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**Styles of expertise : A comparison of expert-based risk policies in German and British welfare institutions (1850-1950)**

**Abstract**
The paper examines the uses of expertise in social insurance institutions in Germany and Britain (1850-1950), concentrating on the fields of health and accident insurance and on the medical risk perceptions involved. It juxtaposes three styles of expertises to be typically found at three historical stages of social insurance institutions: an associative tradition in the mid-19th century, a corporatist tradition around the turn of the century and a statutory tradition in the 20th century. Each institutional tradition developed its specific form of expertise: self-organised forms of expertise in associative insurances, politicised forms of expertise in corporatist insurances, and bureaucratic forms of expertise in statutory insurances. The paper examines examples for these three styles of expertise in the context of German and British welfare institutions, stressing the national-specific traditions of expert-based risk policies.

**Note:**
The paper I will present in Helsinki is not yet written; however below I will provide two larger parts of other papers that I will use as a starting point for the argument in Helsinki. One part (p. 2-12) is based upon an unpublished paper presented last winter at a workshop of the Centre Marc Bloch in Berlin on “expertise”; the other part (p. 13-22) offers the first half of an article to be published in “Contemporary European History” this summer.
Technologies of Distrust:  
Comparative remarks on the rise of expert knowledge  
in 20th century European social insurance

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“Experts”, “expertises”: quelles questions de recherché?

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(Second half of the paper dropped …)

1. Theoretical approaches for analysing the role of expertise in social insurance (introduction)

Traditional narratives for interpreting the role of scientific experts in modern societies often draw upon a Weberian notion of rationalisation. Experts are seen as agents of processes of rationalisation, bureaucratisation or “scientification” that deeply affected state building processes in general and the development of modern public administrations in particular.¹ In this traditional narrative, academic expertise (defined as scientific knowledge to be used in non-scientific contexts) is often seen as a powerful and compelling episteme, extraordinarily successful, at least until the 1970s, in gaining a privileged status in modern societies and its public administrations. The rise of expertise in social and public contexts is usually divided into several stages. Since the 19th century, the emergence of modern bureaucratic states was paralleled by the rise of university systems and research institutions. In countries like Germany and France, academic qualifications became a precondition for positions in the civil service. Moreover, since the mid-19th century medical and social sciences increasingly shaped the development of social policies, modern welfare institutions and legal debates in the judiciary. Over the course of the 20th century, expert-based decision-making became an

integral part of modern state bureaucracies; its heydays are usually located in the technocratic
governance approaches and the parallel rise of social planning techniques during the 1950s
and 60s. Since the 1970s, the social and institutional status of expertise is increasingly
questioned, partly by criticisms of new social movements, partly by the multiplication of
expert positions and the self-undermining effects of contradicting expert opinions.  

1.1 Expertise as a “technology of trust”

Often in these studies, expert knowledge is treated as a “black-box”, an authoritative,
monolithic form of expertise either to be adapted or challenged by non-expert institutions. In
this sense, “scientification” is seen as a linear (although not always successful) process.
However, recent studies in the history of science and in social history have pointed at the
dialogic, interdependent character of “scientification” processes, transforming both the
modalities of public administrations and the quality of scientific expertise.  

Dorothy Ross for example showed that although American social sciences were founded in the 19th
century as political and moral sciences, they developed over the 20th century into “scientistic” and de-
politicised disciplines, following the positivistic ideal of the natural sciences.  

Ross argues that the alliance between social sciences and bureaucratic government administrations
dedicated to enhancing technocratic regulations and social control was a crucial factor for this
development. Since the First World War, the general development of scientific disciplines
was increasingly guided by quantifying and application-oriented approaches often originally
designed in bureaucratic contexts. As an effect of this process, Ross critically concludes,
American social sciences widely lost their political, moral and critically-reflexive impetus.  

In a similar vein, historian of science Theodore Porter argued that the rise of academic
expertise in modern government bureaucracies transformed the quality of scientific
knowledge. In his study on “Trust in Numbers”, Porter analysed the history of quantifying
disciplines, such as engineering or quantitative social sciences, and their use by government
administrations in European countries and the US since the mid-19th century. Following Ross,
he argues that quantitative approaches were more appropriate than qualititative to be used as
expertise in bureaucratic institutions. In his explanation however he differs from Ross. For

3 For a survey of the German literature: Vogel 2004.
Porter, scientific expertise did not serve as an extension of bureaucratic power (i.e. as an instrument of technocratic governments); science rather profited from the limited power of political institutions entering government institutions as a mediating force. Porter argues that in controversial political fields, such as welfare policies or the “Soziale Frage” of the late 19th century, the political system tended to blockade itself by ideological clashes between political parties (at least in non-hegemonical configurations). In these contested areas, quantitative expertise offered an abstract, impersonal and disinterested form of communication – a “technology of trust” – and thus a welcomed solution for political parties trying to find a tool to settle controversial issues. Different from the concept of “technocracy”, Porter’s model offers academic expertise a more subtle role. The influence of expertise as a technology of trust relies on political actors and on the status they offer and assign to experts. Science then is not a hegemonic force of a “scientification”, it is rather situated in a dialogic, sometimes conflictive interaction with the political system, in which both sides can profit from the needs of the other party.  

