The background of the book cover is a sepia-toned illustration. It depicts a large, circular wooden structure, possibly a wheel or a frame, with several wooden poles radiating from its center. Inside the circle, there are numerous small, dark figures of people, some appearing to be in motion or falling. The overall scene is set against a light, warm background.

Devising Consumption

Cultural Economies of Insurance, Credit and Spending

Liz McFall

And we are very silent, so very silent that no one to this hour knows what we think on any subject or why we think it.

Charles Frederick Gurney Masterman, *From the Abyss of its Inhabitants by one of Them*

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To Dick and the hinterlands. In every page of this whether he likes it or not.

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Notes on terminology and abbreviations

Check trading	Practice of selling credit checks on the doorstep to be redeemed at selected retailers
Home credit	Term adopted in the 1960s to refer to all forms of doorstep credit including checks, vouchers and loans
Industrial Offices	Collective term for industrial life companies and collecting friendly societies
Industrial Life Assurance	Life assurance for small amounts targeted at 'industrious classes' with premiums collected weekly
Life Assurance/Life Insurance	These terms are often used interchangeably but there is a technical difference between them. 'Assurance' was originally used to refer to events that would happen (hence life assurance) and 'insurance' was used to refer to events that may happen (hence fire insurance). In practice, 'life assurance' has been the preferred term for the commercial industry in Britain where in the US 'life insurance' is preferred
Ordinary Life Assurance	Life assurance in which the premium is remitted at annual or quarterly intervals
Ordinary Branch	Larger life assurance contracts offered by the industrial offices with less frequent collection

Abbreviations

BIA	British Insurance Association
Combine	Association of Industrial Assurance Companies & Collecting Friendly Societies
ILA	Industrial Life Assurance
ILOA	Industrial Life Offices Association
LOA	Life Office Association
PAC	Prudential Assurance Company:
PCS	Provident Clothing and Supply Company

Chronological list of key Reports and Legislation

1774 *Life Insurance Act* (also known as *The Gambling Act*)
1825 *Select Committee to Consider the Laws Respecting the Friendly Societies*
1829 *Friendly Societies Act*
1844 *Joint Stock Companies Act*
1846 *Friendly Society Act*
1850 *Friendly Societies Act*
1853 *Select Committee of Inquiry into Assurance Associations*
1854 *Select Committee on Friendly Societies*
1855 *Friendly Societies Act*
1865 *Government Annuities Act*
1870 *Life Assurance Companies Act*
1871-4 *Royal Commission into friendly and benefit building societies* (Stafford Northcote Reports)
1875 *Friendly Societies Act*
1875 *Prudential Assurance Company Act*
1889 *Report of the Select Committee on the Friendly Societies Act 1875*
1896 *Friendly Societies Act*
1896 *Collecting Societies and Industrial Assurance Companies Act*
1909 *Assurance Companies Act*
1911 *National Insurance Act (NIA)*
1914 *Courts (Emergency Powers) Act*
1920 *Parmoor Report (CMD 614)*

1923 *Industrial Assurance Act*
1933 *Cohen Report (CMD 4376)*
1942 *Beveridge Report (CMD 6404)*
1946 *National Insurance Act*
1948 *Industrial Assurance and Friendly Societies Act*
1971 *Consumer Credit: Report of the Committee, [CMND 4506]* (Crowther Report
1981 *Trading Check Franchise and financial services* Monopolies and Mergers Commission
1986 *Financial Services Act*

Devising Consumption: Introduction

The history of the human experience of Victorian poverty, wrote John Pemble in 2012, does not exist. No matter how occupied Victorian reformers, politicians and journalists were in peering in at it, they could never really know it or share the experience, because even those few who spent a long time in its midst, always knew they could get away. What they wrote about poverty; the investigations, reports and commissions that were conducted, mattered. A series of legislative interventions were made from the late nineteenth century, partly in response to all those accounts of abject lives, and these prepared the ground for the major liberal reforms that followed. Some of the same authors went on to be directly involved in the discussion and drafting of old age pensions, sickness and unemployment insurance legislation. Things changed because of what they wrote but their enterprises did not extend to recording the voices of the poor themselves. What the poor had and had not, what they wanted, and why and how they proposed to get it, has left barely a trace. These questions are the hinterland of this book. In the foreground is an exploration of two financial industries that were first established in Victorian Britain to provide the means to certain forms of consumption even among the very poor.

The two industries, industrial life assurance and check trading, known collectively as ‘doorstep finance’, were based on the door-to-door sale and subsequent weekly collection, of contributions toward small life insurances and credit checks. Industrial assurance came first. Beginning in the 1840s, it was already trading on a vast scale by the time the first check trading company was formed in 1880. At its peak in the 1940s, there were over 100 million industrial life policies in force in Britain, more than double the population of the time, since it was the norm for multiple policies to be taken out on the same life. This book concentrates on the UK industry but it was not an exclusively British phenomena. Industrial insurance was a massive industry in the United States after the 1870s and in Australia from around the same time, there were comparable industries in many European countries and it remains a substantial force in many parts of Asia and Africa. The scale of the industry meant it was the closest thing to a universal system of financial provision for the poor and as a direct consequence it was seldom far from the scrutiny of policymakers. Its size and political significance also

mean that it has left a big footprint and for these reasons it is the industrial assurance sector that looms largest throughout this book. Check trading was a small industry by comparison. Between 1880 and 1960, only one company had a national presence and although it had hundreds of competitors, almost all of them were small, local concerns. Together the two sectors offered the primary means to consumption used by the poor.

The question of what and how the poor consumed has not provoked that much interest. When consumption began to be considered worthy of academic attention it tended initially to be of the theoretical, conceptual kind. The role of consumption in, for example, pacifying workers, in stimulating over-production, in damaging social ties had been debated extensively before attention turned to exploring its content and experience through the focus on popular culture, subcultures and everyday life that gathered steam in the 1970s. Even then, this did not lead straight to an investigation of the mundane consumption of everyday things. Instead it was conspicuous, special and highly visible consumption that dominated. The academic terrain is still overrun with glittering malls, spectacles, flâneurs, luxury, global and niche brands; while banks, insurance companies, supermarkets, department, furniture and DIY superstores have, until recently, scarcely figured at all. Exactly what, and precisely how, those of very limited means consumed has been left to a few historians, reformers and policy specialists.¹

Turning to the means of consumption involves taking more seriously than has always been the case how it was all paid for. The underside to all the emphasis on desire and luxury is that the stuff still had to be bought - it wasn't to be had just for the longing, no matter how powerfully orchestrated. While an increasing number of studies now take the relationship between consumption, finance and credit seriously², this has been a persistent and peculiar omission. Approaching consumption from the funding end casts the whole enterprise in a different light. If some forms of consumption are sometimes about pacification, distraction and fantasy, looking at the means makes it hard to miss the labour, effort and deliberation that also go into consumption. It points too, to just how little has been written about the consumption habits of those at the opposite end of the spectrum from Thorstein

Veblen's leisure classes. A kind of blindness to poor or subsistence consumption, to what it has included historically and how it was arranged, has prevailed. When Raymond Chandler (1953) writes in *The Long Goodbye* of the poverty of desire among the rich:

There's always something to do if you don't have to work or consider the cost. It's no real fun but the rich don't know that. They never had any. They never want anything very hard except maybe somebody else's wife and that's a pretty pale desire compared with the way a plumber's wife wants new curtains for the living room.

It sounds odd because so few scholars have been interested in exploring what the poor knew about material desire, what they bought and how they paid for it. Yet the poor of course had to consume something. They spent larger proportions of their income on things poverty researchers - most famously Charles Booth (1902) and Seebohm Rowntree (1901; 1941) - defined as 'necessaries'; the rent, food, clothing, fuel and so on; but money was also found for other things, like alcohol, tobacco and gambling. By being consumed even when there were insufficient funds for the necessities, these other things defied and troubled poverty researchers' definitions, leaving them often to conclude that there was a wilful element to deprivation among a large section of 'undeserving' poor. Townsend's retort that poverty investigators took almost no account of the customs of working people's lives, who would need to live as 'skilled dieticians with marked tendencies towards puritanism' (1954: 134), to achieve on their income the nutritional standards researchers deemed possible, marks another instance of how little the lived experience of poverty has figured. This is especially pronounced in the case of life insurance, one of the largest and most reviled forms of 'non-necessary' expenditure for almost a century before its most controversial forms began gradually to be legislated away in the late 1940s.

Industrial life assurance doesn't immediately sound like a ruinous indulgence, but for a queue of politicians and reformers, the percentage of income spent on insurance, even in the poorest households, was an outrage. It seems implausible that the hard scrimp and sacrifice required to reserve a reported

average of between 5-10% of income for weekly premiums could be prompted by life insurance. That this was done for a product that in its mainstream or 'ordinary' form had struggled, even with relentless promotion, for over 150 years to establish a market amongst the upper and middle classes; a product that was abstract, possibly unsafe and based on future need when present necessities might have been considered more pressing, is perplexing. That is, it is perplexing if the focus is on the product itself, rather than what it was used for.

The Industrial Life Assurance (ILA) industry grew out of the demand for funeral cover. Its core products, especially in the early years, did not really cover lives; they covered deaths, paying out only enough to meet funeral expenses, not a sum that could be lived on. Funerals were hardly needless extravagances but they mattered differently then, more than any other ritual event in an average life would, and more was spent on them. Industrial life assurance provided the means for this consumption by offering a product that enabled the poor to spend the relatively large sums of money involved. As the twentieth century progressed this aspect of funerals as a spending occasion began to subside and the industry diversified its products to include endowment, pension and mortgage loan policies that would be used to pay for other big events like coming of age parties, weddings and anniversaries, as well as big things like houses, cars, retirements and washing machines.

It wasn't just the percentage of income spent, or even its final motivation, that provoked outrage: it was the structure of the whole ILA system. Weekly collection was eye-wateringly expensive to deliver, and for the first few decades an average of around 50% of premium receipts went on administrative expenses. This stoked an argument that the poor were paying far too much for a product they didn't need that did little to promote the qualities of thrift, responsibility and independence they did. These moralising arguments about what the poor spent their money on were just as readily invoked in relation to check trading. Check trading was an adaptation of industrial assurance that reversed the flow of finance to provide a credit product for the poor. Checks were issued to customers allowing them, for a fee plus interest, to buy subsistence goods initially, but later an extending array of things at selected shops, sometimes at selected times, under a certain maximum price. The check system never received

quite the same level of political attention as doorstep insurance. It was a tiny fraction of the size, carried on by mainly small companies and concentrated among the poorer of the poor. As a result, it had not the visibility of the other sector and even managed to dodge many of the strong controls on credit terms that affected sectors like hire purchase throughout much of the twentieth century.

In addition to their significance in providing the *means* for large consumption, the doorstep finance industries are also an exemplary case for thinking about the *mechanisms* by which consumption, on such a massive scale, was devised. That consumption is contingently, systemically, linked to production has been recognised conceptually throughout the entire history of political economy. How these links operate in practical terms though, has presented too banal, too superficial, a challenge for most political economists and their heirs in the contemporary social sciences. That a product is only finally defined as such through its consumption is one thing. How it physically moves, from ‘field to fork,’ as it’s phrased in the recent rediscovery of the controversies of the supply chain, or from mortality table to life policy, in the present case, is another. This aversion to the technical details has never been characteristic of business or economic history and it was turned on its head when a group who had been studying science and technology switched their attention to economies and markets³. Work in the latter line soon generated a whole new vocabulary of terms designed to reveal the sorts of technical knowledges, practices, tools, arrangements and artefacts that are involved in making or ‘performing’ economies. From there, the idea of a device containing social and technical elements that work in concert to arrange action of particular kinds, began to be established. Approached from that angle, economies and markets could be analysed, not as natural or emergent properties, but as the outcomes of devices defined as given arrangements of technologies, practices and knowledge⁴.

This has made following the path taken by all sorts of mundane economic things – pricing formulae, focus groups, merchandising techniques – a far more common feature of analysis than hitherto. It has also opened up a protracted debate about what devices are and what the extent and limits of their influence on market action is. In the literature, devices appear at one moment as the tools that do particular things, and at another as the assemblages, arrangements or ‘agencements’ that do just

about everything. This is an analytical problem with no immediate solution. It arises, in part, from the classical trade-off between comprehensive, totalising explanations that accommodate the relationships between many dependent factors but sacrifice clarity; and more parsimonious explanations that retain clarity but sacrifice analysis of other potentially relevant factors. Something is lost in both approaches and the choice between them is partly one of best fit with the problem at hand and partly aesthetic.

With a problem as vast and vague as mass consumption, in a population that has left scant records behind, an accommodating approach to analysis has its attractions. Of course many things, of many kinds, influence consumption. Of these, substantial allowance ought to be made for the deliberate, planned, technical activities of companies with an interest in it. Thinking of these activities and the equipment required to carry them out, opens up the relationship between particular sorts of markets and particular sorts of devices. These devices might have more or less obvious material boundaries, with more or less demonstrable consequences. In doorstep finance, one single characteristic or ‘device’ stands out as defining the product and its market: the doorstep agent. Sometimes referred to early on as ‘collectors’ or ‘canvassers’, in an industry that, at times, did separate the roles, the majority of doorstep agents both collected payments and sold policies or checks to existing and new customers.

It may, or may not, be useful to think of agents as market devices in a technical sense. The material, stable and bounded connotations of ‘device’ don’t wrap all that neatly around these human, aging and changeable workers. Agents were unquestionably involved in ‘devising’ though – they did not just to take a product to market, they built their markets, coaxing and disciplining customers, even becoming themselves part of what was being sold. A fundamental feature of this activity was that agents became a two-way channel. They collected and sold but they were also always gathering information and adjusting their performance and the products they offered accordingly. There was more than a hint of the carnival in this. In Thomas Cranmer’s Anglican prayer of confession *‘we have followed too much the devices and desires of our own hearts’*, devices are part contrivance, motive forces of which even the penitent is not fully aware. Those devising sales too, perform something of a sleight of hand,

not necessarily an out and out deception, but a selective presentation of information calculated to achieve a purpose. This presentation takes into account what has already been learnt in previous customer exchanges and interactions, many, but not all, of which are stored in the foremost piece of equipment, the agent's book.

Agents' books recorded transactions: payments received and missed, policy types, check amounts advanced, names, addresses and ages. They did not record a whole host of other relevant things that agents were trained to watch out for. Signs of opportunity or of risk might be almost anything; the state of the garden, the condition of shoes, a smell in the house, a letter on the mat, a sentiment expressed. Any of this could be added to the store of information and knowledge that helped profitably connect what agents could offer to what customers wanted and what they could afford to pay for. Agents provided a means of combining the most unruly and impressionistic of insights with regular transactional data; they brought customer experience into contact with payment histories. This combined record of private facts and minute transactions was fed into the bureaucratic machinery of the companies, where it was stored, analysed and used to modify and market further products. The process, at its decades' long peak, had a vast, mechanical inevitability about it. Customers in their masses were swept into the path taken by all those who had gone before them, to purchase a product that seemed already to contain what they knew: their wishes, their fears, their understanding of the limits of financial possibility.

Whether what customers knew was true or rational in the restricted, financial literacy sense hardly matters. These were products that took account of lived experience; they could be made to fit into lives where extreme financial precariousness was common. Weekly payments were small, taken quickly and could be missed without any extra charge. These features made saving and borrowing possible and therefore presented reasonable means to ends that were desired in ways that were fathomable to agents, even if they were not to reformers and policymakers. The first chapter begins by considering the importance of the work of unearthing this store of 'private fact' and finishes by pointing to its limits. It is abundantly clear that while a mechanism, whether human or digital, that allows companies to sense

what is going on among their customers is necessary, it is not sufficient. There are always other things, in the mysteries of fashion, public sentiment or political atmosphere, as well as in the organisational practicalities of delivery, accounting and cost control, that are dependent variables in the appetite for particular sorts of things that prevails at particular times.

These characteristic dependencies are in evidence in Chapter 2's discussion of the broader connections between commercial insurance schemes, their agents and customers, and the political environments they traded in. This chapter is where the distance between what legislators considered the best interests of the poor, what commercial providers offered and what the people they were both targeting signed up to, is most pronounced. In attempting to define something better, governments were repeatedly disadvantaged by their lack of the machinery that might enable them to deliver a workable alternative. In part through the deft manoeuvrings of the commercial lobby, and in part through their own detachment from the experience of poverty, government schemes repeatedly failed to design an alternative attractive enough to be viable without compulsion. Even when a compulsory social insurance scheme was designed at the beginning of the twentieth century, it turned, against the spirit of all the initial planning, to the commercial industry to deliver it. This bolstered the already solid position of industrial assurance but it did not quell opposition, which continued between the wars, to erupt again in William Beveridge's nationalisation plan. The ultimate failure of this plan too, had a number of causes. Not the least of them was the continued presence in millions of homes, of tens of thousands of agents all primed to query what the government's true motives were and whether it could ever possibly serve the policyholder the way they did.

Agents, it turned out, were a very flexible asset. This, as Chapter 3 explains, was not always a straightforward advantage; it could equally be a liability. Agents were the first line of contact with the public and their interests were not always perfectly aligned with those of their employers. Signing up as many customers as possible, by whatever means, without much regard to the legality or durability of the contract was initially a remunerative strategy for agents until offices found ways of dis-incentivizing it. Even agents' books were a disputed property, with some offices granting ownership or 'book interest'

to agents while Prudential Assurance, the largest office, resorted to an Act of Parliament to ensure that no such interest could be claimed. There were also less dramatic challenges arising from the structure of the industry and its dependence on the attractions of relatively unsupervised agents managing millions of transactions. This was addressed through the development of elaborate hierarchical bureaucracies in both sectors that served the twin purposes of organising the charisma of individual agents in line with corporate goals and recording, duplicating and processing the data they collected.

The organisational techniques developed were highly successful in translating agents into 'good, average men'. Insurance agents in particular, were cultivated to present the bland ideal of the everyman, a harmonious fit in any setting. It was this image, as described in Chapter 4, that took the central position in industrial assurance marketing. Idealised agents appeared repeatedly in advertising and multi-platform marketing which real life agents were often tasked with distributing. To complete the cycle, the same agents were requested to follow up on the marketing, to gather feedback on what customers liked and remembered and what they did not. All of this worked to reinforce the idea of insurance as a natural course to take. In both the insurance and credit sectors, agents were expected to follow their customers, to follow what they said and find ways of inserting themselves and their products into the conversation. Doorstep finance was a means to other products, so understanding, and providing easy paths to what people wanted to have, was critical to success. The selling techniques used were designed, fundamentally, to make the conditions in which exchange could take place.

This, as the final, long chapter sets out, was something that demanded both reason and sentiment. Markets for doorstep finance were sentimental in their constitution. The demand for insurance and for credit is driven first, by relations and relationships, by ties of obligation, love and fear. People insure only those people and things they have an interest in and credit likewise is a way of providing the things that define relationships and manners of living. This does not mean that sentiment presides over everything else but it does mean it should be accorded its proper place amidst the engineering, manufacturing and calculation of production. Sentiment may move markets but the effect would be brief without accurate calculation and reliable organisation. The trick is all in the orchestration of

technique and sentiment; in the way sentiment is put into relation with products and the way relations are transformed into sentiment for products. In the move from saving for death and borrowing for bare subsistence in the nineteenth century, to saving for life and borrowing for just about anything in the late twentieth century, it was these relations between people and things that were continually being reworked and reconfigured.

The two sectors share a strangely contingent history. As patterns of financial consumption among the poor shifted gradually away from saving toward borrowing, doorstep insurance began its pattern of decline around the same time that doorstep credit began its ascendance. Check traders were forced to change in the 1950s, partly because the larger sector, whose model and organisation they explicitly followed, was itself having to adapt due to a combination of increasing affluence and new legislation. This led circuitously to a dramatic restructuring of check trading companies, a feminisation of their workforces and a totally renovated marketing vision in the 1960s. The sector's continuing growth in the 1970s to 2000s marks a historical point in which the poor stopped saving almost entirely and began to borrow systematically, not just for big ticket items like washing machines, televisions, sofas and laptops but for all sorts of everyday things.

Markets for particular sorts of products emerge in particular sorts of contexts. These contexts are perpetually in flux so devising work is always targeting the future in an attempt to work out what can be done to inform the next product, the next production. This is not exactly guesswork but it is predictive and uncertain. Agents helped inform offices about what customers were doing at given points in time. Ultimately, this relationship to how existing customers lived could not compensate for a product whose design no longer fitted into how prospective customers wanted to live. This might be considered no tragedy in the sector given its patchy history, but the new product innovations that have arrived on the low credit scene in recent years - the doorstep and payday loans and rent-to-own retailers advertising APRs well into the 1000s - represent a straightforward decline from past provision. Fractures in the lines connecting products to prospective markets can occur for any number of reasons or for no discernable reason at all. There is something ineffable that makes the atmosphere in which certain sorts

of products and markets can flourish. That something in the public mood, part politics, part fashion, part sentiment, varies dependently with instrumental need and technological affordance to devise what people consume. Not everything that goes into that mix deserves explanation. Even if that were possible it would be by way of what John Dewey (1977/1915: 571) called a ‘complex catalogue’, complete but meaningless. What mattered in accounting for the past, he maintained, was not the completeness or exhaustiveness of the description but its relevance to determining what is to be done in the future. That is an equally good standard for deciding what it is about the historical devising of markets and consumption that is worth describing. In the detail of past markets and the failures of past regulations there are clues to the design of future regulation.

¹ This continues despite growing scholarship on the role of things in domestic interiors (e.g. Strange, 2013; Doolittle, 2011). There are some exceptions like Bauman (1998) but his characterization of the poor as ‘flawed consumers’ adds little to the account of what and how they did consume.

² See for example Ritzer (2001), Burton (2007), Botterill (2010) and Marron (2010).

³ Callon’s (1998) edited collection is the usual marker for this move but there was a long trajectory in the studies of innovation, statistics and measurement in science studies with obvious overlaps to the study of organisations, markets and economies (c.f. Cochoy, 2014)

⁴ The socio-technical device concept is outlined in Callon (1998) then expanded in Callon, Meadel and Rabeharisoa (2001) Callon and Muniesa (2005); Callon, Muniesa and Millo [eds.] (2007) and Caliskan and Callon (2010) among others.

Chapter 1 Unearthing the ‘very dirt of private fact’: the work of market devices

Rationalism sticks to logic and the empyrean. Empiricism sticks to the external senses. Pragmatism is willing to take anything, to follow either logic or the senses and to count the humblest and most personal experiences. She will count mystical experiences if they have practical consequences. She will take a God who lives in the very dirt of private fact – if that should seem a likely place to find him. Her only test of probable truth is what works best in the way of leading us, what fits every part of life best and combines with the collectivity of experience’s demands, nothing being omitted (James, 2000: 39-40).

William James had religious belief in mind when he wrote this. Not markets, consumption, low finance or anything else in that area. The passage appears near the end of his essay on what pragmatism means and underlines the strong claims he makes for adopting an accommodating attitude toward what does, and what does not, count in the way of evidence. It might not have been what was on James’s mind but his idea that making room for the humblest and most personal experiences, where they have practical consequences, is both an equally sound first principle for the study of markets and consumption and one that has not been followed widely. No matter how elegantly logical, no matter how empirically robust the academic modelling of markets and consumption in economics and sociology has been, people’s mundane and practical motivations for participation have often eluded formal study. This is an interesting elusion since, in concrete practice, one of the things that distinguishes successful consumer markets is precisely the ability to accommodate the range of humble, personal and practical experiences that bear on participation. This is one of the main purposes to which the devices of markets and marketing have been put historically.

Yet really grappling with how means of accommodating private, individual experience are devised has not been an overriding concern in either the study of consumption or of markets. In

many of the classic studies of consumption, as if to ward off the fatal charge of banality, the emphasis has been on high conceptual ground. Consumption has figured as the necessary terminus of impeccably conceived political economies of production, as the over-determined outcome of the promotional technologies demanded by the structural logic of the commodity-form, as the debased cultural pacification for an alienated labour force and so on. Even when all this theorising ran out of steam and the case for a more meticulous accounting of the content and experience of consumption began to emerge by way of the new seriousness accorded to 'popular culture' and 'everyday life', it did not lead immediately to the humble, personal or practical. Rather the legacy of grand theory continued to haunt investigation in a reformulated, sometimes celebratory, preoccupation with the dreamier, more magical and escapist dimensions of consumption. Thus 'moments' of conspicuous, special and highly visible consumption have been closely scrutinised while the 'ordinary consumption' of everyday 'stuff' has generally not.

This has begun to change. In the last decade or so the material stuff of consumption has emerged from beneath, may even have trumped theoretical explanation, in a growing array of studies devoted to artefacts, uses, practices and techniques. Across the social sciences and in allied disciplines like management, organisation studies and marketing, the material world, as reasserted within Science and Technology Studies (STS) and Actor-Network Theory (ANT), has taken on a new priority. This is evident in all sorts of ways across all sorts of fields¹ but my main interest in this chapter is in the emergence of 'market studies' as an interdisciplinary field committed to both disrupting the disciplinary separation of the economic from the sociological, that is sometimes referred to as 'Parson's pact' (Stark, 2009), and taking the material form and distribution of economic action seriously. This field holds the greatest potential for getting to grips with how private, lived experience is incorporated in markets because it is here that the practical details, the tools, techniques and arrangements, in short the 'devices', that make up market action have received the closest scrutiny. The result has been a sustained re-evaluation of the relationship between action, knowledge, tools and outcomes in a variety of economic and

market settings. This re-evaluation has not challenged the dominant position of economics in public policy but it has opened up a debate about the policy implications of understanding the economic as a process, a matter of design and engineering, and it has reinforced our grasp of what this can mean, particularly in the attention grabbing contexts of high finance².

These inroads towards a more useful understanding of how finance markets work however haven't really been matched in the context of everyday, consumer or 'low' finance (c.f. Langley, 2007). While it is clear that this sector too has its 'market devices', their form and content, the character of the work they do, have received far less attention. The effort to elaborate the burden of economic work carried by devices like scorecards, order books, stock tickers and pricing formulae has no equivalent in the analyses of payment record books, credit vouchers or insurance proposal forms. This is resolvable of course by just extending the focus but there is a bigger obstacle to overcome if a market devices approach is to accommodate the role of private, lived experience. Since the idea of 'devices' as a tool for thinking about the laws and operation of markets was proposed in Michel Callon's (1998) field defining collection, usage of the term has veered between the sweepingly general and the minutely specific. A market device is at once anything that intervenes in the construction of markets and the material cause of very particular consequences. Not enough has been said to fill the space between these two extremes, to categorise the different types of work that market devices do or to define the level, extent and limits of their action. Market devices offer a new way of thinking about the very old problem of how markets work, how sellers and buyers encounter each other in ways that enable exchange to take place, not as a one off, but in the markets for consumer finance, over and over again. To achieve this involves more than just intervening – it requires a chain of actions, or more precisely relations, to be established, tended and reproduced.

As a necessary step toward this way of thinking about the 'devices' or 'devising' of markets and consumption, I begin by discussing some of the main currents in the literature. One of these currents has been to place market devices in the context of debates about the

proliferation, expansion and intensification of markets and market logics. Devices are scored as historical innovations that intervene directly in these broader market dynamics always resulting in new actions and new consequences. Rather less attention is paid to stability, continuity and repetition, to the way innovations sometimes address problems that have formerly had other solutions. This point is illustrated by the long history of ‘quaint devices’ (McFall, 2004) that have been employed to bring about repeating market encounters. In a field preoccupied with marketization and market proliferation these arcane, quickly forgotten devices are usually disregarded. Yet they point towards some of the most fundamental market tasks, the design, engineering and adaptation of the fit between customer and seller experience. These are the same tasks that were performed for more than 150 years in the low finance industries through the quaint device of doorstep agency.

Doorstep agents performed a variety of specific, operational functions but most importantly they supplied a means of channelling the mess of private fact, of personal and humble dispositions into market transactions. As the ‘philosophers, guides, and friends’³ of their customers, agents were ideally placed to discover, connect, remember and report back as the need and opportunities arose. This led to very particular forms of market transaction and consumer conduct. More generally, doorstep agency also raises questions about the sufficiency of existing accounts of how the ‘private fact’ of consumer dispositions gets into and configures markets. Even as digital consumer companies develop more responsive techniques of mining and manipulating private consumer data, this problem has not gone away.

While the devices literature might need to be more specific about how this task is accomplished, there is simultaneously a case to be made for thinking more generally about the scope, extent and limits of devices. Questions about how material devices - no matter how elaborately conceived as networked, extending *dispositif* - relate to wider contexts have to be addressed. Government, legislation, political arrangements, the public ‘atmospheres’ of culture, fashion, mood or sentiment and more, all play roles in shaping the fate of markets and

consumption. It is not clear that the current formulation, and the priority given to the material, is accommodating enough to these roles, even if, in the end, the only proper answer to the question of how private, political and practical factors intervene in markets is the empirical one – ‘it all depends’ (du Gay, 2010: 174).

Markets, market devices and the devising of consumption

Markets and the production consumption chain

Production is ... at the same time consumption, and consumption is at the same time production. Each is directly its own counterpart. But at the same time an intermediary movement goes on between the two. Production furthers consumption by creating the material for the latter which otherwise would lack its object. But consumption in its turn furthers production, by providing for the products the individual for whom they are products. The product receives its last finishing touches in consumption. (Marx, 1980/1857-8: 24)

This passage in Marx’s outline for his critique of political economy is well known for making it plain that production and consumption are linked in a contingent way. Not many would argue against the theoretical point Marx was making. Economics is founded on formally modelling how these contingent links are resolved through the mechanism of price. Across the other social sciences monitoring the consequences of how production and consumption are brought into balance is a foundational problem and often tackled theoretically. This has resulted in a concentration on intermediary functions as engineered solutions that span the gap imagined between production and consumption. Advertising was accorded this kind of intermediary role early on, a position consolidated and expanded by Bourdieu’s (1984) brief remarks on the significance of cultural intermediary occupations and the vast scholarship that followed elaborating the work of advertisers, and more recently, branders, retailers, merchandisers, web

developers etc. While this has been going on for decades, until much more recently, very little attention had been paid to the less glamorous occupations that intervene in the chain from production to consumption. Stock control, logistics, product development, pricing, financing and such like were dismissed, presumably because their more instrumental character ostensibly lacked the immediate theoretical significance that could be accorded to symbolic work.

This only began to change, in a systematic way, after the publication of Callon's edited collection "*The Laws of the Markets*" in 1998. In many respects, *The Laws* was part of an ongoing effort to sociologically reimagine the relationship between economy and society⁴ but it was also a departure for a number of interconnected reasons. One of these was the sustained application of ideas, hallmarked in STS, ANT and anthropology, about the significance of the material world, of tools and techniques, to the study of economies and markets. This gradually began to encroach upon the intellectual sovereignty accorded to questions of meaning, representation and the symbolic, especially within European sociology after the 'cultural turn'. Instead the object of inquiry turned from narrowly defined symbolic intermediary roles that explicitly functioned to promote consumption, towards all manner of material market making devices. Underpinning this was an effort to move away from the sociological tendency to try to humanise or 'embed' economic agents in the social by concentrating instead on how they were made technically. Economies were not to be understood as the formal, natural or emergent properties of economics but neither were they the mere social constructions outlined in sociology. When the social is regarded in actor-network terms as the consequence of specific collective practices, not as a stable domain with its own particular characteristics, it is not clear that excavating the social context in which economic action is 'embedded' yields much. All that can be reliably of the social, Latour insists (2005; c.f. Callon 2007; Caliskan and Callon, 2009, 2010), is that it refers to networks of association and relations. 'The social' is just too nimble a concept – referring at once to all sorts of actions and relations without saying anything very concrete about their content - to offer much explanation of market action.

