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ARTICLES

Unfriendly to Friendly Societies

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This article investigates the evolution, function, and eventual decline of friendly societies in nineteenth-century Britain. Initially autonomous mutual aid organizations rooted in working-class self-help and communal identity, friendly societies provided economic security and social cohesion through insurance, savings, and ritualized affiliation. During the nineteenth and early twentieth centuries, however, increasing regulation transformed these organizations into extensions of the British state. This study argues that the regulation of friendly societies—ostensibly a negotiated process aimed at improving security and efficiency—ultimately led to their displacement by the welfare state. Drawing on historical legislation and contemporary accounts, this article shows how both the state and societies perceived regulation as mutually beneficial yet underestimated its long-term consequences. The gradual erosion of autonomy and identity among societies facilitated their integration into a state-led welfare system, dissolving their role as civic institutions and contributing to the reorientation of working-class identity toward trade unions and class-based politics. The case highlights how incremental policy change and negotiated co-option can obscure high systemic costs and unintended transformations.

The friendly society was a characteristic of nineteenth-century Britain. Friendly societies were, in principle, mutual aid groups primarily composed of workers who joined for a common financial and social purpose. These societies organized welfare benefits that became more cost-effective through economies of scale or networks. Examples included aid in case of sickness and death (burial or help for widows and children), insurance, pensions, and savings. But more than that, friendly societies also fostered a sense of belonging and a common identity among their affiliates through events, ritualistic acts (e.g., dressing in particular ways, conducting processions, using coded language, and swearing oaths), and, sometimes, the physical presence of a house, lodge, or temple for members to meet and hold discussions in. Friendly societies had a stabilizing effect on some parts of the British population, easing many of the problems related to poverty, insecurity, and migration—or, in Marxian terms, precarity and alienation.

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With the rise of the British welfare state in the late nineteenth and early twentieth centuries, friendly societies lost their economic and social functions. While maintaining their structure, they ceased to be mutualist organizations and became de facto branches of the state. With the changing scope and content of their operations, their influence on workers' identity also disappeared, leading the British working class to self-identify primarily as members of trade unions or as beneficiaries of the welfare state—thus, implicitly, as a state-dependent group.

This article answers the question, What happened to the British friendly societies in the nineteenth century? Or, in a more nuanced phrasing, can the decline of friendly societies be explained as displacement by the welfare state? If so, how did this happen, and what role did these societies play in this process? For reasons of scope and historical evidence, this article focuses on the friendly societies of the nineteenth and early twentieth centuries in Great Britain. After phenotypically explaining the friendly societies, this article discusses the research question concerning the changing relationship between friendly societies and the welfare state.

Friendly Societies

Friendly societies were neither exclusive to Britain nor to the nineteenth century. For their role in Australia, see, for example, Weinbren and James (2005); for their role in Spain, see Vilar-Rodríguez and Pons-Pons (2022). For friendly societies in the eighteenth century, see, for example, Kalman (1992) and Cordery (2003). Similar references can be cited for studies on friendly societies in several places and time frames beginning in the seventeenth century.

But the nineteenth-century friendly society in Britain was interesting not only because of its prevalence and economic importance (Cordery 2003) but also because of the influence it exercised on its members (Weinbren 2019). In addition to providing aid or addressing economic problems, friendly societies played an important role in shaping their affiliates' identity as self-governing, responsible, and therefore respectable people (Cordery 1995). Escaping the narrative of pauperism and dependency, friendly societies showed that the "working class" could be as self-sustaining, responsible, and "civilized" as other strata of society. In the end, friendly societies wanted to establish gentlemanly respect for their members (Cordery 1995).