Both authors are examples of an interactionist interpretation of the role of experts in modern state bureaucracies. Research on the history of expertise is however still sparse and dominated by case studies focused on specific disciplines, particular institutions or single national cases. Comparative perspectives are still underdeveloped. We know comparably little on the specific uses of expertise in different institutional contexts, say in social insurances, the court system or the military; we also lack nationally comparative studies pointing at different national paths and cleavages of administrative uses of expertise. In this sense, the “historization” of the public and political status of experts has just begun.

The following paper tries to address some of these research lacunae by examining the uses of expertise in social insurance institutions in different European countries. The paper concentrates on the fields of health and accident insurance since the late 19th century, the main expertise being that of the medical profession. In a first step, I will juxtapose three forms of expertise to be found in three respective traditions of European social insurance institutions (associative, corporatist and statutory traditions). These remarks will remain on a macro-level, focusing on the institutional differences of European welfare traditions and their consequences for the role of expertise in social insurance contexts. In the second step, I will

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shift the analysis to the micro-level, examining the case of the national accident insurance in Switzerland. The case study allows examining the changing doctor-patient-relationship in statutory social insurance institutions. Two issues will be of particular interest: first the legal redefinition of the professional secrecy and second the effects of the pervasive use of medical forms by insurances on the doctor-patient-relationship. I will argue that the formalisation processes prevalent in social insurance institutions led to an obfuscation of previously rather trustful, face-to-face interactions between experts and insured patients. As an agent of this process, scientific expertise (personified by the medical staff of social insurances) cannot be grasped with a concept like “technology of trust”; rather expertise acts like a technology of distrust.

1.2 Expertise and “styles of statism”

This focus on social insurance institutions requires some more theoretical considerations. Since their early days in the late 19th century, the establishment of social insurance institutions was deeply affected by what Theda Skocpol and Dietrich Rueschemeyer called the “important contributions of ideas, of knowledge-bearing groups, and of knowledge-generating institutions”. At this stage, the influence of expert knowledge was crucial because it served as a trust-building tool to balance the antagonistic political opinions in one of the most controversial political debates of the late 19th and 20th century (very much in the sense of Porter’s argument). Also within social insurance organisations, academic expertise (medical, actuarial, demographic, statistical expertise) served important institutional purposes. Thus, social insurances offer a telling case to examine the role of experts in state building processes.

Obviously, the comparison between different European states has to consider the fundamental institutional variations between national welfare states. Social insurances are among the most complex and heterogeneous public institutions, often incorporating not only statutory but previously private institutions (such as mutual funds in health insurance). The theoretical challenges posed by the plurality of social insurance systems are widely discussed in the social sciences and the historiography of welfare states. However, it is not easy to adopt one of the several welfare state typologies in social sciences for the purpose of this paper. Most typologies dwell on institutional mechanisms (corporatist vs. statutory regimes), political

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8 Skocpol, Rüschemeyer, 1996, p. 3; Wagner, Wittrock, 1996.
9 See also: Raphael, 1996; De Swaan, 1993.
traditions (solidaric/social democratic vs. paternalist regimes) or – as the widely used typology of Gøsta Esping-Andersen – on the quality and scope of welfare benefits (in Esping-Andersens terms on the degree of “decommodification” and “destratification”).

As none of these theoretical approaches touches upon the role of expertise in social insurances, they are not very helpful in assessing the varying bureaucratic statuses of academic expertise. I will instead propose a theoretical detour to cope with the epistemic dimension of welfare regimes. Historian Peter Baldwin has recently enlarged the theoretical framework of welfare studies by coining the concept of “styles of statism”. The concept goes far beyond the ambition of previous typologies and aims at delineating general qualitative and historical differences between different Welfare states, encompassing differences between public and private welfare institutions or between insurance-based and tax-based welfare benefits. The advantage of Baldwin’s concept is that in its general form it can also be used as an umbrella term and a framework for analysing the different histories of expert knowledge in European social insurance regimes.

Baldwin’s programmatic argument is based upon a recent methodological shift in Welfare state studies. Until the 1980s, most studies mainly dealt with statutory social insurances (statutory in a narrow sense). Only in the past years, private insurance systems and their integration into statutory social insurances have been investigated more closely, mainly in the American context. These recent studies stress the heterogeneity and fragmentation of modern welfare systems. Non-statutory institutions such as civil society associations, private businesses or mutual societies often form integrated parts of national social insurance systems, also in European welfare states, and fulfil core functions for example in the areas of health and old age insurance. In contrast to the USA, the role of non-statutory actors in European Welfare states has hardly been examined yet.

Baldwin argues that the analysis of heterogeneous, public-private constellations of welfare actors calls for a new theoretical understanding of statism. Whereas traditional concepts of statism, for example of a Weberian descent, are based upon a homogenous ideal-type of a rational and bureaucratic state, Baldwin suggests a framework allowing for heterogeneous and hybrid constellations and transcending common categories such as liberal vs. interventionist

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10 Lessenich, Ostner, 1998; Conrad, 1996; the locus classicus for much of the debates in social sciences is: Esping-Andersen 1990.
or federal vs. centralist. Instead Baldwin proposes the concept of “styles of statism” as an open and qualitative conceptualisation of states, a framework also more appropriate for the historical variations of welfare state developments. „A two-dimensional axis of social policy endeavour between active and residual welfare states is now, after two decades of empirical comparative work, inadequate. (...) We need, as a starting point, a typology, or at least a grasp of the possibility, of various kinds of states.“

2. Associative, corporatist and statutory: Three styles of social insurance – three statuses of expertise

In the following section, I want to use the notion of a variety of styles of statism for analysing the differing role of expertise in social insurance institutions. I will outline three styles of (welfare) statism and point out the respective institutional statuses of expertise within them. Crucially, these styles of statism are not equated with national welfare states; they represent particular institutional traditions that can be found in most national welfare states although in different mixtures. In this sense, the following styles of welfare statism cut across national borders. Also, as the formation of European social insurance systems is deeply rooted in 19th century welfare policies, the following remarks will cover both the 19th and 20th centuries.