Instead of a socialised economic agent, Callon concluded that a calculating '*homoeconomicus* really does exist' (1998: 51). The sociologists' job was to prize open the mysteries of calculation as a cognitive operation too difficult to be the sole preserve of isolated human agents and achievable only through its distribution across a range of actors, techniques and devices. Economics is recast here as itself a central agency in the process of making things calculable rather than the - normally mistaken - knowledge that other social scientists question. Broadly in keeping with the sensibilities articulated in the Foucauldian literature⁵ but with the emphasis firmly on material practices rather than broader political rationalities or govern-mentalities, economic knowledge is defined as *performative*, explicitly formatting the process of calculation. This move inspired numerous researchers to test the performative claim empirically by elaborating the role calculative devices play in specific market contexts. Donald MacKenzie's (2006; c.f. MacKenzie and Millo, 2003) account of the Black-Scholes formula, as the dominant market device in framing derivatives transactions became the *prima facie* case mobilised to test the argument. Still if it is economics itself that simplifies and 'disembeds' market participants 'to the extent that economics becomes applicable' (Mackenzie and Millo, 2003: 138), it is a very broadly defined economics that is at work. It is not just the formal operation of pricing mechanisms that are involved but all manner of devices and techniques for measuring, charting, brokering, negotiating, ranking, merchandising etc.

This work has been of major significance. In explaining that economies and markets can be analysed as the outcome rather than the foundation of socio-technical material practices the approach has reinvigorated empirical research. There has been a plethora of studies exploring and categorizing economic performativity through investigations into the role of technical instruments, theories, formulae, tools, techniques and protocols as the devices that configure markets⁶. On the face of it, this work seems ideally placed to offer fresh perspectives on the mechanics of consumption but for a variety of reasons that hasn't quite happened. For one thing, with some notable exceptions⁷, the most concentrated attention has been devoted to

investigating performativity and market devices in the context of financial markets. This could be resolved easily enough through further studies of consumer market settings but there are much bigger challenges to be tackled before the concept really starts to shed light on the devising of consumption.

The most significant challenge relates to the matter of definition. If market devices are defined, as in Callon et al. (2007; c.f. Caliskan and Callon, 2010; Callon and Muniesa, 2005; Callon, Meadel and Rabeharisoa, 2001), as those socio-technical, material and discursive assemblages of humans, formulae, tools, prostheses and so on, that intervene in the construction of markets then they are almost anything and everything connected with market activity. This definition has certain advantages. It allows for the multiple, diverse, unpredictable, generative and overlapping ways that devices might affect markets. The disadvantage however is that this level of generality is not very helpful in practical or analytical terms. This is some distance from the call, made in the governance and public policy literature, for a ‘more precise language’, one capable of distinguishing clearly between the different roles and levels at which tools, instruments and techniques act (Hood, 2007; Lascoumes and Le Galés 2007). In contrast, the boundaries and relations between one market device and another are left open, as too are questions about the scale and level of their operation. There may be devices for pricing, merchandising, stock control, record keeping and so forth but whether their field of operation is the firm or the market is unspecified. The relationship between market and marketing devices, whether marketing devices are just a particular sort of market device, a special case or whether it matters, is also unstated. In all, it is down to the researcher to determine in what way exactly, any particular device intervenes.

With an intellectual heritage in which the distinction between micro and macro level analyses is dispatched as a hierarchical habit of thinking that leaves analysts blind to both the complexity of tiny things and the simplicity of grand structures, this silence on questions of level and scale is certainly consistent and possibly deliberate. Just as MacKenzie (2006) remarks of the

difficulties of establishing a causal relationship between the use of a mathematical pricing model and a change in market conditions, the formulation of market devices accepts that market events have multiple causes that cannot be traced to single devices. This does not counter the claim that devices configure markets, it just means that the manner in which they do so is fraught, partial, open to debate and prone to failure (c.f. Callon, 2010; Callon, Lascoumes and Barthe 2009).

That said it is still worth pushing the idea a bit further in the interests of thinking more clearly about what it means to devise markets, to devise consumption. The first step towards this involves pinning down what markets are and how they relate to production and consumption, supply and demand. As Aspers' (2011) attempt to synthesise a sociological approach to markets notes, definition is both banal and difficult. The solution he comes up with defines markets as social structures for the 'exchange of rights in which offers are evaluated and priced, and compete with one another, which is shorthand for the fact that actors – individuals and firms – compete with one another via offers' (2011: 4). Buyers and sellers face each other across the market to constitute these social structures and stabilise them over time through a record of actual, not just potential transactions.

Leaving aside for now the debate about whether the social structure of the market adds significantly to our understanding or not, this definition appears serviceable enough. With one exception - it doesn't quite reach to cover one of the primary ways that the term 'markets' is used in commercial practice. Commercial organisations, and many other sorts of institutions, often refer to markets as sources of prospects, of possibilities for future business. Markets here are those groups of people that may be susceptible to a common approach, proposition or idea, whether or not they have an existing transaction history with the seller. These 'markets' are only potential markets and that is what is most interesting about them. Prospective, susceptible groups of customers are just as important for markets as customers with a transaction history because market survival depends on continually extending and repeating chains of relations or associations. This may be due to the expansionist tendencies of markets, although, since there

will always be some attrition to compensate for, it is not necessarily so. In his classic discussion of the path that led to the technological and mass market establishment of the Kodak camera in the nineteenth century Latour concludes that ‘a chain of associations is more real than another if it is longer’ (1991: 118)⁸. Step by step, relation by relation, markets owe their existence and their survival to this extension. This is getting closer to Caliskan and Callon’s (2010) definition of markets as arrangements for the conception, production and circulation of goods, and the voluntary transfer of some sorts of property rights.

Thinking about markets as a long, multi-stranded chain of relations has rather different implications than defining them primarily as a space, arena or a forum, of whatever kind, in which buyers and sellers confront one another with offers. Instead of buyers facing sellers, or more broadly production facing consumption, market action is distributed across a whole crowd of actors and intermediaries: suppliers, agents, factotums, allies, publicists, publishers and whathaveyou (c.f. Musselin and Paradeise, 2005; McFall, 2014). As Esposito (2013) remarks from a systems perspective, *all* economic transactions, on both producer and consumer sides, are performative. Performativity, ‘is the rule and the meaning of economic action, and does not concern only theories trying to interpret it and their practical impact: any behaviour and any idea, any purchase and any investment, are included into a reflexive circuit affecting the reality to which they refer’ (Esposito 2013: 111-112). A whole crowd then has parts to play in making markets move. This distributed cycle of action could have been where Marx was heading in his deliberations on production and consumption in the *Grundrisse*. More likely he meant only to signal the ontological necessity of consumption to prove production. Regardless, the idea that the product receives its finishing touches in consumption can be taken quite literally. What buyer/consumers do *with* products, what seller/producers do to find this out and what they do *to* products in response, is the understated loop that practically defines markets both in reality and in prospect.

All market devices contribute in some way to this looping of feedback within long, multi-stranded chains, whether to establish, inform, maintain or improve the links between an enterprise and its market. Market devices intervene in markets and that intervention depends on the information they produce. For all market devices, including those directed primarily at marketing functions, the core task is to provide a mechanism for generating and transferring information from one place to another with the aim of producing particular sorts of action. Market devices are defined by this capacity for action which, to borrow MacKenzie's (2006) metaphor, makes them more 'engine' than 'camera'-like, since they are meant to transform, not simply record, their worlds.

Much has been made of the ways in which such transformative actions have been the companions or causes of the expansion and proliferation of contemporary markets. For Callon, modern market transactions are enabled by an extending array of socio-technical devices which offer new ways of entangling people and objects in an 'economy of qualities' (2007a; Callon et al. 2001). This is a refined take on a theoretical orthodoxy on which 'everyone seems to agree' (Callon, 2007a: 139): *viz.* that market expansion is the core condition of an historical process styled variously as marketization, market fundamentalism, commoditization, commercialization or consumer society⁹. In accounting for an exchange between devices, practices and knowledge on the one hand, and actual economies on the other, that is performative, or co-productive in character, Callon's version is distinctive. In some particulars, it is also familiar.

Critical accounts of consumption and marketing have, for the longest time, read the pervasiveness of markets as a function of the expansionist tendencies of the commodity form; tendencies that are aided, abetted or dependent upon technological innovations designed to fuel demand or 'produce consumption'. This is the function of the culture industries in the Frankfurt school vision (Adorno, 1991) and it is the particular role accorded to advertising and promotional technologies in countless versions of 'consumer' or 'market' society. Technological

innovations are imagined teleologically, as key factors in the evolution of producer-consumer channels such that information is not only conveyed more efficiently, but it is better, more persuasive information that is conveyed. In an influential version of this account, advertising evolves, through changes in content and technological format, from an information business to a persuasion business that has become so successful that commoditised, promotional culture has colonised all of social life¹⁰. Advertising, sometimes conceived as promotion and more recently as part of the expanded formulation of branding, is accorded at times an almost magical capacity to drive markets.¹¹ Marketing technologies seem to keep getting better; cleverer, louder, more intrusive, more targeted, more personalised, more reflexive with each new media, each new innovation. A difference appears between ‘simple/old’ marketing techniques that used information and ‘advanced/ new’ techniques that employ persuasion. This well-worn information/persuasion dichotomy, as Barnard (1995) complained almost twenty years ago, completely misses the point. *All* information is meant to change something - that is what makes it information and not data.

Market devices perspectives generally accord less privilege to promotional and marketing processes. These processes take their place among a more extensive, and less predictable, range of tools with actions, aims and consequences that are not always easy to track. Market devices ‘intervene’ in markets, they do not cause them, they are implicated in their ‘co-production’. Law and Ruppert’s (2013: 229) discussion has devices as ‘more or less patterned teleological arrangements’ with function and purpose – they do things - though not necessarily, or only, the things they are supposed to. The latent, implicit or unintended functions of devices are for the competent analyst to dig up. Following what devices are getting up to then is a critical, empirical task, not one that can be assumed in advance or read from the label. And yet there is an older sort of teleological pattern in the devices perspective, one that assumes not just purpose but a necessary historical direction that sometimes veers close to a doctrine of final causes. In some discussions, the version given of market action invokes a dynamic of expansion enabled by the

changing functions of devices which in turn allows marketization to become the ‘dominant modality of economization’ (Caliskan and Callon, 2010: 22; c.f. Callon et al. 2001; Callon 2007a). This is rendered in a manner that is fairly sensitive to the diverse forms taken by marketization processes and by markets themselves, which nonetheless share a ‘family resemblance’ (Caliskan and Callon, 2010: 2). Even so, the emphasis is (almost) always on the proliferation and expansion of goods, and especially services, organisations, institutions and agencies that are caught up in markets and marketizing processes. The direction of traffic and history is (almost) always to more things, more of the stuff of life, of nature (and even interplanetary nature), private experience and public provision succumbing to market logics.

This is perhaps an odd tendency in a literature that is otherwise determined to unpack the specific features of specific markets. Markets have a history, Caliskan and Callon (2010: 24) remark, ‘they also have a future that cannot be reduced simply to an extrapolation of the past’. This history is as full of latent, unintended and implicit consequences as it is of purpose and direction. This is something that is easier to see by looking at actual historical, or what I call ‘quaint devices’, than by observing the history of marketization where the devil disappears alongside the detail. When critical analysis of devices is tied too closely to marketization dynamics there seems to be an almost irresistible evolutionary creep that binds the technological affordances of devices to the encroach of markets. This is just a bit too materially, too technologically, observant. As has been noted before¹², in the darker English vernacular, devices are not just material, mechanical contraptions they are also, sometimes simultaneously, tricks, disguises and deceptions. Sometimes these backfire or don’t fire at all and sometimes they work far better and in ways other than those originally anticipated. This combination of unruly and instrumental effects is, as I argue throughout this book, what is in play and at work in the devising of markets.

Contra the technological current, there are some deep historical similarities in what it is that all marketing devices are trying to do. All marketing devices convey information in a bid to

prompt buyers to act. Considered historically, the variety, invention and persistence of marketing devices, their rapid adoption and appropriation of new material forms, new technologies and new media can be read as a sign of how difficult, how determined, sometimes desperate, a task this is. The advertising vans or machines used in the nineteenth century combined noise, novelty and obstruction in a bid for attention. These machines appeared in all sorts of guises; a glass pillared obelisk design was patented in 1826, while globes, balloons and giant product avatars were also common. Sometimes as big as small houses, they moved slowly and disruptively through cities and towns accompanied by musicians and gaudily dressed exotics (McFall, 2004). They have a legacy in contemporary mobile advertising; zeppelin-shaped air balloons and motorised signboards are common among the wide range of peripatetic devices adapted to different environments, like the gas delivery vans that announce their presence in the steep narrow streets of Valparaiso in Chile with the unexpectedly musical application of drumsticks to gas cylinders.

Mobile devices are highly persistent in comparison to some of the more experimental promotional devices that have popped up from time to time. These devices offer the kind of solutions Heath Williams might have come up with to the task of making marketing information irresistible. Pavement painting has been used since at least the early nineteenth century to highlight the presence of sellers but a mechanised version, the pavement stenciller, took this further in the 1930s by painting the street with an advertising line to lead buyers straight to the seller. Around the same time, gramophone record players were used to ventriloquize life size dummies with the voices of the famous announcing faux endorsements to woo shoppers as they passed by and an electric eye device transformed a mirror into an advertisement when a passer-by drew a catalogue.¹³

These mechanical novelties are part carnival trick but they are at the same time market devices in the sense already defined. They all send out information in an attempt to produce particular forms of action. These actions are only precursors to the action that matters -the

purchase. This is quite an order in itself but the goal that matters even more is the repeat purchase. For this, marketing devices need not just to transmit but to receive information and thereby allow constant little adjustments to be made to what's on offer, where, at what price, on what terms etc. To make markets, marketing requires devices, which, by prompting, announcing, listening, collecting, recording, remembering and transmitting information produce actionable feedback.

The 1930s electric eye mirror device was like a mechanical prototype of contemporary digital billboards that use facial recognition technology to gauge the age range, sex and attention level of passers-by and target appropriate advertisements at them. Such devices exemplify sellers' enduring preoccupation with reaching into, 'mining', the private thoughts, needs and longings of individuals. While critics routinely deliberate over the intrusive prospect posed by each new technology, marketers themselves have often been a little more circumspect about what innovations add. The disparity between critical academic and practitioner views is particularly marked in the case of advertising – a medium famously doomed by its own practitioners as a waste of money at least half of the time - and persuasively explained as as much a function of producer anxiety as confidence in its results (Lury and Warde, 1997; Schudson, 1984). This anxiety can be traced in marketers' tendencies to hedge and mix strategies as well as in the relentless drive for new and reinvented techniques of 'discovering' and 'qualifying' the consumer (Schwarzkopf, 2008; 2009; Ariztia, 2013). The seldom voiced bogey of marketing is that it knows nothing worth knowing about consumers, that modelling the steps from attention, to interest, to desire, to action reveals little about what finally makes consumers act, that maybe, in short, marketing has no decent mechanisms for connecting to the 'very dirt of private fact'.

For all their attributed contributions to market expansion, marketing devices are still not all that sensitive or responsive to consumers. Market and marketing professionals rely heavily on fuzzy channels of information in which the practices of other producers, their own, sometimes arbitrary, representations of consumers and a preoccupation with the moment of purchase all

contribute to a 'black boxing' (Grönroos, 2006; Shove and Araujo, 2010) of consumption and consumers. The chronically inward-looking and self-referential tendencies of the promotional wing of marketing where attention is focused far more intently on the competition than on potential consumers has also been well documented¹⁴. This dissociation persists across markets which operate as 'tangible cliques of producers observing each other' as if facing a mirror in which they see only themselves not their targets (White, 1981: 543-4). Worse than this, Esposito (2013) argues, the market's mirror is double-sided and quite unable to convey all the information that goes into purchase - the expectations and observations of consumers, for instance are left out as producers observe only each other on one side, while consumers watch consumers on the other.¹⁵

The double-sided mirror metaphor exaggerates the problem a bit. The bogey might be that marketing knows nothing about consumers but that's just the bogey - in practice, marketing clearly does know things but knows too that there are things it doesn't. These 'known unknowns' are what the devices of marketing attempt to negotiate. Marketing science may admit to the persistence of unknowns but as the debates within the marketing literature demonstrate, it doesn't always take a dismal view of its prospects.¹⁶ In what Tadjewski and Saren (2008) characterise as an 'amnesiac' discipline, each new device, each new technique, each new idea seems to promise better ways of knowing the consumer. So in the interwar years, crowd psychology and propaganda theory, after the model of Edward Bernays, were summoned to shore up the call for marketing to be recognised as 'a social engineering technique and a science that could be used to find, and match, demand and supply in order to prevent under-consumption' (Schwarzkopf, 2008; 2009). After the war, emphasis shifted in some quarters to using psychological sciences and motivation research to get to know consumers and their desires even better than they knew themselves (Nixon, 2009; Miller and Rose 1997). Since then a long succession of devices have claimed to socio-economically, anthropologically, and more recently psycho-socio-demographically render consumers knowable using everything from government

statistics to semiotic analysis to residential neighbourhood profiling in patented methods like ACORN and MOSAIC.

More recently, one device in particular has reframed the ambition to transform marketing's unknowns into engineered consumers. By combining the principles of relationship marketing, the 'transactional data' accumulated through sales records, online searches and/or retailer loyalty schemes and data management software, 'Customer Relationship Management' (CRM), has presented a new solution to the problem of knowing the customer. With CRM, marketing becomes an exemplar of surveillance that can tackle the problem of feedback through 'systems of data gathering that are used to better discern the needs, desires and trends of consumer behaviour as well as to shape these behaviours by subtle and not so subtle means' (Pridmore and Lyon, 2011: 115). CRM allows immense volumes of transactional sales data to be channelled into integrated systems in an attempt to coordinate business and customer experience. Users are promised 'the ability to, inter alia, identify customers by attribute and behaviour; distinguish between them by profit contribution; facilitate better decisions on product design and promotion; target customers as individuals and as segments; as well as measuring promotional effectiveness and return on investment' (Knox, O'Doherty, Vurdubakis and Westrup 2010: 340). For its critics,¹⁷ CRM offers extraordinary powers of surveillance in a covert device that converts transactional data into digital representations of consumers. Through digitisation, especially in the user-generated Web 2.0, CRM intensifies the blurring of production and consumption into 'prosumption'. While most critics acknowledge that CRM shares ground with other, older forms of marketing and that it too has its limits, they nevertheless settle upon a pretty high estimation of its potential. Yet even with continuous innovation CRM remains vulnerable to 'misappropriation, inversion and breakdown' and dependent on willing, cooperative consumers (c.f. Knox et al. 2010: 341; Beckett, 2012).

CRM systems clearly handle customer relationships differently than other marketing devices. By mobilising transactional data, by coding, managing, arranging and manipulating it, in

the service of multiple, distinct marketing strategies, a range of specific, implicit and sometimes unexpected consequences are produced. Amongst these, Beckett (2012) describes the normalising of relatively new shopping customs like gift buying for teachers at the end of the school year, while Felgate, Fearne and Di Falco (2012) note how Tesco supermarket's Clubcard scheme fixed a new promotional logic of 'buying on offer'. No doubt numerous examples of contemporary shopping practices could be traced back to the intervention of CRM systems to co-opt, elaborate and reinforce existing practices, thereby 'framing and enacting consumer agency' (Beckett, 2012: 15). The important question is whether this is really doing anything structurally transformative to the production/consumption relation.

CRM is the latest contender to succeed advertising as the 'magic system' (Williams, 1980) channelling consumers to producers. Magic, the 'power over things and over others' (Knox et al., 2010: 351), is precisely what the coalescence of information technologies and marketing techniques in CRM seems to promise. But CRM is not magic and like any device, it is set to work in a world that doesn't quietly submit to being finally known and re-ordered. Market devices, in the way that thinkers like Spinoza, Nietzsche and Foucault argue of 'modes of existence', ought to be assessed according to immanent criteria, according to what is historically possible and without appeal to transcendental teleological values (Deleuze, 1991: 159-163). In the particular context of the last two decades CRM has set out to solve the new forms taken by a very old market problem. The old problem is the need for a device that transmits information *and* receives feedback. CRM systems promise to tackle this differently by de-massifying or 'mass personalising' consumers into individual profiles and using feedback technologies that automate consumption and modify marketing systems. Different sorts of outcome do indeed emerge from CRM but only because they come out of a different field of possibilities to address the particular market problems presented by mass, relatively anonymous, geographically distributed, online exchange. In other contexts, the old problem found different solutions.

Agents: an organised, localised device of market encounters

Hennion, Meadel and Bowker (1989: 204) noted that within organisations, ‘the big opposition between the product and the market’ is dissolved, not by breaking down barriers, as the ‘pro-sumption’ model suggests, but by multiplying them in order to ‘localize and organise’ a series of small-scale face-to-face encounters. This might seem counter-intuitive and yet, barriers in the form of fields, sectors, areas, divisions or departments, render the abstract problem of production and consumption into the more or less manageable, organisational process that, in concrete practice, it always is. Nor is it the case that Hennion et al.’s characterisation has been made obsolete by the rise of online markets in which there are no local encounters, no physical co-presence of ‘producers’ and ‘consumers’. Co-presence of ‘producers’ and ‘consumers’ does take place in some market situations, but even historically, it is comparatively rare. More usually, intermediaries are organised to divide, specialise and collaborate in the series of encounters that convey products to markets. Some of these encounters, like those between media planners, clients and web designers or between delivery agents and customers, are still face-to-face even as more and more advertising and marketing moves online alongside retailing (c.f. Mellet and Beuscart, 2013; Aritzia, 2013). The important point is that market encounters are almost never between ‘production’ and ‘consumption’ but between a prolific series of specialist participants. This series, not a single magical intermediary or system, is what accomplishes exchange transactions because it is the series that puts consumption *in* production. Desire happens when we;

... have in front of us not a strange object, but an object that already contains us since we have been incorporated in it by a thousand techniques from the moment of its production; and it is to be ourselves but the simple addition of the objects through which we are defined. The product traces out the consumers, the consumers the product: the familiarity of the couple has replaced the otherness of the confrontation between the reality of things and the illusions of desire. (Hennion et al. 1989: 208)

This formulation softens the contrast between digital marketing solutions; whether they deploy CRM, crowdsourcing or social media, and traditional marketing. It is banal, and important anyway, to note that the core task of CRM is not that different from that faced by the archetypal grocer in listening, remembering, reacting and responding to what their customers say and do in face-to-face interactions. Face-to-face encounters still take place throughout the lifecycle of all products. In some market situations, they are the neglected devices at the very centre of the precise, contractual moment of exchange. Sales force interactions are the basis of the charismatic, party planning, doorstep and pyramid selling organisations Nicole Biggart (1989) described; in their continuing role in the sale of mortgages, pensions and life insurance they remain fundamental to much of the contemporary financial service industries (Vargha, 2011) and they are the defining feature of the mass market, doorstep finance collecting firms described throughout this book.

Both the insurance and credit sectors of the doorstep finance market were built around a system of agents who, acting as canvassers, collectors or more often both, conveyed the product to its customers. In industrial life assurance, the oldest and largest sector, the size, longevity and persistency of the market simply could not have been accomplished without this face-to-face work. Life assurance had been around in Britain for almost two hundred years before in its ‘industrial’ version it achieved mass-market penetration in the last quarter of the nineteenth century. By 1911, an estimated 42 million policies were held by the industrial offices; by the 1940s the total number was over 100 million. These figures were so high because individuals purchased multiple policies on other lives within their extended families. Policies were held on husbands, wives, children, grandparents, aunts and uncles and often issued by the same company in patterns of habitual loyalty that were sometimes carried across generations. The role of agents in this stretches far beyond that of personal selling in the promotional mix of orthodox marketing.

By collecting from door to door, agents became the source of discipline necessary to ensure cash-strapped customers paid the regular, usually weekly, premiums necessary to service their policies and loans. This made agents the core device in distribution and promotion but their role went deeper still. Through weekly collections, agents, quite literally, got into households. They acquired, as elaborated in the chapters that follow, a foothold and a standing that helped defend the high price of the industrial version of life assurance and granted the electoral clout that enabled offices to effectively resist a long series of reforms. As the offices caught on to the significance of agents, they were ever more carefully organised and cultivated as ideal representatives, an inoffensive fit in any home, and the industry's central motif, repeatedly activated through advertising, sales promotion, merchandising etc. In this way, agents became not just bearers of the product but *part of it*. Agents were devisers – they did not just take the product to the market, they were expected to prospect, cultivate and nurture their markets, even to become themselves part of what was being trading in. To achieve this meant acting as a fully-fledged system, receiving and transmitting information but also always responding and adjusting their performance and the products they presented. This was not something that agents could have managed on their own. Although much of their work was conducted 'outdoors', 'in the field' and without direct supervision, agents were always the local bearers of a vast, bureaucratic organisation, division and specialisation. They carried with them the work of accountants, managers, actuaries, medical officers, statisticians, data processors, superintendents, publicity experts, clerks and many more. Collectively, this crowd of specialists configured and reconfigured products in line with the aggregated feedback that agents had gathered in an attempt to ensure that the products incorporated customer (and seller) experience.

Agents in the doorstep credit sector played a similar but slightly different role. Doorstep credit was a much smaller, less bureaucratised and chronologically later, industry. Although there were earlier precedents in the form of clothing clubs, the sector proper dates to 1880 when the *Provident Clothing and Supply Company* was formed in an explicit attempt to adapt the structure of

industrial assurance for the purposes of credit provision. As a result, the role of agents closely parallels that in industrial assurance. Credit agents also sold products in the form of clothing checks or other tokens and then collected weekly repayments door to door. They too were encouraged to gather information from customers and relay it back to branch offices allowing modifications of the amount and terms on which credit was issued. This implicated agents in both sectors in what Zelizer (2005) calls the ‘relational work’ of combining intimate, personal ties with economic transaction but for credit agents the work had heightened significance in line with the raised stakes surrounding credit refusal, repayment and debt collection (*c.f.* Deville, 2013). Credit agents thus had to perform an even more delicate balancing of friendliness, commerce, assessment, discipline and pressure than insurance agents. As a smaller sector populated by often much smaller, local companies, these agents also did without much of the specialist organisation, distribution and support typical of the largest insurance companies. Even so, agents were participants in the highly organised system that credit products travelled along, from company to branch to agent to household to retailer and back again.

The point is that market devices are at work in all sorts of bounded, limited applications and always tackle particular parts of the problem of incorporating consumers and consumption into the product and its production. Despite all the digitally enhanced potency of emergent forms of marketing the world has not dissolved into pro-sumption, the problem of moving goods remains and is still tackled organisationally and ‘artisanally’ through departments, specialisms, equipment, skills and functions. Moreover, the multitude of tiny assessments, adjustments, corrections, recollections, reflections and reports that agents carried out during face-to-face sales and company interactions are not possible to replicate digitally. Digital systems like CRM, quaint devices like the electric eye and human devisers like sales agents, all address the challenge of ‘knowing’ the consumer and unearthing those bits of private fact, the deeper set dispositions that ‘make’ products and markets in different and more or less successful ways. The role this human matter plays in the form products finally take is not easy to identify or describe,

and, as I'll suggest next, has thus far been only very thinly sketched within the concept of market devices.

The Scandal of Humble Dispositions

For all the long historical succession of devices, and for all the celebrated or maligned advances in marketing, there is still little to be said with any certainty about how people make market choices. Market encounters are a challenge to practitioners 'in the wild' and to academic observers alike because individual choices, as Louis Menand puts it, 'seem to arise, in the end, out of the mysteries of personality which are a scandal to theory' (1997: xxxiv). While the pragmatist approach Menand was outlining has no final answers to the question of where choices come from either, it does at least allow a space for the confounding role private fact plays in market action.

In their introduction to *Market Devices*, Muniesa, Millo and Callon (2007) gave an explicit account of their approach to the part played by human dispositions in market action. The notion of 'device', they explained, offers a means of bringing objects inside sociological analysis by calling attention to the various ways; soft, gentle, hard or violent, that they act. In articulating actions, devices have agency but despite its mechanistic connotations, 'devices' implies no division between machine and human. Rather, drawing on the philosophical proposition of 'agencement', Muniesa et al. advocate a mode of analysis in which the person is not positioned as external or other to, but part of and enacted through, a device (c.f. Deleuze and Guattari 1988). Device thereby assumes a hybrid character that is more readily conveyed by 'agencement' since, at least in the original French, the companion term combines a sense of arrangement *plus* action. These arrangements or assemblages of humans, prostheses, tools, equipment, formulae, algorithms, etc. make things happen as a consequence of the way elements are connected (c.f. Callon 2007a; 2005). Agencement itself draws from Foucault's (1977) sense of devices as

apparatus, 'dispositif', which contain human dispositions within their architecture. A dispositif, Deleuze explains:

... is a tangle, a multilinear ensemble. It is composed of lines, each having a different nature. And the lines in the apparatus do not outline or surround systems which are each homogenous in their own right, object, subject, language and so on, but follow directions, trace balances which are always off balance now drawing together and then distancing themselves from one another. (1991: 159)

This tangled mass of broken, forked, drifting lines connecting people, objects and language, gives a sense of the distribution of ways of being, of modes of existence, across and between sites. Shifting, dynamic connections have productive force because it is in the connections between people, objects and language that forms of action acquire their shape or identity. This is the same sort of relational architecture that agencement describes. In Phillips' (2006: 108) discussion, agencement directs attention to the connections between a given state of affairs and the statements made about it but 'designates the priority of neither'. It is the connections between states of affairs and statements that matter because the connections produce something that exceeds them, and of which, in a transformed state, they now form part. This is important because it contains the key to how the human dispositions that bear on market action, the forms of ranking, valuation, calculation, judgement, qualification etc., arise¹⁸. By privileging the consequences of dynamic articulation, agencement targets not the assemblages *per se* but the forms of action they produce. Market devices, or agencements, thus stake their claim to tracing the 'evolving intricacies of agency' (Muniesa et al., 2007: 3).

Devices then, as the compound 'agencements' of economic action, are always objects plus human dispositions. This elaboration of devices has brought market objects, tools and practices into sharper focus, but so far this has been accomplished with only a schematic account of what, and how, private matter is incorporated. The argument that human agency arises in conjunction with material arrangements, not prior to them or independent from them is clear conceptually.

Even so there is something unsatisfying about reading dispositions only through devices, especially when all the empirical heft has been put into describing the material equipment, tools and formulae and not the practices, training, cultivations, skills, capacities, bodies, beliefs and emotions that animate them. That the attributes, skills and knowledge required of the insured, of doorstep borrowers or of online shoppers, are produced through interactions with assemblies of tools, technologies and information is fine as far as it goes. Surely though, there is more to be said than this about how precisely, private fact is incorporated in these assemblies.

Deleuze (1991) speculates that variations of the type I am driving at here, in the processes of subjectification, the histories of private life, would have occupied Foucault further had he lived. The production of human dispositions, as Foucault observed, regularly elude the forms of knowledge and power of one dispositif, only to be reinserted in another, resulting in all sorts of muddles, by-products and excesses. Dispositif are made up of all sorts of different lines: lines of visibility, of force, of enunciation, of subjectification, etc. This vast mixture makes variations and new combinations inevitable and calls into question the very idea of universals, or the possibility of stable material objects or stable human subjects.

The universal, in fact, explains nothing it is the universal which needs to be explained. The One, the All, the True, the object, the subject are not universals but singular processes – of unification, totalisation, verification, objectification, subjectification – present in the given apparatus. Also each apparatus is a multiplicity in which operate processes of this nature still in formation, distinct from those operating in another (Deleuze 1991: 162).

