Social closure and social policy

The debates on social opening within benefit societies in the advent of national health insurance

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Abstract
Social solidarity is based on categories of belonging; trade unions rely on their members' self-understanding as trade fellows and nation states on the 'imagined' (Anderson 2006 [1983]) common identity of their population. However, the creation of these realms of equality can be influenced by various aspects resulting in different degrees of group homogeneity. Using the example of nineteenth century working men's mutual benefit societies - the predecessors of public health insurance - in Germany and Great Britain the article first explains how social closure within these organisations worked. The planned nation-wide health insurance schemes put the identity of these groups at stake and excite a wave of opposition in order to defend the boundaries according to which the membership is defined.

Keywords
Benefit societies, health insurance, identity, social closure, solidarity

Introduction

Not only since national schemes of social security came into being is social policy about social closure. Theoretically, social closure is linked to social dynamics of inclusion and exclusion in the course of which collective actors negotiate financial and power-related resources (Mackert 2004, 11). In the realm of social policy redistributive conflicts and the question who participates are an instructive expression of this fact. Adding a social-psychological perspective social identity theory tried to tackle questions of group

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categorisation and the formation of we-ness. In so doing, the so-called in-group bias turned out to be a consistent effect. In her classical review article Marilynn Brewer (1979) concludes that the establishment of symbolic in-group/out-group boundaries even in the absence of a functional relationship between the members of this group gives rise to an in-group bias: the tendency to favour one's own group over another. Drawing on these insights others have been studying more recently how group loyalties have the power to shape political attitudes (Sniderman et. al. 2004, Hooghe & Marks 2005, on social policy see Béland & Lecours 2008).

This article shows how pre-national local or corporate communities in charge of social insurance – so called mutual benefit societies – have been formed and how they reacted to the requested opening when national regulations on health insurance have been enacted. As these acts have been challenging the groups' definitions of commonality on which the solidarity between the members has been based, they kicked off debates on social opening or closure. With social identity theory it can be assumed that considerations based on group membership dominate and hinder preferences towards nationalisation.

In order to examine these discussions and the underlying patterns of social closure and opening I will inductively analyse workers' benefit societies and the arguments thereof regarding the projected transformation from local or corporate social solidarity to a much wider national type of solidarity in Germany and Great Britain.

The content analysis includes all arguments that directly refer to the required opening of group boundaries or widening of categories, therefore general political arguments on state intervention and details of the acts will not be considered here. The archived material[2] and primary documents examined contain above all minutes of meetings and quarterly or annual reports of the mutual funds; regarding the dimensions under consideration these are the only available records which give an undistorted insight into the attitudes and internal discussions of benefit societies. Additionally, newspaper articles help to confirm observations based on the internal documents. But before scrutinizing the records the first part of this article introduces the groups of interest here and shows how a social solidarity based on different categories of belonging was able to establish. Secondly, I present the argumentative patterns evolving in the debates on expansion. Once the relevant debates have been identified this section systematically presents the keywords found in the historical documents. Theoretical implications and preconditions of such an opening will be discussed in the final part of this paper.

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[2] For the German part of the analysis 98 inventories of benefit funds have been reviewed in the Public Record Office Hamburg, which holds the most comprehensive collection of benefit society records. Twenty of them covered the investigation period and have been accessed. The archives accessed in Britain are the National Archives Kew, the British Library and Guildhall Library as well as Warwick Modern Records Centre.

The social construction of mutual benefit societies in the nineteenth century

From a sociological perspective these independent organisations can best be described as self-help associations of the working class which emerged due to massive social problems induced by the industrial revolution, which at the one hand destroyed traditional forms of social solidarity such as families, local networks and guilds and on the other hand has not yet produced a proper answer by state authorities. Thus, they seem to fill a gap between declining social ties in segmentally organised societies and what we call the formation of the modern welfare state. Those societies can be defined as democratically organised associations which serve the purpose of providing their members with financial assistance in case of need without any intent to make profit from the capital accumulated. Without exaggeration one can say that this kind of mutual funds existed all over Europe (van der Linden 1996).

Mutual benefit societies mostly originate from already existing structures of workers' guilds which proofed to be a fertile ground for reorganisation when legal intervention made an end to guilds' traditional economic power and the obligation to join a guild (Black 1984; Haupt 2002). Thus, organisation commenced on local terms in narrowly defined occupational groups among craftsmen like carpenters or shoemakers. Governments behaved rather ambivalent towards these new forms of self-help. On the one hand well aware of the social question communal authorities welcomed them as financial alleviation of their own poor funds, while on the other hand one feared the collective power and potential danger emanating from assistance societies, whose development is not seldom interlinked with the trade union formation (Tennstedt 1983; Cordery 2003).

