

FROM MUTUAL AID TO WELFARE STATE: FRATERNAL SOCIETIES AND SOCIAL SERVICES, 1890-1967. BY DAVID BEITO. CHAPEL HILL: UNIVERSITY OF NORTH CAROLINA PRESS. 2000.

A common refrain heard from those who criticize recent welfare reforms is that the private sector cannot handle the burdens imposed by the dismantling of the welfare state. Since the passage of the 1996 welfare reform law, the provision of welfare services has become less centralized, devolved to states and local communities. Since the “Charitable Choice” provision of the 1996 law loosened religious restrictions on third-party providers, government contracting with religious groups has become more common. Both major party candidates for president in the most recent election endorsed the practice of contracting with religious groups for the provision of social services.

Yet critics of this decentralization and privatization insist that the private sector is not suited to take on this increasing involvement. The subtext always calls for a perpetuation of federal welfare policies as we have come to know them over the past half-century. Marvin Olasky challenged some of these notions when he published *The Tragedy of American Compassion* in 1992. After then-House Speaker Newt Gingrich touted Olasky’s book, placing it on his “required reading” list for incoming members of Congress, Olasky’s fame accelerated, as did the fame of the book’s premise.

In *Tragedy*, Olasky introduced the idea that prior to the growth of the welfare state in the twentieth century, private individuals and organizations aided the poor in many ways, and that they did so more effectively and more compassionately than the government counterparts who have taken over welfare functions throughout this century. Critics of Olasky’s thesis have assailed him by comparing the litany of services and the enormous expenses of the modern welfare state to the much smaller, poorly funded private social assistance sector.

Writing as a journalist, Olasky relates contemporary accounts of private efforts to help the poor in the late nineteenth century. In his *From Mutual Aid to Welfare State*, David Beito, assistant professor of history at the University of Alabama in Tuscaloosa, continues Olasky’s project. Writing as a historian,

Beito takes Olasky's arguments even further. He paints a vivid picture of the impact of fraternal societies in the first half of the twentieth century. Detailing the structure and activities of several fraternal orders in the United States, Beito makes the case that many of the services and activities which now fall, by default, onto the shoulders of government bodies, were once provided by these voluntary, mutual societies.

In the early part of the twentieth century, fraternal orders advocating values such as self-reliance were an integral part of American society. They provided a locus of community, particularly for immigrant and minority groups. They also provided a means of provision of social welfare services that avoided the stigma of what government charity existed at the time. Unlike government and private charity, fraternal aid was based on reciprocity. Beito writes that in fraternal orders, "Donors and recipients often came from the same, or nearly the same, walks of life; today's recipient could be tomorrow's donor, and vice versa" (p. 18).

This sense of reciprocity enabled the fraternal orders to enforce the very values that made them work well. Their oaths of membership shared common themes, advocating values like self-reliance, thrift, self-government, civility, and mutualism. These values were enforceable, and the orders held their members accountable. Members could be refused assistance because of immorality or intemperance. But the moral standards tended not to be used adversarially, since the sense of reciprocity served to remove any stigma and patronization.

What could be accomplished by these groups with strange names, moralistic oaths, and made up of immigrants, working-class people, and minority groups? Beito spends the bulk of *From Mutual Aid* describing the various impressive accomplishments of a number of these groups. (He does acknowledge that he only examines a small portion of fraternalism, but the examples he gives are representative of the larger movement.)

One way in which fraternal orders cared for members' needs was to establish orphanages for the children of deceased lodge members. While conditions in these homes were perhaps not ideal, life in a lodge orphanage was far superior to other options available for the children who lived there. Beito spends a chapter describing life at Mooseheart, the national orphanage of the Loyal Order of the Moose, located in Illinois. Mooseheart children benefited from strong discipline and character education, and Mooseheart alumni, unlike graduates of some orphanages, tended to have higher weekly wages and higher education than national averages.

More impressive than the orphanages were the medical systems formed by fraternal orders. "Lodge doctors" were employed by orders whose poor, minority, and working-class members could not otherwise afford medical care. Many in the established medical community bitterly criticized the practice. Some orders were able to build their own hospitals to care for lodge members. This was especially important in the South, where African-Americans were

denied care or given substandard care at other hospitals. The African-American fraternal hospitals provided them with greatly improved options.