Using the term *working class* might seem anachronistic, since the idea of such a clearly delineated stratum seems to point to a Marxian or later sociological background. But the term has been in use in Britain since the nineteenth century, mainly to refer to people who did not belong to the titled and gentlemanly strata of society. Here, *working class* is used carefully to denote people who make a living by working for others and have lower incomes. For a more complete discussion of the working class in Great Britain, refer to, for example, August (2007) and Rose (2021). The term *civilization*, on the other hand, meant behaving in a specific way, mainly as a Christian English gentleman. Civilizing entailed following the singular way of reasoning, exchanging, and acting favored by the upper class in Britain (see, for example, Amigoni 2007). The civilizing function of the friendly society was, then, to turn working-class people into people with a gentlemanly mindset.

Friendly societies developed in response to and incorporated several influences. For example, medieval guilds provided for work and vocational education and promoted collective self-help; and self-help was essential for friendly societies, which understood themselves as the successors to these guilds. Leaving education to other types of unions, friendly societies devoted themselves to safeguarding a basic level of existence for their members.

While the Poor Laws of 1598 and 1601 are sometimes cited as precursors to friendly societies, their direct influence is debatable. These laws, which required parishes to care for their poor, inadvertently spurred labor mobility and created a more unified English labor market. While they recognized and even encouraged financial self-help groups, friendly societies themselves did not begin to flourish until the mid-seventeenth century, several decades after the laws were enacted (Beito 2000, 7). The need for mutual aid among the working class, particularly for sickness and funeral benefits, was a more direct catalyst for the formation of these societies than any top-down government intervention. By the eighteenth century, the parish-based Poor Law levy system had declined, and friendly societies had become the predominant form of working-class self-help (Weinbren 2019, 37–41).

Another source of inspiration was social clubs, which emerged mainly in the cities. Conceived as associations of like-minded or like-interested people, members would gather to exchange their views on specific topics. Early on, clubs were formed in aristocratic and gentlemen's circles, excluding the working classes. The perceived role of these clubs in civilized society—in the sense explained above—grew strong, and some of them, such as the Royal Society of Antiquaries and the Highland Society, even received a Royal Charter (Brewer 2013).

Some friendly societies actively tried to emulate the social club as a place for gathering and debating—for a meeting of minds (Weinbren 2019, 42–45). In most cases, these meetings were held in public houses, which had an adverse effect on the society's image. Others eventually purchased meeting rooms or even whole houses. This, again, had a negative impact because meetings behind closed doors were increasingly associated with secrecy and even subversion. In any case, many friendly societies held meetings with ritualistic elements taken from medieval guilds, "civilization" elements taken from the club, and coded language and secrecy, which, some claimed, were influenced by Freemasons (August 2007).

It remains a controversial question whether Freemason groups exerted influence on friendly societies. Freemasons claimed to be a group of mutual aid and brotherhood, but they also claimed to work for charity on behalf of nonmembers. Freemasons did not self-identify as working class. On the contrary, early on, Freemason lodges tried to establish a link to the aristocracy and even to the royal family. Also, Freemasonry often became a business network, which, by definition, was not a working-class network. Nevertheless, the evidence for lines of communication between Freemasons and friendly societies is plentiful (Bogdan and Snoek 2014; Cordery 2003, 17; Burt 2002).

Friendly societies fulfilled, then, two types of services which were amalgamated into one. On the one hand, there was the mutual-aid service. Weinbren (2019, 89) explains these: "Friendly societies were established to assist members, and sometimes others, financially in time of illness, old age and hardship. Often members paid into a box (and they have also been called box clubs), usually secured with three locks so that it could only be opened when three keyholders were present. Members received funding from the box if they were unable to work at their normal trade. Payments were also made to their widows on their death." Naturally, these economic services developed with time. The idea of a group of people around a box, with some seniors as keyholders, was soon displaced by a system of accounting, actuarial, and investment functions. Friendly societies in nineteenth-century Britain had a modest but still, in principle, sound and abstract (i.e., ledger-based, not box-based) system of financial management.