This commitment to the singularity and variation of processes reveals a pragmatist sensibility that is also pronounced in Foucault's approach to reason. Foucault's largely unfulfilled interest in the historical nature of reason and in forms of reasonableness, is underscored by his rejection of the idea of essential 'Reason par excellence'. In stating that there is 'no sense in the propositions according to which reason is a long narrative which has now come to an end', Foucault (in Deleuze, 1991: 163) addressed a debate that remains of central importance in the context of

financial calculation and one that had preoccupied early American pragmatists as it had a long line of others.¹⁹ The relationship between reason, information and choice is of course contested in all sorts of fields, as the emergence and subsequent popularisation of behavioural economics in Thaler and Sunstein's (2008) *Nudge: improving decisions and health, wealth and happiness*, testifies. This debate has its own long history in the context of 'low' consumer finance where 'bad', apparently disadvantageous, choices of financial product are cast in relation to personal, or sometimes social, deficits in rationality or information. In contrast, pragmatist accounts like those advanced by Charles Sanders Peirce, William James and John Dewey defend the need to assess human conduct, not by reference to universal, transcendental values like reason or probabilistic calculation, but in terms of its relations, contexts and consequences.

As Peirce has it, the meaning of any proposition is not to be determined by reference to universal reason but is 'that form in which the proposition becomes applicable to human conduct, not in these or those special circumstances nor when one entertains this or that special design, but that form which is most applicable to self control under every situation and to every purpose' (Peirce, 1982: 113). This places the rational meaning of all propositions in the future since the only conduct subject to self-control is future conduct. For a proposition to become applicable to human conduct in every relevant situation, that is, for it to be meaningful, the proposition has to be 'simply the general description of all experimental phenomena which the assertion of the proposition virtually predicts' (Peirce, 1982: 113). An experimental phenomenon is the fact asserted by the proposition that a certain kind of action produces a certain kind of result. Confidence in this relationship between action and consequence is at the root of all purposeful action. Truth and meaning then, cannot be derived from rational, logical deliberation but depend on the future, collective determination of consequences. As John Dewey summarises;

A theory corresponds to the facts when it leads to the facts which are its consequences, by the intermediary of experience. And from this consideration the pragmatic generalization is drawn that all knowledge is prospective in its results, except in the case where notions and theories after having first been prospective in their application, have already been tried out and verified. ... however, even such verifications or truths could not be absolute ... they are always subject to being corrected by unforeseen future consequences or by observed facts which had been disregarded. (Dewey, in Thayer, 1982: 32)

Peirce's pragmatism was directed to ascertaining the 'meanings of hard words and difficult concepts' (1982: 56), to provide some means of testing, albeit provisionally, the truth of intellectual propositions. This did not go quite far enough for William James who sought to stretch pragmatism beyond the investigation of scientific, intellectual concepts to understand how thinking and individual belief operated in ordinary practice. 'The true', he remarked, 'is the name of whatever proves itself to be good in the way of belief, and good, too, for definite, assignable reasons' (James, 2000: 38). What James was driving at, was the sheer, generative force of those ideas that are found useful and meaningful in everyday living; this force operated irrespective of whether the ideas themselves would pass either formal rationalist or empirical standards of truth. This is precisely what he meant by the 'very dirt of private fact'; truth is whatever works best, whatever fits best, with the collective demands of experience. In this, James was not trying to bar rational or empirical evidence but to allow *any* evidence that could be shown to have practical consequences. Pragmatism for James is empiricism pushed to its legitimate conclusions to look away from 'first things, principles, 'categories,' supposed necessities; ... towards last things, fruits, consequences, facts' (2000: 29).

There is something potentially very significant in James's attitude to the matter of private belief. By focusing attention only on the consequences of belief, and not its 'correctness', he offers the grounds for an explanation of how calculation is accomplished that can more fully accommodate the shortfalls and deficits of information and reasoning in consumers who nevertheless complete market transactions. This explanation points back to the necessity, for

products to even be products, that they somehow incorporate the beliefs, sentiments and desires of those who will consume them. This incorporation of human dispositions is among the core, but so far under-described, tasks that market devices undertake.

A better sense of how this might work can be gleaned from returning to the particular case of industrial assurance. Pragmatism, cast in Jamesian style, attends, not just to the technical or material characteristics of markets, but also to the various collective and individual beliefs that sustain them. Industrial assurance is a good test case for this because it was not only hugely popular it was also highly contested - most notoriously on grounds of price and value. Its enduring popularity was closely related to the mechanism of weekly collection. Where 'ordinary' life policies were built, and priced, around a model of remitted annual or quarterly premiums, industrial premiums were collected. Doorstep collection is a significantly more expensive business model to administer and administrative expense ratios in the first quarter of the twentieth century were around 50%, compared to around 15% in ordinary assurance and 7-10% in compulsory social insurance schemes. Effectively, this meant that the poor customers of industrial assurance paid far more for their cover than 'ordinary' customers. That the poor would get a better return by taking their pennies to a savings bank or post office was never in doubt and although expense was not the only objection raised against the business, it was probably the strongest and certainly the most enduring. Between the 1860s and the 1950s and even beyond, industrial assurance was repeatedly cast as preying on the fecklessness, ignorance and irrationality of the poor.

Now it may be 'true' that for a well-resourced person, industrial assurance is an irrational purchase. For a hard pressed, cash and time poor person for whom collection presents itself as the only practicable route to any kind of provision it is not quite so 'true'. The debate about the value of the product is classically at cross-purposes. It cannot be settled by logic, reason or objective evidence since these are not final arbiters but only aspirations that can be summoned

on every side of any argument. The prestige of reason, as James declares, often justifies belief, but reason is far flimsier and truth far more provisional than rationalists and logicians admit.

there is this, - there is that; there is indeed nothing which someone has not thought absolutely true, while his neighbour deemed it absolutely false; and not an absolutist among them seems ever to have considered that the trouble may all the time be essential, and that the intellect, even with truth directly in its grasp, may have no infallible signal for knowing whether it be truth or no.' (James, 2000: 208)

What is clear is that the 'truth' about the product, its value or rationality, is situated. Neither the price nor the cacophony of political voices raised against industrial assurance persuaded policyholders to exit the market (c.f. Hirschman, 1970) quite simply because for vast numbers of policyholders it continued to offer the best available 'fit' with their experience. Policies purchased initially to provide a means of paying for funeral expenses were purchased in response to what, in an era of high mortality, was the very common social and private problem raised by sudden death. As public health and mortality rates improved, policies were still purchased in vast numbers but for a widening range of purposes, including for coming of age, wedding or anniversary celebrations. Among the reasons why industrial policies continued to 'fit' with this changing experience was that in collecting agents an adaptive mechanism, a device, had been engineered that helped incorporate customer experience within the product. Agents entered households, they observed, talked, listened and responded to customers' habits, ideas and beliefs and then fed this aggregated experience straight back to companies. Formal information in the way of premiums paid and missed, death and illness was routinely fed back this way alongside the more informal, impressionistic information that agents were trained to gather and report. In this way, what James calls 'private fact' was channelled straight back into the design of industrial policies and the agents who bore them.

James's pragmatism admits private fact as evidence as long as it can be shown to have practical consequences. In being 'willing to take anything' James was drawing attention to the limits of reason and calculation (2000: 39). This argument does not necessarily contradict Callon's (1998) insistence that however more soulful and irrational human economic agents are than economists' models, they *still* calculate. Calculation in Callon's formulation is situated in a device that includes, but is not restricted to, any individual human being. So the agent and the cornucopia of insurance materials, premium books, policies, proposal forms etc., might all be part of what it takes to 'perform' calculation. To the extent that the agent provides a medium of channelling private fact back into the presentation of the product then this too may claim a place in Callon's model of calculation. This model accommodates human weaknesses and cognitive limitations by distributing calculative agency but it still ends up sitting very close to economic models of rationality. Even the softer, less mechanistic definition presented in Callon and Muniesa (2005: 1231) which describes how calculation 'starts by establishing distinctions between things or states of the world, and by imagining and estimating courses of action associated with those things or with those states as well as their consequences' specifies a three stage process of detachment, manipulation, result. Judgement here becomes part of calculation in a characteristic softening of distinctions and boundaries that has not proved universally palatable. Such enlarged definitions of calculation and of economics, it has been objected, flirt with the substantive collapse of everything into everything (Karpik, 2009; Mirowski and Nik-Khah, 2007).

It is surely a risk that an explanation that can so comprehensively accommodate everything may end up by not explaining very much. This is precisely the problem here. It is clear that devices are meant to include human dispositions by equipping, formatting or 'agencing' them.²⁰ Yet very little attention has been spared on examining precisely how the habits, beliefs, attitudes, ideas, practices, skills and competences, the whole shooting match of private fact, are practically incorporated within devices. The storing and response to past purchasing and browsing

behaviour in CRM and the relational work of sales agents are examples of the sort of devices that do carry out some of this work and they bear close investigation. It seems likely though that even when more of this sort of investigation has been completed and when more robust descriptions of the routines and formulae for feeding private fact into product and market design are available, something will still be missing. That is to say there is an irreducible element of mystery, excess, that cannot be swept into even the most elaborate calculative collective device involved in the mass purchase of consumer products. What it is that makes something 'the thing' to purchase for so many for a time until it's quite suddenly not, is not wholly explainable in terms of the devices of markets and consumption.

Atmospheres, sentiment and politics

There are no independent variables in this henhouse. (Molotch, 2005: 88)

With a sensibility that is all William James, Harvey Molotch insists that art is always with economy, as form is always with function. The artistic and the sensual create the desire that is in, but is not all, of markets. The trouble is that the ways that desire, that inaccessible reserve of private fact, get incorporated in markets is difficult to trace and routinely under-rated. What James saw as the conceits of rationalism are organized into academic disciplines that help maintain instrumental rationality as the best, most consistent explanation of human behaviour. Economists come up with intricate explanations of why even the most idiosyncratic practices are in fact rational choices and even attempts in other disciplines to situate rationality stay within the same structure of explanation. Calculation may be distributed and equipped, it may be socially constructed or socially softened by community or weak network ties, but it remains a rationality.

And so it should. That there is something unaccountable, confounding or mysterious in market action does not mean that there is no reason, no process, no system to be described.

James' plea for the admission of private fact was not an abandonment of the pursuit of reasoned or observed knowledge. It was a plea for humility, an acceptance that such knowledge will always be partial, socially negotiated and subject to change when better evidence comes along. The attempt to uncover the role of devices is an important advance in explaining how markets and market practices like calculation come to take the form that they do. This can put flesh on abstract models and demystify the processes and physical infrastructures that, as if by magic, place the objects you might want just where your eye will find them, whether on a web browser or in a department store. The challenge is that this pipework, this infrastructure of tools and techniques, is at work, not in isolation like a machine in a controlled laboratory, but in an unstable and unpredictable atmosphere. Within this atmosphere, this henhouse, relevant and dependent variables include private fact, sentiment, arts, fashion, the climate, public conversation, politics and the multiple discourses or rationalities that make up knowledge (acai berries are good for you, payday loans are not) just for starters. It is too much, far too much, to expect the description of a device, no matter how elaborated, extended or distributed to shed light on all of this – even if it's conceptually meant to.

Two risks arise from approaching markets through their devices. One is that in trying to incorporate all of this, as Callon (2007; c.f. Caliskan and Callon, 2010) seems to in defining agencements to include 'statements and their worlds' much as operating instructions are part of machines, is that everything tautologically collapses into everything else as 'nothing is left outside'. This ends with everything in the world being part of what makes the world as it is²¹. Unsurprisingly, few have followed this injunction very far empirically. Most have focused on offering a closer account of how a given market device, whether a focus group, financial chart or scorecard, can be seen to configure a market. This scholarship is important. The best examples, like Martha Poon's (2007) history of the scorecard as a device for consumer credit, trace the connections between a given device and the broader dispersion, and socio-political implications, of certain forms of calculation. Less adeptly handled and less well chosen empirical sites court

the second risk, of overstating the priority of mundane material arrangements and understating the significance of their relations and inter-relations with the ideas, rationalities and sentiments that inspire them. As Mennicken and Miller (2014: xx) point out, for Foucault, attention had to be directed not just ‘to the devices that instrumentalise the real’ but to ‘their interdependence with the multiple rationalities and codes that seek to prescribe how the real is to be programmed’. Objects are interesting, in this tradition, only because they are the correlate of historically specific sets of practices and this ought to place the relations that link actors, instruments and ideas at the centre of analysis.

It is not that a devices approach is meant to focus only on the material, to exclude practices or to ignore broader relations with ideas, rationalities or atmospheres. Indeed the reworking of *dispositif* in the form of *agencement*, defined as arrangement *plus* action where it’s the connections between elements that matter most, is explicitly designed to accommodate all of that. The problem is that dense description of ‘all of that’ is methodologically indigestible so a quiet reduction takes place in which devices, however vast in conception, in description become the tools and techniques associated with particular market actions. The goal to follow the pathway taken by the device remains but it is the account of its material, bounded and stable elements that often predominates. This emphasis on the material can even be read as a corrective to the failure in Foucauldian studies of rationalities to offer much in the way of material history at all. Devices in all their mechanical, technical complexity thus come into clearer view and their confounding relations with forms of reason, sentiment, private fact and political programmes fade into the background. Devices after all are tricky things.

There isn’t a solution to this. No study can cover everything that bears, or might bear, on market action satisfactorily. The approach here is to acknowledge that while techniques of socio-technical description can be extended to cover the devices and ‘devisings’ that allow private fact to be channelled and incorporated into products, there are limits to what can be accounted for. Markets and the devices that help make them are relational properties that emerge in the

connections between buyers, sellers, the crowds of other interested parties and the host of political, economic, social and technological elements that make up public and private moods. These elements and the connections between them are prolific and always changing. This leaves something cunning, baffling and powerful that just dodges description in the way that markets move.

It is a gesture to the importance of this constant motion and the practices and processes that comprise it that this book focuses more on devising than devices. The low finance agents who feature throughout were involved in the devising of markets and of consumption practices, with all the mechanical and human contrivance that the term connotes. Agents were a channel, a feedback device between customers and the offices that designed and provided the products. They proved an extraordinarily effective mechanism for maintaining relations between customers and offices in such a way that customers were incorporated within products. As adept at devising as they were, neither agents nor all the other marketing devices at the disposal of the offices, could offer permanent maintenance.

¹ For materially focused studies of consumption and marketing see for example Slater (1997); Jackson (2000); Gronow & Warde (2001); Cochoy (2002, 2008a, 2008b); Gregson (2003); Shove (2003, 2007); Warde (2005); Shove, Watson, Hand & Ingram (2007), Grandclement (2009), Shove & Araujo (2010); Araujo, Finch & Kjellberg (2010). Not all of this attention is attributable to STS/ANT. Anthropological studies have taken materiality seriously all along e.g. Appadurai [ed.] (1986); Miller [ed.] (1995).

² C.f. Caliskan and Callon, 2009, 2010; Halpern, Lascoumes and Le Gales 2014; Mackenzie, 2011, 2012; Mackenzie, Beunza, Millo and Pardo-Guerra, 2012; McFall and Ossandon, 2014; Parda-Guerra, 2013; Poon, 2007

³ This phrase was used in the run-up to the 1911 National Insurance Act to mark the significance of the industry, and especially the agents' lobby.

⁴ There were substantial literatures on the government of economic life for example Miller and Rose (1990; 1997); Burchell, G., Gordon, C. & Miller, P. [eds] (1991); Donzelot (1988), the 'new' economic sociology in the US (see McFall & Ossandon 2014 for an overview) and cultural economy (du Gay 1996; Nixon 1996) by the mid 1990s that were partly a response to this.

⁵ See note 3

⁶ See Callon et al. [eds.] (2007); Mackenzie, Millo & Sui [eds] (2007) Pinch and Swedberg [eds.] (2008)

⁷ Cochoy (2007; 2008a, 2008b, 2009), Grandclement (2009) and Araujo, Finch & Kjellberg (2010) all offer illustrations of how market devices perspectives can be applied in consumer market settings.

⁸ I am grateful to Zsuzsanna Vargha for this line of investigation

⁹ See Keat, Whitely & Abercrombie (1994); Ray & Sayer (1999); Slater (2001) for accounts of marketization; Somers & Block (2005) on market fundamentalism; Williams (2004) challenges the 'myth of marketization'.

¹⁰ See McLuhan (1951); Ewen (1976); Wernick (1991); Goldman & Papon (1996) Leiss, Kline, Jhally & Botterill (2005) for a historical sample of this sort of position and McFall (2004) for some of the problems with it.

¹¹ Wernick (1991) on promotional culture; Lury (2004) and Moor (2007) on brands offer some of the best arguments for the historically transformative action of marketing processes.

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- ¹² See Erturk, Froud, Johal, Leaver and Williams (2013: 336-337) and McFall (2004: 1-6) for examples
- ¹³ All these devices are featured in <http://adverlab.blogspot.com/2009/05/emerging-media-in-1930s.html>
- ¹⁴ See Nixon (2003); Malefyt and Moeran (2003); Dickenson, (2009); McLeod, O'Donohoe, & Townley (2009).
- ¹⁵ This might make some kind of sense out of the prolonged spat between Apple and Samsung over who is imitating who but, as Chapter 4 elaborates, it also fits with the imitative structure of market behaviour on both producer and consumer sides.
- ¹⁶ See Baker and Saren (2010); Araujo, Finch & Kjellberg (2010); Tadajewski & Saren (2008) for more on the problem of defining the knowledge, discipline, objects and theory which constitute marketing.
- ¹⁷ See those collected in Zwick & Pridmore (2011); Pridmore and Lyon (2011); and Lace (2005); Beckett (2012) offers a thoughtful review
- ¹⁸ See Kjellberg and Mallard (2013); Helgesson and Mallard (2013); Muniesa (2012); Moor and Lury (2011); Karpik (2010); Caliskan and Callon (2009; 2010) Cochoy (2008a) and Callon and Muniesa (2005) for more on these varieties of market action.
- ¹⁹ Foucault was responding to Nietzsche and Spinoza's formulations of reason. There is also an extensive literature on the emergence of specific forms of probabilistic reasoning that are especially germane in the study of financial calculation. See for example Gigerenzer *et al.* (1989); Hacking (1990); Porter (1996).
- ²⁰ Cochoy and Trompette (2013) propose the term 'agencing'. It supplies a means of emphasizing the active, dynamic processes that make up any agencement without the machine-like connotations. I have used the term 'devising' in this book for similar reasons.
- ²¹ A position that Mirowski and Nik-Khah (2007: 198) find 'trivially true and utterly uninteresting'.

Chapter 2: Groovy like the market? Problems with fit and adaptation in government schemes to insure the poor

To understand success or failure, i.e., diffusion and its adventures, the idea that an object is only taken up if it manages to interest more and more actors must be accepted. To consider that the socio-economic context was known once and for all, as if it were possible to define the product outside of all interaction with it, is contrary to all that we know about innovation. Innovation is perpetually in search of allies. (Akrich, Callon, Latour, 2002: 203)

First things first, this chapter's title does not portend a celebration of markets on account of their essential 'grooviness'. Instead, the aim is to situate markets for poor insurance in relation to the broader political and governmental atmospheres in which they emerged. Markets are not necessarily groovy in a fashion sense, they are certainly not necessarily chic, or glamorous or spectacular, but operate often in routine, unremarkable and unremarked ways. It is in this quiet continuing that an operational 'grooviness' inheres. For if markets are to exist for any length of time, the first condition is that a channel, a conduit - or even a 'groove' - has been carved along which information, objects, payment tokens etc. can reasonably easily be exchanged between producers and consumers. Once established this channel cannot be left long untended since the size, shape and format of the stuff exchanged continually alters with new products, tastes, prices, regulations and so on. This means that markets depend on an adaptive facility and it is this that interests me because it opens up a puzzle. How is it that markets have sometimes succeeded - where success means enrolling enough participants to continue- in designing solutions to certain problems while determined efforts by governments to solve the same problems have sometimes failed?

'Groovy like the market' was a phrase Harvey Molotch used in a 2008 lecture¹ as part of an account of failures in some state schemes to 'think' like a person. Molotch used a number of examples, including the fatiguing complexity of choices in Medicare schemes and the lack of furniture to help passengers remove their shoes in post 9/11 airport security-screening queues, to

support his case that an inattentiveness to administrative design was characteristic of many state schemes. Molotch's argument consciously extended James Scott's (1998) history of failures in improving state schemes and suggested similar reasons. Scott's proposition - that state schemes fail when an irrepressible Polyanna-ish optimism about the outcomes of administrative re-orderings combines with a disregard of 'practical knowledge, informal processes and improvisation in the face of unpredictability' (1998: 6) - points to the importance of fit and adaptation. Markets, Molotch argued, tend to take the question of offering something that people at least think they want, seriously. This requires attention to the question of fit, and it is this bland quality, more than any inherent 'coolness' factor that makes markets 'groovy' in ways which governments seldom are. On top of this, market actors, even when driven by a dynamic entrepreneurialism, seldom share the chutzpah of state actors. Market actors generally start comparatively small, comparatively local and they have a vested interest in nervously checking how their products are going down and altering them when they are poorly received. Even online retailer Amazon, named with grandiose intent after a river that is not only the biggest in the world but bigger than the next seven biggest rivers combined, started small, with personal savings, capital borrowed from parents and meetings in a Barnes and Noble coffee shop (Stone, 2013).

None of this means that markets offer better solutions. The negative consequences of unfettered markets are as plain as ever as the consequences of the 2008 global financial and sovereign debt crises continue to unfold. As demonstrated by the persistence of theoretical debates about marketization and market fundamentalism, hand-in-hand with empirical observations about how markets work not in opposition to states, but as their 'uneasy allies' (Porter, 2008: 49; c.f. Joyce, 2013; Scott and Legales, 2010; Tomlinson 2004; 1994; Mitchell, 2002), the choice in actually existing societies is not between clean competitors, market or state, state or market. Instead, since 'no nation could risk following market fundamentalist precepts to the letter' (Somers and Block, 2005: 261) and since state policies precede the extension of markets, the choice involves the more untidy business of dividing up which bits, of which

problems, should be tackled by states and which might be left to markets. As recent history in many European countries, in the US, in Australasia and elsewhere attests, there has been a observable turn to market solutions for a host of problems in transport, health care, education, criminal justice etc., that had been the preserve of governments for good portions of the twentieth century. The marketization of any governmental problem invariably, and rightly, raises matters of concern but as I aim to show in this chapter, market and state relations form a more complicated historical topography than terms like marketization imply. This is not an empirical argument about the extent of marketization. It is an attempt to signal the variegated historical settlements that place goods and services in, out, then in and out again, of governmental, non-market or quasi-market territory.

Insurance, especially life insurance, as Zelizer (1979, 1981) has famously shown, has a long history of testing these settlements². Life insurance, in the eighteenth and nineteenth centuries, was the product archetype when it came to activating market/non-market, sacred/profane distinctions. Priests and sociologists alike have long agreed that life, as a sacred, incommensurable thing, should never be subjected to calculating logics or made the object of commerce. This censure hampered the development of the insurance industry but only temporarily and rather unevenly. In countries like Britain, where life insurance fitted into a local ecology prepared by the history of marine insurance and a sympathetically disposed Anglican clergy, the industry developed earlier and encountered less opposition. Still, even in Britain it would be untrue to say that the matter of insurance, and its location on, or off, the market, was to be easily or permanently settled. Instead insurance, especially life insurance, bounced in and out of governmental concern all through the nineteenth and twentieth centuries, prompted reams of legislation and, in the case of life insurance targeted at the poor, successive governmental attempts to get it off the market. The main concern in the remainder of this chapter is to explore the reasons why these attempts met with such little success.

First, it is worth considering briefly why governments were so interested in insurance. From early in the nineteenth century British politicians had seen in insurance the potential for reducing the burden of state provision for the poor. Sir Frederick Eden noted the need ‘to draw ‘thrift’ into a centralized state-controlled institution’ in 1798 and proposed a bill to allow the collaboration of the Post Office in the administration of a ‘Poor Assurance Office’. Eden’s 1807 bill never became law but it is an early indication of the significance of insurance in the genealogies of ‘the social’ and of ‘welfare’. As Mary Poovey (2002; c.f. Joyce, 2013; Foucault, 1991) has argued, the very idea of a distinct social realm whose management should fall to governments was only beginning, slowly and painfully, to emerge in the nineteenth century. Insurance, as a risk-spreading technique that could be applied across large populations, was to become one of the key means by which this new realm could be governed.

On the surface, it is a little odd that neither the advancement of commercial insurance nor the early governmental interest in social insurance schemes led to the design of an effective, general socialised scheme in nineteenth century Britain. While theorists like Donzelot (1988) and Ewald (1991) locate insurance at the centre of the emergence of welfare states in countries like France and Germany, in Britain the development of socialised insurance was sluggish and uneven. This, in part, may be traced to that ‘characteristic form of British liberalism’ (Marron, 2010: 19); a Samuel Smiles shaped legacy that privileged the voluntaristic cultivation of character above all. Smilesian liberalism informed both a kindly governmental inclination towards mutual and friendly societies and a deep suspicion of new school solidarity projects of the type Donzelot records that left British governments anxious to avoid any taint of continental paternalism until the Second World War and the Beveridge report changed everything. There is however a lot more to it than that. Insurance techniques may have been widely recognised as ‘a more effective and more moral solution’ (Donzelot, 1988: 401), one that allowed social problems, in countries where the new school discourse of solidarity had the upper hand, to be viewed not in terms of

individual responsibilities and failings, but in terms of the interdependence between people. Still, even in those kinds of countries the uses of insurance were very mixed.

The existence of such mixtures is acknowledged in Donzelot and Ewald's respective analyses of the historical entanglement of political rationalities and insurance. The synoptic shape of what O'Malley (1996: 196-7) describes as a socialised form of actuarialism can be drawn against that of the 'privatised' or 'prudential' actuarialism present in both Victorian liberalism and reactivated 1980s neo-liberalism (c.f. Grey, 1992) but the border between different forms of provision is not as sharp as it looks. This matters because what Lengwiler (2010) labels 'etatic' approaches inhibit understanding of the way insurance has operated within mixed economies of welfare across Europe and elsewhere. Besides Britain, countries like Finland, Sweden, Germany, France, Switzerland, Spain and the United States among many others, have all hosted peculiar local mixtures of collectivist and privatised schemes even alongside well-developed welfare states.³ The socialised versus privatised opposition obscures the connections, compromises and abruptions that give rise to mixed insurance economies. These connections are the key to understanding just what it is that enables some insurance projects to succeed in recruiting enough participants to effectively spread risk, while others fail. In Britain, some of the most notable failures were on the part of government schemes. These failures arose sometimes because 'thinking like a state' left governments, unlike their commercial competitors, quite ill equipped when it came to 'thinking like a poor person'.

The trouble poor insurance caused British governments

By the time Sir Frederick Eden introduced his 1807 Bill there were a number of different sorts of institutions, including friendly societies and guilds, burial clubs and commercial companies, offering some form of insurance cover in Britain. Commercial life insurance had existed in London since the 1690s, but by 1805 there were still only five companies offering life insurance in Britain and all of them were based in London. By 1820 there were a further 15 companies but

the big boom took until the 1830s when up to 50 new companies were launched each decade until the 1870s (Alborn, 2009). These companies targeted their business primarily at the upper and middle classes who could afford the substantial annual premiums. It was not until the middle decades of the century that attention slowly began to turn toward the potential of life insurance among the lower middle and working classes. Until then, these groups used savings banks, friendly societies and burial clubs to insure against contingencies. None of these means amounted to a general form of provision for the poor, and none of them were free from problems.

Both savings banks⁴ and friendly societies benefitted from favourable laws designed to encourage the forms of thrift and self-reliance they were thought to foster. The legal advantages accorded to friendly societies varied over time and with different statutes but primary among them were the exemption from stamp duty and access to government investment schemes.⁵ But even the relatively favourable returns on offer in savings banks were no substitute, as insurance company promotion repeatedly pointed out, for the instant cover provided by insurance. Saving regularly for years might offer a better final return on investment than insurance but if the calamity happened sooner not later, a savings book was no competition for the magic trick performed by a policy that could convert just one or two premiums into a final sum assured. Friendly societies offered something like the moral solution based on collectivist risk management that was envisaged in mid-century European solidarity projects. Their mutualist credentials however have to be set against a voluntarism that was often conservative, always selective and almost exclusively male⁶. The cover on offer in friendly societies reached an estimated 4-6 million members (at least 8 million if the interests of wives and children are taken into account) by the third quarter of the century but these were the skilled and better paid members of the working classes not 'the grey, faceless lower third' (Gilbert, 1966: 166; BPP [304] 1889)⁷.

Friendly societies were also not free from controversy. Despite their achievements and their standing as an exemplary model of voluntary thrift, they suffered from a high failure rate

and were dogged by a record of abuses and incompetence throughout the nineteenth century. It was concern about irregularities in the setting of premiums that motivated the attempt to have the laws governing sickness rates scientifically defined in the 1825 *Select Committee to Consider the Laws Respecting the Friendly Societies* (Hacking, 1990; McFall, 2011). The government's insistence, even in the face of actuarial testimony to the contrary, that fixed rates of sickness were discoverable like mortality laws, stemmed from the political desire to see the friendly society model succeed as a better looking alternative to state provision for the poor and infirm. That friendly societies were the object of sixteen Acts of Parliament between 1825 and 1875, five parliamentary committees and the 1871-4 Royal Commission offers some indication of how little the establishment of governmentally sanctioned sickness laws did to improve the situation. On the contrary, wildly inaccurate assumptions about sickness rates combined with peculiar definitions of sickness left many societies vulnerable to collapse when their true liabilities were discovered. As Neison reported to the 1871-4 Royal Commission;

Had a scheme been purposely contrived to pauperise the members of all the benefit and provident clubs of the kingdom, it could not be more effectually calculated to do so than by the dissemination with Government sanction of a ratio of sickness deduced from data, in which such vital elements are excluded as 'chronic ailment,' 'mere decrepitude,' 'slight paralysis,' 'blindness,' 'mental disorder,' and 'senile infirmity.' (BPP 1873 [C.842]: 225)

Technical and actuarial failures worked with poor management and accounting, fraud and bad luck to produce the collapse of more than one in three of the 38351 Friendly Societies founded between 1793 and 1867 according to Tid Pratt, the government appointed Registrar⁸, or as many as half according to another witness to the 1871-4 Royal Commission.

The difficulties encountered by friendly societies were far from atypical. Burial clubs were notoriously unstable and unregulated while commercial insurance offices, whether formed on a proprietary or mutual model, have a well-documented early history of failure, fraud and scandal.⁹ Alborn (2009) records 50 failures and 116 acquisitions by a company that subsequently failed, out

of the 306 insurance companies formed between 1800 and 1870. These failures - especially the high profile cases of the Independent and West Middlesex in 1840 and that of the Albert in 1869 and the European in 1871 - prompted a series of legislative interventions including the 1844 *Joint Stock Companies Act*, the 1853 *Select Committee of Inquiry into Assurance Associations*, and the 1870 *Life Assurance Companies Act*. Until the 1870 Act these interventions did little to stabilize life insurance, which by the middle decades, was booming with companies eager to attract business among the lower middle classes. These companies or 'class offices' adapted both product design and marketing strategy to meet the needs of new customers but the results were still mixed (Alborn, 2009). By introducing innovations like guaranteed surrender values and half credit policies designed to accommodate income fluctuations, and by targeting a broader audience through lectures, almanacs and insurance themed novellas, the new companies succeeded in attracting around half the new lower middle-class market. Although some of these companies survived, other 'flashier offices' faced insolvency despite impressive initial sales. There were real management problems but most of these firms failed simply because 'they overestimated the demand for their product which remained a high priced luxury for most people' (Alborn, 2009: 40).