According to their primary function these funds basically offered two main benefits, those in times of sickness and those for funeral expenses. But beyond this, benefits could also cover travelling expenses, orphan and widow assistance as well as in scarce cases old age and unemployment. They have also been multifunctional in another sense, namely to the extent that they provided a platform for political and convivial or cultural life. Especially this sociability dimension marks them as interim phenomenon between the former community type which encompasses the whole individual and a modern associational type drawing only on a person's single facet or interest. A low to medium number of members allowed them to gather on a regular base in an atmosphere of comradeship (van der Linden 1996). Therefore, historians do generally regard the associational life of benefit societies as a valuable contribution to a sense of solidarity among workers.

> M'[British] collective-self-help organisations provided working people with the security of mutual insurance alongside opportunities for regular, ritual-based sociability. They constituted the largest set of voluntary associations in Britain, reaching about six million members - equivalent to one-half of all adult males - by 1904.' (Cordery 2003: p.1)

In both countries mutual benefit societies formed according to certain criteria, among which functional and territorial criteria turned out to be the most common ones, but next to them also religious, gender and ethical aspects can be found. So a workman's occupation and/or his place of residence provided a quite effective attribute along the boundaries of which a feeling of homogeneity and togetherness was possible to develop. Given the common identity thus created solidarity and trust facilitated the allocation of funds: Members pay a weekly contribution and thus accumulate a central fund which none of the single members would have been able to save on its own.

In a comparative perspective our two countries' associations diverged in respect to their degree of homogeneity and size. While in Germany most *Hilfskassen* remained rather small and clustered alongside occupational or territorial categories – often both – until the enactment of the law on health insurance in 1883, British so called friendly societies have been much more open to different occupations, but concerning their socioeconomic backgrounds insurants have been still relatively homogeneous (Gosden 1967). Owing to the historical development of friendly societies the second main difference concerns their size: At the end of the nineteenth century the so called affiliated orders – grand, hierarchically organised friendly societies – started to become famous and soon dominated the picture (Idem). But this new type of society reveals another mechanisms allowing for social closure: Because homogeneity as a motor of social identity has not been as obvious as in the smaller organisations affiliated orders created a whole universe of symbols and rites in order to foster the construction of a common identity. Ceremonies such as initiation rites, annual feasts, and processions as well as regalia, emblems and banner created bonds of solidarity and a common point of identification (Cordery 2003: p.13). All these means help to represent British friendly societies as a unity across diversity. The following quotation illustrates the enormous defining power emanating from this:

> 'The aim was to make an Oddfellow working in a cotton mill in Accrington feel that he had more in common with an Oddfellow working in Portsmouth Dockyard than he had with another Accrington cotton worker who was not an Oddfellow.' (Gosden 1967: p.128)

To summarise, the described collective self-understanding and solidarity of these groups is not a natural and fixed one but draws on historically developed and institutionally or discursively and symbolically constructed fictions of togetherness. Within these boundaries what we call social policy today took place: Redistribution of resources from the central fund to members in need. This necessitated the exclusion of persons who did not meet the conditions to become a member of the group. That a process of social closure was indeed at work can best be seen with the help of the discussions which evolved when state authorities enacted a national legislation on health insurance and thus directly intruded into the major field of action of mutual benefit societies. These debates will be analysed in detail in the following section.

Debates on social opening

According to the in-group bias effect (or the tendency to favour one's own group over another) members of a group tend to defend the boundaries of this group and thus the criteria according to which membership is defined, because these criteria constitute the homogeneity perceived as well as the actors' behaviour concerning outsiders (Brewer 1979). When the identity of the group is at stake because outsiders shall become insiders due to an expansion of the criteria members of the group are likely to protest. This is what happened when national health insurance in Germany and the UK has been adopted. This section asks how both countries' benefit societies have been reconstructing their boundaries in the advent of the national welfare state. Reconstruction has two different meanings here: Either members of the group strive to manifest old boundaries and thus are unwilling to expand membership space beyond the given criteria - this is an instance of social closure - or they are inclined to redistribute beyond the boundaries at hand in their group - this is a case of social opening. Let's begin with the first scenario.

Emphasising internal bonds: social closure

In Germany the *Gesetz betr. die Krankenversicherung* (Law on Health Insurance) enacted as early as 1883 has been fostered by an authoritarian and paternalistic social policy tradition, whereas the National Insurance Bill introduced in 1911 by the liberal cabinet (containing both health and unemployment insurance) represents a paradigm shift from private to public welfare in Great Britain.[3] Both centrally aimed at a better social integration of the working population as well as at the alleviation of social grievances, although the first objective undeniably has been of greater importance in the *German Reich*, where social insurance has been the carrot of the Bismarckian carrot-and-stick policy (for a comparison see Ritter 1986).

As regards mutual benefit societies the minimum standards and regulations defined by these compulsory, contributory social security schemes provoke a wave of internal discussions, expansions and amalgamations in order to meet the requirements to become part of the new administrative body, but also dissolutions, which are impressively documented by the records. Especially small local funds proved to be unviable because their assets and the level of contributions and benefits diverged from the values demanded and an adaptation of the rule books often turned out not to be feasible. Against the background of these technical and practice-oriented aspects the debates within benefit societies arise and future scenarios are considered. In large parts of these discussions actors do relate to categories of belongings.