The other aspect of these societies was their emotive appeal to members and their public image. For example, Cordery (2003, 12) describes a burial organized by such a society:

> When Samuel Leighton died on 30 July 1832 he left behind a grieving widow and his membership in the South Cave Benefit Club, a local friendly society. Leighton's death provoked fears that he had contracted cholera, which was endemic in much of Britain at the time. Village wags recalled the retired agricultural labourer's fondness for porter, and a recent binge suggested that overindulgence caused his death. The absence of further cholera-related fatalities in the area proved the veracity of this spiritous interpretation. News of Leighton's demise quickly reached Robert Sharp, village schoolmaster and secretary to the friendly society. To Sharp fell the sad duty of summoning the fifty surviving members to attend Leighton's funeral. The clubmen assembled at their meeting room in the Fox and Coney public house. From there they marched in mournful procession to Leighton's cottage to accompany the body to the parish church for the funeral, paid for by his friendly society burial benefit.

> After this ceremony, Sharp returned to the Fox and Coney with Mrs Leighton, where he presented her with the £12 death benefit that all members' widows received.

Note how the economic and emotive services come together in this description: The widow was publicly presented with her benefit only after the procession and burial concluded. This is just an example showing how the friendly society projected itself toward the community in which it was embedded and, eventually, to other strata of British society. The funeral described here had economic, religious, and social implications. On the economic side, it was the society that took over the cost and paid the widow. Religiously, it became apparent that the society upheld the rules of religion and habituated or even cultivated its affiliates toward these rules. Moreover, socially, the society fostered an emotional bond among its members, becoming a place of shared remembrance and a locus of empathy. The amalgamation of these aspects resulted in these societies gaining respectability among outsiders, attractiveness to insiders, and a role in building trust and identity.

Friendly societies organized several types of events, including pub or clubhouse discussions, religious ceremonies, and ritualistic ceremonies. Depending on the event, they were sometimes closed and sometimes open to the public. Processions, outings, and charity events directed to a broader circle of participants completed their array. It would have been cynical to view these events solely in terms of contemporary marketing or public affairs. Instead, sources confirm that friendly societies saw themselves as a force for good, organizing the working class, improving their material, intellectual, and emotional conditions, binding them—including strangers and migrants—and stabilizing social relations that were in danger of becoming erratic. Also, friendly societies believed that their mutualism and collective decision-making advanced civilized values and inculcated them in the people. Gorsky (1998a, 304) elucidates: "The claim then was that friendly societies benefited society not simply as insurers, but as associations. They fostered social capital by encouraging solidarity between members, they promoted civic engagement and acted as nurseries of democracy, and they cultivated an attitude to social welfare founded on independence and self-help."

The amalgamation of economic services and the emotive, religious, and social aspects can be illustrated in different ways. Friendly societies faced criticism for meeting in public houses since this meeting point allegedly encouraged drinking and misallocating resources. Reacting to this criticism, friendly societies issued moral codes, closely monitored their members to ensure strict adherence, and even excluded paying affiliates from benefits in cases of transgression. This was not simply motivated by public image and social norms but also had to do with decreasing risks to the well-being of members. Friendly societies soon found that adherence to the moral code decreased the likelihood that members in good standing would fall into hardship. They also found that contributors who adhered to the code were more disciplined (Gorsky 1998a, 306).

Increasingly emulating upper-class clubs and perhaps also Freemasonry, starting in 1850 several societies either excluded women or created female branches—often subordinating these to their male counterparts and leading to a decline in female membership (Cordery 2003, 14, 24, 26). Unlike other societies, friendly societies did not seek to attract members from the upper class. As organizations from and for the working class, they were careful not to dilute their sense of identity. They did, however, seek patronage. Having people from the upper class, even Members of Parliament and public servants, watching out for them was generally perceived as beneficial, and this perception was increasingly prevalent. They especially gained patronage by demonstrating their working-class discipline and modeling themselves on the upper class. With a grain of salt, nineteenth-century friendly societies formed a mid-Victorian labor aristocracy (Gorsky 1998b, 489).