The new generation of class offices sensed that building new markets required a somewhat different product and their design tweaks were intended to create a better fit with the more financially precarious lives of the lower middle classes. Guaranteed surrender values and features like 'half-credit' and deposit insurance were like more recent mortgage 'offsetting' packages in that they were designed to allow customers to tinker with the balance of premium costs against final policy value as their circumstances altered. This adaptation was insufficient in the end, partly because the strategy of attracting many new, but lower value policies, offered smaller margins since small policies are just as costly to administer as large ones. More fatally, the changes garnered initial interest but did not secure the long-term attachment and renewal upon which insurance company profitability depends given that future liabilities are invariably larger than

initial ones. This was an equation more satisfactorily solved by another new branch of the industry.

Industrial assurance and the 1865 Government Annuities Scheme

Industrial assurance companies were interested not just in lower middle but in working class business. Their target market quickly became those ‘industrious classes’ earning less than a £100 a year and spending just enough to meet the expenses of burial. This new generation of insurance providers very rapidly dwarfed the growth of even their flashiest competitors. Industrial assurance was the preserve of companies like the Prudential Assurance Company, established in 1848; the Refuge Assurance Company established as a friendly society in 1858 and converted to a company in 1864; and the Pearl Assurance Company established in 1864; together with ‘collecting friendly societies’ including the Liverpool Victoria Friendly Society established in 1843; the Royal Liver Friendly Society in 1850; and the Royal London Friendly Society in 1861. Collecting friendly societies were registered as societies under the terms of the 1829 *Friendly Societies Act* to take advantage of the stamp duty exemption but despite their name, they were commercial bodies in every sense that matters and were also registered as companies under the 1844 *Companies Act*. As Table 2.1 describes it, collecting friendly societies had very little in common with their namesake and rather more in common with industrial assurance companies.

Table 2.1: Characteristics of Friendly Societies v Collecting Societies in 1889

Source: Adapted from BPP [304], 1889

Friendly Societies	Collecting Societies
Combine relief in sickness with life insurance.	Limited to life insurance; relief in sickness discontinued, except in some cases to original members.
Monthly, or, in some cases, fortnightly meetings the rule.	Meetings, whether district or general, practically disregarded by members.
Management inexpensive; officials generally appointed by intelligent consent of the members	Management rarely costing less than 40 per cent. of premium income; members practically excluded from a voice in election of managers.
Promoted and conducted for the benefit of members.	Promoted and conducted for the benefit of managers.

Both companies and collecting societies (collectively ‘industrial offices’) were organised on a larger, often regional or national, scale in contrast to friendly societies, which were typically smaller.¹⁰ Industrial offices relied upon a system of agents, canvassers or collectors to sell policies and collect small, typically penny-a-week or less, premiums for policies worth around £10. This was a tiny fraction of the £400 policy averaged, according to Alborn’s (2009: 38) estimate, in the older life offices. In contrast to the slow trajectories of ordinary life offices, the growth of industrial offices was spectacular. Premium income in the 14 industrial companies was estimated at £1,488,829 in 1878, rising to £4,181,852 in 1887 with three quarters of the business transacted by the Prudential alone; of the 47 collecting societies registered in England the largest four had over 100,000 members each and transacted 90% of the total business (BPP [304], 1889). A comparison of the sectors published in *The Economist* in 1892 shows premium income in ordinary companies rising from £11,658,319 in 1880-1 to £14,833,359 in 1890-1, an increase of £3,175,040; while industrial companies premium income rose from £1,941,994 to £5,031,826 an increase of £3,089,832 in the same period. This puts premium income growth in the industrial sector at 159.1% against 27.2% in the ordinary sector, a trend which continued with growth at over 100% in all the major industrial offices in the decade up to 1902 (*The Economist*, 1904). By 1911, Lloyd George estimated there to be 42 million policies in force across the industry, 30

million of them issued by the companies and the remainder by collecting societies (*HC Deb*, 4 May 1911, 25, c610). In 1942, the Beveridge report put the figure at 103 million. It wasn't simply that industrial offices caught a wave of expansion; their progress was no less impressive in relation to the rest of the market. Based on its 'ordinary branch'¹¹ premium income alone, the Prudential went from nowhere in 1871 to become the largest British life insurer by premium income in 1890, holding the position with 16.6% of the ordinary life assurance market by 1910 making it almost four times the size of its nearest rival (Alborn, 2009).

This new breed of companies just aggravated governmental concerns about life insurance in general, and poor insurance in particular. While friendly societies and burial clubs continued to offer their established forms of protection, more or less effectively, industrial offices were game changers. With rapidly developing systems of commissioned, organised agents the industry was, even by the 1860s, demonstrating prospects for growth on a scale that provoked public concern on all sorts of grounds. Corporate stability and propriety, the distorting effects of agents dependent for the bulk of their income on commission, the intense competition between offices, the sales techniques employed, the technical legal standing of much of the business transacted and most of all the peculiar, morally hazardous nature of life-turned-to-burial insurance itself, were all extensively debated in the series of select committees and commissions that were appointed in the nineteenth century.

It was in this context that William Gladstone, as Chancellor of the Exchequer, introduced a bill allowing the Postmaster General to transact life assurance as an extension of his programme of 'liberty, retrenchment and reform' with its attendant emphasis on the inculcation of frugal, moral habits operationalized through institutions like the civil service and the Treasury.¹² The 1865 *Government Annuities Act* created a state run, fully contributory insurance scheme designed to offer safer provision, and better terms, than either societies or companies. Under the scheme, premiums towards sums assured between £20 and £100 could be paid direct into a post office. Gladstone saw industrial assurance as an industry:

... offering what I think insufficient securities, everywhere soliciting the people, not merely by placards on the wall, not merely by institutions in the towns and villages, but employing agents, whom I cannot call by any other name than preachers and denominational missionaries, who, animated by the golden vision of 25 per cent on the premiums paid, find their way into every cottage in the country and become eloquent and learned in the praise of the institutions to which they belong. (*HC Deb* 07 March 1864, 173 c1565)

These concerns about proficient overselling by offices, which were frequently unsound, ill managed or fraudulent according to the evidence assembled by the Registrar of Friendly Societies, led Gladstone to set his customary opposition to direct government interference aside.

Interference, he qualified, although never desirable in the abstract, was indicated in cases where governments had the ‘practicable and unobjectionable’ means to redress a demonstrable evil (*HC Deb* 07 March 1864, 173, c1553). Governments should intervene in commercial arrangements in such circumstances, as they had already in the factory and sanitary acts, to insist upon the introduction, or the prohibition, of certain practices. In the case of small life assurances, Gladstone said his scheme proposed the mildest form of interference, that which would ‘enjoin nothing and ‘prohibit nothing’ but simply:

... offer to such numbers of the community as may be disposed to avail themselves of your proposal certain facilities for what I may call self-help. These are the precise limits of the plan which I have now to explain and to defend before the House. I do not deny that it is Government interference, or that it requires justification and apology; but I do deny that we are to be frightened and terrified by clamours respecting centralization, or respecting undue assumption of powers by the Executive, so as not to inquire into the true merits of the case, the position in which we stand, and the duty we owe to our constituents and the country. (*HC Deb* 07 March 1864, 173, c1554)

The terrifying ‘clamours’ were primarily the responses from societies and companies who saw the threat the scheme presented as an unduly punitive intervention in a poorly understood business. The offices’ manifest interest was in protecting their markets and Gladstone was certainly not, despite his protestations to the contrary, reticent in describing the ‘very gross abuses and

violations of trust' he understood were taking place. The state of the industry overall and even the condition of individual providers however, was notoriously uncertain there being 'no royal road to ascertain solvency' (*HC Deb* 17 March 1864, 174, c230). Gladstone had raised questions about the solvency of two companies, the Friend in Need, which was well on the way to its collapse in 1867 and the Prudential, which wasn't. Henry Harben of the Prudential objected immediately, engaging T.B. Sprague, the Actuary of the Equity Law and Life Association, to demonstrate that what appeared to Gladstone to be insolvency, was really an error in the presentation of the balance sheet, to the effect that policies were listed as assets rather than liabilities.

That such an error could even have been made is an indication of the confusion surrounding the financial reporting, valuation and auditing of insurance offices at the time. Even Tid Pratt's appointment as Registrar in 1850 had done little to address this. Registered friendly societies were required to send in accounts but there was no further investigation into their accuracy. Even so, many offices resented the registration scheme and either chose not to register or in some cases, including that of the Friend in Need, converted to companies to avoid governmental oversight. The Refuge Friend in Deed Life Assurance and Sick Fund Friendly Society resolved to reform as the Refuge Assurance Company in September 1864 in the wake of the readings of Gladstone's bill 'finding that it is the Intention of the Government to still interfere with the Government of Friendly Societies, with the view of bringing them under Government officials to find place and pension for the needy sons of the Aristocracy' (in Clegg, 1858: 27).

These moves at the Prudential and the Refuge were an early indication of the political agility of industrial offices. The energetic lobbying from commercial interests that Gladstone complained of ultimately forced him to raise the lowest annual sum assured from the £5 originally planned to £20 - a move that effectively ring-fenced their control of the lower end of the market (BPP 1874 [C.961]). As reported to the Royal Commission in 1874, the poor did not

insure in the scheme since a £20 policy and a minimum premium of two shillings payable annually, was well beyond their means. The average policy amount insured at the Post Office was £76, a plain sign that ‘the trifling results produced by the Act, such as they are, have been produced at the top and not the bottom of the scale’ (BPP 1874 [C.961]: 199). These minimum thresholds doomed the post office scheme to failure as far as the poor were concerned. Still even without the impossible pricing other flaws in the design may well have ensured that what Sydney Webb¹³ later described as the scheme’s ‘complete and colossal failure’, would have happened anyway.

The most notorious of these flaws was the considered decision, in the face of industry testimony as to their necessity, not to employ collectors. Collecting defined the limits of governmental intervention, as Gladstone recognised, ‘the House of Commons is not going to vote money to enable us to go into every cottage in the country’ (*HC Deb* 07 March 1864, 173, c1566). Instead, the government scheme would rely upon the other advantages it could offer including ‘perfect security’, greater accommodation of policyholders who missed premiums and greater facilities for the migratory portion of the population. The first two of these were designed to address two of the most persistent industry failings, unsound offices and the lapsing of policies, with a loss of all premiums paid, when only one or two payments were missed. The third, it was hoped, would fit the needs of a more mobile population, many of whom would previously have insured with a local company or collector who they would lose contact with if they moved.

The decision to dispense with collection was pragmatic. Collection would not only tax the government will and machinery, it was also notoriously expensive. Gladstone referred to a management expense ratio in the Royal Liver of over 46% as fairly typical, while the 1871-4 Royal Commission recorded expense ratios of up to 74% in one case, with an average of around 49-52%, which fell over the next decade to 45.5% (BPP [304], 1889). As late as 1902, the Economist listed expenses ranging from the lowest in the Prudential at 38%, to the highest in the relatively new Citizen’s at 61% (see Table 2.2). This compares with an average rate around 12-

15% in ordinary life companies, and although the figure of 4.5% quoted in the debates over Gladstone's bill is probably not reliable, there is no doubt that ordinary life insurance offered policyholders a substantially better return than the poor could access (The Economist, 1904; *HC Deb* 17 March 1864, 174, c231; Webb, 1915).

Table 2.2: Expenses in Industrial Offices 1890-1902

Source: Adapted from The Economist, 1904

Associations	Expenses		Percentage of Expenses to Income	
	1902	1890	1902	1890
COMPANIES	£	£	£	£
British Legal	72,000	25,000	50	45
British Workman's	331,000	135,000	40	49
Citizens	108,000	..	61	..
London, Edinburgh, and Glasgow	168,000	..	45	..
London and Manchester	110,000	33,000	53	43
Methodist and General	107,000	..	55	..
Pearl	440,000	130,000	46	50
Prudential	2,253,000	1,455,000	38	41
Refuge	599,000	302,000	50	50
Wesleyan and General	253,000	92,000	46	46
SOCIETIES				
Liverpool Victoria Legal	366,000	185,000	46	46
Royal Liver	249,000	156,000	40	38
Royal London	292,000	83,000	44	44
Scottish Legal	92,000	39,000	43	38

Dispensing with collection meant the post office scheme could offer policyholders far better returns, as well as greater security. Using post offices not agents to deliver insurance also, at least in theory, would be cheap enough to compensate for the government's lesser potential to invest the fund (estimated to yield 3¼% against the 4-5% return available even to cautious companies, *HC Deb* 07 March 1864, 173, c1567) and afford greater generosity in forgiving late or missed premiums. These improved returns were calculated to appeal to prospective insurers as a better, safer alternative to private schemes. And yet there was an almost unbridgeable gap between the lived circumstances of the poor and a system that was designed on the principle that a better, eventual return would, by itself, entice sufficient voluntary deposits. Little attention appears to

have been spared on examining the fit between the scheme and the circumstances of those it targeted. The scheme was only available in selected post offices, making travel within the six hours of opening essential; it followed established life offices in requiring a chargeable medical examination, (a requirement that most industrial offices had dispensed with); it demanded the completion of lengthy, professionally witnessed paperwork, while industrial offices left the paperwork to agents and finally it required the presentation of an official birth certificate including documentation of parent's names, places and dates of birth - a not insignificant obstacle given that anyone born before 1837 (i.e. over the age of 28 in 1865) would not have had a birth certificate and would have had to recourse to parish records or a magistrate's testimony. In addition, almost no attempt was made to publicise the scheme or to motivate post office staff to recruit members (c.f. Webb, 1915; Wilson and Levy, 1937).

As Table 2.1 summarises, although friendly societies offered some death benefits to their members, they concentrated on providing sickness insurance; industrial offices, on the other hand, soon closed their sickness branches to concentrate on providing small life or funeral cover and not just to men.

Perhaps the most important fact to be borne in mind in characterising the collecting Burial Societies is, that they differ from the local burial clubs, and from the district funeral funds of the affiliated orders, in subsisting primarily upon the insurance of the lives, not of the working men themselves but of the women, and especially of the children in working men's families. ... Agents of the large collecting societies have told me, and I have tested the fact by examination of their books, that a great majority of the names on their list are those of children and women. One gentleman informed me, and the same thing has been confirmed by others, that he never rested satisfied after he had insured one life in a household until he had got the whole household in his book... (Sir George Young in BPP 1874 [C.961]: 103)

Industrial assurance was soon, and quite explicitly, adapted to selling to women, who were more likely to be at home when agents called, and likely more invested in the fulfilment of familial and community obligations that funeral insurance represented. This fact almost certainly

compounded critique that the industry preyed on a 'class of too limited intelligence to keep up a subscription on any terms than those offered by the agent, who will ask for every penny when it falls due' (Sir George Young in BPP 1874 [C.961]: 103). The lack of 'resolution' and 'initiative' on the part of the 'housewife' who could not 'possibly fully apprehend' the assurance contract she had been pressured to sign (Wilson and Levy, 1937: xviii), 'who carefully saved pennies in a sugar bowl over the mantelpiece for the weekly call of the funeral benefit collector [but] could not bring herself to carry those pennies a few blocks to the post office savings bank' (Gilbert, 1966: 323) became an easy target. A harder task was to recognise that the post office scheme's failure was a predictable function of its inattentiveness to the lived experience of poor women with little education, limited time, less money and plenty of dependent children. The scheme enshrined in its design guileless assumptions about prospective customers' levels of solvency, self-discipline, literacy and organization in betting that a higher future return would offset immediate and massive barriers to entry. The failure of the scheme was clearly unpalatable and it was allowed to limp on for 60 years, a period in which, as a 1944 Industrial Life Offices pamphlet gloated, it issued fewer contracts in total than any of the main industrial offices issued in one week.

Gladstone's scheme bore the hallmarks of a benign patrician detachment from lives as lived, and a paternalism that, however well-intentioned, ranked commercial forms of provision as least appropriate in cases of direst need. Poor consumers were, in a not too distant echo of one of the classic contradictions of Victorian liberalism, not quite equipped for the freedoms of market-based self-government (c.f. Bennett, 2013; Valverde, 1996). This point should not imply an unqualified defence of the industry. The industrial offices were culpable of the abuses Gladstone documented. Overselling, undue pressure, high rates of policy lapse as well as the hefty expense ratio were systemic in the nineteenth century. Thus, as has almost universally been the case, the poor paid more to access financial services than the rich. The trouble is that attempts by legislators to address this gave so little priority to the need to design solutions that fit into the groove and rhythms of working lives - a mistake that commercial providers did not make.

This continued in the decades leading up to the First World War, as it became evident that, Gladstone's scheme had failed to make even a tiny dent in the provision offered by industrial offices. Northcote's 1871-4 Royal Commission thereby renewed the call for state provision to cover the whole ground occupied by industrial companies. The Commission's recommendations again met with organised opposition from the industry and were never adopted, leaving the 1889 Select Committee report (BPP [304]) to conclude that there was 'no guarantee of honest management' in the industrial sector. Further efforts to clean things up were made in the 1896 *Collecting Societies and Industrial Assurance Companies Act* and in the 1909 *Assurance Companies Act* but the next sustained attempt to devise 'other machinery by which the benefits of burial assurance can be obtained by the great body of the Industrial population at less expense' (Brabrook, 1898: 78) came with Lloyd George's National Insurance scheme.

How private agencies got involved in public purposes: the 1911 National Insurance Act

The idea of national insurance had been in circulation at least since 1878 when it was proposed by Canon Blackley as a 'cheap, practical and popular means of abolishing poor rates' through the provision of contributory sickness cover and old age pensions (in Wilson and Levy, 1937: 69). Blackley's proposals fed into the long rumbling debate about the need to provide a poor insurance scheme that might reduce the burden on ratepayers but avoid the element of compulsion or of 'becoming "paternal" in the odious continental sense' (*Manchester Guardian*, 11 March 1864: 2). Popular ideas about the ferocious independence of English character carried some force, but by the turn of the century a serious recognition of the need for social legislation offering some of the advantages of continental schemes, notably the Bismarckian insurance legislation of 1880s Germany, was taking hold amongst policy makers.

The appetite for social welfare driven reforms began to take shape in the politically competitive context of the 1900s. At that point, prospects for change were pitched in the

precarious balance between a vulnerable Liberal government, outnumbered by the allied forces of a reviving Tory party and the then Liberal Unionist party, Irish Nationalists and the new Labour party. This balance, together with the arrangement of commercial and professional interests, conservative instincts and radical influences, shaped the progress of the national insurance scheme and the form the legislation eventually took. In 1908, Lloyd George, the newly appointed Liberal Chancellor, began to push the traditional Liberal commitment to fixed taxes, by alerting the Cabinet to the funding crises that were looming (Gilbert, 1976). After the Old Age Pensions Bill passed in 1908, Lloyd George went to Germany and came back convinced that compulsory, contributory social insurance was the only practicable way to fund social reforms. The Pensions Bill had been vague on actuarial matters, having been drafted without even an estimate of costs made by the Treasury (Bunbury, 1957; Gilbert, 1976) and the expectation that its costs would rise, together with growing unemployment and Germany's dreadnought program, made a revenue raising budget essential. The 'alarming' 1909 budget that resulted 'would produce the enormous amount of £25,000,000, a twelve-percent increase over the previous budget and the largest amount of new money hitherto ever raised in a single budget either in war or peace' (Gilbert, 1976: 1063). Although the increase was huge, most of the measures, increases on spirits and tobacco, income tax and a new supertax were conventional. The budget however also contained four land taxes that while less important financially, were fundamental to the much more provocative introduction of land valuation. Land reform was the core of Lloyd George's political programme but he had little technical knowledge of valuation until he began to work with 'an inner circle of Radical government officials' including Charles Masterman, who was later Financial Secretary to the Treasury, before becoming Chairman of the National Health Insurance Joint Committee (Mason, 1978: 60; Gilbert, 1976). This collaboration began a pattern that persisted through the social insurance reforms that proceeded from the 1909 budget.

Lloyd George's tendency was to conjure a scheme but not to figure out how it could become legislative reality (Mason, 1978; Gilbert, 1976). Technical details and practical

implementation were left, in the case of national insurance, to people like Masterman and the Treasury official William Braithwaite, who between them, did the work to develop and draft the bill. In this context, and with a subject as complicated as social insurance, the devil was so much in the execution of the detail that the vast difference between the initial scheme and what was enacted, shouldn't be altogether startling. Lloyd George had placed invalidity, disability and pension provision at the core of the new Liberalism that was meant to secure the party after the Unionist split. Introducing his 'people's budget' in April 1909, he told the house that the social welfare programme the budget was designed to finance, would include provision for the sick, invalided, widows and orphans. The scheme would be based on four principles: an element of compulsion, a basis in contributions from those benefitting and a state contribution substantial enough to compensate for those with means too precarious to sustain adequate premiums. The last and most passionately articulated principle was to be the one that got away.

The fourth, and by no means the least important, is that in this country, where benefit and provident societies represent such a triumph of organisation of patience and self-government, as probably no other country has ever witnessed, no scheme would be profitable, no scheme would be tolerable, which would do the least damage to those highly beneficent organisations. On the contrary, it must be the aim of every well-considered plan to encourage, and, if practicable, as I believe it is, to work through them. (Lloyd George, *HC Deb*, 29 April 1909, 4, c487)

Despite the fervour, parliamentary contemporaries complained that Lloyd George read the speech and had not grasped the detail of what he proposed (Petrie, 1939). Gilbert insists that Lloyd George 'had no program ready to go in 1909. Nor would he have a program two years later' (1976: 1061) instead what he had in mind was only a fairly modest extension to the friendly society system. It is difficult to judge how firmly attached Lloyd George really was to the goal of a developed system of social security¹⁴ but however extensive he imagined the eventual scheme might become, it is clear that his aim was to promote the friendly societies while at the same time regularising their management through their role as 'approved societies' for the administration of

national health insurance. These 'highly beneficent organisations' were in some need of regularising. It was estimated that up to 80 per cent of them were insolvent and it was initially envisaged that the operation of the bill would release them from a large amount of their sickness liability thereby producing 'a state of solvency in the friendly society system' (*Post Magazine and Insurance Monitor* 28 May 1914: 419).

This helpful attitude contrasted with a rather less positive view of the collecting offices. In his 1910 memorandum proposing a coalition to the Conservatives and Unionists, as the only way to address the 'menaces to our supremacy' posed by the rapidly developing commercial and industrial equipment of foreign nations¹⁵, Lloyd George refers at length to the problem of insurance. While the system to extend invalidity cover to include provision for widows being considered in Germany might be relatively easy to set up there;

... here one would have to encounter the bitter hostility of powerful organisations like the Prudential, the Liver, the Royal Victoria, [sic] the Pearl and similar institutions, with an army numbering scores, if not hundreds of thousands, of agents and collectors who make a living out of collecting ... This system ought to be terminated at the earliest possible opportunity [...] State insurance costs 10 per cent to administer, and, inasmuch as the State and the employer both contribute, either the premium is considerably less or the benefits are substantially greater than with the insurance companies. But however desirable it may be to substitute State insurance which does not involve collection and therefore is more economical, the Party that attempted it would instantly incur the relentless hostility of all these agents and collectors. They visit every house, they are indefatigable, they are often very intelligent, and a government which attempted to take over their work without first securing the cooperation of the other party would inevitably fail in its undertaking. (Lloyd George, 1910 in Petrie, 1939: 385)

However attractive friendly society voluntarism seemed in principle to a state scheme in tune with British liberal character, realising this in practice proved another matter. The underlying problem was that the very features that recommended friendly societies to liberal reformers philosophically – their local, voluntary and independent character – were poorly adapted to the practicalities of organising a system of general, national provision. In addition, many friendly

societies were resistant, seeing state insurance as an incursion on their independence. For those that were favourable, negotiations with the parliamentary group working on drafting the national insurance bill, were hampered by the decentralised, fragmented and lay nature of friendly society management. Even Braithwaite, the strongest supporter of the friendly societies' political cause, later admitted, "That was one of our troubles. The Friendly Society people were such an extraordinarily thick-headed crowd! They were intensely worthy ... But oh! They were so difficult – often so suspicious- and always so unadaptable. No doubt National Insurance and the complexities of legislation were too much for men often of humble circumstances and education' (in Bunbury, 1957: 92). In contrast, the industrial offices orchestrated an organised lobby that showcased their technical and professional experience. The 'intelligently administered and well advised' offices worked together until they had 'the whole House of Commons on the run' (in Bunbury, 1957: 96). Between them, the Prudential and 'the Combine'¹⁶, which had been formed in 1901 to carry out 'any lawful thing which shall tend to promote the principles, practice and business of Industrial Assurance and for mutual protection against unfair or prejudicial legislation' (in Gilbert, 1966: 337), worked to ensure that their interests were protected in the substance of the 1911 *National Insurance Act* (NIA).

Their progress in this was smoothed by the amount of opposition the bill encountered from some other sources. For a bill that was designed to deliver on the popular electoral magic of the 1909 budget promises, its passage was strangely contentious. Resistance came from all sorts of quarters. The **British Medical Association**'s opposition on the grounds that it was detrimental to their members' interests could have been anticipated, as might that of employers concerned about the principle of employer contributions, but that was not the end of it. Trade unions were, almost counter-intuitively, against it. The anti campaign gathered academic opponents who cited its undermining impact on the personal liberty of Englishmen while the *Daily Mail* offered ballast to an anti-stamp licking campaign ran by middle-class women who saw fixing insurance stamps to the contribution cards of their servants as an affront to their dignity (see Figure 2.1).

Figure 2.1 Anti-stamp licking campaign postcards

Throughout this the Combine and the Prudential lobbied quietly that they were ready to ‘put their machinery, which was excellent, at the service of the State’ (Braithwaite, in Bunbury, 1957: 96). Their aim had been to ensure that the initial plan to include a death benefit in the scheme was dropped but this shifted into campaigning for their right to apply, alongside the friendly societies, to be recognised as approved societies. Their success was marked by a bullish announcement in the *Insurance Mail* (28 October 1911) that the Chancellor had ‘made a good bargain with our industrial assurance institutions, and thus has had the support of 100,000 practical insurance men. *He need fear no threats.* We believe that he will stick to his bargain with us, and we believe that the sick clubs know he will’. By the time of the bill’s second reading Lloyd George’s attitude to the offices had changed dramatically.

A good deal of criticism has been directed against them and industrial insurance societies, but I say without hesitation, after examining the thing very carefully for the last few months, that there is this to their credit, that they have saved millions of homes from being broken up in the hour of their most helpless need, and that is a great thing to be said for any society. It is true that they are expensive, but that is not their fault. You cannot collect two pences from door to door without the expenses of administration being enormous; but the fault is not theirs. You cannot get the working classes voluntarily to insure without collection, whatever the benefit ... You cannot get it done. (*HC Deb*, 29 May 1911, 26 c775).

The offices, he went on to say, had devised the only machinery adapted to collection and the national insurance scheme he promised, would not only not interfere with the offices, but would require their help.

These societies are managed with great skill by men of consummate business ability, and the reason I say that is not because I want to buy off opposition, but because I want their help. They are men of such admirable experience and ability that I think it would be valuable to get their able experience in the working of a great scheme like this. [...] They have something like 100,000 agents in the country, trained men, who are constantly visiting the houses for the purpose of collecting premiums for death benefits, which will still go on. These men would be invaluable for the purpose of checking malingering and of administering the sick department of their societies. (HC Deb 29 May 1911, c775-6).

This turn around has been read as a defeat at the hands of a powerful industry but Lloyd George was more persuaded than overwhelmed. He had had scant technical or practical understanding of insurance when he began working on the bill and it was only through the series of encounters with the offices, the friendly societies and other interest groups that a practical scheme for administering national insurance emerged. As the detail began to be worked out Lloyd George, Masterman and Braithwaite, became convinced in the teeth of the vocal, persistent and disorganised opposition that industrial offices collection machinery was machinery that, whatever its disadvantages, would actually get the job done.

Nationalising markets? The strange resilience of industrial insurance

The first principle is that any proposals for the future, while they should use to the full the experience gathered in the past, should not be restricted by sectional interests established in the obtaining of that experience. Now, when the war is abolishing landmarks of every kind, is the opportunity for using experience in a clear field. A revolutionary moment in the world's history is a time for revolutions not for patching. (BPP, CMD 6404, 1942: 6)

The 1911 Act in the end turned not to voluntarism, but to a unique hybrid solution that by allowing the insurance companies to register, alongside friendly societies, trade unions and

employers associations, as approved societies for the administration of national health insurance used 'private agencies for public purposes' (Whiteside, 1983). Approved societies set up by industrial companies were established as separate organisations with their own staff who contracted with their parent companies for the administration of funds at rates set by government. 'Approved societies' were not allowed to make any profit out of the compulsory collection of national insurance contributions but payment was made for the additional administrative work. This role bolstered the standing and legitimacy of industrial companies. By 1938 they were, by a small margin, the biggest provider of health insurance administering 46.6% of the insured population against the friendly societies 44.8% (CMD 6404, 1942). While many approved societies were tiny¹⁷, the Prudential Approved Societies covered a fifth of the state insured population in one of its six approved societies by 1915 and a quarter by 1946 (Webb, 1915; Heller, 2007). This placed the Prudential and other offices like those in the consortium lead by the Pearl which formed the National Amalgamated Approved Society, within the broad mechanics of policy-making as public service providers and witnesses to Parliamentary committees. Despite the accumulated political connections the industry remained contested through the first half of twentieth century. In 1915, Sydney Webb's Fabian Society report concluded:

We do not see how it is possible for an all-pervading army of professional canvassers, paid to enrol the largest number of recruits, on a method of remuneration that makes loss of livelihood the penalty for every failure of persuasiveness, invariably to abstain from a magnification of the advantages and slurring over of the shortcomings and of the cost of a policy which the public absolutely refuse to read, and which is couched in language not as clear as it might be, and certainly incomprehensible by the vast majority of those concerned. (29)

These charges, together with persistent concerns about expense ratios and policy lapses, were reasserted in a series of parliamentary reports including the Parmoor Report (CMD 614, 1920), the Cohen Report (CMD 4376, 1933) and the Beveridge Report (CMD 6404, 1942) while the

1923 *Industrial Assurance Act* and further amendments and enactments in 1926, 1929 and 1940 aimed to tighten the regulative framework. The offices responded to each legislative intervention with systematic lobbying that made the most of their proximity to, and influence upon, the insuring public. Agents were a ‘potent influence on working class life’ (Webb, 1915: 4) acting as ‘philosopher, guide and friend’¹⁸ to practically every working class home in the country, as the insurance press repeatedly crowed.

That the industry knew how to reach its customers was not disputed by anyone. What was fiercely contested was whether the offices exploited the position. Industry leaders like Joseph Burn, the general manager of the Prudential between 1920 and 1941, and Sir George May, company secretary between 1915-1931, repeatedly briefed and offered testimony to government committees insisting that customers knowingly paid extra for the service element of collection. In tandem with the Prudential’s lobbying, the Combine’s successor, the Industrial Life Offices Association (ILOA), reiterated this position *ad nauseum* as calls for the industry to be nationalised gathered force in the 1930s. In his preparatory notes for a BBC debate on nationalization, Joseph Burns recounted the tale of a man who held four endowment policies about to mature:

an official from my head office asked him why on earth he had not paid his premiums annually instead of weekly, as by doing so he would have secured much better terms. The policyholder was very angry with my representative and very much resented his advice. He said he knew it was a more expensive way of saving, but that he regarded our agent who had collected his premiums as the best friend he had ever had, because in 3 or 4 years he would have £200, which he never would have but for the weekly efforts of the agent to collect the premium. I should much have preferred that that man had taken a policy by annual premium but can you or I say that the man had not acted in his own best interests? He knew that if he tried to save that £200 by the cheapest means he would never have saved it at all. (Burns, c.1934, PRU)

Burn’s defence was an interested one but it still raises uncomfortable questions. Embedded within every critique of the industry and within successive alternative state schemes, both proposed and enacted, were judgements that industrial assurance customers were not equipped

to act in their own best interests. As Burn's anecdote highlights 'best interests' are easier to settle in general and abstract terms, like comparative returns on investment, than they are amidst the concrete and local pressures of experience. These pressures were often dismissed by critics but were an intrinsic factor in any calculation of the ultimate value of the policy in the future. A policy offering a better return would only deliver if the premiums could be maintained. If they could not, then the more expensive but sustainable industrial policy was the more 'rational' investment since the truth about any action can only be finally determined by future consequences (c.f. Dewey, 1982). Arguably Lloyd George's change of position came from his acquired knowledge of how lived circumstances made charges of working class 'thriftlessness' meaningless since 'men who are receiving 25s an hour would do well not to lecture the working classes about their improvidence in not making full provision for the future out of their 25s a week' (Lloyd George, 1913).

