homes for orphans and the aged.

Beito's description of the difference between British and American mutualism is definitely accurate when comparing the American life insurance orders with the British Friendly Societies that by definition provided only sick and funeral benefits. It is probably true when comparing American fraternal organizations generally with British friendly societies for the post-WWI period, but

it is still a very misleading general characterization of American fraternalism. Beito provides little or no information on the American “friendly societies” like the Independent Order of Odd Fellows or the Knights of Pythias that were the two largest fraternal organizations providing sick and funeral benefits before WWI and which had limited provisions of life insurance. Clearly these two organizations were very much like the British societies in their focus on sick and funeral benefits. Ignoring the IOOF and KP is not necessarily a minor oversight. The IOOF had a membership 2.5 times the size of the Loyal Order of the Moose and 4 times the size of the Fraternal Order of Eagles, two of the larger organizations that Beito emphasizes in his study. The conclusion that American fraternalism was not so exclusively focused on sick and funeral benefits after WWI is largely more true because the IOOF and KP were dismantling their sickness insurance arrangements and operating homes. Reflecting these changes, the IOOF had considered the sick benefit as its defining feature in the nineteenth century. By the 1920s, many Odd Fellows saw the home program as the IOOF’s “crowning achievement” and the “brightest jewel in its diadem.” Thus, if there is a distinction between British and American fraternalism it is likely after WWI once the British friendly societies were official sickness/health insurance providers under the Approved Societies system and once the American fraternal orders were busy getting out of the benefits business and into homes for orphans and the aged.

Beito’s focus on homes, hospitals, health insurance and life insurance also leads to a misleading explanation for the decline of fraternalism. Beito highlights the negative impact of insurance regulation on the fraternal insurers and the “crowding out” of fraternal insurance by government insurance activities and tax treatment of commercial insurance premiums. As such, in his view most of the decline in fraternal insurance dates from the late 1920s, through the 1930s and into the 1940s and 1950s. Once again, this may be an accurate description for the life insurance orders, and for the case of homes and other fraternal services, but it fails as an explanation for fraternal benefit activities more generally. Fraternal sick benefit arrangements, which were the hallmark of the largest orders in North America, were in decline as early as the 1890s when the Knights of Pythias eliminated the

requirement that all subordinate lodges had to provide a stipulated sick benefit. The IOOF, which in 1863 declared its stipulated sick benefit to be the order’s “distinguishing characteristic,” had by 1925 declared that its stipulated sick benefit was a “vitiation” of Odd Fellows’ principles and called for the abolition of the benefit. In 1925 the IOOF’s supreme body eliminated the compulsory requirement that IOOF subordinate lodges pay sick benefits following at least three decades over which the generosity of the benefit had been allowed to erode, and in many cases was reduced by limiting lengths of time the full stipulated benefit could be claimed. In both the IOOF and KP examples, the decline of the sick benefit arrangement looks identical to that described for the Loyal Order of the Moose in 1953 in Beito’s final chapter “Vanishing Fraternalism.” The difficulty for Beito’s explanation for the decline of fraternal benefits is the fact that common developments across orders differed in timing by several decades. The IOOF and KP withdrawals from the sickness insurance market pre-date the rise of government regulation of fraternal life insurance and the rise of government and other non-profit sources of health insurance and hospital insurance.

Overall, Beito’s book is a worthwhile read for anyone interested in pre-Welfare State social insurance, life insurance and fraternalism. For those readers interested in the history of life insurance Beito clearly lays the foundation for an important study into the interaction of fraternal and commercial providers of life insurance. At the same time, readers should heed the cautions that Beito gives in his book; first just as he suggests that “any quest to find a ‘typical’ fraternal orphanage is probably fruitless” (p. 87) so too is any quest to find a ‘typical’ fraternal order. Second, as he cautions on page 225 (in relation to the interpretation of a table which pertains to his study generally), a reader may get an “inadequate picture of the general state of fraternalism because it does not include information on the leading orders supplying sick and funeral benefit.”

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