Orphanages, medical care and hospitals, life insurance, and other benefits provided poor and working-class lodge members with lifestyle options typically available only to wealthier people. By joining together in fraternal orders, these groups not only enjoyed community and fellowship, but were able to mutually improve their standard of living. The big question lurking throughout *From Mutual Aid*, is what happened to these orders? Given the obvious benefits, why do we hear so little about these kinds of orders today?

The answers are multiple and complex. Throughout the book, however, Beito alludes to a pattern of increasing government control, regulation, and competition that slowly eroded the necessity of mutual aid. As Beito points out, "The relative lack of governmental welfare spending encouraged people to form societies for mutual protection" (p. 114). Yet, services that were provided within the fraternal orders were later crowded out by government services. The president of one order said, upon the closing of their retirement home, "Social Security and other public assistance programs" had resulted in a situation where "the real need for our homes for aged members had practically ceased to exist" (p. 98).

Mutual life insurance programs, which thrived in fraternal organizations, were threatened by government-mandated compulsory old-age insurance. Following the European example, the United States moved toward substituting "paternalism for fraternalism." A growing army of social workers, social scientists, and other progressives pushed for compulsory insurance, but, in this case, the fraternal orders prevailed. However, the stage was set for later compulsory government programs that would erode the need for mutual aid.

Fraternal health care suffered its worst blows as a result of government interventions. The 1942 exemption of health insurance from the income tax caused a shift from individual and mutual health plans to employment-based health coverage. The movement toward third-party payer health coverage also hurt fraternal hospitals. As the involvement of government entities in health care grew, so did regulatory pressures. Small, fraternal hospitals found keeping up with increasingly onerous and complex regulatory standards to be prohibitive, and were forced to close. Later, Medicare and Medicaid made it possible for African-Americans to seek care in the more established white hospitals that had formerly shunned them. There were also other causes of the decline of fraternal health care, such as rapidly increasing costs in the field of health care, growth of technology, greater mobility, and migration to the north (in the case of African-American fraternal hospitals in the South), but government policies played a major role.

Describing slowing fraternal growth in the 1920s and 1930s, Beito looks again, in part, to government causes. "Societies suffered from laws that hindered their operation and subsidized competitors" (p. 205). Fraternal orders

were subject to increasingly restrictive laws. As commercial life insurance companies grew more dominant, legislative measures that were designed ostensibly to protect fraternal orders from commercial pressures had the effect of stifling their activity. The chairman of one society complained that regulations had removed fraternalism from fraternal life insurance societies. "The fraternal has been legislated out of the plan. . . . We have too many laws that go into the minutest details" (p. 215).

The rise of the welfare state in the aftermath of the Great Depression sealed the fate of fraternal societies. Fraternalists decried the shifting emphasis of the federal government toward social welfare. The accountability, mutualism, and community associated with a fraternal order could not be replicated in any sort of government program. Government, they pointed out, is "incapable of approximating the warm handclasp from a fellow member or 'the friendly visitation of fraternalists to a stricken brother.'" One critic asked, "Is there any beautiful ritualism or human tenderness in a governmental bureaucrat?" (p. 230).

Beito is careful not to lay the entire responsibility for the decline of fraternal orders at the feet of the growing federal government. But he does make it clear that the rise of the welfare state was a major factor. In response to those who claim that the private sector, whether religious groups or mutual aid societies, cannot replace the welfare state, Beito would give a qualified response. "Mutual aid," he argues, "was a creature of necessity. Once this necessity ended, so, too, did the primary reason for the existence of fraternalism. Without the return to this necessity, any revival of mutual aid will remain limited" (p. 234).

This conclusion can be taken either as a mark of pessimism or a sign of hope. It also marks the dilemma faced by policymakers. Beito's yeoman's work of documenting the effectiveness and extent of mutual aid societies' activities rebukes those who claim that private efforts are insufficient, and should encourage those who are even now rebuilding this part of the civil order. Yet, the time it takes for mutual aid to fill any voids left by a drastically scaled-back welfare state may be too long for some. The sad truth is that the "old relationships of voluntary reciprocity and autonomy have slowly given way to paternalistic dependency" (p. 234), and that is just fine for many of those who have become dependent.

From Mutual Aid is not, nor does it intend to be, a comprehensive study demonstrating the superiority of private social welfare efforts over government programs. But Beito does provide evidence of what has been, and can be, done by private, voluntary organizations. Whether the energy and effectiveness of mutualism can be revived, or whether people will continue to demand paternalistic dependency is an open question.

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