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[3] Together with the Old Age Pension Act of 1908 National Insurance has been the peak of liberal social reform at the turn of the century. Ideologically, this is an expression of the reinvention of political liberal thought in Britain marked by the recognition of the social and hence the growing awareness of the social embeddedness of the individual and structural reasons of poverty (on new liberalism see Freeden 1978).

The 'uncertain factor'

The resolution to join the Central Sick and Funeral Fund of the German Coopers adopted in March 1884 causes a heated debate between the members of the medium size Hamburgian coopers' benefit society. Ever since it has been in existence since the end of the eighteenth century the number of members has been rising constantly and peaked six hundred in 1888 while its assets increased steadily during the same period. During the last decade the society has been through ups and downs but proves to be a resilient and strong society always able to internally solve its problems: In order to raise the number of members in 1876 the coopers started to also accept members' wives and in times of financial problems the level of contributions used to be a popular instrument. In July 1884 the society attests a certain sense of solidarity towards kindred occupations when it agrees to incorporate the 23 members of the small-coopers' sick fund which otherwise would have become insolvent. A club as small as the jar makers' one wouldn't make a difference for the coopers overall situation and therefore self interest can be excluded as primary motivation here. Although the mentioned aspects indicate an independent but open-minded organisation, at an extraordinary meeting in October the plenum votes against the affiliation with the central corporate body because the majority prefers to remain a separate body. Why would it do so in an historical situation of change where the central body could guide and help the society to find its new place and where autonomy means much more trouble?

Members who argue against joining the national coopers' association argue against territorial expansion, thus they lack solidarity at a wider spatial level than the previous one; an opening towards other occupations has never appeared on the agenda here. The line of reasoning depicts that an expansion connotes future insecurity and loss of money. As witnessed by the minute book advocates fear to lose control over the administrative and operational features and feel a financial threat given the rising membership figures which damage the familiar small-scale design of the fund. They paint the consequences of such an enlargement with attributes like 'expensive' or 'hardly testable' (PRH1 1884). One person rejects the central organisation because benefits for travelling members would raise administration costs. Likewise, another member doesn't see any advantages of joining the national colleagues and therefore argues to keep the local fund because an expansion would do nothing more than to incur costs (ibid.). These doubts seem to be naturally linked to overemphasis of the past and correspondingly they tend to halo past experiences:

> 'Our fund has been in existence since one hundred years now and our fathers have
> already been members.' (PRH1 1884: without page)
> and
> 'We lived at ease for so long.' (Ibid.)

This glorification of the past can also be found in the cabinet makers' society founded in 1691 in Hamburg. Its history very much resembles the above discussed sick

club. Although an appointed commission advises to join the Central Benefit Society of German Cabinet Makers after it thoroughly revised the books the debate regarding the new health insurance act clearly shows the preference to continue as an independent local fund. One member proudly advances the opinion that no other fund with the same benefits has been achieving so much. In the following ballot 171 compared to 91 members dismiss the central option. (PRH3 1884)

The same arguments can be found in British occupational friendly societies. John Jack, Treasurer of the Liverpool Branch of the trade union friendly society of cabinet makers built up in 1833, vehemently rejects amalgamation:

> 'Now, I ask again, whatever have we to gain? Nothing! But everything to lose. Our old institution has been in existence and withstood the storm for 76 years. The benefits paid are equal, if not superior, to any trade organisation in existence.' (MRW2 1909: p.184)

Three years later another member likewise combines the denial of gains to come with the idealisation of the past. Furthermore, with his judgment that 'all control and all funds would be gone' he shares with his German colleagues the fear to lose means and control over the fund (MRW3 1912: p.92). As documented by The Times others did also praise past achievements and the long tradition of friendly societies in general:

> 'Seeing that friendly societies had been working for 100 years or more voluntarily, had accumulated funds of 60 millions, had a membership of over six millions, and had paid annually in sick pay six millions, he thought that they might well have been left to carry on their good work. (Mr. Dapt of Sheffield, uttered at the annual meeting of the Yorkshire Union of Friendly Society Councils)' (The Times 1911a: p.7)

Not very surprisingly, in blending tradition and merit with rather sombre future prospects this past-oriented argumentative pattern ignores the fact that most of the benefit societies had to cope with financial problems or a lack of members. Furthermore, according to their minute book, the two German examples know very well of problems of an ageing fund as cases of sickness abound during the 1880s and several extra allowances and exemptions from contributions for elderly are granted. Nevertheless, actuarial reasons of change are rejected. An example for both the unwillingness to territorially and functionally expand as well as grave financial problems due to a deficit in younger members offers the St. Pauli carpenters' benefit society. Compared to other societies the assembly more often resolves upon high sums to help members at need, as a result it refuses to incorporate members other than carpenters or not living in St. Pauli (PRH2 1869). In other words a high degree of intra-group redistribution corresponds to social closure. At a meeting in 1898 the society decides to liquidate (ibid.).