2.1 Associative tradition of social insurance – self organised expertise

The first style of welfare statism could be characterised as an associative style. The term “associative” refers to the long-term tradition of mutual associations that dominated the insurance sector in most European countries up to the 20th century. The origins of the associative tradition stretch back to the medieval and early modern trade and craft associations (for example the municipal guilds). With the end of the Ancient régime and the take-off of the industrialisation, the tradition of trade and craft associations spread to the petit bourgeoisie and the industrial working classes. In the 19th century, most countries developed their own form of associative insurance tradition. France was dominated by the mutualités, a multitude of trade and craft associations rooted in the municipal petit bourgeoisie and firmly opposed to the radical governments of the Third Republic. In Great Britain, the associative sector consisted of the Friendly Societies (for example the huge affiliated orders), a movement similarly anti-centralist and anti-statist as the French mutualités, but rooted more in

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industrialised regions and in the working classes.\textsuperscript{14} Germany also had its own associative tradition, composed partly by old trade and craft associations (\textit{freie Hilfskassen}, often related to the emerging trade unions), partly by coercive associations (\textit{Zwangskassen}) founded by municipalities or state governments for the compulsory insurance of the local poor. This coercive tradition, a German peculiarity, was most prevalent in Prussia since the 1840s and offered a crucial starting point for the introduction of coercive insurances on a national level with Bismarck’s social insurance legislation in the 1880s.\textsuperscript{15}

These early modern and 19\textsuperscript{th} century traditions are important because in the 20\textsuperscript{th} century, the associative insurance sector was integrated in one way or another into the national Welfare systems. Particularly in the fields of health, accident and old age insurance, the associative tradition was strong enough to shape the emerging social insurance systems and influence their national-specific organisation. In Germany, since the social insurance legislation of the 1880s, the organisation and implementation of statutory health insurance was basically delegated to the existing \textit{Hilfskassen}. Similarly, statutory accident insurance was provided by newly founded corporatist organisations (the professional associations; “\textit{Berufsgenossenschaften}”). Thus, the social insurance system (at least in health and accident insurance) is based upon participatory or corporatist organisations offering strong positions to trade unions, employers associations and other representatives of the insured. In France, social insurance legislation offered similarly privileged positions to the existing mutualités. The organisation of the old age insurance introduced 1910 was equally delegated to the mutualités; the same accounts for the first national health insurance plan of 1930. The conflict between statutory insurance plans and the claims for autonomy of the French mutualités hit its peak after 1945 with the failed introduction of a universal national insurance (modelled after the Beveridge plan). The outcome of the Sécurité sociale 1947/48 was not only a system organisationally dependent on the mutualités but in fact a plurality of different systems, a series of autonomous “régimes” next to the “regime générale” (with differentiated premiums and benefits), adapted to the specific demands of the professions and their mutual societies.\textsuperscript{16} The British friendly societies also kept a strong position in the 20\textsuperscript{th} century social insurance system. They were responsible for the administration of the social insurance introduced in 1911 (health and old age insurance) and remained the main actor in the market for complementary insurances. Even with the post-war welfare reforms and the nationalisation of

\textsuperscript{15} Arbeiten von Tennstedt, Ritter u.a.
\textsuperscript{16} Baldwin 1991.
the health service system and the old age insurance, the descendants of the friendly societies successfully fought for small statutory insurance benefits (for example in old age insurance). Thus, friendly societies (including specialised sickness and pension funds) remained the key players for complementary protection in health insurance and old age insurance. Switzerland finally illustrates one of the strongest private insurance traditions. Until the mid-20\textsuperscript{th} century, only accident insurance was nationalized and administered by a newly founded corporatist institution (Swiss Institute for Accident Insurance; Schweizerische Unfallversicherungsanstalt, founded 1918). Health age and old age insurance remained dominated by the successors of the 19\textsuperscript{th} century Hilfskassen: the sickness funds (Krankenkassen) and the pension funds (Pensionskassen). When compulsory old age insurance was finally introduced in 1948, the statutory insurance offered only a minimum benefit, as a complementary and not a replacement to the private pension insurances. In the health insurance, the private Krankenkassen dominate the marked up to nowadays; the introduction of a national system for health insurance (1996) only stipulated a compulsory membership; the administration of the insurance is still delegated to the private associations. These examples show how the associative tradition of private insurance organisations was not replaced but rather embedded into the statutory social insurance systems of the 20\textsuperscript{th} century.