In terms of numbers, at least for males, friendly societies proved a success in the nineteenth century. In the UK and its Empire, the Independent Order of Oddfellows Manchester Unity and the Ancient Order of Foresters were the two most popular friendly society branches. There were, however, many more. By the end of the nineteenth century, about six million people, or half of Britain's adult males, were members (Beito 2000). Later, in 1874, catalogues listed seventeen classes of friendly societies, including affiliated societies.

The Changing Relationship Between Friendly Societies and the State

Friendly societies did not develop in a regulatory vacuum. On the contrary, their displacement by the welfare state occurred not as a sudden event but as the culmination of a long, negotiated process. As this section argues, there was a continuous negotiation between the state and the friendly societies, in which the latter were gradually co-opted by the former. Each step toward regulation was a step toward their eventual obsolescence.

Key Legislation and Regulatory Players

The Friendly Society Act of 1793, introduced by George Rose, a member of Parliament and ally of Prime Minister William Pitt the Younger, was the first major piece of legislation concerning the societies. Rose, a Tory politician who served as Secretary to the Treasury, was a key figure in the early regulation of friendly societies. He framed the legislation after soliciting the opinions of friendly society members, who confirmed that they would never accept compulsory inclusion in a government enrollment scheme. The act allowed these organizations to register with the government. If they did so, they were required to follow regulations regarding the investment of their funds, the division of their benefits, and their overall management. In return, the societies were allowed to operate as corporate entities, could sue for funds lost or stolen, could invest their funds in public debt, and were exempt from certain taxes. In principle, the act compelled all friendly societies to register; however, it could not enforce it, so an amendment of 1829 made registration completely voluntary: If a society wished, it could register through empowered legal representatives in London, Dublin, or Edinburgh, who would issue a certificate. Later, the Friendly Society Act of 1846 abolished this semilocalized form of voluntary registration and created a centralized registrar function within the state, marking the first step in centralization (Cordery 2003, 105).

More important than the registration was the question of what information friendly societies needed to disclose if registered. At the beginning of legislative action, they had to submit their actuarial work for approval. Since many societies lacked such documents, creating or formulating them was costly and complicated. Additionally, this led to a spike in mistrust of the system—not so much among these societies as a whole but more among their members, who feared government interference, taxation, and even expropriation. By 1830, the number of societies applying for registration dropped from 1,500 to 215 annually (Cordery 2003, 106). The 1846 Act gave friendly societies greater leeway in investing, enabling them to hedge their funds while imposing greater actuarial control. It also broadened their areas of activity, which now included anything that could be predicted using actuarial tables and was not specifically illegal. This balance led to a recovery of attractiveness—although probably not trust—and to an increase in the number of registered societies (Cordery 2003, 112).

In 1850, new legislation was passed. The new law recognized, on the one hand, some of the more secretive aspects of the friendly societies' proceedings, such as secret signs, passwords, and regalia. On the other hand, the bill not only mandated that each society file all its financial data but also required certain types of auditing. Furthermore, it established two categories: registered and certified societies. The first could be audited by an officer of the society—that is, by a fellow member. The second could only be audited by an actuary. However, this provision, too, met the test of contrariness, and the two categories were resolved by an amendment to that law in 1854 (Weinbren and James 2005).

The final grand legislation of the nineteenth century was the Friendly Societies Act of 1875. It was based on the findings of the Royal Commission on Friendly Societies (1871–74), chaired by Sir Stafford Northcote, a Conservative politician who later served as Chancellor of the Exchequer. Northcote's commission was instrumental in shaping the regulatory framework for friendly societies. It clarified the types of returns societies had to file with the government and established a grievance procedure. It also authorized affiliated orders, such as the Oddfellows, with several lodges belonging to the same organization, to register as single entities, defining them as societies with a branch structure under which local societies paid into a central fund. After that, new laws or amendments addressed more specific problems and more specific types of societies, such as those within companies. But no significant alteration in relations between societies and the state occurred until 1911 (Cordery 2003, 118).