Lloyd George's use of the industrial offices has frequently been condemned, notably by Gilbert (1965; 1966), as a botched compromise, a surrender to commercial pressures that ultimately retarded the development of the scheme (BPP CMD 2596, 1926; BPP CMD 6404, 1942). In its uneasy combination of state and market interests however the NIA's disappointments have multiple and complicated sources. Heller (2007) disputes the influence of the companies and the extent of direct pecuniary advantage they derived from their approved society role, citing the benefits to branding and corporate identity as more significant. For Whiteside (1983), whatever advantages the companies accrued they never held sway in the way Gilbert suggests. Instead a subtler power play was at work in which private providers could be positioned to deflect criticism. Low and uneven levels of benefit payments, and the fact that many people were not covered at all, could be blamed not on government, but on the approved societies. As Whiteside explains:

... any extension in the range or costs of benefits, raised the contribution of the Exchequer to the scheme and this was political anathema by the mid 1920s. This, of course, did not prevent Chamberlain claiming that approved society interests prevented the extension of medical services when presenting an amendment bill to the Cabinet in 1928 (PRO, 1928), nor a senior civil servant informing an infuriated women's deputation that approved societies were demanding cuts and would not tolerate the pooling of profits (PRO, 19321). The vested interests of the societies time and again provided an effective smoke screen for justifying unpopular policies. As Kinnear pointed out to the minister in 1934, when planning the new legislation: 'the Health Insurance scheme is highly decentralized and the "buffer" Approved Societies divert much criticism from the Government' (PRO, 1934, p. 8). (1983: 186)

Like the costs, the gains on both sides were not that easy to quantify. The reinforcement and augmentation of corporate identity accrued through approved society status was worth something, as were the opportunities for market entry and the 'platforming' introduction of other insurance products to approved society members. Yet the additional reach offered has to be measured against the extent of market penetration by the major industrial companies even before the Act. The Prudential, for example, had access by the 1930s to 1 in 3 homes through approved society membership but since nearly all these members were existing policyholders and since the Prudential already insured 1 in 3 British lives in 1901, the direction of the advantage is not altogether clear cut. It was the distributional reach of the industrial offices that secured their initial involvement in a scheme that Lloyd George claimed in 1925 would have been 'almost impossible' to operate without them (Heller, 2007). It is one of the peculiarities of the hybrid solution the NIA offered, that it was contingent upon a collection mechanism that provoked enduring discomfort across the political spectrum. Gladstone's free market liberalism had balked at collected insurance, the Fabian Society endorsed its condemnation in the Passfield Report while the Tory MP Arnold Wilson's persistent critical investigations (Wilson and Levy, 1937) informed and reinforced William Beveridge's opposition.

Calls to nationalise the industry had been voiced before, the Parmoor committee had been heavily critical, though stopped short of recommending systemic change, while the Cohen

committee fudged the issue by ruling out nationalisation as currently not a ‘practical proposition’ while concluding that ‘some of us’ consider that ‘widening the scope of the present State Insurance Schemes so as to cover the contingencies now met by industrial assurance should be fully explored’ (CMD 4376: 44). It was the danger of ‘patching’ and ‘incomplete remedies’ against ‘powerful economic motives’ that the Beveridge report was determined to avoid in outlining a complete solution that did demand the nationalization of industrial assurance (CMD6404, 1942: 6, 270). Appendix D of the report turned explicitly to ‘the problem of industrial assurance’. It acknowledged that industry reforms had led to the reduction of the expense ratio from an average of 45.9% in 1889, to just over 37% in 1937-40, that the introduction of surrender values had compensated lapses and that profit sharing had been extended to policyholders. It noted too that the industry encouraged the ‘desirable habit’ of thrift and the agents’ role as ‘knowledgeable, hard-working citizens ... in many cases the friends of the families with which they deal and have rendered them many informal services’ (CMD 6404, 1942: 272).

The Report comfortably recorded these qualities but was resolute in its insistence that they were outweighed by the defects of administration costs and the continued extent of abortive or lapsed insurance. Industrial assurance should therefore be dismantled in favour of a statutory monopoly in which collection would be replaced by direct payment of premiums. As *The Guardian* newspaper recorded at the time, the examination of industrial assurance in Appendix D ‘is highly disturbing, and most people who study it carefully will find it hard to resist its conclusion that the country would be better served by a public instead of a private service in this field’ (2 Jan 1942). Collection, as a method of distribution, was at the root of both these defects since it was collecting agents that made the system so expensive and it was agents, prompted by commissioned remuneration systems, who did the overselling. But collection was more than a distribution channel. It was also deeply embedded in product design, maintenance and marketing. Collection had affordances that allowed industrial assurance to be used by policyholders, agents and offices in ways exceeding the original design. The failure to grasp these affordances, and the

particular ways both policyholders and offices used the collection channel, hampered attempts both to regulate the industry and to design alternatives.

The versatility of the system became clear as formal plans to put Beveridge's proposals into action were laid out in the 1948 Labour Party manifesto, *Labour Believes in Britain*. In the ensuing campaign, the uneasy co-dependence between market and state actors, coupled with the tenacity of collection, unbalanced a very determined political will. The industry, through the concerted action of trade bodies including the **British Insurance Association** (BIA), the Life Office Association (LOA) and the **Industrial Life Offices Association (ILOA)**,¹⁹ conducted a vast counter campaign that made the absolute most of its governmental influence and technical, procedural knowledge whilst relentlessly exploiting the channels that linked companies to their customers, both en masse through the media and as individuals through agents. The BIA made the case against nationalisation on the grounds of insurance's importance to the national economy. Any move to place the insurance industry in state hands would seriously damage overseas earnings since overseas institutions 'will not put their business into a nationalized insurance organization run by what to them is a foreign state' (BIA, 1949). The argument that insurance was a major contributor to net earnings, and dollar earnings in particular, drew attention to the national importance of the industry.

The total annual volume of American insurance placed with British Companies is about 200,000,000 in premiums. Behind this volume of overseas business stand substantial capital reserves built up overseas over the last 150 years. In two world wars these assets have been available to the government as a means of raising money. In the last war, British insurance assets in the USA assisted our government to secure a loan of 390 million dollars. The maintenance of insurance earnings from abroad, and the maintenance of these capital reserves are thus vital to our national interest. (BIA, 1949)

These and similar arguments about the scale of the industry's financial power were re-circulated and repackaged in an avalanche of leaflets, posters, and press articles. A point-by point reply to

the manifesto was sent to MPs and to insurance office staff; speeches were made locally to town halls and rotary clubs and nationally to the Institute of Directors, writers were commissioned to produce articles for periodicals including *The Sunday Times* and *Soundings* and the BIA took space in 60 newspapers to publicise the case (Nationalisation Box, PRU). Much of the campaign concentrated not so much on defending the industry against Beveridge's charges of 'powerful economic motives' as by making a virtue of them, boasting of their accumulated financial expertise while questioning the government's 'real' motives. Thus the BIA described insurance companies as an 'immense investing agency' with skills that would not be replicated easily by a government whose considerations would inevitably become 'political' rather than 'financial' (BIA, 1949). The ILOA meanwhile concentrated on mobilising policyholders with the blunt claim, repeated in numerous leaflets, that what the government really wanted was policyholders' money.

Figure 2.2 Anti nationalisation leaflet (ILOA)

You know this man ... you see him often. He calls to collect your insurance money. He's a friendly sort of chap, and you can probably think of times when he has helped you along. ... You know for certain that when the time comes you'll get your money on the nail, plus any bonuses due to you from the profits the insurance people have earned for you. Would things be the same if this man you know so well were suddenly turned into a State official, tied down by rules and regulations? You know the answer to that one! (Extract from accompanying text campaign leaflet, c1949, PRU)

Figure 2.3 Say No to Nationalisation, (ILOA)

One of the interesting things in these images is the way they locate the debate literally on policyholders' doorsteps. This technique was amplified by the use of agents to engage and reinforce opposition. Agents were explicitly encouraged by companies and the ILOA to use their position, to 'talk on the doorstep', to policyholders. In this way the affordances of the collection mechanism were again exploited to permit a direct and local means of connection and influence. Industrial offices used collection to argue that their relationship with policyholders was local, particular, regular and familiar while government was distant, abstract, bureaucratically inefficient and anonymous.

Whether industrial assurance offered a 'better' solution than the proposed state scheme is not really the issue here. That determination can only be made in relation either to normative criteria like fairness and justice or to operational criteria like cost ratio and return on investment

that are not available since the government scheme never came to fruition. The strength of opposition was probably a factor in the Labour party's strategic decision not exactly to withdraw but to 'de-emphasise' the nationalisation plan in their 1949-50 election campaign. Labour was ultimately elected with a majority too reduced to carry the plan out and it remained as a bracketed Labour policy objective until the 1970s when Wedgewood Benn championed a renewed attempt. This was again unsuccessful and while government legislation, notably the 1986 *Financial Services Act*, ultimately did strike a resounding, if unintended blow, by then the industry had long known that collected insurance was moribund. Premium income had been declining since the 1960s and firms reacted by emphasising ordinary and general business and diversifying into pensions, property and investment as the collection model grew irretrievably detached from market trends. By 1970 market research commissioned by the Prudential had identified a declining trend in industrial assurance as the 'hardcore' of the market aged and socially mobile younger customers sought 'specialist' rather than 'friendly' advice from insurance professionals (PAC, 1970).

Industrial assurance faltered when the channel connecting it to policyholders became ill-adapted to patterns of use. The doorstep agent was not suited to the demands of a more affluent, more educated, banked working class less attracted by collection as increasing numbers of women worked outside the home. For over a century the collection mechanism had enabled assurance offices to stay in tune with the same 'chaotic, disorderly, constantly changing social reality' (Scott, 1998: 82) that government schemes were continually frustrated by. The reasons why government insurance schemes struggled while market schemes succeeded are pondered next.

Inertia and incommensurability

You can do anything you like but the cost is high. The more you want to depart from the standard package, the more you find that everything else connected with making music has gotten more

complicated and difficult. So it isn't surprising, that most people confronted by that kind of choice, decide to do things as they've been done. (Becker, 1995: 306)

Howard Becker's example was music making but the problem he was addressing was the stability of social organisations and more particularly how to understand the narrowness of choices when so many possibilities exist. Becker's explanation, that inertial force comes from settled means of doing things, 'packages' comprised of pieces so closely connected to each other that choosing any one piece makes it easier to accept the whole package than to make substitutions, offers a provocative place to start thinking about the tensions between governments and markets in designing solutions to poor insurance. Any new design, Molotch agrees, faces the weight of past solutions pressing to keep things the same or at least 'not that different from before' (2005: 95).

In insurance the weight of the past was on the side of commercial schemes, since they were in operation well before any government scheme. Commercial insurance had established the standards, the procedures, the tools and the methods that made up the main insurance packages. These elements were successfully recalibrated in industrial assurance in accordance with the particular needs of the poor. Designing government schemes meant negotiating with these settled packages. Gladstone's solution, to accept certain elements of the commercial model while refusing the industrial adaptation of collection in favour of an untested deposit based scheme illustrates the high costs of invention, while Lloyd George's attempt to take a little of the voluntaristic insurance package led him to accept in the public/private approved societies solution rather more of the industrial package than he set out to. Beveridge's complete remedy was timed to take advantage of the anti-inertial force generated by the field clearing effects of the war. Each of these interventions changed things, but none of them changed things in quite the way or to quite the extent that they meant to and none of them succeeded in 'terminating' industrial assurance.

An alternative strategy to tinkering incrementally with existing packages is to imagine a clear blue skies alternative, an entirely different, entirely new solution to the problem. Innovation in practice is seldom like that. In industrial design, in creative marketing, in national policy and in national systems of innovation, the tendency is towards incremental, gradual, tidal innovation where sudden rushes of change are punctuated by periods of stability, where old solutions are sometimes mothballed then refashioned rather than finally abandoned and where imitation and cross-referencing of competitors and neighbours is conventional practice. The heroic standing of the maverick inventor, especially in the West, is offset by the collective, systemic and referential practices of artists, designers and engineers. It makes sense that innovation works that way because the alternative, the incommensurable object, is perplexing in the way that trying to picture a colour you've never seen before is perplexing. An incommensurable object or world, as Bill Maurer's (2008) reworking of Donald Davidson's famous discussion of conceptual schemes has it, is one that would 'reorganise the closet itself' rather than the things in it. But incommensurable worlds, as soon as they are imagined, steadily become translatable in known, familiar terms, meaning that the alternative to the closet ends up looking a lot like a closet.

Governmental insurance schemes in this way, even the insistently alternative ones, inevitably referred back to known insurance schemes, arranging and re-arranging the things that were already in the closet. In any design scheme the problem of the completely new can be a significant bar, something that looks too innovative, too unfamiliar presents a big risk of failing to recruit enough followers. These barriers to innovation were particularly acute in insurance given the complexity of a field that very few in and around government understood. As Whiteside remarks of the national health insurance scheme in the 1920s the complexity of actuarial valuation together with 'the limited knowledge of and interest in applied economics and statistics found among senior civil servants and ministers alike' - made the pronouncements of Alfred Watson, the government actuary, and a 'handful of men in Whitehall' highly authoritative in the determination of policy (1983: 180-1).

As effective a bar to designing alternatives or challenging existing schemes as the technical and statistical basis of insurance was, the trouble insurance gave British governments was not just technical. Government schemes struggled just as much in their appreciation of the importance of designing a system that took into practical account peoples' lived circumstances. Successive government schemes comfortably adapted certain elements of the commercial model while jettisoning others. Thus the conventions around actuarial valuation, the measurement of mortality risks, the medical examination and the expertise of commercially trained actuaries were all adopted, at some stage, as components in government schemes while the role of collecting agents was repeatedly refused. Even, as in the case of the NIA when collection was admitted into the scheme, controversy persisted.

This hostility toward collection is interesting. Beneath it lurks the beginnings of an explanation of why government insurance schemes struggled to recruit followers while the industrial scheme thrived. There were solid grounds for this hostility, collection was what made industrial assurance so expensive and so systemically tilted to wrongful selling. The governmental conclusion that the poor should not be paying for such an expensive system, that it was not economically rational for them to bear such costs, was irresistible. Such questions did not even arise for industrial offices whose interests lay only in what the poor actually do and not what they should do. Through collection the offices developed and cultivated a very good sense of how the poor lived, how they used their money and calculated their priorities. Through collection, offices maintained a channel along which information about products, premiums and priorities could be exchanged. This gave offices an insight into the situated forms of rationality and calculation policyholders employed and it was this that enabled industry representatives to claim that for most policyholders saving by the cheapest available means would, in practice have resulted in no saving at all.

Against the pragmatism of commercial provision, governmental programmes were informed by an abstracted economic rationality in which it was assumed that the superior rates of

return, offered for sixty years in the Post Office scheme and proposed in Beveridge's nationalised scheme, would be sufficient by themselves to lure people away from industrial assurance. That they were not is a powerful example of the situated nature of economic rationality. Determining what is rational under conditions of uncertainty, in situations where preferences cannot be ranked or where the interpretation of facts is debatable has been an enduring concern in economic sociology. In the precarious household economies of industrial assurance customers, rationality cannot be separated from the conventional and psychological priority of securing the means for a decent burial among ferociously competing demands. Such a situation meant the pressure exerted by collection mattered deeply in creating the capacity to save. The economic rationality exercised by customers was achieved through obedience to what Biggart and Beamish characterise as 'rules, norms, and intersubjectively mediated action of various forms' (2003: 456) whose significance government schemes simply failed to grasp. While governments understood the social importance of funerals they were plainly detached from a manner of living in which voluntary non-governmental provision had acquired its own social necessity. There are indications that industrial cover functioned in many working class communities as a mark of respectability (Johnson, 1985) and with policyholders numbering in the millions it was simply how things were done. If, as Rorty (1997/1983: 332) has it, 'rational behaviour is just adaptive behaviour of a sort which roughly parallels the behaviour, in similar circumstances, of other members of some relevant community' paying the collector was entirely rational.

Scott (1998) argues that simplifications designed to represent, not the actual activity of a society, but only those slices of it designated of interest to official observers, are the 'basic givens' of modern statecraft. These state engineered simplifications, in certain circumstances, resulted in the great human tragedies of the twentieth century. The government schemes described here operated on a less epic scale but their mundane failures had similar causes. Government programmes struggled because their abstract and detached sense of what was economically rational for the poor was formed with little reference to how they lived. The 'resilience of both

social and natural diversity' and the sheer complexity of 'functioning order', Scott maintained, mean that while there are limits to what can ever be known, formal, simplified schemes are untenable when they fail to take into account local and practical knowledges (1998: 5-7). The ability to observe and model the knowledge of consumers through repeated weekly visits was a fundamental part of the routine functioning of industrial assurance. It was because consumers were already so implicated in industrial assurance, so attached to their agents and their policies, that offices repeatedly had the edge over governments. This is what made market schemes 'groovier' than governmental alternatives.

¹ Molotch, H. (2008) "Thinking Like a State Meets Thinking Like a Person: Some Local Variations" Keynote lecture at 1st World Forum of the International Sociological Association, Barcelona.

² Although as insurance scholarship confirms, especially Murphy (2011) and Clark (1999), Zelizer (1979) rather overstates the moral prohibition against early life insurance in the US and the UK and neglects the involvement of philanthropic and religious groups in the establishment of the first companies.

³ See Clark, G. W., Anderson, G., Thomann, C., & Der Schulenburg, Von, J. M. G. (2010) for more on the comparative history of insurance. Lengwiler's (2010) on mixed welfare economies across Europe; Liukko (2008) on the disjunctures between socialised/privatised opposition in the Finnish case, Sjoblom and Husz (2011) on industrial life assurance in Sweden. In the US see Dobbin (1992), Shorloff and Skocpol (1984) for analysis of private and public insurance spending in the US and Britain 1880s-1920s, and Yates (2005) for an excellent account of how the industrial and ordinary sectors were organised.

⁴ See Joyce (2013) on the establishment of the Post Office Savings Banks

⁵ The 1871-4 Royal Commission (also known as the Northcote or Stafford Report) for example, recommended that Friendly Societies should retain their legal advantages including stamp duty exemption and the facility to invest their funds with the Commissioners for National Debt Reduction.

⁶ There were some female friendly societies especially in areas like Dundee and Stoke where female employment was high. In the female variant, membership stipulations commonly included things like church attendance, sobriety and chastity (Weinbren 2007).

⁷ See figures in the Third Report of the 1871-4 Royal Commission; Cordery (2003); Weinbren (2006a; 2007).

⁸ Tid Pratt was Registrar of Friendly Societies until his death in 1870. He recorded 13935 collapses in 1867 but his judgement and data were both criticised in the 1871-4 Royal Commission. See also Wilson & Levy (1937) and Baernreither (1891).

⁹ The turbulence was often converted into a public debate about the relative safety of 'new' versus 'old', 'established' offices. See also Horton and Macve (1994), Porter, (1996) and Dennett (1998).

¹⁰ There were some exceptions to this with friendly societies like the Foresters, the Hearts of Oak and the Manchester Unity of Oddfellows doing business on a grander scale. Only 34 of the 24500 friendly societies registered in England in 1889 had more than 1000 members; the rest were local concerns (BPP, 304, 1889). See also Baernreither (1891); Cordery (2003)

¹¹ 'Ordinary' life assurance premiums were not collected but remitted quarterly, biannually or annually. In industrial life the 'ordinary branch' did involve premium collection but at longer intervals. The Prudential offered ordinary branch policies from the late 1860s, other industrial companies followed suit soon after. Collecting societies concentrated on industrial policies.

¹² Joyce (2013) makes a strong argument for the role of the Post Office in achieving the ends of liberal government in the nineteenth century. He touches on the role of the Post Office Savings Banks and the Government Annuities scheme but the shambolic history of the latter reviewed here does not entirely support his case.

¹³ In his 'Passfield Report' (1915: 20) on Industrial Assurance published as a supplement to the New Statesman. Webb subsequently become Lord Passfield.

¹⁴ Bunbury (1957) for instance reads in the memoirs of William Braithwaite, the orthodox view that Lloyd George's radical agenda already envisioned a welfare state. For Gilbert this misreads what was more electoral expediency than a zeal for reform.

¹⁵ The full memorandum appears as an appendix in Petrie (1939: 381-388).

¹⁶ The **Combine's** full title was the Association of Industrial Assurance Companies and Collecting Friendly Societies,. The Prudential was large enough to act on its own and although it cooperated with the Combine, and later the ILOA, it was never formally a member.

¹⁷ Whiteside (1983) quotes from the 1926 Royal Commission on National Health Insurance (CMD 2596) that 65% of approved societies in England covered only 2% of health insurance membership.

¹⁸ *Insurance Mail*, July 22 1911

¹⁹ These trade bodies amalgamated into the Association of British Insurers (ABI) in 1985

Chapter 3: Organising Charisma: the role of doorstep finance agents

In radical contrast to bureaucratic organization, charisma knows no formal and regulated appointment and dismissal, no career, advancement or salary, no supervisory or appeals body, no local or purely technical jurisdiction, and no permanent institutions in the manner of bureaucratic agencies which are independent of the incumbents and their personal charisma. Charisma is self-determined and sets its own limits. Its bearer seizes the task for which he is destined and demands that others follow him by virtue of his mission. (Weber, 1978: 1112)

It is to Max Weber, first and foremost, that we owe an understanding of the organisational role of charisma and it has to be acknowledged that his account leaves little room for thinking about doorstep finance agents as exerting a charismatic force within organisations. In Weber's typology, charismatic authority is distinguished from bureaucratic and traditional forms of authority by the fact that it derives from the exceptional, extraordinary qualities an individual personality is thought to possess, not from a rational selection process and not from inheritance. It follows from this that, organisationally speaking, charisma and bureaucracy have nothing to do with each other but, as Weber understood, the existence of ideal types does not preclude the blurring of elements in practice. As the twentieth century progressed the proliferation of organizational forms fostered deviation with, for instance, large bureaucratic organisations retaining traditional elements or incorporating charismatic forms of leadership (Thompson, 1965; Biggart 1989). These developments haven't made bureaucratic organisations more like the pure form of charismatic organisation Weber delineated, but there is something in the idea of charisma, albeit in a diluted, hybrid or institutionalised form, that is useful in explaining certain things that do happen within bureaucratic organisations, especially market organisations, but that appear to have little to do with rationality or order.

In everyday usage, charisma is invoked whenever something magical, extraordinary or unaccountable, something that eludes rational explanation appears to be going on in organizations. The reaction to the death of Apple co-founder Steve Jobs in 2011 is a case in point.

Not only did the news prompt manifestations of the sort of mass mourning usually associated with the very profoundly celebrated but also further deliberation about the market value of the charismatic CEO and what the long term consequences of Jobs' loss might be for Apple (c.f. Khurana, R. 2011). Generally, the attribution of charisma has a variety of causes; in Jobs' case perhaps the chief was his uncanny success in what Akrich et al. (2002) styled as 'interesting actors and followers' in innovations. This success is rendered all the more phenomenal in view of his defiance of contemporary fashions in marketing research—as he put it 'people don't know what they want until you show it to them'¹. Yet Jobs' abilities were directed to achieving a goal common to *all* market organisations; that is, to design, produce and market products and services that succeed by recruiting sufficient numbers of followers to ensure profitability. Moreover, despite forswearing traditional market research, Apple relies on other fairly conventional marketing strategies, like routine prototyping and product testing, branding and retail merchandising to achieve these goals. In this, the exemplar Apple provides is not so much the extent of Jobs' charisma, but how it was *organised* within the company.

This chapter is all about the ways charisma was bureaucratically organised within doorstep finance companies. One of the acknowledged goals of marketing is to 'qualify' products, that is, to equip them with qualities calculated to intensify consumer longings. How this task has been accomplished has attracted much less comment in financial service industries marketing than it has in consumer goods marketing (Vargha, 2011; Davison, 2009) but it is no less necessary. For doorstep finance companies, agents offered the first available means of endowing products with more than their face value. Agents began as a distribution device but the peculiar affordances of an orchestrated personal selling force meant they soon exceeded this role in a variety of, sometimes unanticipated, ways. Through agents, insurance companies acquired an adaptive 'grooviness' by virtue of the connecting channel they established between company and customers. This model was also adopted in home credit companies with agents acting as the link between company, customers and retailers. In both insurance and home credit, the first role of

the agent was the collection of payment but the exchange of information was just as important since it was information that held the key to product persistency. The challenge for companies was that agents' capacity to get and transmit useful information was closely related to their personal qualities, their charisma. An agent who lacked the capacity to recruit followers, 'to win friends and influence people', would struggle to form and maintain the type of relationships and confidences upon which the personal finance business depended.

The character of this interaction between agents, customers and companies then is very significant. As Vargha (2011) points out, face-to-face interactions are how, in practice, supply and demand meet in many market situations, particularly in the marketing of 'low finance'.

Interactions are the practical assemblage for exchange, they set out the stall, the prices, product features, terms and so on that allow exchange to happen (c.f. Garcia-Parpet (2009/1986).

Interactions are how 'dickering', the process of negotiation between buyer and seller that Weber called the 'most distinctive feature' of markets (1978: 635), is enabled. Weber's remarks on dickering are brief and his emphasis is squarely on the commodity orientation and impersonality of the abstract model of rational economic exchange. Even so his insight that the arrangement of dickering patterns the character of exchange points out a largely neglected direction for research. Through routine personal interactions, agents enabled the adapting fit between companies and clients; agents remembered, transferred and adjusted information in ways that made them more than just a feature of the market. They were what made the products available, attractive, persistent and calculable.

This was too significant a role to be left to chance and the informal, unregulated dispositions of individuals. The interactions of agents were increasingly formally observed and regulated by companies. Companies endeavoured to organise individual agents bureaucratically, linking them into systems of recruitment, training and reward, as a way of maximising their capacity to hold on to their customers and recruit new ones. This was never a particularly straightforward task. Helping agents to be successful meant helping them to attract followers.

This in turn meant cultivating qualities very similar to those magnetic, attractive but unruly qualities associated with personal charisma and this posed something of a challenge. The steep growth pattern and scale of industrial assurance, together with enduring controversies about administrative expenses, acted as drivers toward bureaucratization as a means of supporting the mass data processing well in advance of automation (c.f. Campbell-Kelly, 1992; Yates, 2005; Batiz-Lazo, Maixes-Altes and Thomes, 2011). To a lesser extent, given the smaller scale, there were similar challenges in doorstep lending. How then, were these rapidly bureaucratizing companies to organise their field agents, engaged in work that both demanded they attract a following, and left them relatively unsupervised for much of the day? The solution that developed involved cultivating a tamed version of charisma in agents styled as ‘good, average men’.

These good, average men were located and contained in a broader corporate mystique in which doorstep finance companies claimed to provide a value that exceeded, or from some perspectives, even contradicted the material provisions of their products. Finance companies instilled this from the very beginning in naming and organisational strategies designed to enhance and enlarge their appeal as one that related to prudence, providence, or shelter. This chapter starts off by discussing the shared roots of doorstep finance companies in pre-existing forms of working-class mutualism and the ways this shaped the forms of community, relational appeal staged by the companies. Discussion then moves on to a detailed review of the ways agents were organised within these rapidly bureaucratising organisations.

Prudence and Providence: the shared roots of doorstep finance

From very early in their establishment, industrial offices developed a system of agents to sell policies and collect weekly premiums. The business model appropriated many of the fraternal rituals and practices developed within friendly societies to help build an insurance community (Alborn, 2001). From the start, industrial offices approached the business as a something like a

social project, a mission, that demanded the active recruitment of followers in the form of both customers and agents. As Samuel Smiles' liberal bible insisted, 'simple industry and thrift' exercised by 'putting some [pennies] weekly into a benefit society or an insurance fund' could help ordinary working people to achieve 'character and independence' (1866: 280) Privatised contributory life insurance had an authentic sympathy with the self-help currents in Victorian liberalism. The religious notes in life assurance rhetoric were not just donned as a marketing strategy but reflected both the close historical connections between the clergy and insurance organisations and the pervasive influence of evangelicalism on nineteenth century economic thought (Murphy, 2010; Clark, 1998; Hilton, 1988). Still the links between insurance and a liberal, ethico-religious culture of self-help had to be publicly forged. The life industry put considerable resources into establishing these connections in an avalanche of quasi-religious rhetoric by the time the industrial offices arrived on the scene, and they too endeavoured from the first to ensure that the right sort of associations between insurance and moral character were made.

This enterprise is evident even in the naming of industrial assurance companies. The Prudential and the Refuge selected names designed to articulate the qualities of thrift, judgement, foresight, and security. The Refuge in fact began trading under the name the 'Refuge Friend Indeed Life Assurance and Sick Fund Friendly Society' and while the precise reasons for Pearl Assurance's choice are obscure, the association with an elusive gem is in keeping with the established fashion for 'mytho-poetic' sounding company names². These names were part of the struggle to secure positive moral associations for companies at a time when the industry remained unstable. The name was a basic defensive strategy for these companies as it was for the Provident Clothing and Supply Company, the doorstep check-trading credit company formed in 1880. The Provident used their name to stamp the company with 'foreseeing, thrifty, economical' qualities in brazen defiance of the dubious moral associations of credit (O'Connell and Reid, 2005). In this, the company founder, Joshua Waddilove, was following the example set by the Prudential. Waddilove had worked for an industrial assurance company, an experience that

directly informed the Provident's design. An active Methodist, the solution Waddilove proposed to the financial difficulties he witnessed was informed by his strong sense of the need to correct the poor's moral shortcomings by instilling self-discipline, thrift and sobriety (Tebbutt, 1983; Taylor, 2002).

These moral undertones are marked within the form of credit the Provident offered. Check trading involved the circulation of 'checks' that were redeemable by arrangement at local shops supplying clothes, boots and coal. According to company lore, (PCS, 1930) Provident checks originated as a philanthropic service Waddilove performed for the poorest housewives he encountered in his work as an industrial agent. This involved giving them promissory notes that could be redeemed at local shops with Waddilove later settling the bill. After being approached by prospective customers willing to pay for the notes Waddilove made a business out of issuing the checks for a fee. Within a decade, the Provident was trading in ten towns in Yorkshire and Lancashire and by the 1920s there were many locally or regionally based check trading companies offering what had become a principal means of credit provision for the poor. Check trading peaked in the 1930s, fell back in the 1950s and picked up again in the 1960s before declining finally in the late 1970s as companies accelerated their diversification into other forms of credit. Retailers were persuaded to accept the checks and grant the company a discount of around 12 to 17 per cent (O'Connell, 2009) in return for the increased turnover and the removal of the risks of extending their own lines of credit. Checks were bought and paid for in instalments over a twenty week period; initially they could be spent either after six payments were received or after one if a charge for **poundage** was paid (Provident, 1934; O'Connell, 2009).

Check trading's fragile claim to encourage thrift was based on this restriction of credit to necessary consumption (checks couldn't be used for gambling or alcohol) and on the instalment principle. As the system was originally set up, goods were to be had only after six payments had been made but if this was designed to endow the poor with the capacity to plan ahead or defer gratification, it was a failure. By 1908, O'Connell notes, 95 per cent of customers preferred to pay

the poundage fee rather than wait for their goods and by the 1950s the option of paying in advance had been dropped. What discipline Provident could instil was exerted, just as it was in industrial assurance, through collection. In this, both insurance and home credit firms expropriated their models from other, earlier forms of working class mutuality.