What is the status of expertise, in particular of medical expertise, in the associative insurance tradition? Associative insurances are marked by two forms of expertise: internal, incorporated experts employed and controlled by the insurance associations on the one hand and – more common – organised co-operations with external experts, a co-operation that is often arranged on an aggregate level between the professional associations of insurance associations and of the medical profession.

The case of internal expertise, in which insurance associations appointed their own medical staff, was most common with big organisations. Originally, most mutual insurance associations only provided financial benefits; the medical services were delivered by self-employed practitioners. This gradually changed since the mid-19\textsuperscript{th} century as large organisations underwent a professionalisation process and started to appoint their own professional staff, including doctors to provide medical services for the insured. Examples are the Affiliated Orders in Britain (large trans-regional friendly societies, in particular the “Manchester Unity of Oddfellows” and the “Ancient Order of Foresters”), some of the big mutualités in France or the large Hilfskassen (such as the Knappschaftskassen for the mining
industry) in Germany.\textsuperscript{17} Crucially, these mutual insurance associations traditionally operated as participatory organisations granting the insured members voting rights.\textsuperscript{18} Thus, the insured members of an association, i.e. their representatives on the board of the association, were responsible for appointing the medical staff and other experts – an early form of \textit{democratic expertise}.\textsuperscript{19} Under these conditions, the medical experts ultimately acted on behalf of their patients, as part of a self-organised body and a mutual self-help association. The control of medical and financial benefits was provided by exclusive rules of admission (often excluding chronically ill and disabled patients or women\textsuperscript{20}) or by limitations in the insurance coverage (often providing only for basic medical treatments excluding hospital services).\textsuperscript{21} Once an applicant was granted a membership, the insured person participated in the privileges of the association including the self-organisation of medical expertise.

However, this self-organised form of expertise remained restricted to the limited sector of big insurance associations. Most other associations co-operated with \textit{external} experts. Over the 19\textsuperscript{th} century, this organised co-operation between insurance associations and the self-employed doctors became the standard form of expert participation in health and accident insurance. Self-employed doctors were responsible for delivering medical services; insurance associations provided the financial reimbursement for doctors and thus brought a whole new group of customers, the working class, into the medical practices. For the insurance patients, the relation to the general practitioners did not change much: consultations and treatments were still administered in the trustful, self-employed context of the medical practice. The doctor-patient-relationship remained confiding whether the physician was an internal or an external collaborator of an associative insurance.

The institutional relation between insurance and experts however fundamentally differed between the internal and the external form. In this external cooperation between doctors and insurance, the status of expertise became a matter of negotiation between powerful professional associations. With the rise of the medical profession and the professionalisation of insurance associations, the parameters of the co-operation between doctors and insurances were organised by the professional associations of both parties. The sensitivity of this institutional arrangement is illustrated by the frequent clashes between the representatives of

\textsuperscript{17} Gosden, 1973, S. 28-39; Guillaume 1996; Guillaume 2000. xxx Study on Dusseldorf
\textsuperscript{18} Gosden, 1973, S. 29.
\textsuperscript{19} Gosden, 1961, S. 138f.
doctors and insurers around the modes of payment (tiers payant or tiers garant) or the remuneration of medical services (the bargaining of standard tariffs or standard rates for medical services).

2.2 Corporatist insurance tradition – politicised expertise

The second style of welfare statism refers to corporatist social insurances. In the Bismarckian tradition, health and accident insurance legislation adopted and integrated traditions of associative insurance, but expanding it into a corporatist model. Apart from Germany, corporatist organisations were adopted in several western European welfare states, such as in Austria (accident and health insurance 1887/88), the Netherlands (Workman’s compensation act 1901; health insurance 1941) and in Switzerland (National Accident Insurance 1918; occupational pensions since 1984). Corporatism usually refers to a bipartite or tripartite governance of the insurance institutions, based upon representatives of labour and employers’ organisations and – if tripartite – of the civil service or government authorities.

Under these corporatist premises, experts are ultimately accountable to the corporate and labour interests represented in the governing structures of the social insurances. As those bi- and tripartite bodies reflect basic political interests in the respective fields of social policy, the role of expertise in corporatist social insurances tends to be politicised by the labour and corporate associations involved. The Swiss National Institute for Accident Insurance, founded 1918 and built after the model of the German equivalent, is a good case in point. All directors of the Institute had to be elected by the Administrative Council (Verwaltungsrat), a corporatist body assembling trade unions, employers’ associations and civil service delegates. The list of elected positions included the leading experts of the Institute: the directors of the medical, the actuarial and the technical departments, as well as the managing director of the Institute (usually a former director of one of the three departments). Since the Institute’s foundation, the elections by the Administrative Council repeatedly led to heated debates fought along the political polarisations present in the Council. For the first generation of experts (appointed for the foundation period after 1918), the Council elected conservative figures close to the employers’ associations. The director of the medical department was a former company physician with a bad reputation among trade unions, and the managing director was even a former director of a private mutual fund (who fought against the social insurance legislation for the national accident plan). Both were appointed against the combined votes of trade union
representatives. As a consequence of these politicised elections, the Institute and its medical and technical experts pursued a rather corporate-friendly policy until the mid-1930s. Thus for the first decades after its foundation, the Institute for Accident Insurance was most unpopular among the working classes; the relation between medical experts and their patients was often based upon an institutional distrust.