Cordery (2003, 123) explains what happened in the wake of the 1911 Act:

> In 1911 legislation to provide National Insurance for most working people was passed. Between 1912 and 1948 this system of compulsory health insurance for the lower paid employed was administered by "Approved Societies" which included friendly societies, trade unions and commercial insurance companies. The scheme involved a modest state subsidy and was built upon the payment traditions and structures of the friendly societies and trade unions, some of which already offered unemployment pay. All employed persons aged between 16 and 70, if they earned less than £160 per annum or were manual labourers in the same age group regardless of earnings, had to join a society which had been approved by the government. The legislation provided between 11 and 12.4 million people with health insurance in 1912 and this figure rose in subsequent years as the population grew and the threshold for eligibility changed. Employers purchased stamps at the post office, fixed them to the workers' contribution cards and deducted the workers' portion directly from wages. These cards were returned to the member's Approved Society, which returned them to the Ministry as proof of contributory income. Although the day-to-day administrative decisions were supposedly left to the Approved Societies, in practice transactions between centre and each society were monitored through the process of audit. Collectively, the Controller, the official auditors and Government Actuary determined the ways in which the scheme developed.

This description shows how, after 1911, friendly societies became little more than agencies of the state and how their economic function obfuscated their social, religious, and emotive significance. After 1911, friendly societies were de facto parts of the state machinery. Increasing efficiency became their primary goal. They stopped organizing events and dropped their rituals, coded language, and symbolic gestures. They likewise dropped all requirements regarding the moral or social conduct of their potential beneficiaries and focused solely on the economic aspect of mutualism. Moreover, even from an economic perspective, as part of the state, they ceased to be truly mutualist or self-help-oriented. The mid-Victorian labor aristocracy—that is, working-class people behaving as upper-class people—ceased to exist. Instead, workers realigned themselves with trade unions and subscribed to the idea of class struggle (Pelling 2016). Some friendly societies, such as the Oddfellows, continued their ritual program but discontinued their economic self-help services, effectively becoming charities.

The Point of View of the State

The legislative processes summarized in the previous subsection can be understood as increasing state intervention through the regulation of the friendly society. The objectives of the state were, first, to provide framework conditions for these societies; to increase the transparency of their actuarial and financial proceedings; to standardize their actuarial and investment practices; and to standardize and register the societies as such; and finally, to superimpose state structures over the societies.

This section examines the reasons for the state to push for this integration. The *state's point of view*, as used here, is a catch-all phrase referring to the arguments voiced in the Parliament and by the administration. These arguments proved to be the ones favored by the majority. The state's point of view is therefore an ex post view. This article claims neither that this development was predetermined nor that the whole British state thought and acted in this way; rather, the state's point of view is an attributed category that helps analyze how this process occurred. The point of view of the friendly societies, a similarly constructed category, is discussed in the following subsection.

There are good reasons to believe that the "charitable" concerns and preoccupation with "social questions" expressed in the first Poor Laws were genuine. The question of how to liberate people for new jobs and new places, and how to deal with the poor, had been part of public discourse in Great Britain since the sixteenth century. As the internal labor market became more flexible, migration and urbanization increased, and a (perceived) precariat emerged, social issues grew in significance. Some politicians and administrators thought the problem was so complex that it could not be fixed by low-threshold or voluntary action and therefore required more robust, compulsory state action. Since the seventeenth century, ideas for state-led social programs, and even for a full-blown welfare state, had been discussed several times in Parliament. If they were rejected, it was because a majority decided they were not needed at all—not because they might displace voluntary action (Lindert 1998).

One of the reasons the state regulated the friendly societies was the lack of trust toward them specifically and the working class in general. Subscribing to a paternalistic worldview, many agents in Parliament and the administration did not trust the working class to self-organize or establish sound unions. Even those who favored self-aid and mutualism often thought that the church could lead such organizations or that they could be organized top-down with proper oversight and guidance. These circles took any instance of mismanagement—and there were quite a few—as proof for the friendly societies' principled inability to self-organize (August 2007).