The records allow for the conclusion that the levels of intra- and inter-group solidarity do correspond negatively. That is to say that some of the analysed societies exhibit rather solidaristic behavioural patterns, e.g. they do voluntarily grant payments which exceed the statutory benefits to members in distress and on the other hand they

do not agree to expand this solidarity towards persons not featuring the required characteristics defined in the rule books. A third quotation of the above mentioned cabinet makers' explicitly addresses this categorical form of solidarity in December 1909:

> 'Let Cabinet Makers manage their own affairs; - and other trades - Glass Grinders, Mattress Makers, Polishers, etc., etc., manage their own.' (MRW2 1909: p.209)

With around 3000 members and a declining tendency during these years the society would have to affiliate in order to be able to become an approved society. In the monthly report of August 1912 of an English trade union friendly society, the Manchester Unity of Operative Bricklayers, a member of the Liverpool Lodge expresses his concerns:

> 'For my part I do not think it would benefit us in the least, as the conditions obtaining in other Trades and considered satisfactory would not suit us as they are not influenced by the vagaries of the weather to the same extent as we are. Then our funds would be submerged into one central fund, which would not undertake all our liabilities, as illustrated by the demands of the London Order re[garding] our Widows fund, when the question of amalgamation was discussed. We would lose our independence without gaining any corresponding advantage.' (MRW5 1912: p.14)

These lines, interestingly, entail the very same aspects of the above citations of German sick club members. The applied standard is that of the own occupation, thus intra-group solidarity is conferred on the basis of a functionally ascribed homogeneity which therefore also works at a size of 1600 members. Discursively 'us' and 'our', 'they' and 'other' mark the boundaries between members and non-members, between the perceived similarity and difference. The following citation of the already cited bricklayers' journal illustrates this area of tension at a more general level:

> 'The proposed scheme of insurance being compulsory and universal in its application, so far as the whole of the working class population is concerned, will accept the risk of all lives, good and bad. This constitutes an uncertain factor in the scheme. The present friendly societies limit their insurance to selected lives […].' (MRW4 1911: p.20)

To conclude, solidarity seems to be clearly limited to members of the group who may qualify according to the requirements defined in the rule books or already explicated in the organisations' name. Mostly these are occupational and spatial criteria or a combination of both. Sex and age are much more flexible criteria of belonging, in the context of which most societies have experienced several adaptations. They mostly serve as adjusting screw to cushion the fund's ups and downs. In 1853 the magistrate of Minden observes, that each trade prefers to stand there isolated and one doesn't want to intermesh with one another and during the following decades numberless instances of segregation and distinction between different crafts as well as between craft workers and factory workers in Germany are documented (Reininghaus 1983; Tennstedt 1983). So traditional boundaries between trades mark a crucial distinction between groups during

the century and are still reflected by the reactions of the analysed sick clubs at the end of the nineteenth century.

In our British cases the situation has been different. When public health insurance passed the parliament it has been almost forty years since cross-regional and often even nation-wide affiliated orders started to prevail (whereas local societies, of course, did also persist). Hence, the spatial dimension of differentiation was less important and cross-trade societies were also nothing new. But as has been shown some of the trade union friendly societies do very well argue within the perceived homogeneity of their sectoral boundaries.

Given the time span of thirty years between the introduction of the national systems of health provision in the two countries one could put some of the differences down to time. German benefit societies started to rationalise and professionalise under the Insurance Act, while British friendly societies have been undergoing this process of modernisation long before the Bill has been drafted. Therefore old prejudices and traditional distinction lines between trades had to make way for actuarial methods. But not exclusively, old tangible differences have been replaced by more abstract categories of belonging backed up by a strong regime of symbolic constructions as well as an exclusionary discourse of respectability as will be shown in the following subsection.

Exclusive self-help

Published in 1859 Samuel Smiles' bestseller *Self-Help* provided friendly societies with an official pamphlet. The success of the text illustrates how deeply rooted the voluntary societies have been in British liberal thinking (cp. Cordery 2003). Fostered by their strict rules of exclusion and control during the second half of the nineteenth century friendly societies contrived to create an image of respectable workmen's benefit societies in Britain (idem: p.98ff). Therefore, it is not surprising that the most important strand of argument what regards friendly societies and national health insurance is borne by the liberal thought of self-help and formulated in terms of independence as well as voluntarism. The dimensions of interest here are not directly affected by these ideological discussions; they rather oppose compulsion and a comprehensive public responsibility. But what nevertheless comes to the fore is the selectivity and exclusivity of friendly societies and here questions of social opening come into play again. The main question here is as follows: Why introduce compulsion when something has been working for a very long time on a voluntary basis? Although this doesn't apply to German benefit societies, opponents of state insurance do also emphasise the meaning of self-help and workers' independence. But despite all veneration and appreciation of nineteenth century benefit societies one often forgets that those who are able to help themselves are already privileged. The following quotation of a proponent of compulsory insurance comments on the British situation:

'The much vaunted solidarity [...] holds good in private schemes only for those who share an equal danger. In every other respect, voluntary schemes are essentially individualistic. Compulsory insurance, on the other hand, is based on the collective principle. It does not mind offending against the interests of the individual if the group as a whole is benefited. The intention is that the strong should help the weak, the rich share with the poor. Compulsory insurance gives protection where it is needed most, not where the highest price is paid for it. Guided by the concept of the solidarity of the community, compulsory insurance aims at a balance of risks not only between groups which are exposed to a like danger (which is as far as voluntary insurance goes) but also between groups exposed to different dangers. It is the compulsion to insure which makes possible the fulfilment of these social aims. Compulsory insurance can therefore replace the principle of differentiation of premiums by the collective principle of equal premiums and benefits. The law of averages, which is put into effect by the compulsory principle, allows a more complete leveling and a generous attitude toward unfavorable risks.' (Richter 1946: p.84)

Contrariwise in the eyes of friendly society members compulsory insurance lacks the spirit of these voluntary self-help associations (Oddfellows 1883b: p.32). In a speech held at a friendly society annual feast Lord Balfour speaks highly of this spirit of friendly societies in contrast to state insurance:

'United voluntary effort such as we are making it is better for the people. It is better for them, because it teaches them to manage their own affairs; it is better for them, because the work is done better and at less cost; and it is better for them, because the aid that is given can be more nearly and more accurately fitted to the needs and requirements of each individual case.' (Foresters 1891: p.276)

Like the intervention of friendly societies in the pension controversy their basic preoccupation has been again to safeguard their own well-being. The citation below impressively documents this:

'We believe that the societies ought to remain true to their fundamental principles, and refuse to allow the State to force them into a State scheme and to deduct contributions from their wages because other people are indolent, indigent, or negligent. Therefore, in the sacred name of liberty, we keep on with the cry, "Stop the Bill; for, if we do not kill compulsion, compulsion will kill us.' (The Times 1911b: p.10)

Let by the prevailing individualist and meritocratic thinking the three attributes applied reveal the social philosophy underlying friendly society and especially affiliated order action. This connotes the moral principle of respectability and good character. Hence, the quote identifies indigence with character and thus distinguishes between deserving and undeserving need, the latter of which is occasioned by improvident and idle behaviour. So the readiness to socially open is clearly restricted to precautious members of any provident society, which hints at the fact that the collective conscience

of friendly societies is not as pronounced as far as 'collective' refers to all needy and poor. Compulsion and state intervention are the enemies of self-reliance and voluntary effort among the people. According to this philosophy it is only consequent to exclude 'other people'. This interpretation is in line with the claimed brotherly love among members of the group as the following self-description of the Independent Order of Oddfellows shows:

> 'The duties of Oddfellowship will always teach you to stretch out your hand to a brother in distress; to offer up your warmest petitions for his welfare; to assist him with your best counsel and advice; and to betray no confidence he may repose in you.' (Inaugural Lecture, cited by Black & MacRaild 2003: p.120)

The line of differentiation runs between 'brother' and the others. Compared to the applied categories presented in the previous section these notions are much more abstract and elastic than functional categories of belonging like the moulding trades or cabinet makers. Given the fact that prudence is equated with character and indigence is considered as incurable grant friendly societies see no reason to extend solidarity towards others. The category of belonging under negotiation is induced by liberal thinking and is hardly negotiable at all unless the ideological underpinnings in general are called into question.

Gaining through social opening: solidarity beyond traditional boundaries

For all voluntary benefit societies the envisioned transfer of competencies implies a loss of independence injuring the strong self-perception of the funds as autonomous self-governing units. Therefore both countries' mutual aid associations oppose public health insurance on general terms and thereby avail themselves of the semantic field of free and independent. But this universal dimension alone does not determine the direction of argumentation for or against social opening. In some cases the picture of an independent community is compatible with nationalisation. The following two subsections present arguments of benefit society members in favour of expanding the boundaries of their funds, who therefore are ready to expand the intra-group solidarity also towards other previously excluded groups.