Alborn (2001) argues that industrial offices looked first to friendly societies to help them work out what forms of community might inspire allegiance in their employees and customers. Friendly societies instilled a sense of belonging through the rituals and trappings of fraternalism that were performed in public house meetings and paraded in the material regalia of robes, sashes, songbooks and banners. Despite the reference in the Pearl's company history to staff wearing 'a green peaked cap embroidered with the name Pearl while collecting premiums' (1990: 133); these rituals and trappings were not imported wholesale. Rather the forms of mutuality and fraternalism developed in societies and clubs were restaged, modernised and professionalised in industrial offices. Strategies to recruit, motivate and reward the sales force were redolent with the same sort of emotional appeal that sustained fraternal mutualism but the increasingly anachronistic regalia and rituals of societies were superseded by an unabashed celebration of the delights of market consumption. This re-versioning of working-class mutuality abandoned the exclusive fraternalism of friendly societies in a pitch that was levelled to draw in **women**, both as the supportive wives and helpers of agents and as their primary customers. What it retained was an understanding of the importance of the location and standing of agents within communities as it was this that supplied agents with the necessary information, connections and influence.

It is not surprising that offices arrived at this approach, given their close formative connections to mutual clubs and societies. Pearl Assurance, for example, was established by seven directors, including one who had previously worked as a friendly society agent and two who had been undertakers, among the first nine agents employed by Refuge Assurance in 1866, one is listed as a 'collector of debts' and another, a women, as an 'agent' (Clegg, 1958: 17), Waddilove had experience within an industrial office and there was an on-going exchange of

agents and information between the various offices, both insurance and credit, offering financial services to the poor. The Provident's system was very similar to that long employed informally in mutual clothing clubs.

Although the role they performed bore a resemblance to the collection routines established in societies and clubs, commercial agents faced quite different challenges. While society or club agents, even if they were commissioned, bore the legitimising stamp of mutuality, this new generation of agents had to ground their activity in a different logic. Agents and visitors sent by burial, clothing and friendly societies intruded on private, domestic ground but their capacity to do so was aided by their position within community relations of obligation, reciprocity and mutual support. This was not a characteristic shared by company agents who brought an explicitly commercial logic to the interaction. In doing so, agents had to engage in what Zelizer (2005) describes as 'separating relational work' geared toward managing the discomfort provoked when economic and intimate relations get mixed up. In offering a market solution to what had been regarded as family or community problems, insurance and credit agents had to engage in relational work to clarify just how their role fitted within the structure of intimate ties. Agents' work depending on their being knitted into their communities - they had to both know and be known if they were to successfully transact a business that depended on personal information. This personal, relational work repeated across national and even international territories presented a massive organisational challenge. Offices had to develop systems that would cope simultaneously with the technical demands of organising and supervising a business based on mass agent-customer transactions and the inter-personal demands of cultivating individual charisma.

Organising agents' charisma

The development of a system to organise and manage, divide and specialise the work of industrial assurance was essential given the footprint of an industry that went from the tiny transactions

conducted in households to vast funds accumulated, calculated and invested in national head offices. The extent of the organisational task begins with this dual character.

The Magnificent Machinery of Bureaucracy

By the eve of the First World War, British industrial offices marshalled funds that were, as Lloyd George learned, too large to be bought out by a government seeking to develop a socialised alternative, and large enough as it turned out, to prop up the financing of the war through the purchase of government war bonds³. At the same time, these vast funds had their foundation in millions of transactions, conducted every week by thousands of agents in practically every working class home in the country. The ‘nearly 40 million policies which average only about £10, collecting in minute sums something like two thousand million premiums every twelve months... necessarily require offices and staffs on a gigantic scale’ (Webb, 1915: 3). There were around 70 industrial offices at this point and around 70,000 agents but the vast majority of the business and the staff were in the hands of the twelve largest offices. As Table 3.1 shows, these offices wrote over nine million new policies in 1913, going towards annual premium income nearing 20 million.

A significant proportion of these policies would lapse. Across the industry, around 10 million new policies were written each year but the annual increase in total policies in force was only around three million. The remainder lapsed without any claim or benefit and a similar pattern, of around 63 per cent lapses, was reported in the US where 95 per cent of the business was in the hands of the largest three companies (Webb, 1915). Many of these lapses happened without any premiums having been paid but even more lapsed after at least some had been paid. Lapses had a number of causes; the financial precarity of customers was a major one as were ‘oversold’ unnecessary, inappropriate or illegal policies. Lapsing was second in notoriety only to the offices’ high administrative expense ratio.⁴ Opponents claimed the offices profited from lapses while the offices insisted they lost, since policies had to be maintained in force for a reasonable time before the initial administrative costs of issue could be recouped. Even if few

lapses were to offices' profit they were never to policyholders', who at best would sustain no or small losses, but they represented a flash point for other reasons. First, high lapse rates were an enduring source of reputational damage and a cause of governmental and legal oversight since policies often lapsed because they did not meet either the legal requirements of, or exceptions granted to, 'insurable interest'.⁵ Second, they represented an organisational challenge to the offices because they arose in part due to a conflict of interest between the agents, who were motivated to write as much new business as possible to earn commission, and the offices, whose interest was in business that was legal and sustainable.

Table 3.1: Statistics of the 12 Principal Industrial Offices in 1913

Source: Adapted from Webb, 1915

	Premium Income	Assurance Fund	New Business in the Year	
			No. of Policies	Sums Assured
	£	£		£
Prudential	7,874,456	39,128,621	2,119,818	32,506,941
Pearl	2,445,305	4,817,190	1,949,399	18,667,464
Refuge	2,170,548	2,497,703	1,313,869	14,728,240
Liverpool Victoria Legal	1,398,887	4,698,896	586,714	5,901,433
Royal London	1,285,057	3,460,587	907,377	8,068,928
Royal Liver	1,054,515	3,821,491	555,000	5,000,000
Britannic	1,029,009	1,789,865	533,170	5,253,599
Wesleyan and General	763,471	917,878	252,799	2,605,355
London and Manchester	647,823	916,353	399,415	5,734,649
Scottish Legal (0- no figures available)	372,159	1,087,963	0	0
British Legal and United Provident	304,225	353,090	307,774	3,265,470
Salvation Army	281,331	470,430	205,504	1,887,420
TOTAL of all 12	19,626,786	63,960,067	9,130,839	103,619,499

Managing a business on this pattern and scale demanded what Lloyd George called 'magnificent machinery'. Industrial offices were among the first modern corporations to develop hierarchical and intensely bureaucratic structures that divided staff precisely according to function and location, and minutely specified the requirements for individual posts. The largest six offices between them 'organised armies' of 50,000 'outdoor' or 'field staff' along similar lines in a graded hierarchy comprising superintendents, assistant superintendents, managers, inspectors, organisers, specialist canvassers, agents and collectors (Webb, 1915: 3). The Prudential had developed a divisional system in the early 1870s and by 1881 there were 13 divisions with their own divisional

offices, managers and staff. The divisions were subdivided into two, within which were districts, each headed by one of 285 superintendents and their assistants who in turn supervised district inspectors who directly monitored 10,609 agents (Dennett, 1998). By 1913, the Prudential had 800 district superintendents, 2,800 assistant superintendents and 17,000 agents and a clerical staff of around 5000 (Webb, 1915; Plaisted, 1916). This organisation was devoted to what Henry Harben, the Prudential's Secretary and subsequently Director between 1856 and 1911, described as the two requisites of success in industrial assurance:

In the first place, a more than ordinarily careful selection for outdoor work must be made, the most constant supervision must be exercised, and the closest attention to details must be used; but the chief success lies in a most stringent attention to the internal economy and to the method and regularity observed at the Chief Office. (Harben, 1871 in Webb, 1915: 10)

The Prudential's determination to adhere to these requisites helped them to consistently achieve the lowest expense ratio in the industry and shaped a virtuous pattern of growth and scale economies (See Table 2.2). Other offices may not have devoted quite the same attention to system but they nevertheless adopted similar patterns of organisation. As Joanne Yates (2005: 30) remarks of the US industry in the same period a process of 'systematized bureaucratization' was driving practice. This process followed, more or less directly, from the minute-to-mass structure of the industry and its foundation in the expensive mechanism of collection. Collection had to be controlled for the industry to be viable and this control was exercised across every aspect of the business from the systems and equipment in use to rules governing the conduct, character, routines and habits of superintendents, their assistants and especially their agents.

Perhaps the most fundamental challenge was the design of a system that could reliably chart the progress from agent to central office of an insurance contract from the receipt of the proposal, to the issue of a policy through the regular payment of premiums to a claim or maturity. The outstanding characteristic of life insurance, 'an industry whose sole activity consists of

gathering, processing and distributing information' (Campbell-Kelly, 1992: 118), as an insurance systems expert remarked in 1924 is 'the repetition of the same data and same transactions in the various records and statistics. From the very moment a policy is issued this repetition stays with it until the ultimate termination of the policy' (in Yates 2005: 23). Ensuring the accuracy of these repetitions involved the development of equipment, procedures and rules for logging transactions and submitting them to district and then home offices. Equipment began with the proposal form (see Figure 5.1) that the agent would complete with the applicant, it then proceeded with the issue of a policy that would remain in force provided premiums were maintained regularly. These premiums were logged first in what was the foundational artefact of the entire enterprise, the collecting book and duplicated by the agent for the policyholder's reference in the premium receipt book (see Figures 3.1; 3.2).

Figure 3.1 1917 Liverpool Victoria Collecting Book

TABLES						1, 2, & 3.		
(Industrial-Infantile,						Adult, and Joint-life.)		
PREMIUMS RECEIVED—						JANUARY TO JUNE, 1		
RESIDENCE	State where Own Life (O) or Parental Expense (P) is assumed	Date of Entrance Day Mo Year	Age at Entry	Wife Premium	Attorns	JANUARY	FEBRUARY	MARCH
						6 13 20 27	3 10 17 24	3 10 17 24 31

Figure 3.2 1917 Prudential Premium Receipt Book

Early collecting books often contained within them detailed ‘instructions to the collector’ that would later, as rules proliferated, be supplied as separate pocket sized books. The first of these rules was that the agent must always carry the book with him when collecting and enter the premiums as they were received, ensuring the book was fully and precisely updated with all the particulars defined in the column heads (Liverpool Victoria, 1917; Prudential Agents Instructions, 1912; Pearl, 1926). Figure 3.1 shows the space for premiums received under Insurance Tables 1, 2 and 3 for industrial-infantile, adult and joint life. In addition the book contained the various Tables themselves listing the sums assured for different weekly premiums according to age at entry (Figure 3.3), space for arrears accounts, particulars of assurance on persons who died, policy lapses and reinstatements.

Figure 3.3 Adult Table No.2 1917 Liverpool Victoria Collecting Book

The image shows a page from a historical insurance collecting book. The title is 'ADULT TABLE.—On and after 16th September, 1905. (Premiums payable Weekly). TABLE showing the amount of the balance of a Life Policy after one delivery of the Policy, for the uncommenced Weekly Premiums.' The table is organized into several columns, with headers indicating different policy values and premium amounts. The data is presented in a dense grid of numbers, likely representing the balance of a life policy after a weekly premium is paid.

Agents' instructions made it clear that it was the agent's primary responsibility to collect premiums at regular intervals and to ensure that the book was accurately updated (though it was also made clear to policyholders that it was *their* responsibility to pay the premium even if the agent failed to call). Prudential's Agent Instructions were, by 1912, supplied as a separate book running to 255 clauses. These instructions stipulated that agents maintain a Life Policy Register, Collecting Book and an Accounts Ledger all of which had to correspond with details held centrally and had to be examined quarterly. Collecting book balances were to be entered into a Ledger and copied to supply the weekly account which was submitted on specified dates and formats, with postal or money order remittances, to the chief office. Agents were instructed to keep a regular, detailed debit and credit account.

170. — On the *Dr.* side charge yourself each week with the amount of the balance from the previous account; with the total amount of premiums collectible in the Industrial Branch, less the amount of lapse credit shown on the official lapse list, with any debit notes, transfer or revival arrears, which you may have been instructed to include in your account for that week, and with premiums received for the Ordinary Branch.

171. — On the *Cr.* side take credit each week for the cash remitted; for the salary and Ordinary Branch commission due to you according to your Agreement; for the Postage Allowance and for the amount of any credit note you may have received. The balance should then correspond with the

amount of premiums due on Industrial Branch policies in arrear. (Prudential Agents' Instructions, 1912: 75)

These procedures were established in the nineteenth century and designed to maintain the accuracy of records by routinizing and standardising how agents recorded transactions and submitted them for central accounting. Under this system each individual agent operated like a cost centre submitting individual accounts weekly to the central office. Although there were quarterly routines for checking agents' accounts, the error margin and clerical burden were substantial. In 1921, the Prudential Bulletin announced that the Company had recognised that the 'routine of book-keeping, accounting, and tabulation of results' and the work involved in maintaining the Life Register and Collecting Book had begun to interfere with the 'more remunerative work of canvassing' (1921e: 213). The solution developed involved using Powers machinery to create a punched card for each of the company's then 21 million policies and sort them into collecting agency order, reducing clerical labour for the agent and central office.⁶ Crucially, the new procedure made the Superintendency, not the agency, the key recording unit. New loose-leaf form Collecting Books for each agency were to be produced centrally from the punched cards, as would the Life Policy Register, copies of which would be held by the district and central office (see Figure 3.4). Alongside the reduction in clerical work the scheme was designed to ensure 'the exact agreement of the Collecting Books, Life Register and Chief Office, thus eliminating a most fruitful source of error' (Prudential, 1921e: 213).

Figure 3.4 Prudential's 1922 Agency and District Life Register

The image shows an open Prudential Assurance Company, Limited, 1922 Agency and District Life Register. The left page is titled "INDUSTRIAL BRANCH" and "PRUDENTIAL ASSURANCE COMPANY, LIMITED." It shows a "District Life Register - WEEKLY PREMIUMS" for the "Holborn" district, supervised by "C. S. Rouse". The right page is titled "PRUDENTIAL ASSURANCE COMPANY, LIMITED." and shows a "District Life Register - WEEKLY PREMIUMS" for the "147 Holborn Bars" district. Both pages contain tables for recording premiums and policy details. The bottom of the left page has a section titled "AGENCY" and the bottom of the right page has a section titled "REGISTER."

The need for the new recording system had arisen partly as a consequence of another bureaucratic reorganisation, the introduction of the **block system**. The Prudential established a divisional system of organisation in the 1870s but allowed agents to build up their 'debts'⁷ across their districts. Blocking was designed to consolidate debts and reduce travelling time and competition between agents working for the same office by reserving a specific geographical territory to each agent. In the UK the introduction of blocking was partly motivated by the need for greater efficiencies to allow offices to participate as **approved societies** under the terms of the **1911 NIA** and partly in imitation of advances in American companies. Metropolitan Life and the Prudential Insurance Company of America had observed the Prudential's system in the 1870s with a view to establishing industrial insurance in the US (Braithwaite collection; Hoffman 1900). They adopted almost identical systems and methods of organisation, even in some cases importing British agents. They differed however in rejecting free roaming agents in preference for the **block system** (Webb, 1915). In the UK, the block system took much longer to establish. Custom and practice, in a field characterised by a far greater number of competing offices than

were trading in the US, was to valorise the agent who would canvas as far and wide as his energy permitted. This meant that debits were built up over a scattered terrain defined more by the agent's personal and social connections than by location. Once established, these debits were difficult to reorganise.

In some offices, agents literally 'owned' their debits. Collecting societies in particular, allowed agents a financial interest in their debits, known as 'book interest'⁸. Insurance books were advertised and traded with the value determined by the total amount and location of the debit, since these influenced the amount of income the book might generate. The book interest system, as far as the Prudential was concerned, represented a major conflict of interest between the agents and the company. It was resolved after some high profile disputes through the company's petition for what was passed in 1875 as *The Prudential Assurance Company Act*. The Act awarded the company the power to demand that agents return all books, documents and so on at the end of their employment. In offices that retained the system, books could sell for 'thirty times the amount of the weekly premiums on the policies' (Wilson and Levy, 1937: 243). The prospective cost of compensating agents for the loss of book interest was one of the deterrents Lloyd George acknowledged to nationalising industrial assurance. Even in companies that did not permit book interest there was a strong attachment between the agent and an established debit since the debit not only determined income but was the product of considerable investment in building long-term relationships with policyholders. As a result, efforts at the Prudential, the first British company to introduce blocking, took over a decade to complete and were still unfinished when the new register system was developed in 1921 by which point the system was also being introduced in offices including the Pearl and the Refuge. This delay was partly attributable to the intervention of the war and the sheer scale of the task. It was however also a function of the flipside of the industry's dual character, the intensely personal nature of agents' everyday transactions. While massive size exerted a push towards systematised bureaucratization, the minute and personal nature of transactions demanded that agents be free to develop individual

While it is difficult to be sure just how widespread this type of recordkeeping was, it was in keeping with an industry wide exhortation for superintendents and managers to keep a very close, check on their agents. Superintendents and their assistants were responsible for recruiting, supervising and promoting agents and were subject to detailed, extensive and frequently revised regulations about how this was to be done. By 1922, the Prudential issued superintendents with 64 specific directions rather than the 90 issued in 1884 (Superintendents Regulations Box, PRU). These directions left some space for judgement, allowing that superintendents might use a ‘sixth-sense’ for assessing whether prospective agents were ‘fit and proper persons’ (Dennett, 1998) but there were both written and unwritten rules about what sorts of person these were. In the first place, appointed agents generally had to be men. The American Prudential only considered applications from men aged 21-45, with a preference for married men with business experience (Braithwaite, c.1914, LSE) while its British counterpart instructed managers to recruit ‘capable men of thorough respectability and of favourable appearance and address’ (PAC, 1912: 8). Under no circumstances were applications to the Prudential to be considered from agents ‘connected to the business of a publican or of an undertaker’ (PAC, 1912: 8). What was sought were ‘really good pushing men of reliable habits, accustomed to handle money ... Young men who interest themselves in the temperance movement, and recite and speak at meetings, often make the best industrial life agents (Ormerod, 1906: 139). Despite this, some women were involved in industrial assurance agency. Prudential agents were allowed ‘to engage a collector at your own expense’ (PAC, 1912: 20) and these collectors were sometimes wives who, in some cases, took on the agency. Evidence about the role of women agents is scarce though. A c.1890 photograph of Prudential field staff shows seven women among 100 agents but whether this was a typical ratio, or whether the women were employed as agents is unclear. What is certain is that women were appointed as ‘temporary agents’ during both wars, up to 15,000 of them in 1945 out of around 65,000 fulltime and several more thousand parttime agents (Dennett 1998; CMD 6404).⁹

Once recruited, Superintendents were expected to get to know their agents very well.

Your reputation as Superintendent will depend in a great measure upon your ability to maintain satisfactory relations with the Staff. It should be your earnest aim to win their confidence and secure their hearty cooperation, and it is essential to effective control that you should acquire a knowledge of the personality and disposition of every representative of the Co. in your district (PAC 1922, PRU).

The first duty of Superintendents, at the Prudential in the US was to ‘inspire agents’, to gain their confidence by acquiring a ‘knowledge of all details concerning him personally and by treating him with uniform politeness’, letting them know that promotion is certain if they fulfil expectations (Dryden, c.1914). Meetings designed to motivate agents and build cordial and friendly relations were held regularly throughout the industry and designed to foster an up-beat sales culture. Superintendents, inspectors and specialists regularly canvassed with agents to observe their manner and techniques for generating new business, to offer feedback on how performance could be enhanced and provide virtuoso displays of how new business could be sold. Across the sector, open canvassing for new business, ‘the increase’ was what mattered most to the companies and generated the highest rates of commission for agents. ‘You are not merely a Collector’ the Prudential reminded its agents, ‘you must be a producer also. ... Don’t do all your increase on the debit’ (PAC, 1926). When agents identified strong prospects for new business, the superintendent or a specialist canvasser would accompany the agent to help close the sale. This was part supervision and part training, but it was also part of the fraternal culture of dinners, award schemes, sporting and cultural events all calculated to foster the ‘naturally cheerful’, healthy and robust personality a ‘good man’ needed to develop his ‘magnetic influence’.

Connections and influence had long been recognised as desirable qualities in life insurance agents (McFall, 2009b) but in industrial assurance the emphasis shifted to recruiting agents with local, community knowledge. Agents were encouraged to build and use this knowledge, to ‘know their books’ and learn all about their customers’ daily rhythms, routines and relations (Forrester, 1907). Those who knew their books, knew about family relationships, connections and significant

events and could use this to identify prospects for new policies. By keeping a close eye on births, deaths, engagements, marriages, business and community relations, hiring and firing in local firms, agents should be able to refine the targeting and timing of their pitches. Even if the timing was right, a delicate approach was required if agents were to enter such intimate turf. This made the manner agents adopted the subject of careful coaching. Quite early on, the preferred approach involved the cultivation of an unobtrusive quality, an attractive averageness. The ‘Instructions to Agents’ issued by offices generally focused on the importance of benign, pleasant qualities like confidence, honesty and courtesy; conduct that was ‘just, firm and persistent’ (Pearl Assurance, 1990). In the Prudential’s Superintendent’s Record Book a more specific standard, a sort of ideal everyman, averageness emerges in an expressed preference for agents who were certainly not scruffy, grumpy or miserable, but who were also not too flash, too ambitious or too clever. This resonates with the images that later circulated in industrial insurance advertising, notably the ‘Man from Prudential’ and Metropolitan Life’s ‘man everybody knows’ (See Figure 3.6; 3.7) as well as the more general advice issued in published handbooks.

Figures 3.6 and 3.7 Metropolitan Life ‘The Man Everybody Knows’ and ‘Ask the man from the Prudential’

Handbooks encouraged agents to canvass as widely as possible at ‘every street, every door’ (Forrester, 1907). This meant a broad canvass in ‘decent working-class or middle or better class neighbourhoods’ with an explicit injunction against canvass in ‘very poor class neighbourhoods’ (Forrester, 1907: 17-20). Open canvassing meant coaxing agents out of their local

neighbourhoods to knock at doors in middle-class neighbourhoods. Such canvassing was important to industrial companies in order to build **ordinary branch** business. Middle-class business however was the acknowledged ‘bogie of the average industrial agent’; too nervous to canvass such homes effectively (Forrester, 1907: 40). In poorer but ‘decent’ areas, agents equally had to manage their ‘fit’ and were warned against displaying any hint of social condescension.

The solution to these social tensions turned upon the virtues of affecting a quiet unobtrusiveness, ‘such confidence in himself that he will never be embarrassed’ (Forrester, 1907: 15). In a *prima facie* example of the neglected role of the material senses in economic action, agents were exhorted to manage themselves, physically, emotionally, mentally and aesthetically¹⁰. Depression and disappointment could be avoided by ‘keeping up the tone of the physical system ... in winter, partake only of warm and invigorating food ... feed plainly but carefully’ (Forrester, 1907: 15). A positive attitude should be developed - and shared, ‘don’t depress others by dwelling on your troubles, cheer them up by telling them of your successes’ (PAC, 1926). By the 1930s, the Pitman handbook offered elaborate advice on how the agent could go about ‘perfecting his personality’ (Sharpe and Taylor, 1936: 3). Agents were individuals with distinctive personalities, and were advised to ‘be just yourself’ but an improved self, since the ‘best business procured and retained is personality business, because the client is irresistibly drawn by the magnetic influence of the salesman’s personality. The more perfect the development of the student’s own personality, the greater is his influence and attractive power’ (Sharpe and Taylor, 1936: 4). Agents with a ‘developed personality’ would be able to explain the technicalities of insurance and engender confidence that a policy tailor-made to suit the prospect’s needs was being offered by a financially sound office. The route to such successful salesmanship lay in nourishing *all* aspects of the personality. Agents ‘obviously’ needed to be informed about the principles of insurance but they also needed to consider the sound of their voices; ‘the lips should open and close freely and the teeth too should be well separated. Practice in front of a mirror, you should be able to insert one finger between your teeth for the broader vowel sounds’ (Sharpe and Taylor, 1936: 17).

Accents should not be completely hidden but ‘obvious provincialisms’ ‘slang’ or ‘journalese’ should be avoided.

These vocal refinements were designed to insure agents could pass ‘without the slightest suspicion of familiarity with those in superior positions, or patronage of those whom you may think your inferiors’ (25). In matters of dress too, agents should cultivate quiet, good taste avoiding ‘ill-chosen colours’ that might cause ‘the artistic sense of a female prospect to revolt’ and on ‘no account lay himself open to the charge of being a “dandy”’ (90). Attention should be paid to hygiene; especially teeth, breath and hands. Equally important, agents should conquer fear, shyness and anxiety to cultivate the right attitude. This meant a calm middle-ground, never presenting a ‘dejected attitude or miserable countenance’ while avoiding excessive humour, high-spirits or forced optimism. A ‘genuinely cheerful disposition’ should become a habit’ (80-81).

Investment in developing agents’ charisma was considerable. In addition to the rounds of competitions, conferences and dinners and the use of staff notice boards, newspapers and bulletins to celebrate the achievements of successful agents, offices sponsored a huge variety of clubs and activities. The Prudential had a staff club, the Ibis society; it had dramatic, operatic, musical and literary societies, as well as cricket, boating, swimming, tennis, cycling, running and gymnastics clubs. The Waterhouse designed chief office building at Holborn Bars had a library, a shooting range, a photographic workshop and a hall in which performances and displays of slides, films, gymnastics and opera took place. While most field staff had only occasional access to these facilities this muscularly liberal approach to staff relations extended beyond chief office. Superintendents came up with their own schemes and contests to motivate agents. This was a pattern repeated across the industry and sustained throughout the twentieth century. There were local, regional and national sporting events and leagues including the football Insurance League. Pearl had its own sports ground and an array of clubs at head office; it organised events including a cricket cup and golf tournament nationwide for field staff and was a sponsor of school swimming awards and British athletics through the 1970-80s. In the mid 1930s it had a number

of football teams including one in the Nemean football league, two in the Southern Amateur league and a further three playing in the Insurance League. Liverpool Victoria Friendly Society and the Britannic also sponsored a series of sport and social activities from as early as the 1870s.

These systems of supervision, training and practice were all geared toward cultivating certain qualities in the agent. Respectability, social confidence, articulacy, education, sportiness, presentability and so on were sought in recruits then cultivated and bureaucratically organised in the 'good, average' agent.

Interactions and information: the market for home credit

Check trading is an outgrowth from the spontaneous development of mutual clubs in the industrial centres of the North of England. A check is a document, issued by the check trader and purchased by the customer, which entitles him to buy goods, of a wide variety, at any of a long list of shops. The customer buys a check for, say £10 or £20 or £30, paying 1s. in the pound at the start, and undertaking to pay a further 1s. in the pound weekly for 20 weeks- that is, a total of 21s. per £1 of face value. When he uses the check to buy goods, he is charged the cash price, and the total of his purchase is noted on the back of the check. The check trader then reimburses the retailer, but after deduction of a discount which may range from 12 ½ per cent to 15 per cent. (BPP, CMND 4596, 1971: 75)

Industrial assurance and check trading took aspects of their model from earlier forms of working class mutuality but in neither case was the appropriation wholesale. Instead, what happened was closer to a piecemeal re-engineering of elements that could be made to fit in a commercial model. One of the most significant changes was in the roles of information and human interactions and their incorporation, organisation, management and processing within a formal administrative structure. In this, check trading companies borrowed explicitly from the formal structures, regulations, practices and equipment that were developed first within industrial assurance offices. This set-up was what enabled information to profitably flow from agents' interactions with

customers back to companies then back again through agents to customers in a repeating loop of provision, repayment and further provision.

Fundamentally, check trading was an adaptation of industrial assurance. At the simplest level, check trading reverses of the flow of finance in insurance. In life insurance, money flows first from customers to agents, is transformed into finance through company practices, and eventually flows back to customers as matured claims. In check trading, finance flows first from agents to customers in the form of checks or other tokens, which customers repay in small monies until the initial check and associated fees are repaid. In terms of core structure, the industries are similar, both were based on doorstep instalment systems of finance and both were delivered by a system of agents organised through district and central offices. There are similarities too in the way organisations were structured, in working practices and in equipment used, but there are some notable differences. While both started on a small scale, industrial assurance was a colossal enterprise by the end of the nineteenth century involving around 100 organisations at least 12 of which were trading nationally. Check trading on the other hand, started later, grew more slowly and was never conducted on anything like the scale. By the 1920s, Provident was still the only company trading nationally and it remained in family ownership until 1962. In the interim, almost all of the company's 600 or so competitors were local concerns employing between them in the region of 12-15000 agents¹¹. In sharp contrast to industrial assurance, it was not until the 1960s that the Provident began to face significant national competition.

These differences aside, Provident stood in relation to check trading as the Prudential did to industrial assurance. It was the biggest player by far in check and voucher trading throughout the sector's history and it was the place where the core business model, methods and equipment were developed. These systems spread across the field, adopted by 'hundreds of imitators and mere copyists' who 'have copied our system, tried to copy our methods and have even copied word for word our printed matter' (Provident, 1934). Competitors included John Paget and Son

established in Sheffield in 1900 which, in the 1970s, incorporated a range of smaller companies including Bradford Clothing and Supply, People's Provident Supply, and District Clothing and Supply; Practical Clothing and Supply founded in St Helen's in 1910 was acquired by Provident in 1967; and Hull Clothing and Supply founded in 1927. Trading as Cattle's Holdings, Hull Clothing and Supply went public in 1962, the same year as Provident, and went on over the next decade to acquire Crescent Premier Supply, National Clothing and Supply, Equitable Clothing and General Supply, the Progressive Group and the Caledonian Group among others (MMC 1981; O'Connell, 2009). Paget was acquired by Standard Chartered Bank in 1973 and trading under the name Compass and later Compass Paget, became with Cattle's Holdings, Provident's main competitors in the restructuring of check trading companies into fully fledged financial services companies in the 1970s (MMC, 1981)¹². Data about the detail of these companies' operations is scarce, but they all operated along broadly similar lines using agents to distribute checks and vouchers that could be redeemed at an agreed list of retailers. Just as in insurance, organising agents was a core task since home credit companies also had to reconcile the need for independent, charismatic agents with the need for corporate control.

Within a decade of Provident's establishment, the company employed 325 agents, by 1910 there were 3000, rising to 4000 in 1920, 11,000 in 1960 peaking at 16,000 in 1970, before reducing back to 15,000 in 1980. In 1900 these agents were spread across just under 30 branch offices mainly concentrated in Yorkshire and Lancashire, a decade later there were 84 branch offices with a push into southern counties resulting in 110 offices by 1920, 160 by 1930 and a further 128 branch offices opening in the 1930s. By 1951 there were 288 branches, in 1964 this had risen to 374, rising again to 600 in 1970 and falling back to 519 in 1980. To organise their agents, the Provident 'aped the field structure of the Prudential, creating regional divisional administrative offices, staffed by superintendents and inspectors who supervised the large field staff' (O'Connell and Reid, 2005: 382). In 1970, field agents were spread across 21 geographical divisions and 2 subsidiaries, a pattern that had been reorganized by 1980 into six main divisions,

responsible between them for 52 Areas each with its own manager. Beneath the Area Manager were the Branch Managers, assisted on average by two supervisors and two clerical staff in managing around 20-25 agents per branch with between 3-500 customers each.¹³

Figure 3.8 Provident's Organisation in 1962
(adapted from PCS, 1962)

Cattle and Paget were organised along similar lines with one main difference. Unlike the Provident, which until the late 1960s had grown through its success in managing the critical dependencies between retailers, agents and customers, both Cattle and Paget had grown through rapid acquisition of smaller, regionally based companies. Cattle acquired 14 check trading companies, among many other credit businesses between 1962 and 1979; Paget had 15 branches in 1972 but by 1979 it had grown to 131 branches primarily through its acquisition of 8 check trading companies. The acquired companies were structured as wholly owned subsidiaries that used common accounting procedures but functioned as separate profit centres with their own

Boards of Directors and their own branch organisations within a decentralised management structure. Aside from this, the organisation was similar with area controllers supervising branch managers who were in turn responsible for a staff including assistant branch manager, clerks, agency supervisors or inspectors and agents.