However, there was also mistrust by those who were suspicious of any self-organization of the working class. This second group, guided by a conservative political approach, was wary of successful self-organization that could lead to greater identity, assertiveness, and solidarity among the working class—and, eventually, to class struggle. This group feared workplace unionization and political mobilization and had no interest in friendly societies establishing themselves and their members as a respectable, social, and responsible part of civil society (Lindert 1998; Rose 2021). Their arguments took place against the backdrop of the French Revolution—broadly, from 1789 to 1799—which they erroneously understood as a revolution by the poor against the country's established order. They feared that a well-organized working class could do the same in Britain and suspected that the social and intellectual activities of the friendly societies were, or would become, a vector for revolutionary thought.

The elite oversight of the friendly society established by Rose's Act was a compromise between the charitable, paternalist, and conservative positions. While it did not foresee political control of friendly societies, it established offices such as the registrar's office, a person who was not a member of a society but controlled their finances. The hope was that a registrar with full access to the accounts would be able to see whether any society's funds were used to politicize or to exert personal influence over that society's officers (Weinbren and James 2005, 92). Cordery (2003, 45) elucidates this point:

> The legislation came at a time of growing domestic unease. The French Revolution and subsequent European wars politicized large portions of the British population over issues such as taxation and representation. British republicans denounced the royal expenditures and George IV's personal unpopularity cast a pall over the monarchy. Using spies and informers the Home Office tried to infiltrate and investigate any potential threat to parliamentary monarchy. Rose's Act was an example of the government identifying and classifying its allies to winnow out its enemies. It was also an example of how people without formal power could pressure the government to gain corporate recognition at law. Friendly societies in Leeds unsuccessfully petitioned parliament to approve their rules in 1786, after which London friendly societies placed an advertisement in the Times canvassing support for legal recognition at law, and societies in Bradford also sought approval. George Rose framed the legislation after soliciting the opinions of friendly society members, who confirmed that they would never accept compulsory inclusion in a government enrolment scheme. As

> F. M. Eden wrote in 1797, “There are great objections to all compulsory forms for erecting Friendly Societies: whatever benefit is intended to the Poor, obliging them to subscribe, is, in effect, taxing them.”

This account is fascinating in several ways. First, it shows that the regulation of the friendly society was a negotiated process. The societies were consulted, provided their input, and canvassed for the regulation. The negotiation that took place consisted of legislators accommodating the societies’ wishes and the societies actively supporting their own regulation. Second, the regulation’s political intent was clear: It was about creating allies in the working class by co-opting their organizations. The preoccupation with the French Revolution provided the background for the state’s overture, but it did not fully explain it. By extending its influence and control mechanisms to organizations that could become problematic, the state intended to divide the working class and deter class-based mobilization and struggle.

Another, similar, source of concern was the ritualistic aspect of the friendly society, particularly its oaths and coded language. Cordery (2003, 106) recounts the following:

> On the other hand, some Dorset labourers who formed a friendly society were prosecuted because they had sworn an oath. They were convicted under the 1797 Unlawful Oaths Act and transported to Australia for seven years. One MP made the connection between allegations of insurrection and the Oddfellows. He admitted that he had been ignorant of the 1797 legislation and added: “Indeed, if secret oaths were illegal and punishable by this Statute he was himself indictable as he belonged to the Society of Oddfellows and had taken a secret oath in that Society, over which presided at the time an eminent lawyer, now high in the administration of the law, who actually administered the oath to him.” The Oddfellows strove to show their loyalty. An oath of loyalty to the Society was replaced by a promise and in 1837 the Oddfellows declared that members were not permitted to sing or toast on religious or political topics and nor could strike pay be provided from its coffers. In 1841 it ruled that it would only make payments to members who were “well attached to the Queen and Government.”