The political orientation of the Institutes’ experts started to change in the mid-1930s. In 1934/45, both directors retired within one year. At that time, the Administrative Council was already marked by the emerging collaborative policies of trade unions and employers’ associations (that ultimately led – on the political level – to the integration of the Social Democrats into the Federal Government in 1943). Again, the Council decided to send a political message with its vote, but this time into the opposite direction. Both previous, corporate-friendly directors were replaced by labour-friendly successors (one of them a member of the social democratic party, the other one a supporter of social democratic policies).

2.3 Statutory insurance tradition – bureaucratic expertise

I will only briefly touch on the third style of welfare statism: the statutory insurance tradition. Here, the insurance or welfare organisations are situated in a fully statutory tradition (as part of the central or local government). This can include administrations of fully statutory social insurances such as the German old age insurance or public health care or welfare institutions such as hospitals, clinics or centres for primary care (in Scandinavian countries, the British NHS, but also in other European health care systems). The role of expertise in these institutions is probably closest to the Weberian ideal-type of a rational, bureaucratic, expertise-based administration. In these institutions, positions are appointed after the professional status; the organisations are often big and their management and administration procedures centralized and founded on bureaucratic principles. Expertise is fully embedded into the bureaucratic organisational culture; its use is planned and administered after rational criteria.

(Rest of paper omitted…)

22 Lengwiler, 2006, chapter 8 „Unfallversicherung in der öffentlichen Diskussion: Kontroversen um die Suva nach 1918“.
Insurance and Civil Society – Elements of an Ambivalent Relationship

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Abstract
This article examines the history of the relationship between insurance and civil society in the 19th and 20th centuries. It tests the conventional narrative that this relationship followed an anticlimactic course, marked by the burgeoning of self-organised mutual insurances in the 19th century and the decline and marginalisation of this sector of civil society owing to the rise of corporate insurances and statutory social insurance in the 20th century. The article offers first a comparative analysis of 19th century mutual insurance in different European countries (Britain, Germany, France and Switzerland), calling attention to limitations to the democratic and self-organised character of mutual associations. The second part of the article concentrates on a case study of 20th century corporate insurance in Switzerland, examining how life insurance companies dealt with customers and their personal data. The case indicates that insurance corporations adopted norms of extended privacy protection since the 1980s, a process that reflected new legal demands, customer claims and policies of civil rights organisations. The conclusion summarises the ambivalent effects of insurance on the history of civil society and discusses the implications for the concept of civil society.

Insurance and Civil Society – History of an Ambivalent Relationship

Martin Lengwiler

1. Introduction

The history of the relationship between insurance and civil society, as usually told, is an anticlimactic narrative. In the nineteenth century, the burgeoning market for mutual insurance societies strongly influenced the spread of civil society networks. The rise of insurance associations, such as friendly societies in Britain, mutualités in France, or Hilfskassen in German-speaking countries, is seen as part of an emerging working-class social movement and as an important factor for the formation of modern mass democracies. In this narrative, the development of 19th century mutual insurance is usually interpreted as a

24 The research for this paper was funded by the A.v.Humboldt-Foundation, Bad Godesberg. For helpful comments, I would like to thank Patricia Clavin, one anonymous referee of ‘Contemporary European History’, Dieter Gosewinkel, Sabine Maasen and the participants of the ‘Civil Society Working Group’ at the Social Science Research Center Berlin (WZB).
primarily associative rather than an actuarial phenomenon. Later, the associative tradition of insurance became overshadowed by the two other institutional forms of modern insurance: corporate insurance and statutory social insurance. Conventional wisdom has it that corporate and social insurance gradually marginalised or replaced mutual insurances from the late 19th century, also limiting the underpinning effects of insurance for the development of civil society. Thus, the history of insurance in the era of the modern welfare state is paralleled by a gradual loss of voluntary, self-organised forms of philanthropy and social assistance.

The aim of this article is to test this conventional narrative by analysing examples for both the associative insurance tradition in the 19th century and the corporate tradition in the 20th century. The main issue to be examined is the extent to which insurances can be understood as fostering civil society either directly as civil society organisations on their own (i.e. through their open, democratic, self-organised, associative character) or indirectly by spreading values of ‘civility’ through insurance practice, illustrated, for example, by the customer policies of corporate insurances.

The concept of civil society used here follows a more British than German tradition. In German social history and social sciences, definitions of civil society are often based upon a theory of functional differentiation, distinguishing civil society from the state and the market sector on the one hand and from the private sphere on the other. Institutionally, civil society is marked by non-governmental, non-profit, associative institutions (the ‘third sector’), set against the institutions of the state and those of the private sphere, such as the family. In the British debate, the relationship between the private and the social spheres is seen from a more interactive or pragmatic perspective.


