Book Review of David Beito's *From Mutual Aid to the Welfare State: Fraternal Societies and Social Services, 1890-1967*, *Religion and Liberty*.

The first Christmas after my wife and I married, we received an interesting gift from her grandparents– a year's worth of dues for membership at their Moose lodge. We had visited the lodge with them and other family members, using the expansive dance floor in a conservative setting to two-step our way to an enjoyable evening. But we had never seriously considered becoming members. Exercising the gift meant joining the lodge and going through its applications and initiation rites. The paperwork was modest but the initiation ceremony was more painful– long-winded and intensely boring for the most part, but also interesting at times and quite memorable. The devotion to the causes they supported was admirable; the extent to which moderately-educated folk had gone to memorize relatively lengthy parts of the ceremony was impressive; and the rituals within the ceremony were odd and even a bit disconcerting. Unfortunately, the men and women were seated separately, so my wife and I didn't even have the pleasure of exchanging notes, whispers, and smiles. Over the next year, we still only went to the lodge with family and then did not renew our membership. For better or worse, my days as a loyal Moose had ended.

David Beito's book, *From Mutual Aid to the Welfare State: Fraternal Societies and Social Services, 1890-1967*, provided much-needed context to my short encounter with the Moose. The text is well-written and scrupulously documented, including surveys and empirical studies of organizational performance (e.g., the success of Mooseheart orphans in their careers). Beito provides both a useful overview and tremendous detail about the various historical contexts in which fraternal societies operated and the variety of functions they tried to serve. (The details can be skimmed or absorbed depending on one's level of interest.)

Beito notes that fraternals were especially prominent during the late 19th and early 20th

centuries, developing as disposable income, immigration, and domestic migration to cities all increased. They were larger than any other voluntary association 'with the possible exception of churches', having one-third of all males as members in 1920. Groups like the Masons, the Moose, and Odd Fellows were, in essence, middle-class 'platoons' formed on the basis of common social traits (e.g., class and ethnicity), common moral values (e.g., patriotism and thrift), and economic needs (e.g., insurance and safety net assistance). Fraternals acted as a forum for entertainment and promoted social cohesion, but perhaps most importantly, they provided mutual aid to members in distress and formed co-operatives which efficiently took care of health care, life insurance (even dominating the field for a time!), and funeral benefits ('to avoid a pauper's grave'). Beito also devotes a number of chapters to the special projects of some fraternals– orphanages (e.g., Mooseheart) and hospitals. Fraternals declined precipitously in the 1930s given the length of the Great Depression and as their usefulness diminished in the face of additional social, economic, and political competition, especially the concurrent leaps of government into realms covered by fraternals (e.g, Social Security and welfare).

Beito adds much to both the history and the contemporary debate over public welfare and private charity. That said, fraternal efforts to render assistance belong in a third category. While assistance rendered to needy members was privately provided, it was not considered charity. Within fraternals, there was the probability of 'direct reciprocity'– 'Today's recipient could be tomorrow's donor.' As such, the assistance– because it was between members-- was viewed very differently. As Beito notes, the Odd Fellows used the terms 'benefit' and 'right' instead of 'charity' and 'relief' to denote this difference.

From my reading, Beito approaches the issue from a different angle than the analysis provided by Marvin Olasky in his seminal work, *The Tragedy of American Compassion*. Olasky emphasizes the perspective of the aid-givers within charity and welfare; Beito's approach focuses more on the prospective recipients. Olasky's 'supply-side' approach analyzes the debate within the aid-giving community– whether to render assistance

indiscriminately or merely to the ‘needy’. By contrast, from his ‘demand-side’ analysis, Beito discusses how the needy passionately wanted to avoid the stigma of accepting welfare or charity-- again, assistance when there was no direct reciprocity. Fraternals were a popular way to avoid this stigma, insuring one against life’s trials without having to accept ‘hierarchical’ relief from relatively wealthy outsiders in a manner that was often adversarial, ‘patronizing and degrading’.

Ironically, fraternals elicited a combination of social cooperation and individualism– a willingness to help, but a pride in self-reliance. Moreover, fraternals did police their own. The rituals for which fraternals are perhaps most famous were initially embraced to foil attempts to fraudulently obtain assistance. And doing double duty, the rituals were constructed in a way that taught moral and practical lessons. Benefits were usually conditional on appropriate conduct and membership in good standing. Such behavioral regulations derived from a desire to enforce conformity to social and cultural norms, but also to protect the fraternal’s investments, especially in life insurance. Beito notes that they were practicing ‘actuarial science...in an embryonic stage’.

Beito’s study is not only interesting historically, but is also relevant today in two different ways. First, the book was replete with examples of the use of government by interest groups to restrict the ‘economic activity’ of fraternals (in health care and life insurance)– a very common practice today. For example, Beito devotes a chapter to ‘the lodge practice evil’– doctors who contracted with lodges to provide general medical care for a fixed fee. (This was a natural way for some doctors to get started in the profession-- with an established base and the ability to easily develop community contacts.) These service providers were slandered and even blackballed by the AMA since they undercut wages. While they may have provided lower quality on average, they did provide lower-cost service to those who couldn’t afford higher costs. This practice was eventually eliminated through persecution by the AMA and the increasing effectiveness of the AMA’s cartel, restricting the overall number of licensed doctors.

Second, fraternals were largely successful in areas where private charity and government remain largely unsuccessful today, especially where fraternals were most active– in cities, in dealing with the needy, and in providing competent, low-cost health care. With respect to fraternal social welfare models, Beito argues that it would be 'foolish' to either recreate them or to dismiss them as 'the quaint curiosities of a bygone era.' That said, fraternals clearly have lessons to teach us about the importance of subsidiarity and platoons in pragmatically addressing social concerns.

In Quadragesimo Anno (#78), Pius XI noted-- even in 1931-- that 'When we speak of the reform of institutions, the State comes chiefly to mind...[because of the] near extinction of that rich social life which was once highly developed through associations of various kinds...This is to the great harm of the State itself, for with a structure of social governance lost, and with the taking over of all the burdens which the wrecked associations once bore, the State has been overwhelmed and crushed by almost infinite tasks and duties.' Surely, this is even more true today. With the continued growth of government and the subsequent atrophy of platoons, society finds itself relying on the State which cannot solve these problems adequately if at all. Hopefully, non-governmental entities– most notably the Church, but also private health care insurance co-ops, modestly resurgent fraternal societies, and other groups– will emerge in the coming years.

Beito concludes that 'The shift from mutual aid and self-help to the welfare state has involved more than a simple bookkeeping transfer of service provision from one set of institutions to another. As many of the leaders of fraternal societies had feared, much was lost in an exchange that transcended monetary calculations. The old relationships of voluntary reciprocity and autonomy have slowly given way to paternalistic dependency. Instead of mutual aid, the dominant social welfare arrangements of Americans have increasingly become characterized by impersonal bureaucracies controlled by outsiders.'