This account not only relates the state’s suspicion of the friendly society’s secrecy and ritual demeanor but also shows how successful the state was in co-opting the friendly society. The Oddfellows happily complied with the regulation banning some of their rites, refrained from financing class struggle, and supported the state component of their moral code. No one could join without establishing loyalty to the Queen and country. The worker was being transformed into a gentleman—a law-abiding, queen-loving, state-attached gentleman—not only by the economic and emotive means of the friendly society but also because of its regulation by the state.

The Point of View of the Friendly Society

The two accounts quoted in the previous subsections already give away that the friendly societies were not, in principle, opposed to their own regulation. Instead, they negotiated the terms of the regulation with the state. This negotiation led to a self-sustaining cycle in which the friendly society accommodated the state and the state accommodated the friendly society. In more contemporary language, one could speak of a lobby or a cartel. This section discusses these accommodations from the friendly society's perspective.

Phenotypically, there were three ways of thinking in the friendly societies. One was a hands-on approach, only or mainly interested in the performance of the society's functions, with little regard for regulation. The other was calculated support for regulatory initiatives because they created additional opportunities, enhanced security, and strengthened reputation. The third was mistrust and fear of granular intervention, taxation, and expropriation. It is safe to assume that most friendly societies were not opposed to regulation but that there was also some suspicion about what the state really intended to do. Cordery (2003, 106) explains this ambivalence: "The hegemony of voluntarism notwithstanding, working people exhibited two potentially contradictory attitudes toward state actions: fear of their consequences and high hopes for their effects. Fear rested on the expectation that the government would appropriate accumulated funds, either as taxes or directly as a form of legalized theft. The high expectations were evident in a common misunderstanding of the nature of registration. Many members complained that they joined enrolled societies on the assumption that enrolment bound the government to guarantee the funds of the society, which proved to be false."

Friendly societies faced several problems in the eighteenth and nineteenth centuries, and, due to their organizational structure, they were unable to solve them independently. First, there was the challenge of legality. In the British legal tradition—and perhaps also in the culture of prudence—regulation was a mark of legality. Unregulated entities, while not per se forbidden, bore the mark of potentially unlawful activities. The friendly society's regulation legalized it.

Many societies also faced problems of mismanagement and fraud. While statistical data suggests that only a minority of societies were affected by these issues, the cases that did occur were often highly publicized. This created a public perception of widespread incompetence and dishonesty, which was later used by politicians and other reformers to justify increased regulation. For example, in 1845, the eminent actuary Francis Neison calculated that the Independent Order of Oddfellows Manchester Unity had such a large deficit that it would be insolvent within twenty years. This announcement, though specific to one of the largest societies, cast a shadow over the entire movement and fueled calls for greater oversight (Ismay 2015, 115).

It might be questionable whether the friendly society, as such, could deal with these problems. But the majority view at the time, across societies and in government, was that it could not and therefore needed standardization and regulation (Ismay 2015).

Another type of challenge was the investment universe. As long as the friendly society was gathered around the box—that is, as long as all its means were liquid—there was no need to invest. However, once the members decided to apply their financial means, realizing that the contents of the box—or rather, the money in the accounts—could increase benefits if properly invested, they faced questions concerning which investments their society could make. In a regime in which the most profitable investments were accessible only to corporate entities, the friendly society could be incorporated only if regulation permitted it. Many societies saw the possibility of accessing specific types of investments as a reason to become regulated. A similar challenge was to examine the effects of scale and network, which were of interest to societies organized as branches, such as the Oddfellows and the Forresters. Their recognition as multibranch entities allowed them to invest more money, increase members' revenue, and reduce management costs (Cordery 2003, 93).

Finally, the tacit goal of many friendly societies was to turn workers into gentlemen. The legality of the regulation, its security, its transformation into investment corporations, and its liaison with politics and the state enabled societies to establish reputability.

Increasing regulation boosted, or at least did not detract from, membership in friendly societies that were exclusive to males. For example, of the 30,074 Oddfellows lodges active in the 1870s, some 14,700 were established after 1835 (Weinbren 2019, 210). In another example, in Bristol, there are records of only nine societies before 1793, compared to forty-one founded between 1793 and 1815. In 1803, eighty-eight societies were counted in the city. By the late 1860s, over a hundred Bristol societies had accounts in the city's Savings Bank, representing around two-thirds of the total number in existence at the time (Gorsky 1998a, 315).