'The larger the movement, the less cost'

Although already cited coopers' benefit society remains an independent local club, several attendants of the extraordinary meeting have been in favour of joining the Central Sick and Funeral Fund of the German Coopers. A letter from the central body striving to encourage amalgamation has been read out. One participant emphasises the difference between central and local societies: a local fund is always weaker towards the authorities and is subject of greater coercion in case of a financial deficit, whereas a central body is in a much stronger position consisting of lots of single units, with which the office won't be able to conflict (PRH1 1884). Mr. Callies sees a better position for

travelling or moving workers which as members of a centralised association will also be eligible for benefits in other places than their original residence (idem). The free movement of persons within and in-between mutual aid associations is a popular issue and contemporary debates come to the conclusion that especially small local aid societies need to be territorially expanded. An often cited disadvantage of locally restricted funds is the non-transferability of once accumulated eligibilities and entrance fees which expire as soon as a member changes one's residence and hence also the society. Therefore Brentano (1879) calls for territorially open funds which allow the worker to supply his labour at another local labour market when necessary due to economic ups and downs. Similarly, in a parliamentary speech Schulze-Delitzsch sees the necessity of mutual relationships between single local funds, of an overall responsibility, a solidarity, with the help of which the members are not about to lose their rights when they choose to move (QGS 1999: p.88).

To lower administrative costs is another reason to territorially expand, therefore Mr. Mould of a Liverpool Branch of the Independent Order of Oddfellows pledges to the amalgamation of several smaller lodges of the order (Oddfellows 1883a: p.117). Likewise pragmatic the Friendly Society of Plate Moulders of England, Ireland and Wales is considering amalgamation with other moulding trades societies. It has been established in 1890 and encompasses 900 members twenty years later.

> 'We cannot, on account of numbers, become an approved Society under Part I of the Act, only by joining in with other Societies. This difficulty can be overcome by joining in with other Unions and combining together for the purpose of becoming an approved Society. [...] [A]dministration could be more efficiently and economically carried out. The larger the movement, the less cost in management.' (MRW0 1910: p.3f.)

Hence the society slightly opens its functional boundaries towards other moulding trades but at the same time its internal solidarity continues to be functionally defined. These arguments show that one is well aware of the advantages a territorial expansion brings with it. Consequentially, it is not the past which is glorified but the future which is catastrophised in case of standstill. Referring to a traditionalist argument glorifying the past, a member of the London Branch of the trade union friendly society of the cabinet makers inverses the argument saying:

> 'We are losing members. We are losing money [...]. We are no longer a force to be reckoned with. Talk about being old, why, why, fellow members, it's rotten. I appeal to you to do something to save us from decay, and vote for Amalgamation, and against false pride, prejudice and old ideas [...].' (MRW2 1909: p.206)

Propagators of a wider redistributive space often refer to the advantages coming along with such an opening of boundaries. Much more future-oriented than the presented opponents of expansion members who agree on opening argue on the basis of practical aspects and anticipated gains. Therefore this strand of argumentation seems

to be much more rational in the sense of calculus-based, but it only applies another rationale than the antagonists. But one should not forget that societies which agree to amalgamate with another body tend to go on operating within their functional boundaries. A territorial opening towards an occupational central fund on the one hand allows to rationalise and modernise the society in the light of current developments, on the other hand its occupational identity is preserved and the cross-local cohesion potentially even strengthens this identity. Therefore we may find combinations of both pro- and contra-expansion arguments.

Well aware of the necessity to amalgamate with another body in February 1912 Mr. Nuttall from the cabinet makers (Westminster Branch) for example prefers to cooperate with some trade union friendly society of the furniture industry rather than the less kindred engineering and shipbuilding industry as suggested by the Executive Committee (MRW3 1912: p.23). The records give plenty of examples of the pressure produced by the act to concentrate in larger units.

So in the above examples of the moulders, the cabinet makers as well as the coopers redistribution continues to take place within occupationally defined boundaries, solidarity remains restricted to the own branch. Although we witness territorial openness, one can still speak of social closure because occupational identity, which seems to be stronger than territorial identity, continues to define the in-group. The scenarios considered here show that social opening might be triggered by financial considerations and legal requirements. In contrast, the following subsection analyses arguments emphasising solidarity more directly rather than the pragmatic, problem-oriented perspective discussed here.

Towards an international working-class solidarity

In contrast to the dominant contra-expansion argumentative pattern marked by a rhetoric of voluntarism other benefit societies or members thereof critically recognise the exclusive character of voluntary self-help associations or show a willingness to widen their membership spaces either territorially or functionally.

> 'The passing of the Insurance Act opens up a new chapter by the intervention of the State into the realm of Social Insurance. Hitherto this work has been done largely through voluntary agencies - the Friendly Societies and Trade Unions. Their efforts have only been partly successful, only six millions out of fifteen millions of manual workers having availed themselves of the insurance offered.' (MRW1 1911: p.5)

This extract from the 1911 annual report of the Friendly Society of Iron Founders jejunely objects what has been common sense for a long time in the political discourse both in England and Germany and which of course contradicts the mainstream internal perspective of benefit societies which usually rather tend to overemphasise their achievements.