26 See articles in: van der Linden & Dreyfus, Social security mutualism; Dreyfus & Gibaud, Mutualités.

The use of the concept of ‘civility’ by both historians such as Jose Harris, Frank Trentmann or social scientists such as John Hall or John Keane uses notions of civil society based upon a specific logic of ‘civil’ action. This logic of action includes values of non-violence, tolerance, self-organisation and sociability, regardless of their social context, be it in the private realm of the family, the public sphere of social movements, or even market-oriented corporations. The logic of civil society cuts across different social institutions, including private or market organisations.28

The first part of the article offers a comparative analysis of 19th century mutual insurance societies in different European states (Britain, Germany, France and Switzerland), critically pointing at the various limitations to the democratic and self-organised character of mutual insurance associations. I will argue that 19th century mutual insurance is not a prime example for the formal and normative principles of civil society organisations; at most it had an ambivalent relationship with policies of civility and democratic self-organisation. The second part shifts the focus to 20th century insurance history, concentrating on a case study of corporate insurance in Switzerland, embedding the Swiss case in a European context. Following the rise of the insurance industry from the late 19th century, the article examines how insurance corporations dealt with their customers’ personal information and how their privacy policies evolved in the course of the 20th century. The case study is supplemented by an excursus on the data protection legislation since the 1970s, discussing how Swiss insurance corporations finally had to adopt their privacy policies to new, European-wide legal standards. Data protection legislation thus reflects a long-term process of redefining the concept of privacy from an individualistic concept into a social one. The case study shows that even though corporate insurances could not be considered civil society organisations, their corporate culture still had to adapt to legal norms reflecting the demands and values of

insurance customers and civil rights organisations promoting the expansion of privacy protection.\textsuperscript{29} Hence, the extended legal protection of privacy, as a precondition for the development of a civil society, had an effect even on the organisational culture of corporate insurance. The conclusion offers a summary and discusses the ambivalent interactions of 19th century mutual insurance and 20\textsuperscript{th} century corporate insurance with the history of civil society.

2. Selective and Exclusionary Aspects of 19\textsuperscript{th} Century Mutual Insurance in Europe

In most European countries during the 19\textsuperscript{th} century, the insurance market was dominated by mutual societies. The origins of mutual insurance stretch back to the medieval and early modern trade and craft associations (such as municipal guilds). With the end of the ancien régime and the onset of industrialisation, the tradition of trade and craft associations spread to the petit bourgeoisie and the industrial working classes.\textsuperscript{30} In the course of the 19\textsuperscript{th} century, most countries developed their own tradition of mutual insurance. In the following section, I compare the development of mutual insurances in four typical national cases: Britain, Germany, France and Switzerland.\textsuperscript{31}

Britain was by far the largest insurance market in the 19\textsuperscript{th} century. The rise of mutual insurance and, to a much smaller extent, of corporate life insurance, started as early as the 1830s, developing in parallel to industrialisation, particularly in the Midlands, and predating similar developments in continental Europe by nearly half a century. Mutual insurances were mainly organised as friendly societies, an umbrella term for a variety of often local, occasionally trans-local associations to provide for sickness-related loss of wages, basic medical costs, funeral expenses, sometimes minimal pensions. The founding and spread of friendly societies, from the informal development of small local self-help organisations at the beginning of the 19\textsuperscript{th} century, the multiplication and diversification of self-help agencies after the 1830s, to the emergence of trade unionism from the friendly societies following the 1880s has often been considered quintessential to British labour history.

With the spread of friendly societies, their self-organised and anti-centralist tradition became a central part of British civil society in the 19\textsuperscript{th} century. In 1815, only less than 10\% of the

\textsuperscript{29} For a similar argument: Trentmann, \textit{Paradoxes}, 29-33.
\textsuperscript{30} van der Linden & Dreyfus, \textit{Social security mutualism}.
\textsuperscript{31} For example: Hopkins, \textit{Working-class self-help}; Gosden, \textit{Self-help}.
population, mainly in the industrialized regions, was affiliated to a friendly society.\textsuperscript{32} From the 1830s, mutual insurance expanded fast, driven mainly by the rise of trans-locally operating affiliated orders. By 1872, around 1.3 million people were insured by the affiliated orders alone; in industrialised regions insurance up to 20\% of the population had insurance cover.\textsuperscript{33}

A closer look at the social life of friendly societies reveals that their notions of sociability and civility were not as open, tolerant and democratic as an ideal type concept of civil society would expect. Martin Gorsky, who examined mutual insurances in 19\textsuperscript{th} century Bristol and their capacity to generate ‘social capital’ and contribute to local civil society networks, concedes that, on a formal level, friendly societies were indeed open for new members and led an active associative live centred around public houses and the societies’ own halls. In their articles, most societies subscribed to some ‘no religion, no politics’ clauses to prevent open discrimination.\textsuperscript{34} Also, the organisation of most societies was democratic, giving ordinary members voting rights and the elected board members the authority over management decisions, for example about which doctor to engage.\textsuperscript{35} Each society, of which there were dozens of local branches in Bristol alone, held a public annual procession; these processions forming a prominent element in the urban associational life.\textsuperscript{36}

In practice however, the culture of friendly societies was much more exclusionary. Nearly all aspects of their social life displayed exclusionary characteristics. The core membership was firmly rooted in the skilled labour classes, following the tradition of the old trade and craft associations. Societies were only partially successful in insuring unskilled labour; many societies demanded a minimum wage of new members, thus excluding many low wage workers.\textsuperscript{37} In practice, elected board members usually belonged to the honorary elite of the old labour aristocracy.\textsuperscript{38} Nor did societies reach out beyond the working classes; the number of insured white-collar workers was negligible.\textsuperscript{39} Moreover, some societies were built upon an ethnic community, such as Irish immigrants, practically excluding non-ethnic members.