In contrast to industrial assurance, home credit agents were often part-time and in many companies most, though not all, were self-employed. By 1980, 98.5% of Provident's agents were self-employed as were almost all of Paget's predominantly part-time field staff while Cattle's 2100 agents were a mixture (BPP MMC 1981). All these agents depended for the majority of their income on commission drawn from the total value of the collection *and* new business. The balance between the two sources of agents' income had to be very delicately managed given the social and political sensitivities surrounding credit. Provident's assertion in the 1963 Annual Report that 'by far the greater part of the agent's remuneration is based on their total weekly collections and not from the value of new business introduced' was a sincere reflection of the firm's still relatively conservative lending policy. It was also designed to reassure brand new shareholders that, in a period in which there was a push for consumer credit controls with more teeth, Provident was innocent of sharp practices and unlikely to face tighter regulation.

Check trading fell outside the scope of the 'terms control' legislation that had been introduced in 1952 to curb the extent of borrowing on hire purchase schemes (O'Connell, 2009). This opened up a space for firms to lend larger sums by issuing vouchers to be spent on larger consumer durables. Politicians like the Labour MP, Richard Winterbottom, wanted to see the loophole closed. 'We are leaving one wing of credit-sale distribution uncontrolled', he argued in parliamentary debates on hire purchase, and its agents are becoming 'the best paid men in distribution' earning far more than the 12 per cent commission on the checks they issued (*HC Deb*, 24 June 1964, 697, c468). Provident's Annual Reports repeated an argument through till the 1970s, that attempts at consumer protection legislation were premised on flawed logic and a misapprehension of the sector. Their agents were incentivized to work for 'sound, dependable

turnover' not to persuade families to enter into commitments they could not meet (PCS, 1963b).¹⁴

How agents were remunerated, equipped, trained and recruited to interact with (and get information from) customers was integral to this claim. It was agents who were in a position to build the relationships that would allow them to assess the credit worthiness of families, as well as motivate them to repay. They were assisted in this with equipment that was again similar to that in use in industrial assurance. Agents kept collection books that were subject to weekly routines of accounting and auditing at the district office and they issued payment receipt cards that were filled in by agents and held by customers but could be requested for cross checking and examination by Inspectors or Head Office at any time. In addition to recording details of the customer's borrowing history, orders and payments received, the receipt cards briefed customers on the rules of the system (Figure 3.9). No orders would be issued without presenting the card, no renewals would be granted to a customer in arrears customers were 'urgently requested' not to take more orders than they could 'pay regular weekly payments upon' and customers 'must only obtain orders for their own use and the use of their families'. The card also referred customers to a key artifact that has no equivalent in insurance: the shopping guide. Agents issued shopping guides to point customers to where their checks could be spent and they were critical since they defined what kind of things the checks might buy.

Figure 3.9 PCS Payment Receipt Card

THE PROVIDENT CLOTHING & SUPPLY CO., LTD. Registered Offices:—COLONNADE, BRADFORD, Yorks. S 8530

Customer's Name Chas. W. Hollis Collector's Name J. Leggett
 Address 10 Seaford Rd Address Edmonton

Value of 1st Order 20 Date of Entrance 10/4/37 Page Collecting Book 8/103 The District Manager or Inspector will occasionally call to examine this Card.
 " 2nd " 90 " " 9/9/37 " " 42 District Manager or Inspector's Init.
 " 3rd " 60 " " 22/10/37 " " 61 Date of Visit
 " 4th " 24 " " 12/11/37 " "

Page. Date Oct 1937 Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
 Payments 10/11/37 11/11/37 12/11/37 1/12/37 2/12/37 3/12/37 4/12/37 5/12/37 6/12/37 7/12/37 8/12/37 9/12/37 10/12/37 11/12/37 12/12/37
 Collector's Initials

Page. Date Jan 1938 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
 Payments 1/1/38 2/1/38 3/1/38 4/1/38 5/1/38 6/1/38 7/1/38 8/1/38 9/1/38 10/1/38 11/1/38 12/1/38
 Collector's Initials

Page. Date Dec 1937 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
 Payments 12/1/37 1/1/38 2/1/38 3/1/38 4/1/38 5/1/38 6/1/38 7/1/38 8/1/38 9/1/38 10/1/38 11/1/38
 Collector's Initials

Page. Date Nov 1937 Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
 Payments 11/1/37 12/1/37 1/1/38 2/1/38 3/1/38 4/1/38 5/1/38 6/1/38 7/1/38 8/1/38 9/1/38 10/1/38
 Collector's Initials

ALL CARDS ARE STAMPED EACH TIME A CHECK IS GRANTED. NONE OTHERS ARE GENUINE.
 Insist upon having your payments entered upon your Card in INK. Pencil entries cause delay when Checks are applied for.

Provident's shopping guides contained, alongside the lists of shops, advertisements for agents. Between the early 1930s and the late 1950s these advertisements, for 'well-connected, intelligent and trustworthy agents', were almost identically phrased (PCS 1934; 1954; 1957). One exception was the assertion that the work 'need not interfere with present occupation' which featured in the 1934 guide but was omitted from later samples. This reflects historical changes in the workforce. In the earlier part of the twentieth century a good proportion of agents worked part-time, often combining roles selling insurance and credit (Webb, 1915). This tapered off when insurance offices improved agents' terms and conditions and when the labour market was more buoyant. By the late 1950s, almost three quarters of credit agents were women, many of them working full-time (O'Connell, 2009; c.f. Mann, 1967). This shift was part of a broader feminisation in sectors like mail order which had cottoned on to the advantages of a labour supply with the 'natural' characteristics, interests and activities of women. Women agents were 'after all, particularly sympathetic and alive to the nicely balanced details of the family budget. They sense in some cases better than men what their customers can or cannot afford ... operating as they do

in their own communities they have a native ability to appraise the creditworthiness of the men and women around them' (PCS AR 1963b)¹⁵. All agents were 'inculcated' from the start 'with the basic idea that Provident checks are not meant to be frittered away on frivolous things' (PCS AR 1963b). Both Provident and Cattle and reported that they sought 'friendly and sympathetic' agents who were able to build 'very friendly relationships' with families and help them plan their weekly budget (BPP, MMC 1981; PCS AR 1969).

The ability to form and maintain relationships engendered the high levels of long-term loyalty that were typical in check trading and remain so in contemporary home credit.¹⁶ Recent oral histories offer numerous accounts of the importance of personal relationships in creating patterns of sometimes inter-generational, product persistency¹⁷.

Me mother dealt there from being married, through me grandmother, like me father's mother, 'cause she had dealt there all her life. And, as the sons got married, all the wives dealt there. [...]
A lady used to come to the house more of a friend really ... the majority of them were, weren't they? It was just like an ordinary woman who got these clubs and you paid her... She was an agent...(in Taylor, 2002: 134-135)

Attachment to this 'special relationship' sometimes led customers to take checks, even where there was no longer a financial need, out of a sense of obligation. This counter-intuitive pattern only makes any kind of sense as a consequence of the structure of agents' 'relational work' (Zelizer, 2005). Agents were explicitly deployed to build and negotiate relationships that finely balanced personal and instrumental elements. They were schooled in the performance of 'friendly' and 'nice' as a means of securing the relationship, and knowingly activated a distinction between 'being friendly' and 'being friends' (Leyshon et al. 2006: 166). Check agents who, for instance, carried sweets for children, performed a calculated generosity. Even punctual visits were designed simultaneously as polite courtesies and instrumental means to avoid missed payments. Agents were also conscious of a design in their conduct that clients missed; they 'needed to stay on good terms with their customers since they were an important source of repeat business and new leads,

but none of the customers mentioned this instrumental aspect of the relationship' (Burton et al. 2005: 192). There was a structural advantage in agents' favour; they knew much more about their clients than vice-versa and they were doing much better financially out of the transaction than their clients. More importantly, the semantic connection of 'good' credit with 'good' character worked against customers who were always conscious of having their financial precarity, and perhaps its causes, known to agents.

Interactions with credit agents were, for these reasons, more fragile, more asymmetrical than interactions with insurance agents. While the 'guide, philosopher and friend' dynamic that proved such an effective resource for industrial assurance had its echoes in home credit – the agent was after all the friendly means of access to the ever broadening range of things checks and vouchers could be spent on – the interaction was marked by the greater ambivalence that derives from the particular dependencies of borrowing. This was not all one-way. One of the characteristics of credit transactions is an information asymmetry in the client's favour as Leyshon et al. explain.

Put simply, all credit granting institutions are confronted with the problem that borrowers will always have a better understanding of their true financial standing and of their ability to pay back the debt, than will the lender. Such asymmetries of information mean that lending institutions have to decide how to limit the information deficit by building up data profiles on borrowers. Currently, the manner in which financial institutions collect such information is through the use of credit scoring systems (2006: 161).

Martha Poon (2009) has described a decisive historical shift away from what she calls 'credit control-by-screening' techniques which deploy judgments about the borrower's character and ability to pay, towards 'credit-control-by-risk' techniques designed to quantitatively model and price risk using scoring systems based upon credit history. This shift has had little impact on home credit, since credit reference agency databases primarily record histories of transactions within the mainstream financial services sector from which home credit customers are almost by

definition excluded. After all, if your bank will extend an overdraft facility at 14.85% APR you are unlikely to be in the market for a cash loan from Provident Financial at between 275% and 545% APR.¹⁸ Instead of risk scoring, home credit companies continue to rely upon the relic device of agents 'to collect background information on new customers, keep a record of the credit behaviour of current customers and attempt to establish a database of customers' behaviour' (Leyshon et al. 2006: 171). Interactions with customers are the key to generating this information. A sort of 'friendly dickering', interactions enable the terms of exchange to be constantly recalibrated in accordance with the information gathered. This information might range from a developing profile of a customer's payment history, to assessment of the customer drawn from prior encounters with extended family and friendship networks and failing that, to more impressionistic insights. One credit trader recalls being advised in the absence of familial links 'to look at the curtains, look at the women's shoes, look at the garden; if the garden's well cared for chances are they're good payers' (in O'Connell, 2009: 38).

These techniques were a reasonably effective means of assessing creditworthiness and policing borrowing with low bad debt levels of around 0.75% into the 1960s (O'Connell, 2009). Collection affords an effective external discipline given the priority of responding to the first and most insistent call. When agents' methods did fail to identify irregular, slow or defaulting payers, the industry had its own re-versions of the techniques used in insurance for disrupting the rhythm of the weekly visit. Just as managers sometimes accompanied insurance agents as an organised means of enhancing the pitch and breaking the routine, so slow payers received branch manager visits designed to exert a different sort of pressure. A field force the size of Provident's 'must work under well placed district offices as part of an hierarchy' in which managers 'pride themselves on having the same personal knowledge of their agents as agents have of their customers' (PCS AR, 1963b). Managers were trained to use this knowledge to exert and extend the same form of control that agents had over their customers. A manager's appearance at the door was a calculated break designed to signal a change in the tone of relations with the company.

The ‘progress into controlled unpleasantness’ (Rock, in O’Connell, 2009: 73) that accompanies customers’ transition to defaulters has its own organizational form. Debt collection agencies use devices including ‘segmentation of collections teams according to the seriousness of debts, the related changes in tone of the collections calls within these teams, the strategic deployment of collectors’ personalities, and the use of carefully constructed collections trajectories’ (Deville, 2010: 161) that are designed to differentiate between debts based on their seriousness and the probability of receiving repayment.¹⁹

Organised unpleasantness is partly a counter-force to the leaky secret that home credit and debt collection companies are in fact highly reluctant to use legal resort given its expense (Deville, 2013). Yet no matter how determinedly the sectors of the industry dealing with default attempt to impress on clients the changed nature of the relationship, there are certain continuities in the way information is handled. Personal finance agents traffic in information *selectively*. They offer only the information judged most likely to complete the transaction. Developing a similar point, Vargha’s (2011) account of the mortgage sales strategies adopted by a Hungarian bank outlines how product information, the ‘meat’, is not simply put out there but ‘dressed’, as if on a carefully arranged table. Dressing draws upon agents’ skills in eliciting details about clients’ lives that can be woven into the financial projection. It is not breaking any new ground to suggest that marketing devices involve the selective presentation of information but there is something about the way information figures in agent’s interactions that is worth considering.

Agents’ interactions were what enabled exchange to happen in doorstep finance, and they remain significant in many sectors of mainstream personal finance. The nature of these interactions has been, as Vargha (2011) complains, profoundly neglected in sociological studies of finance. The reluctance to grapple with the situations in which personal financial calculations are made, persists despite the presumed urgency of reaching an understanding of issues, like over-indebtedness or collapsing savings rates, that might transcend the familiar narratives of blame and praise attached variously to institutions or to individuals. This is an important neglect

because these situations reveal the ways ‘rational’, impersonal calculation is mixed up with personal interactions within the exchange. As Vargha also points out, dickering takes ‘effort and skill’ on the part of agents to ensure that these different elements are interwoven in ways that preserve appropriate separations between the intimate and personal, the financial and impersonal. This implicates agents in the definition or ‘qualification’ of products since products and their properties become fixed only through the process of exchange.

Exchange is a messy and interactive process that takes place as actors try to accomplish situations together. This argument changes the way sociologists, economists, and policymakers think of finance, commonly as a problem of asymmetrical information, deception, and power. As technical and personal information passes between lay buyer and expert seller, consumer finance performs not merely a calculating rational agent, a kind of *homo economicus*, but rather a socially embedded consumer—precisely in order to allow calculation in a tenuous situation of mass advice (Vargha, 2011: 229).

In doorstep finance, this messy interactivity bears particularly heavily on product qualification since agents, through the device of collection, have a presence in the lives of their customers that persists long after the initial deal is struck. When industrial assurance and check-trading companies began in the 1960s to rebrand their businesses as home service and home credit respectively, they marked agency service as the defining quality of the products. This ended very differently for each sector. While the newly public and rapidly consolidating companies that comprised home credit discovered in the process more aggressive and inventive strategies for expanding their markets, reorganising their workforces and extending their product ranges; the insurance companies slowly, but increasingly, struggled to halt the decline in their markets.

To enchant and to grasp: the challenge of the doorstep

‘No Peddlers, Solicitors or Insurance Agents’.

[A common turn of the century American door sign]

Doorstep finance agents have a long and colourful history. The emphasis throughout this chapter has been on how they were systematically organised to present an idealised, tamed charisma that would attract and hold on to customers. But there is another side to this process. Agents were also, sometimes simultaneously, a grasping, irritating nuisance, the relentless purveyors of cold calls and hard sales. In Britain, the United States, Sweden and elsewhere disentangling the social value of life insurance in particular, from the odour of doorstep selling was the object of a sustained project of education, professionalization and industrial reorganisation and regulation (Vande Creek, 2005; Sjoblom and Husz 2011). Bureaucratic organisation of the sales force was part of a long-standing, persistent effort to recover a reputable mission – and this was true of both sectors – from the taint of failures, scandal and malpractice.

The early origins of doorstep finance were in the friendly societies and clubs of the nineteenth century but it was the companies' ability to organise agents that quickly proved their defining advantage. Agents in the commercial offices could not rely upon the ties of community and reciprocity to justify their intrusion upon intimate, personal grounds. Instead they relied upon the force of their personalities to recruit followers and often to lure them away from pre-existing contracts. By the turn of the century this had resulted in public and enduring scandals of high administrative expense ratios and high lapse and transfer rates.

These issues culminated in a sustained effort to impose bureaucratic standards of organisation upon their workforce. Developing an administrative bureaucracy was a central priority for an industry that depended upon the mass processing of information and the Prudential led the way in identifying administrative efficiency as the key to reducing expense rates. This meant extending the techniques of administrative bureaucracy from central office to the organisation of field staff. Agents' individual charisma, expressed in their powers to attract, recruit and retain customers, was absolutely fundamental to the success of the enterprise but it had to be contained. Offices thus sought – contra the Weberian distinction – to determine and

set limits to individual charisma within their bureaucratic structures. This effort took the form of a careful organisation of the sales force through techniques of recruitment, training, supervision and reward. Through such means sales charisma was routinized and tamed, notably through the persona of the ‘good, average man’.

These techniques were pivotal to managing the delicate interactions on which exchange relies in doorstep finance. The role of the agent is simultaneously to enchant and to ‘grasp’ the customer and this demands a very particular sort of facility with information. To grasp here is not a high pressure choke-hold but to engage, to gear, in the manner of establishing a connection that makes the exchange move forward. By weaving product information alongside information about the customer, their connections, their lived experience, agents became part of situated rational judgements about the product. This process has an impressive history of success in facilitating mass exchange but it has also a significant history of failure. The agents’ position, as a quality, a structured dimension of the product (Karpik, 2009), can be part of what ultimately causes it to fall out of taste. This was what happened in industrial assurance after the 1960s. Equally, as has recently been the case in the home credit industry²⁰ as it was in the history of industrial assurance, field agents can be disconnected from, or in open conflict with corporate goals. Avoiding such conflicts between agents and corporate goals was one motive for bureaucratically organising charisma. A much more fundamental one was the need to resolve the contradiction posed by all those tiny, individual interactions and transactions and the massive, big data before the fact, enterprise they collectively made up.

¹ *Newsweek*, 5 September 2011.

² Many companies adopted ‘class’ names like ‘Law Life’ or ‘Clerical, Medical and General’ but mytho-poetic company names e.g. the Argus, Eagle, Mitre, Minerva and Pelican were also popular.

³ The Prudential and the Pearl for example provided considerable financial support to the government during the war. The Prudential sold its American securities to the government in 1915 and subscribed £25,000,000 to the Victory Loan campaign in 1917.

⁴ Lapses were a central target of legislation and were viewed sometimes as reformable (eg 1896 Collecting Societies and Industrial Assurance Companies Act, the 1909 Assurance Companies Act, the 1923 Industrial Assurance Act) and sometimes not (eg in Gladstone’s 1865 Government Annuities Act and the Beveridge Report).

⁵ Enshrined in law since the 1774 Life Insurance Act, life insurance contracts are only legal where an allowable insurable interest such as a person has on their own life or between spouses. Industrial insurance contracts had been a legally murky exception in practice since they were often taken on 'lives of another' without any insurable interest. They were not legally recognized until the 1909 Assurance Act and only then under certain conditions.

⁶ Powers had initially developed his machinery while working for the US census. The introduction of Powers machinery at the Prudential came nearly two decades after the US industrial insurance industry began experimenting with Hollerith and other forms of tabulating machinery. See Yates (2005).

⁷ The debit was the aggregate amount of weekly collected premiums charged against the agent and for which he was responsible (Hoffman, 1900).

⁸ See Wilson and Levy (1937, pp243-46). The Liverpool Victoria and the Cooperative Insurance Society, which offered industrial life assurance from 1899, were among the largest offices using the book interest system.

⁹ Women were first employed as clerks in the Prudential offices in 1872, by the time Holborn Bars Chief Office opened in 1879, there were two hundred female employees. Each was required to pass an entrance examination in arithmetic, spelling and handwriting and had to be aged 18-25, single and the daughter of a professional man. By 1932 the number of women employees had risen to 2,500. Field Staff had always been expected to take out company assurance and this expectation was extended to the women. (Group archivist evidence, PRU)

¹⁰ As Swedberg (2011; c.f. 2009) notes, since Simmel's (1997) essay, very little attention has been paid to just how significant the senses; sight, sound, smell, touch and taste, are in prompting economic action yet every salesperson learns quickly to cultivate their impact on the senses through their appearance, voice, personal hygiene and so on.

¹¹ *HC Deb*, 20 May 1963, 678, 107; *HC Deb* 04 August 1942 382 825-6

¹² Langley (2008) refers to the further consolidation and financialization of the sector up to the 2007-8 financial crisis.

¹³ All data drawn from PCS (1930); PCS (1951); PCS (1970); PCS & PFG ARs 1961-75; MMC (1981).

¹⁴ The company needn't have worried. The Crowther Report on Consumer Credit did not finally appear until 1971 and when it did it was fairly uncritical of check trading and resulted in no significant legislative impact on the business. By the end of the 1970s, the direction of traffic was towards loosening not tightening control and terms control was finally abandoned in 1982.

¹⁵ A Provident manager in BBC Panorama's *Undercover Debt on the Doorstep*, screened in October 2012 expressed very similar sentiments about the particular qualifications of women agents for 'getting money off people'.

¹⁶ Check trading itself declined after the 1960s and the introduction of vouchers, bonds, cash loans etc. By the early 2000s, check and voucher trading had been almost entirely replaced with other forms of credit, notably cash loans. Provident informed the Office of Fair Trading in 2011 that it no longer issued trading checks or bonds of any description. It offered but did not own 'Love2shop' vouchers. In the year to December 31 2010, vouchers represented only 1.6 per cent of Provident's home credit lending in the UK (BPP OFT 2011). The product offered in home credit changed significantly after 1970 but the mode of delivery much less so.

¹⁷ See the projects referred to in Whyley & Brooker (2004); Jones and Barnes (2005); Burton et al (2005); Leyshon et al. (2006)

¹⁸ These rates are as advertised in February 2014 on standard overdrafts with First Direct and a cash loan of £500 with weekly collection by Provident Financial.

¹⁹ Deville (2010) documents the various illusions companies use to communicate the seriousness of the defaulted debt. There is a rebranding in which the company itself its name, address and letterhead, appears to alter. The professional debt collection agency appears, but things are not always what they seem as in the example of Blair Oliver and Scott, apparently an independent collection agency but in fact wholly owned by the Bank of Scotland.

²⁰ See <http://agentssayno.co.uk/> for details of a dispute between Provident agents and the company in 2010-12.

Chapter 4: Following the lines from conversation to marketing and back

What in the end makes advertisements so superior to criticism? Not what the moving red neon sign says – but the fiery pool reflecting it in the asphalt. (Benjamin, 1985: 89-90)

Never, in any period of history, have a producer and a consumer, a seller and a buyer been in each other's presence without having first been united to one another by some entirely sentimental relation – being neighbours, sharing citizenship or religious communion, enjoying a community of civilisation – and second, without having been, respectively, escorted by an invisible cortege of associates, friends, and coreligionists whose thought has weighed on them... (Tarde in Latour and Lepinay, 2009: 25)

The core task of doorstep finance agents was to enchant prospective customers and to keep a firm, though comfortable, grasp of them. As successful as they were at accomplishing this, they did not manage it in isolation but through their relations and connections to the organised bureaucracies that employed them, to the policyholders and borrowers they visited and to an array of other interested parties. These connections enabled agents to get almost everywhere, to almost 'every street, every door'. Agents allowed companies to sell products, to gather and relay feedback, to sustain relationships and to sell again. In doing so, they were engaged in a form of relational work that played a huge part in activating and operating doorstep finance markets. Huge as it was, it was still only a part, and the system and the context in which agents were located was just as important to the biography of doorstep finance. In this chapter, I take a few steps back from the details of agents' work, to look instead at their role as part of the elaborate machinery that permitted the sellers and buyers of doorstep finance to encounter each other.

Agents were the personal selling part of a promotional mix that also included advertising, sales promotion and publicity. In insurance companies all these promotional 'parts' were meant to move and work together in a constantly replayed sequence of dickering negotiations, feedback and recalibration. This process was never seamless but it did help spread agents, and the products they sold, everywhere, making their reach extend far further than physical, material bodies could go. This disembodied reach is much like the reflection in the fiery pool that Walter Benjamin saw as advertising's killing edge: it was

diffuse reflections that allowed advertising messages to leak out beyond the screen, beyond the hoarding, to awaken human imitation much more effectively than any politics, polemic or critique could. Benjamin probably estimated the power of advertising rather higher than many companies did, but he was on to something in identifying the reflection; the repetition, variation and reiteration of the idea, as the thing that made buyers act. This was a facility that offices were desperate to harness and they used a variety of means to connect agents to advertising campaigns, to policyholders, to district and chief offices, and back again.

This deliberate articulation between different marketing parts was likely of some significance in securing the dominance of the larger offices. But no matter how well planned and orchestrated marketing and market making was; markets are made only when these activities attract the ‘invisible cortege’ of associates and friends, customers and policyholders. As Gabriel Tarde knew when the doorstep finance industry was still in its infancy, market attachment is never achieved without sentimental relations, without extending lines of relationships. The market has to be got together, people have to be interested, even enthused, to start the bandwagon that ‘builds as people find it easier to love something others also love’ (Molotch, 2005: 87). Following these lines of sentiment and relation was a routine part of agents’ work. Their **debits** were mappable in geographical territory but they were also mappable in sentimental, relational territory. Extending the round meant following customers, to their relations, friends, neighbours, clubs, workplaces and so on. That way, agents tapped into their customers’ networks and let customers’ attachment to them, fertilise new relations.

These relations were necessary, but not enough, to secure market growth. Offices were always keen to find other ways of tapping into the cortege of influence and imitation and by developing sales techniques like sowing, presentation and prospecting; they sought to extend agents’ reach. Sales advice was designed to lift the gaze of agents from the proximity of households to range across communities to see where new product attachments might be fostered. Attention was drawn to events – births, marriages and deaths were established leads but accidents, fires, new buildings, promotions and graduations could also be made into leads. This advice was designed to help agents track the mysterious

path that market appetite might take. For doorstep finance, this appetite was doubly confounding because it was never really for the thing they were selling in and of itself, but for the means it provided to other ends, other things. In prospecting advice, offices offered agents some practical means for tracing the way people's relations, properties and possessions, might lead to the next market exchange. In tracing the lines doorstep finance products moved along, the ways products and agents mingled with the beliefs, ideas and possessions of buyers, start to become clearer and offer up a better sense of how warm sentiment interacts with cold reason in market encounters.

Getting agents everywhere: the arrangements of marketing

Imitating Advertising

Affirmation, however, has no real influence unless it be constantly repeated, and so far as possible in the same terms ... The thing affirmed comes by repetition to fix itself in the mind in such a way that it is accepted as a demonstrated truth... To this circumstance is due the astonishing power of advertisements. When we have read a hundred, a thousand, times that X's chocolate is the best, we imagine we have heard it said in many quarters, and we end by acquiring the certitude that such is the case. (Le Bon, 2009: 59)

Agents were the centre of marketing strategies for industrial insurance offices because the agent mechanism defined both the product and the market. This might have followed lessons learnt in ordinary life insurance, where the development of personal selling techniques has been identified as the factor that finally broke entrenched resistance in America (Zelizer, 1979). But this overlooks the prolific, opportunistic and inventive efforts ordinary life offices made at promotion and their disinclination to settle on any one marketing technique¹. This was also true of doorstep credit companies, which, even in their earliest years, combined sales agency with advertising, publicity and various other means of promotion. If anything, the difference lies in the way these different branches of the industry sought to integrate their various marketing initiatives. Exploring the marketing from the angle of its integration, offers a glimpse into the practical means employed to spread products from point to point, from customer to customer.

Of all the marketing techniques used to influence consumers, it is advertising that has come in for most critical scrutiny. Benjamin's assessment captured the spirit of much subsequent twentieth century critique in casting advertising as a magical, mystical system with an unsurpassed capacity to move people, to prompt them to action. By offering a new medium in which similarities, repetitions and differences could be conveyed, advertising had the mimetic potential anciently imparted through dance and cultish ritual. This is what made huge billboard advertisements the site 'where sentimentality is restored to health ... just as people whom nothing moves or touches any longer are taught to cry again by films' (1985: 89). The kind of visual, emotional tactility that Benjamin ascribes to advertising resonates with the way the industry was understood not only by other critics, but also by proponents and practitioners. Max Horkheimer and Theodor Adorno (1971), and later Stewart Ewen (1976), Wolfgang Haug (1986) and a long line of others, elaborated Benjamin's impressionistic insights into comprehensive accounts of how advertising offered, not subversion, but structural support for the commodity form. This capacity is, again and again, ascribed to the uncanny action of advertising, working below the level of consciousness to produce copied performances, that were not liberated as in Benjamin's vision, but horrific, like the 'St Vitus's dance or the motor reflex spasms of the maimed animal' (Adorno 1991: 82).

Practitioners and advocates between the wars did not exactly disagree with the thrust of these ideas; they had, after all, propagated many of them. Walter Dill Scott (1921), Edward Bernays (1923) and Walter Lippman (2008) in their contributions to the theory and practice of advertising, propaganda and public relations, drew not just on Freudian ideas of the unconscious, but more broadly on the formulations of crowds, imitative behaviour and the 'group mind' developed by Tarde, Le Bon and others. In a context in which the imitative behaviour of crowds presented a major social and political concern (Borch, 2012), in which propaganda demonstrated such spectacular prospects and in which media were reaching towards their most massified form, Benjamin and the Frankfurt school's assessments weren't overexcited. Advertising just *was* understood to be able to do huge things to public consciousness. Stefan Schwarzkopf (2009) describes the way nineteenth and twentieth century

advertising concepts passed in and out of circulation, noting how practitioners in the interwar period, whether advocating techniques like repetition, behavioural branding or propaganda, saw advertising largely in the same terms that excited dystopian critics. In describing their work as ‘consumer engineering’, or ‘humaneering’ (Schwarzkopf, 2009: 14), practitioners were working to trigger just the imitative response critics were warning of. There were differences. Practitioners and advocates regarded this effect as economically benign, even as ‘pro-social’ in promoting order and progress (St. John III, 2009). They were also in an ambivalent position since they had a vested interest in proclaiming the efficacy of mass persuasion combined with first-hand exposure to its limits.

Imitative responses have long been related to the emotional content of advertising, which is often thought to punch hardest when aiming for the emotions. Psychological and emotional literacy has been presented as the key to mobilising the consumer through the identification of unique ‘emotional’ selling points (c.f. Nixon, 1996, 2009). As Miller and Rose’s (1997) study of consumer research at the Tavistock Institute in the 1950s and 1960s documents, the advertising industry was receptive to emerging techniques that promised better ways of discovering deep emotional, psychological truths. For Illouz, emotional branding is designed to elicit consumer fantasies by building on advertising’s capacity to evoke ‘the sensory character of goods’ and provide the instructions for ‘perceptual mimesis’ (2009: 405). Thus sense memories can be quietly built up from advertising and stored to form the later basis of action.

Putting emotional literacy at the centre of an account of how advertising mobilises consumers however is not without its problems. One major one is that not all advertising works, or is even trying to work, this way. Many ads, especially for things like food, retailers, and personal finance, are clearly not trying to make anyone cry. Insurance, credit and banking advertisements do, at times, feature strong emotional appeals, playing on fear, love, fun, safety and so on. But they often don’t, rehearsing instead product characteristics like interest rates, premium income raised, sums paid out, etc. The absence of overtly emotional appeals doesn’t mean there isn’t any emotional work being done. Emotion is a fickle qualifier of advertising since it might feature as an explicit strategy to entice or

terrify, as gentle buyer flattery in the detailed presentation of highly technical specifications or as a subtler attempt to strike a deep, unconscious resonance. Consumer research at the Tavistock drew upon psychological insights, but the qualities identified for emphasis in the marketing of ice cream and home perms, like availability, convenience and technical advice, were often banal precisely because these were the ones considered most likely to correct deep-seated anxieties about the products. Psychological and motivation research, also never seized the advertising industry in quite the way Vance Packard (1957) famously suggested. Instead, psychologically informed techniques of ‘discovering the consumer’ always competed with other formal -and frequently informal²- qualitative and quantitative, social and economic research tools.