Agreeing to expand the functional scope of the cabinet makers' society the Vice-President of the Manchester Branch argues that although he concedes that 'financial

benefits are valuable and necessary' he claims nevertheless that the 'effective organisation of the workers to promote their interests is the paramount principle' of every workmen's organisation in order to secure the best conditions possible for labour (MRW2 1909: p.202). Those citations suggest a close relationship to the labour movement and a strong awareness for working-class concerns. Most of the arguments presented in the previous sections disapprove the idea of exceeding boundaries formerly established. By contrast the political labour movement rests upon a national (or even international) working-class solidarity what also becomes clear in the following quotation:

> 'We are told that all the complications following upon the denationalizing of the scheme must be endured, because national sentiment demands four sets of Commissioners. In the trade union movement we have little use for that kind of national sentiment which manifests itself in the creation of divisions between people whose industrial interests are identical, and which proposes to set up anomalies between one country and another. What the workers need is solidarity rather than nationality; they are quite willing to bear and share alike if the politicians let them.' (The Times 1911c: p.7)[4]

This 'Plea for Solidarity' published in The Times in December 1911 demands a working-class solidarity which transcends all previous lines of differentiation identified. Instead a common 'industrial interest' is the crucial criterion binding people of different trades, origin, age and sex. This can be compared to demands of the German social democracy to introduce a universal and comprehensive social insurance system which doesn't only include all workers but also integrates sickness, accident and old age insurance into one encompassing institution (Bebel 1966: p.382f.).

In the light of the above results showing the unwillingness of members of mutual aid societies to expand their intra-group solidarity one would suggest that the need to distinguish prevents the development of an expanding feeling of togetherness among the workers. But our records do also hold several arguments pointing in the opposite direction. For instance a pro-opening member of the coopers society in Hamburg calls upon his 'colleagues all over Germany not to trample on the good work accomplished until now'. Emphasising the meaning of central he argues that all German coopers are interconnected across the whole country by means of their trade (PRH1 1884). Although the recourse to occupational boundaries remains this member is disposed to territorially expand from a small Hamburgian benefit society to a nation-wide occupational organisation. This line of reasoning, even more explicitly than the problem-oriented pattern presented in the previous subchapter, allows to interpret the opening of boundaries as solidarity- and identity-reinforcing measure because the persons appeal to

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[4] The lines refer to the structure of the insurance commission administering and monitoring the approved societies and their statutes which are divided into four separate subcommissions for England, Wales, Scotland and Ireland and hence each headed by an Insurance Commissioner. This fourfold structure interpreted as denationalising reflects the organisation of the Registry of Friendly Societies introduced in 1875.

the spirit of the labour movement and not to anticipated advantages and gains of the favoured expansion.

As a matter of fact arguments endorsing social opening as an expression of the spirit of a unified working class can be found mostly in the discussions of already centralised union friendly societies. The emancipation of the worker in mind and 'recognising the inter-dependence of all sections on each other' a member of the London Branch of the cabinet makers urges:

> 'Let us unite our forces, putting into practice the at present purely academic principle of the universal identity of interest of the worker, irrespective of his vocation, and taking this scheme as a first step on the way, march forward to the ultimate goal of a UNIVERSAL INTERNATIONAL AMALGAMATION OF LABOUR.' (original emphasis) (MRW2 1909: p.205)

In the same December issue of the Monthly Reports in 1909 Mr. Moore does also use the difference between theory and practice as an opportunity to express his opinion:

> 'My ideal is to see the whole Furnishing trades and Woodworkers, Joiners, Cabinet Makers, etc., under one banner, and then we would have made some progress to that state of the "solidarity of Labour" so often spoken about; but alas, for the workingman, so seldom practical.' (Ibid. p.208)

It is not territorial identity that is at stake here but functional (or sectoral) identity. But the two voices interpret the opening towards other kindred occupations as organisation-strengthening measure which enables the movement to pursue its aims with united forces and interests. In the end solidarity serves also as an expedient to raise the living standard and working conditions of the working population but compared to the first pro-expansion pattern solidarity at the same time is also an end in itself. Furthermore both persons critically refer to the solidarity-political aim of the working-class, which is marked by a discrepancy between theory and practical experience. This further substantiates the assumption that the two contradictory discourses (pro and contra opening) reflect the discrepancy between the unity propagated by leading actors of the working-class movement and the actual degree of solidarity perceived and desired by single workers. Generally speaking, the debates on health insurance within benefit societies doesn't allow for a too enthusiastic conclusion as regards the existence of a nation-wide working class consciousness. Particularism in between and even within different segments of the working class still seems to prevail not only in traditional functionally defined societies. Labour historians did also have to deal with this odd discrepancy between *the* working class as collective reference unit and the multifarious experiences workers faced during the formation of this so called class. Therefore, besides attempts to invoke a working-class consciousness others have been showing that vast regional and sectoral differences within the German and British labour movement can be accounted for by the timing of industrialisation as well as the degree

to which single groups are affected by it, by political differences and a range of different conditions within single trades.[5]

Conclusion

The national welfare state or the first tentative steps of what was to become the welfare state directly affects the above described structuring of solidarity. It removes boundaries. It builds common new boundaries. It establishes new internal corporate structures as it recombines previous functional organisations.