As mentioned above, not every society or member was happy with increased regulation. There was some resistance, and the proceedings of the time reflected controversial discussions within the societies themselves. Some of this resistance to regulation stemmed from mistrust, but some of it was more principled. Some friendly societies saw themselves as mutual aid organizations for workers and by workers. They prized their independence and their essentially bottom-up character. They saw in government regulation the loss of autonomy, self-management, and self-directional capabilities (Beito 2000, 164). Resistance also came from those who were weary of the growing regulatory burden. They feared the state would replace the friendly society with welfare programs. Some also feared that the introduction of the welfare state would undermine all efforts to civilize the working class and would also entrench class struggle (Beito 2000, 174; August 2007, 106; Pelling 2016).

With the 1911 Act, friendly societies were transformed into agents of the welfare state, losing much of their economic independence and most of their emotive functions. The state introduced welfare programs based on efficiency arguments. The claim was that the friendly societies' net was too complicated and costly to operate and that it excluded some groups of people. In the beginning, friendly societies accepted the welfare state because they bought into the efficiency argument—one they had been advancing for over one hundred years. But when they realized that their factual, if not formal, displacement was occurring, it was too late for their business model to be saved.

Conclusions

This article examined the friendly society in nineteenth-century Britain. It explained what such an organization did—namely, that it was an economic self-help mutualist society and an emotive organization mobilizing the social and sometimes religious resources of its members, creating identity and projecting reputation. The article's main concern, however, was with the regulation of the friendly society, which happened in the nineteenth century and aimed to standardize the society's actuarial and fiduciary practices, giving them more security against fraud and losses, opening the investment universe, and providing some oversight—that is, it aimed to attach them to the state. But these gradual increases in efficiency culminated in an allegedly super-efficient welfare state, displacing the friendly society with an all-encompassing net of state-driven programs that capitalized, in theory, on the scale and networks of those societies.

This article reviewed the viewpoints of the state and of the friendly societies, revealing that regulation was increasingly negotiated between the two. The state achieved its objectives of control and stabilization, and the societies achieved their goals of safety and stability. Each had to overcome mistrust of the other and accommodate the other side's demands. At the time, each side was happy with the compromises—to the limited extent that they could perceive the effects.

But the hidden costs of this series of compromises were high. In the end, the friendly societies lost their raison d'être, becoming agents of the state. Moreover, the state lost its alliance with the working class by dismantling the friendly society's emotive function, thereby precipitating unionization and class struggle—the very outcomes the state sought to hinder.

An important conclusion is that co-option, lobbying, and cartels usually entail hidden costs. The costs were hidden because the agents, while acting, often neither acknowledged nor foresaw them. Instead, they misunderstood the achieved compromises as win-win situations without considering the larger prospect. These costs were not always socialized and could even harm the agents themselves by leading to outcomes entirely detrimental to their wishes. These agents often approved of immediate results but discounted the long-term results of the process to which they contributed. Such gradual processes were prone to harmful outcomes because agents usually judged the process only from the limited perspective of each step they took in it, rather than from the perspective of the process as a whole. Discounting the totality of outcomes was more probable for such aggregated processes than it would be for a grand arrangement. These conclusions can be drawn from the process undergone by the friendly society, but they could also be generalized to other forms of development.

This article has shown that the regulation of friendly societies was a complex process with multiple actors and motivations. While the article has identified key players, such as George Rose and Sir Stafford Northcote, a more granular analysis of the individuals and groups involved would be a fruitful avenue for future research. Examining the specific arguments and interests of different factions within the government and the friendly society movement would provide a more nuanced understanding of how and why certain regulatory paths were chosen over others. Another avenue for further research would be to compare the friendly societies in Britain with those in other countries—and not only in the Anglosphere.

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