\textsuperscript{33} Gosden, \textit{Self-help}, 39f.
\textsuperscript{34} Gorsky, \textit{Mutual aid}, 317.
\textsuperscript{36} Gorsky, \textit{Mutual aid}, 314.
\textsuperscript{38} Gorsky, \textit{Mutual aid}, 318.
\textsuperscript{39} Gorsky, \textit{Mutual aid}, 316.
Workers with increased medical risks, such as the chronically ill, were also generally excluded to prevent adverse selection.\(^{40}\) A final consistent exclusionary element was the low level of female membership; due partly to explicit disqualification clauses, because women’s medical risks were deemed too high, and partly to minimum wage rules which particularly affected lower paid female workers. These discriminatory practices eventually led to the foundation of female friendly societies.\(^{41}\) The marginalisation of women was also based upon a male culture of sociability. The essence of the monthly club night was, in the words of Gorsky, to provide an occasion for ‘masculine alehouse sociability’.\(^{42}\) Some societies, in particular the affiliated orders (formally illegal until 1850) even developed a secretive organisational culture with password rituals and initiation rites, again emphasising the elite character of their society.\(^{43}\)

Following Gorsky, we can conclude that British friendly societies had an only limited capacity to create social capital and an ambivalent role in fostering civil society networks; their main achievement lay in popularising the idea of contributory insurance.\(^{44}\) In the end, the political relevance of friendly societies as nuclei of democratic self-organisation was also mitigated by early extension of the male franchise in Britain, at least since the Second Reform Act of 1867.\(^{45}\)

Germany had an even less associative and much more state-interventionist tradition of friendly societies in the 19\(^{th}\) century. The equivalent to the British friendly societies, the *freie Hilfskassen* or the *gewerbliche Unterstützungskassen*, the successors of the early modern, autonomous trade and craft associations, played only a minor role in the history of German mutual insurance.\(^{46}\) The reason for this Sonderweg of German insurance history partly lies in the comparatively late industrialisation of Germany and the correspondingly small working class, but partly also in political factors. As in Britain, the autonomous friendly societies in Germany were closely related to the emerging trade unions. However, the political persecution of trade unionism and of the *freie Hilfskassen* was much fiercer in Prussian-

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\(^{40}\) Gorsky, *Mutual aid*, 320f.


\(^{44}\) Gorsky, *Mutual aid*, 322.


dominated Germany than in Britain. Thus, during the first half of the 19th century, friendly societies were a rare phenomenon with significant regional disparities, focusing mainly on urban areas such as the North German trade centers.47

A first period of expansion started after the liberalisation of trade laws in Prussia in 1845. The revolutionary movements of 1848/49 also led to a series of foundations – partly friendly societies, partly trade unions – but such early signs of social democratic mutualism suffered severe setbacks under the restauration following 1849.48 After the failed revolution, the mutual insurance market was increasingly dominated by corporate and state-run organisations. Accelerating industrialisation from the 1860s induced many factory owners to found their own mutual insurance as an element of corporate social policy. Based on compulsory membership for the workforce and a system of payroll contributions, these corporate societies (‘betriebliche Unterstützungskassen’) were often partially funded by employers.49 Much more significant were the mandatory societies (‘Zwangskassen’) founded by municipalities or state governments. Mandatory societies were organised on the local level, either for the compulsory insurance of specific trades or – in rare cases – for the compulsory insurance of all the local workers (under a determined wage limit). These societies were administered by the local municipalities – in this sense they were rather a complement to the public poor relief system than a form of associational self-help.

This mandatory tradition, a German peculiarity, was first introduced by the Prussian trade law (Gewerbeordnung) of 1845, but adopted in 1869 by the North German Federation and in 1871 by the German Empire (although in a moderate version).50 The new state-run model of mutual insurance was quite successful. Within a decade, by 1854, municipalities in Prussia founded 2576 new societies with around a quarter of a million members (254,420). The trend continued: official statistics had recorded 3724 societies by 1868 (627,667 members), some 10% of wage earners.51 The economic liberalisation of the Northern German Federation and the German unification and the subsequent acceleration of industrialisation gave further impetus to the spread of mutual insurance.52

47 Asmuth, Gewerbliche Unterstützungskassen, 13; Tennstedt, Geschichte der Selbstverwaltung, 14.
49 For the city of Dusseldorf: Asmuth, Gewerbliche Unterstützungskassen, 37-40.
50 Asmuth, Gewerbliche Unterstützungskassen, 16-19.
51 Tennstedt, Geschichte der Selbstverwaltung, 18f.
52 Ritter, Sozialstaat, 75; Tennstedt, Geschichte der Selbstverwaltung, 13-22.
Industrialisation also led to a relative increase of the freie Hilfskassen. However, mandatory societies remained the dominant element in the German mutual insurance market. In 1881 the ratio between free and mandatory societies was still one to ten (408 free and 4901 mandatory societies). Three quarters of all insured workers were members of a local mandatory society.\(^{53}\)

Eventually, the state-interventionist tradition offered a starting point for the introduction of mandatory insurances on a national level with Bismarck’s social insurance legislation in the 1880s.