The arguments for both, social closure *and* social openings, of the actors directly affected by this restructuring all have in common that they refer to categories of belonging. But besides group membership being a predictor of attitudes interests still diverge as the arguments link to economic and ideological considerations as well. Four argumentative patterns can be identified each relating to different dimensions and motives: Firstly, proponents of the first contra-expansion pattern striving for continuity fear any consequences of the projected change and therefore opt for social closure. The homogeneity brought into play here is mainly based on functional aspects (sectoral similarity, risk categories) and in turn emphasises differences between in- and out-group. Secondly, the next group directly links its arguments to British liberal thinking. Therefore it doesn't only contradict state intervention but also the inclusion of previously imprudent persons, thus alluding to homogeneity in character. Social closure is crucially coined by the prevailing ideological paradigm here. Thirdly, the first pro-expansion pattern refers to the economic advantages to be gained from social opening. It is accompanied by a widening of the perceived functional homogeneity criteria of the first pattern, whereas, fourthly, the second pro-expansion pattern argues for a widening of boundaries towards the whole working class. It is influenced by ideas of the socialist labour movement and hence claims solidarity of labour. However, the discussions make clear that a strong discrepancy between this academic principle and practical categories of action still prevailed.

The different argumentative logics show that homogeneity is nothing homogeneous at all but varies extremely implying that the construction of a closed community is subject to permanent processes of abstraction and interpretation. In some cases a homogeneous group is narrowly defined according to occupational and territorial criteria such as chair maker, whereas other groups widen functional boundaries to kindred (in this example woodworking) trades, which still allows interpreting the

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[5] Most prominently E.P. Thompson (1980[1963]) in *The Making of the English Working Class* showed how an English working class has developed as early as in 1830. For more differentiated accounts see for example Kocka, J. (ed.) (1983) *European Labour Movement in the Nineteenth Century. Germany, Austria, England and France in Comparison. [Europäische Arbeiterbewegung im 19. Jahrhundert. Deutschland, Österreich, England und Frankreich im Vergleich]* Göttingen, V&R as well as Mann, M. (1993) *The Sources of Social Power: The Rise of Classes and Nation-States, 1760 - 1914.* Cambridge, CUP; for Germany see Kocka, J. (1983) *Wage Labour and the Formation of Class. [Lohnarbeit und Klassenbildung. Arbeiter und Arbeiterbewegung in Deutschland 1800 – 1875]* Berlin, Dietz and for the British discussion see for example Pollard, S. (1999) *Labour History and the Labour Movement in Britain.* Aldershot, Ashgate.

members as equals. The most abstract form of similarity mediated through the pure status as member of a group is in operation in the affiliated orders, which even succeed in making two colleagues feel more different than two members of the same affiliated order; strong symbolic rites actuate the process of group formation here. These examples show that the formation of solidary groups in general and the development of redistributive spaces in particular require closed groups allowing for a more or less abstract connecting link between the single members, but that the mechanisms of closure may vary. When national welfare schemes came into being both the former symbolic and the narrow functional designs have been challenged. In a permanent process of (re-)interpretation and abstraction the redistributive community has been constructed, and reconstructed after the national schemes have been introduced (see also Ullrich 2000).

Studying intergroup relations and in-group favouritism for decades social identity theory provides major insights into the behaviour of groups and is able to partly explain social closure. But it cannot account for the different motives of social closure and opening or why some groups are willing to open one's boundaries and others are not. The insights show that the redrawing of redistributive boundaries is shaped by social, economic and cultural aspects. These contextual factors impact actors' perceptions and interpretations and alter their framework for action and therefore have implications for the existing categories according to which a group is defined. E.g. historically embedded, narrow occupational identities are prone to interpretive patterns rejecting larger solidarities; in contrast the crisis of the former welfare producing units as well as the discrepancy between the economic and the social system triggers the willingness to expand this unit as long as the actors affected perceive the transformations involved as gains (gains in the course of administrative centralisation, enhanced mobility etc.). This can further be altered by ideological paradigms, that either forward a feeling of togetherness like in the case of the socialist labour movement, which provides an alternative frame for the widening of social boundaries, or hamper the expansion of solidarity towards other groups as has been the case with liberalism.

Periods of social change further dynamics of social closure; the field of social policy is especially instructive here because resources and privileges determining life chances are at stake (Mackert 2004). But it has been shown that they also sow the seeds for new constellations. Currently, processes of political and economic Europeanisation (as well as to a lesser degree globalisation) are challenging existing national social insurance schemes. Therefore it is crucial to understand historical processes and mechanisms of social closure and opening in order to be able to conceive of potential future scenarios to form even bigger (and hence even more abstract) solidarity communities. However, this might not have to rely on social closure anymore, for normative theorists have tried to render compatible a universal type of solidarity with diversity and difference (for example Jodi Deans (1995) reflective solidarity).

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