Against this background, the situation in France and Switzerland can be summarised in a few words. Both national insurance markets were characterised by a small (compared to Britain) and autonomous, anti-centralistic and thus anti-government movement of friendly societies (in contrast to Germany). In France, the movement was dominated by the mutualités, a multitude of trade and craft associations rooted in the municipal petit bourgeoisie and firmly opposed to the radical governments of the Third Republic.\(^{54}\) Distrust between government and mutualités was mutual; the republican and liberal governments of the Third Republic preferred liberal social policies, based upon the extension of civil rights, to an interventionist, ‘German’ approach.\(^ {55}\) The Swiss Hilfskassen were prevalent in the industrialised northern and eastern parts of the country, but, unlike in Germany, were firmly rooted in a federal and anti-centralist tradition. Although much Swiss social policy in the 19\(^{th}\) century was inspired by German precedents, the German type of mandatory society never crossed the border. Apart from the freie Hilfskassen, there were corporate and even municipal societies; however the Swiss Ortskassen were not compulsory as in Germany.\(^{56}\) In France, as in Switzerland, mutual insurance started to expand only in the late 19\(^{th}\) century. In 1880, only 7.5% of the workforce was insured in Switzerland, in rural France the figure was as low as 4%.\(^ {57}\) As in Britain, the autonomous tradition of friendly societies in France and Switzerland was full of exclusionary and discriminatory mechanisms such as the exclusion of disabled and chronically ill persons.

\(^{53}\) Tennstedt, Geschichte der Selbstverwaltung, 20f.


\(^{57}\) Hermann Kinkelin, Die gegenseitigen Hilfsgesellschaften der Schweiz 1880. Nach den von der schweizerischen statistischen Gesellschaft gesammelten Materialien bearbeitet (Bern, 1987), 76.
from membership, exclusion of or higher charges for women, or the restriction of the membership to a specific trade.\(^{58}\)

The mutual insurance tradition is not only crucial to understanding 19\(^{th}\) century insurance history; it also influenced the 20\(^{th}\) century history of the welfare state in significant ways, as mutual insurances had to be integrated in one way or another into national welfare systems. Particularly in the fields of health, accident and old age insurance, the associative tradition was strong enough to shape the emerging social insurance systems. Interestingly, as an effect of this process, friendly societies had to reduce their exclusionary rules and broaden their membership. This opening process was no voluntary act but the result of the rising competition of statutory social insurances and the imminent prospect of forceful integration into compulsory institutions of the welfare state. In most countries, friendly societies bitterly fought against welfare legislation such as that introducing comprehensive insurance schemes and establishing social insurance institutions.\(^{59}\)

The 19\(^{th}\) century tradition of mutual insurance influenced the emergence of social insurance systems in nationally specific ways. In Germany, since the social insurance legislation of the 1880s, the organisation and implementation of statutory health insurance was basically delegated to existing Hilfskassen. Similarly, statutory accident insurance was provided by newly founded corporatist organisations (professional associations; ‘Berufsgenossenschaften’). Thus, the social insurance system (at least in health and accident insurance) is based upon participatory or corporatist organisations offering strong positions to trade unions, employers’ associations and other representatives of the insured.\(^{60}\) In France, social insurance legislation offered similarly privileged positions to the existing mutualités. The organisation of old age insurance introduced in 1910 was also delegated to the mutualités; which was also the case with the first national health insurance plan of 1930. The conflict between statutory insurance plans and the claims for autonomy of the French mutualités reached a climax after 1945 with the failed introduction of a universal national insurance (modelled after the Beveridge plan). The Sécurité sociale system introduced in 1947/48 was not only organisationally dependent on the mutualités but in fact a plurality of different systems, a series of autonomous ‘régimes’ operating in parallel to the ‘regime

\(^{58}\) For Switzerland: Biedermann, Entwicklung, 19-20.
\(^{59}\) Baldwin, Politics of Social Solidarity.
\(^{60}\) Ritter, Sozialstaat; Tennstedt, Geschichte der Selbstverwaltung.
générale’ (with differentiated premiums and benefits), adapted to the specific demands of occupations and their mutual societies.61

The British friendly societies also retained a strong position in the 20th century social insurance system. They were responsible for administering the social insurance introduced in 1911 (health and old age insurance) and remained the main actor in the market for complementary insurances. Even with the post-war welfare reforms and the nationalisation of the health service system and old age insurance, the successors to the friendly societies successfully fought for small statutory insurance benefits (for example in old age insurance). Thus, friendly societies (including specialised sickness and pension funds) remained the key players for complementary protection in health insurance and old age insurance. Switzerland, finally, illustrates one of the strongest private insurance traditions. Until the mid-20th century, only accident insurance was nationalized and administered by a newly founded corporatist institution (Swiss Institute for Accident Insurance; Schweizerische Unfallversicherungsanstalt, founded 1918). Health age and old age insurance continued to be dominated by the successors of the 19th century Hilfskassen: the sickness funds (Krankenkassen) and the pension funds (Pensionskassen). When compulsory old age insurance was finally introduced in 1948, the statutory insurance offered only a minimum benefit, as a complementary and not a replacement to the private pension insurance. In health insurance, private Krankenkassen have continued to dominate the market to this day; the introduction of a national system for health insurance (1996) only stipulated compulsory membership; the administration of insurance is still delegated to the private associations. In all of these cases, the associative tradition of mutual insurance organisations was not replaced but rather embedded in the statutory social insurance systems of the 20th century.

(Rest of the article omitted …)

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61 Baldwin, Politics of Social Solidarity, 163-177; Dutton, Origins, 45ff.
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