In an industry where effectiveness is notoriously difficult to measure it’s not surprising that competing styles, platforms and techniques co-exist. Throughout the twentieth century the tide turned from measured and scientific, to unique and reason based, to artistic and entertaining, to psychological and motivated and back. These techniques are all targeted to find the one thing, the one truth - or ‘insight’ as Ariztia (2013) calls it in his participant-observer research - that works best. After decades of effectiveness research, what that one thing, or combination of things is, remains elusive. Strong claims to effectiveness can be made, supported by before and after sales figures, by prompted and unprompted recall data, but that never quite establishes a formula that can be carried forward into different product categories and different market conditions. Practitioners and clients accommodate this kind of knowledge deficit - or ‘useful ignorance’ (McGoey, 2012)- about what advertising’s precise contribution is because their competitors do too. Producers have their eyes fixed on other producers; they might be unsure about the economics of advertising but they are unlikely to stop while their competitors continue.

Industrial assurance marketing

This measured commitment to advertising characterised the approach in industrial assurance. Having established the marketing force of doorstep agency, offices did not abandon advertising and other

promotional mechanisms but continued to experiment. All the large industrial companies advertised throughout the nineteenth century in much the same style that ordinary life offices adopted. Elaborate conventions combining calligraphic variation, grand buildings and mythographic sentiments became standard fare in nineteenth century corporate promotion (McFall and Dodsworth, 2009).

Advertisements were often prompted by particular, regular events like the declaration of the capital fund accumulated following the Annual Report, bonus divisions, recruitment calls for agents and so on. By the 1910s, the uses of advertising and publicity began to extend and diversify. Offices and industry associations had successfully used the media as part of their campaign to force Lloyd George to alter the initial terms of the **National Insurance bill**. In 1911, the year the Act was passed, Pearl Assurance patented its heraldic shield and motto 'We give more than we promise' (*Damus Plus Quam Pollicemur*). These artefacts still ghost the exterior walls of former Pearl offices up and down the country (See Figure 4.1) but at the time they reflected a new confidence in what corporate communication could achieve.

Figure 4.1 Pearl Assurance engraving, Holborn, London

Testing the reach of corporate publicity continued throughout the **Great War** as companies found supporting the war effort could be comfortably reconciled with commercial promotion. Prudential's 1916 calendar image depicting a soldier going off to the front, reassured that his dependants were covered, was a typical theme in a context in which the payment of war claims amidst long lists of soldiers killed in action was the mainstay of regular advertising. The Prudential and the Pearl supported

several war loan schemes and invested £628,800 and £170,000 of dividends, respectively, in war bonds in 1917 (Pearl, 1990). These investments worked within the tradition of finance as high spectacle that had accompanied insurance office bonus declarations throughout the nineteenth century, but there was a difference. As the tanks rolled down High Holborn to receive the cheques in front of assembled crowds, the event was photographed, filmed and replayed in newspapers and newsreel footage in cinemas all over the country. This multiplying of value was an effect that many commercial operations were beginning to seek as attention shifted from individual advertisements towards longer and better integrated marketing campaigns.

Figure 4.2 Thomas Dewey paying for war bonds

Agents were to become the core element in integrated marketing, which worked in turn to spread agents' influence still further. The ubiquity of agents had been exercised in the lobby to reframe National Insurance and again to promote the sale of war loan vouchers door to door. This reinforced the sense that agents could be mobilised in many ways beyond their immediate roles to offer a multi-directional source of influence and information, transmitting company arguments about legislation, national health and savings, the war etc. to customers, and conveying information back to district offices. This could be a precarious structure since agent and company interests were not exactly

identical. In the aftermath of the war, the 1920 Pearl agents' strike over pay garnered lots of publicity but public and media sympathy was galvanised in the agents' favour, and after initially taking a bullish stance, the company granted the concessions at an estimated cost of £230,000 in the first year (Pearl, 1990; *The Economist*, 31 Jan 1920). Balancing arrangements, so that agents did not perceive their own interests as in conflict with the offices', became part of the routine flow of influence and information between market participants. During the anti-nationalisation campaign of the 1940s, the industry understood that convincing field staff to reject the Labour government's proposals, was key. As Frank Morgan, General Manager of the Prudential, warned the Institute of Directors in October 1949:

I have a great personal concern ... it is obvious from even a cursory reading of the nationalisation proposals that the staffs have been unashamedly wooed by the would be nationalizers. They have been wooed not only in the written word but in the spoken word. These men are in touch with so large a section of the population of this country that nobody needs more than one guess to realise why that has been done. But these staffs comprise good business men and, though some of them may be torn between various allegiances, I am sure that the majority of them are against this proposal, not only in the interests of the policyholders, but in their own interests. (PAC, 1920-1978)

To keep staff more or less on side, insurance offices went to some effort to build *esprit de corps*.

Incentives, clubs and activities all offered a way of building corporate spirit. For the most part this worked and agents operated in reasonably harmonious conjunction with centralised marketing.

By the 1920s, industrial offices had begun experimenting with advertising media, styles and formats. The Pearl used cinema, poster and press ads warning of the losses risked by the uninsured with copy like *'Lose your holiday, your life suffers, lose your life, your wife suffers (and your children also). Protect them by insuring with the Pearl'*. Stark warnings gave way at the Pearl after 1945, at least for life and endowment policies³, to more upbeat images featuring families enjoying the benefits of 'assurance'. The slogan *'Face the future with Pearl assurance'*, featured in Figure 4.3 also presented an opportunity of repetitively routinizing the association between life assurance and quotidian comfort. The tableau was replayed in various formats, including a perpetual calendar which reproduced the illustration in colour and reworked as *'Face a happy future'* with the family in the same pose but wearing winter clothes and carrying Christmas presents and decorations for an advertisement in 1954.⁴ The theme was not unique

to Pearl, Australian Mutual Provident (AMP) – the company that was to buy Pearl in 1990 – ran very similar tableaus in the 1950s, with an insert describing the agent as a ‘sure friend in uncertain times’ and the rhythmic slogan ‘one family in three, relies on the A-M-P’. The less catchy ‘*Face the future...*’ was chosen from entries in an internal competition that was itself an attempt to interest and engage field staff in broader marketing arrangements. The slogan was endlessly adapted and replayed over the next twenty years. It was reworked in the in-house *Pearl Magazine* (1957) as ‘*A face for the future*’ offering ‘an impression of an insurance salesman who has just made his New Year resolutions’ with ‘a nose for prospects’, ‘well trained lips for canvassing’ and ‘a little cheek but not too much’. It was combined with the competition runner-up, ‘self-assurance is not enough’ in a cartoon drawn by Fougasse and slapped on to the sides of countless buses until it gave way to ‘Cover yourself with Pearl’ in the late 1970s (Pearl Assurance, 1964; 1990).

Figure 4.3 1954 “Face the future” Pearl Assurance advertisement

As inventive as they were, Pearl’s efforts trailed behind those of the market leader. After establishing a publicity department in 1926, the Prudential had begun to advertise in newspapers and magazines using colour illustrations and emotive themes, including a distressed widow embracing a child with the tagline ‘*Who will care for them now?*’ Campaigns began to be more systematically planned with, for example, advertisements in the *Radio Times* timed to coincide with broadcast talks from the General Manager, Sir

Joseph Burn (Dennett, 1998). Within the next decade, the company started coordinating multiple media campaigns with new product launches and designing advertisements that featured more upbeat images. These campaigns were heavily promoted internally, posters were displayed in district offices and leaflets issued to field staff. The *Prudential Bulletin*, announced that ‘attractive colour posters’ had been selected to appear on hoardings for six months as ‘an additional means of bringing before the eyes of the public the advantages of Prudential assurance. It is hoped that this publicity will support and advance the efforts of the staff’ (1935f: 2792).

Agents had often featured in advertisements, appearing in recruitment calls and in allusions to service, but this integration intensified from the 1930s. By then the agent, shown at the doorstep, the garden fence, the fireside, was a common promotional theme and it was this image that led the anti-nationalisation campaign in the late 1940s. In the Prudential especially, agents began to figure more prominently as the ‘ambassadors of thrift’ delivering home service throughout the country. This culminated in the establishment of the ‘Man from the Prudential’ as the company brand. The phrase ‘the man from the Pru’ had been in circulation for decades, when an article focusing on real life agents appeared in *Illustrated* magazine in June 1949 prompted the publicity department to recommend ‘the Man from the Prudential’ as a slogan. The idea had been suggested before but discounted on the grounds that ‘the object of newspaper advertising is not only to impress the name of the company but to link it with a proposition displaying the benefits of insurance. Therefore it is advisable to utilise the space available for pointing out the benefits offered leaving the Prudential Man to present himself in the flesh’ (*Prudential Bulletin*, 1933a: 2174).

Figure 4.4 Fred Sawyer outside Chief Office, Holborn Bars

The ‘Man from the Prudential’ finally appeared as a brand in 1949 and lasted until the mid-1960s in Britain and well into the 1980s in some overseas markets. In a parallel to the distance between actual agents and the ‘good, average’ ideal, the first ‘man’ was drawn from a real agent, Fred Sawyer. Sawyer proved a bit too real to last. After Stafford Cripps, then Chancellor of the Exchequer, observed that Sawyer wore rumpled clothes and was a bit on the heavy side, ‘the man’ was redrawn from another model, Mr Bradley, who was further ideal-typed and adapted for overseas markets in the 1960s. The Man from the Prudential was a remarkable exercise in corporate promotion. Through the brand, the company re-appropriated the mildly pejorative aura emanating from agents’ ubiquity and stamped them with a stable corporate identity.

Figure 4.5 Men from the Prudential, *Prudential Bulletin* 1965

It was not however just a matter of making agents appear *in* advertising – but of making advertising appear *through* agents. Canvassing leaflets, bookmarks and promotional merchandise like calendars,

diaries, playing cards, model aeroplanes, pens, pen stands and board games designed for agents to give to prospects and customers, were all extensively used since 'it is vital to involve the salesman' in any insurance marketing campaign (Pearl, 1990: 141). Offices were anxious to use agents to reinforce campaigns partly because they were conscious of the limits of knowledge about how advertising worked and which types worked best. Insurance companies, just like most other major advertisers at the time, made heavy use of freepost enquiry forms, business reply cards and coupons to measure the impact of different advertisements in accordance with the principles of 'scientific advertising' popularised by Claud Hopkins (1990). The limits of this technique, especially when it comes to judging the incremental effects of on-going advertising for well-known companies, were well understood, as the following request to staff on the launch of the 'Open the door to security' campaign makes clear.

The problem, which faces those responsible for the Company's advertising, is how best to arrive at a correct estimate of the value of publicity to an insurance company whose name is already a household word. It is possible to show results. Certain forms of advertising will produce a highly satisfactory return from direct enquiries. If a similar return is demanded from the whole appropriation, advertising must be confined to comparatively few channels. Many first class publications will be avoided because people do not cut coupons from them. There will be no posters, no illuminated boards, no films, no neon signs, no mention of the annual meeting and no editorial comments. Would anyone seriously contend that this is desirable? There is another method of gauging results. That is, to take the figures for a district prior to, and after, an advertising campaign, and compare them. Such an investigation usually strongly favours the advertising but so many other factors have to be taken into consideration that it cannot be regarded as an entirely satisfactory test. The solution of this problem is largely in the hands of the field staff because the field staff are in a position to gauge the indirect 'pull' of the advertising. It would greatly assist us if the Staff, as a whole, would take a vital interest in publicity and write telling us of any benefit directly arising from it. If the individual representative knows that an advertisement has interested his client in any small degree, he may think it a trivial point and not worth mentioning. To the individual representative it possibly is a trivial point but the combined total of such trivialities would probably give us the evidence which we seek. (*Prudential Bulletin*, 1936: 3412)

The Prudential were in the habit of mixing advertising media because they calculated that different channels had different qualities. The reach of outdoor advertising couldn't be measured from direct enquiries but the company understood these platforms to have value of a type that resisted easy estimation. To address this, various means were deployed to enhance the impact of different platforms. One of these was to design multi-platform campaigns where the colour images destined for press and poster sites would be re-circulated in black and white on memorabilia and on postcards in order to

generate enquiries (Figure 4.6). Of possibly greater significance was the effort to enrol the field staff, not just in the circulation of campaigns through postcards, leaflets and other publicity, but in the testing and review of campaigns in the field. The *Bulletin* regularly published divisional results listing the percentage of advertising enquiries ‘placed in the hands of field staff’ that were returned and resulted in new business, the premium and sum assured (e.g. 1930a: 1681; 1935k: 2919). It insisted that ‘the man in the field should be the best judge of an insurance advertisement’ and sought their opinions on whether the premium price should be quoted, what the best ages and sum assured and so on were to use for the illustration (1931: 1875). Debating the slow uptake of the Heritage family income policies, *The Bulletin* called upon field staff to use their canvassing ability ‘to lead the way in broadcasting to the immense public’ what advertising by itself had failed to adequately communicate (1933b: 2214).

Figure 4.6 1954 Prudential multi-platform campaign

By these means, offices sought to ensure that advertising and other marketing enterprises worked, systematically, synergistically, to help agents get even more ‘everywhere’. Through relentless advertising and publicity, through multi-platform media placement, through planned, integrated campaign management, routine repetitions and minor variations, efforts were made to ensure the message was endlessly reflected. Despite all the critical excitement, offices were less sanguine about advertising’s

influence and were constantly investigating techniques to check, review and reinforce it. Agents found themselves in multiplying roles, as the ‘man at the door’ figured and refigured in advertising images, as the trumpeting distributors of advertising and promotional clobber, and as the first feedback instruments on how campaigns were being received. All this enterprise was designed to enhance and adapt the fit between offices, agents, customers and regulators and in that it was reasonably successful. But the lines of sentiment that run between the sellers and buyers of personal finance are neither straight nor easy to follow.

Getting and Having: the paths connecting sellers and buyers

[H]ow do these needs for production and consumption – for sale and purchase – which have just been mutually satisfied by a trade concluded thanks to conversation arise? Most often, thanks again to conversations, which had spread the idea of a new product to buy or to produce from one interlocutor to another, and, along with this idea, had spread trust in the qualities of the product or in its forthcoming output, and finally the desire to consume it or to manufacture it. If the public never conversed, the spreading of merchandise would almost always be a waste of time and the hundred thousand advertising trumpets would sound in vain. [...] There is no manager more powerful than consumption, nor, as a result, any factor more powerful – albeit indirect – in production than the chatter of individuals in their idle hours. (Tarde in Latour and Lepinay, 2009: 49)

Sitting beside the window, he drinks his fifth whisky. He’d rather be having a Ballantine, or a Johnny Walker Black Label, but he has to make do with an Old Smuggler, because Amancio is no longer what he once was, or at least he no longer has what he once had, which amounts to the same thing in the end. (Mallo, 2010: 15)

Avidity and imitation

The discomfort Amancio, the dangerously indebted aristocrat in Mallo’s crime novel, experiences drinking Old Smuggler when Ballantine better expresses what he ‘is’ may seem some way from the difficulties finance companies faced in promoting the consumption of their products. Yet keeping some track of the things, the possessions, which people - although poorer even than the downwardly mobile Amancio - held to define themselves was a core task for doorstep finance companies. These companies traded in a product that was usually an intermediary step, a vehicle, to another product, meaning that they had to follow not only the paths, the conversations, that might lead buyers to their

products, but they also had to follow where buyers were heading next. By the 1920s, doorstep finance products had proliferated far beyond their original purposes, and so too had the products whose purchase they permitted. This proliferation of product qualities and possibilities increased both the challenges and the opportunities for companies accustomed to selling products whose abstract qualities always demanded some translation. As Joseph Burn ruminated in his preparatory notes for the BBC debate which followed the publication of the Cohen report in 1934, ‘the goods purchased, or the benefit that is payable, is a similar commodity to that in which the premiums are paid, namely the cost is money and the goods are money’ (Nationalization Box, PRU). Bill Maurer warns of the issues raised by treating money like other commodities.

But consider the weirdness of the idea of “selling” cash like rice or soap. Cash is not an ordinary commodity. It is a state-issued instrument with specific properties and functions. Many regulators and commentators have worried over the potential risks mobile money poses to consumers, but there is also the potential not just for disintermediation of banks but a privatization of currency and an enclosure of the commons and culture of payments. (2012: 307).

The distinction is a fine one but insurance and credit are not money products they are finance products, or products that do something *to* money. The weirdness Maurer describes around mobile money takes a different shape in insurance and credit but it is still there. There is a bland circularity that means insurance and credit providers are offering a like-for-very-similar exchange, or worse as Joseph Burn’s debating partner and fierce opponent of industrial assurance, the MP Arnold Wilson argued, they are offering smaller quantities of the same thing in exchange for the larger quantities they receive. The crucial difference is time. Both credit and insurance products use time to rework the qualities of money, making larger sums available at a specified time without the necessity of past or future self-disciplined saving. This quality matters because of what it can be practically translated into: the facility of having now, or at some future event, certain things that have acquired the property of being necessary⁵. This is what placed Amancio in the reduced position he finds himself, having no longer what he once had and thus being no longer what he once was, as a consequence of the money it cost him to get the money he needed to ‘have’ Amancio. Amancio is at the very precarious end of credit, having borrowed heavily

from a chain of creditors ending with an unlicensed moneylender, in his entitled desperation to keep himself.

To be successful in a mass market, doorstep finance companies could not rely on a stream of customers like Amancio. Instead, they had to develop means of ensuring they were the most visible, most practical route to 'having' for those people at the lower end of the income scale for whom avidity was just as necessary, at least as precarious, but treated with caution. Among people accustomed to having less, making do or practising 'elegant economies' (Cohen, 2012), the affordances of doorstep finance had to be carefully knitted into the evolving relationships between people, the things they had and the things they wanted. Keeping track of the passages and changes in the beliefs, desires, expectations and acquisitions of their millions of differently socially situated customers, involved experimenting, developing and adjusting sales techniques like 'sowing', 'prospecting' and 'qualifying' in order to identify, train and retain customers.

The emergence of doorstep finance would probably not have puzzled Tarde since he well understood the significance of the passage of beliefs and desires to an economy driven by passionate interests not an invisible hand. Rather than identity and being, Tarde placed 'having' as the core of existence; 'possession is the universal fact, and there is no better term than that of 'acquisition' to express the formation and the growth of any being' (in Latour, 2002: 130). Entities are defined by their properties and by how they come to possess them. Avidity has no moral stain; acquisition just expresses the process through which all entities - buyers and sellers, users and providers, products and markets - come into existence. As in chemistry, avidity concerns the generative nature of multiple bond interactions, or the ways that what an entity *is*, is entirely, radically, contingent on the relations formed around it. There is no being, no essence, no properties, other than those defined by dint of these relations. Much as Latour (1991) argued of innovations, the path taken is one in which all actors, all entities, evolve together, becoming themselves through the associations forged round them. It is 'continual extension in the syntagm (AND)' that makes things real (1991: 118). 'And' always signals another relation, that there is more to come and more to become. Acquiring relations, to other humans

and objects is thus the core, necessary condition of all formation and all growth. For Tarde this process takes place through imitative repetition. Society, Tarde wrote in *The Laws of Imitation* 'may be defined as a group of beings who are apt to imitate one another' (1903: 68). The idea of interdependence is pushed to its furthest to reveal individual identities, acts and authorships as apparitions – everything is collaboration and imitation that 'could not exist or change or advance a single step unless it possessed an untold store of blind routine and slavish imitation which was constantly being added to by successive generations' (1903: 75).

It is because of the formative, germinal and contagious character of imitation that the 'cortege' of friends and associates, and their conversations, is so important to market exchange. Through these conversations desire, belief and trust in products spreads, from one person to another, and through them, the efforts of advertising and marketing managers can be amplified. Following the babble of multiple lines of conversation is a messy and confusing exercise as lines are taken up, allowed to drift, contradicted and abandoned for more promising topics. The idea that sellers could gain any advantage by listening in may sound like a stretch. Yet in pointing to the significance of the practical means through which contagion spreads from one point to another, the repetitions, tiny differences and adaptations that are produced along the way, Tarde offers a steer towards the techniques that companies did, in fact, use to 'listen in' to their customers. Throughout their histories doorstep finance companies have moved between 'local, individual and impractical' systems of quantification and those that are 'generalized, rapid and reflexive' (Latour and Lepinay, 2009: 18-19) to enable them to sense, assess and measure the appetite for their products. This movement has not, though, taken a progressive, evolutionary form. Rather a variety of techniques and instruments, local and generalised, have been combined in companies that ranged in size and shape from large bureaucracies like the Prudential to the small shops and sole trader models that existed in parts of the home credit sector. These firms all require accounting instruments, 'metrology', to assess credit and credibility, alongside appetite, belief and desire. Latour and Lepinay (2009: 16-19) describe how this metrology has come of age with the arrival in commercial retailing of digitized, 'quali-quantitative' data and the devices of CRM, website

optimisation strategies, behaviour based pricing algorithms and so on, to analyse it. It's a compelling argument that digitization has transformed the calculation of authority, credibility and credit, because of course it has. What is far more difficult is to really understand whether, and if so how, the consequences of digitization reset the relationship between the passions and the interests.⁶ It is not at all clear that new, digital instruments or 'valuemeters' make 'the inter-comparison of subjectivities increasingly "precise", "accentuated" and "worthy of being objects of speculations of a new sort"' (2009: 19). It is not clear because the massification of the market that took place through the organised encounters of hundreds of companies, tens of thousands of agents and millions of customers worked to achieve precisely the same ends.

Sowing buyers with credit

The persistence of ad-hoc, approximate, informal and interactive instruments in personal and doorstep finance, throughout the twentieth century can be seen in the techniques employed to trace custom. Doorstep finance is a double means of devising consumption, since the consumption of finance products is invariably a means towards the consumption of something else. In personal and doorstep credit, this double function is especially pronounced. From its inception in Waddilove's Provident Clothing and Supply Company, it was a system contingent upon the next consumption. The Provident started by offering checks that could be spent at local shops on 'needful' things, like clothes, boots and coal, as an alternative to cash that might be squandered on booze or gambling or the tallyman. The firm's rapid growth was accompanied by an equally rapid extension in 'necessary' goods and checks were used by the 1930s to pay for drapery, furnishing, hardware, stationery, tobacco, paints, wallpaper, wirelesses, baby goods, barometers and all sorts of 'fancy goods' (PCS, 1934). By the 1970s the list was even longer after the introduction of vouchers in 1962 that could be used to pay, over 100 weeks or more, for larger domestic durable goods as well as things 'you might not expect' like car insurance, road tax and 'continental' holidays (PCS AR 1962; PCS 1972a).

This expansion of credit options was co-extensive with the growth in the retail market and in buyer expectations. Provident had agreements with 14000 retailers by the 1930s rising to over 60000 by 1970 (PCS AR 1970) presenting a pathway that was crucial to the company's appeal. Credit options for the poor have historically been linked to specific traders; credit drapers, local shops offering 'tick', clothing clubs and catalogues all offered credit but only – as the Provident always reminded customers in its Shopping Guides – against their own products. **The Cooperative**, which had initially opposed credit mechanisms in its stores, also developed a credit club system in the interwar years in response to dwindling sales and a context in which hire purchase multiplied twentyfold between 1918 and 1938 (Tebbutt, 1983). But although the Cooperative offered far better terms than most forms of credit it still could not, as the Provident's Shopping Guides pointed out, compete with the portability of checks. This was 'the glory of them ... you could take them to 20, 30, 40 or even more shops' using them 'just like as if you had money in your purse' (in Taylor, 2002: 128). Shopping Guides listed every shop accepting Provident checks in the area and emphatically reminded customers of this vital affordance. Almost identical text assured shoppers between the 1930s and the 1960s that checks are 'TAKEN AS CASH'; 'have EXACTLY THE SAME PURCHASING POWER AS READY MONEY', and, once again, 'OUR PROVIDENT CHECK IS treated as cash at ALL the shops on the list' (PCS, 1957; 1934). After the company went public in 1962 it began running more aggressive national marketing campaigns combining television and magazine advertising with coupon return (Figure 4.7) and intensive canvassing of clients and retailers (PCS, 1972a; b; c). The system depended on simultaneously cultivating relationships with both customers and retailers, by promising both sides an improved path to the other.

Figure 4.7 c1970s Provident Marketing

This mattered because while most shopping, especially by those of limited means, tended to be a local affair, the beliefs, desires and expectancies of shoppers, increasingly drew from a broader, national reference set. Films, magazines, the products featured in local and national press advertisements and displayed for sale in multiples, chains and department stores, all circulated information about things to want and to have. Providing access to these things meant providing access to larger, multiple and national retailers. This included stores like Littlewoods, British Home Stores, Boots, WH Smiths and Debenhams, which were enticed into the system through much lower discounts than were available to small independent stores, who might pay 20 per cent for Provident custom while larger stores paid as little as 8 per cent (O’Connell, 2009). Retailers in turn used their association with Provident to entice customers who would otherwise struggle to spend. Some effort went in to getting multiple retailers signed up. This was particularly notable after the introduction of vouchers in 1962 as part of the most significant planned expansion in the firm’s history. This saw the number of retailers in the schemes more than double from 20000 in 1962 to 50000 in 1965 and more than 60000 by 1972 before shrinking back again to 50000 in the trading conditions of 1973-75⁷. The *Telesell* 1972 campaign featured national advertising aimed at customers but it also summoned local managers to canvass customers and retailers directly to amplify the advertising.

This is the first time that you have been asked to tell retailers about the Telesell Promotion. In the past we did this by post but we know that many of these mailings never reached the right person. It is your responsibility to ensure that every retailer is told about Telesell, either by you, an assistant or, on occasions, by an Agent. (Provident, 1972c)

Doorstep credit was, and in a different form still remains, an important means of enabling the poor to spend but the business would have been a short-lived affair if attention settled only on enabling spending. Spreading the business also meant working out how to get hold of the right customers, those who would repay, and not just borrow. For the Provident and its competitors, credit was controlled by screening (Poon, 2009) for example, the condition of would-be borrowers' houses, gardens and clothing, together with word-of-mouth recommendations from relatives, friends and neighbours. It also meant interpreting how the profile of relationships and family lifecycle might impact on the ability to repay. Provident agents in the 1920s were instructed to keep credit low for those with young children, to raise it when older children started working but to be ready to lower it again when they left home (O'Connell, 2009). The basic technique of 'careful selection followed by close and frequent personal contact' involved offering first very small amounts of credit to new customers, with gradual increases as payment histories began to be built up, was designed to 'train' borrowers and limit exposure to bad debt (PCS AR 1963). When vouchers were first introduced they were initially capped at £100 and restricted only to existing customers. This was part of a strategy designed to train or 'sow' custom (Ossandon, 2014) enabling the company to limit risk by 're-serving' existing customers as a cheaper and safer option than finding new ones. This was also in evidence in strategies to incentivize customers to renew. National Clothing and Supply Company's Rule 6 stipulated that 'customers not renewing their Orders within 12 months of paying up their last Order will be considered new customers' (1969). New customers would have to start from scratch to rebuild their borrowing capacity.

Re-serving existing customers is among the more controversial aspects of the contemporary industry.⁸ The Provident's acknowledgement that, like all companies, it aims to encourage repeat custom is in line with practices across the financial services sector but precisely because these are financial transactions there is more to it than that. As Lopes remarks;

when the good transacted is the most common symbol of economic value, the temporal delay between the delivery and the payment moment, which, in the case of credit services, may extend for several decades (as in home loans) or even be of an indeterminate duration (as in credit cards or business factoring). The same applies to other retail banking services like deposits and savings, in which the positions of buyer and seller are inverted, or of regular payment transfers, all pointing to a sort of lifelong economic relationship in which counterparties never get to be 'quits'.[...] Thus, there seems to be something structural about this relationship between banks and their clients, which affects not only the functioning of markets but also the way time, space, institutions, work, politics and life are organized. (2013: 28)

These specific arrangements and techniques were the practical means that allowed people and credit to mingle over extended periods. Doorstep credit, like industrial assurance, could not just be casually spread like a contagion, it had to find and refine practicable means of operation, of passing from one point to another without incurring unmanageable defaults or losses. Credit agents, again, like industrial agents, were drawn from the classes they served, but unlike their insurance counterparts they were generally less firmly tied, by remuneration and career structure, to their employers. Historically there has been a risk of loss in both industries from agents tempted by the cash they handle everyday. In insurance this risk was managed by tightening the corporate embrace of agents. This strategy figured in home credit but to a lesser extent and it worked alongside another strategy that 'grew' agents from fully trained customers.

This difference was shaped by gender. Credit agency was not quite so explicitly feminised as mail order, where 87 per cent of agents were women usually working part-time for remuneration dismissively marked as 'pin money', but almost $\frac{3}{4}$ of check trading agents by the late 1950s were women (Mann 1967; O'Connell, 2009). The Provident, by mobilising the greater grasp, interest and control of domestic consumption that women had, turned the decrease in men willing to combine work as insurance and credit collectors, into a practical virtue and used it to help expand the business at a time when growing affluence might have been expected to trigger decline in what had, after all, traditionally been subsistence credit. Home credit agents, like their insurance counterparts, were encouraged to become customers themselves, but they were also offered bonuses to introduce new agents and encouraged to recruit certain sorts of customers, and their relatives as agents. A 'good'

customer was one who respected the obligation but also had an on-going need for further credit. In turn, these good customers might make good agents. Customers turned agents passed through common monitoring and assessment processes and were subject to similar efforts to encourage them to honour and renew their debt obligations. Information built up about customers thus could become information about agents and vice versa, in an extending metrological profile which in turn helped to build further connections and relationships, and minimised the risk of recruiting 'blind'. Agents' and customers' recommendations together, offered the best means of driving custom since 'they are not going to recommend someone who they are not going to be able to collect from because you don't want to lend what you can't collect' (Practitioner interview, in Kempson et al. 2009: 25).

These techniques of spreading the business, of measuring value and risk among prospective customers and agents were, and partly remain, qualitative, approximate and informal. More precise forms of credit scoring, which can draw upon the type of digitised quali-quantitative data, Latour and Lepinay (2009) refer to, now exist and are used in home credit but have significant limits (Kempson et al., 2009).⁹ This is a sector that targets borrowers precisely because they *would* fail the standards set in standard credit profiling systems. Having defaulted before or having limited regular income might exclude or disqualify people from mainstream provision but it doesn't follow that people in these circumstances never repay. The very existence of home credit and credit drapers and their contemporary counterparts, payday lenders and 'sub-prime' rent-to-own retailers like Brighthouse, is testament to the fact that those of limited means repay often enough. Where lending options are both scarce and necessary, customers have to repay if they mean to ensure future access. In these circumstances, lenders rely on informal techniques to measure and assess degrees of risk from borrowers who may sometimes miss payments, but who will generally pay enough for the loan to be profitable. The sector is based on tolerating, forgiving - and pricing for - periods of default.

This is about charging sufficient so that the bad customers are paid for by the good. That is the basis of home collected credit. If you take that away, the people who want – who need – your product most are disenfranchised. You've got to have cross-subsidy for it to work. ...

Customers come in and out of being subsidised. A customer who has been cross-subsidised at one stage of the cycle will be cross-subsidising someone else at another stage of the cycle. (Practitioner interviews, in Kempson et al. 2009: 25)

The effects of limited, precarious and irregular cash flows in the form of missed payments and high default rates has had to be accommodated to enable buyers and sellers to come to terms. These accommodations are integral to a sector in which not just lenders, but a network of co-dependent retailers – themselves often lenders – depend upon the poor being equipped to consume. As Ossandon (2013) remarks, the role of credit as a necessary device of marketing has not received that much attention despite the historical dependence of many retailers on offering credit facilities. In the Chilean context he describes, ‘of low salaries and lack of disposable cash’ credit offers ‘a way of turning individuals into economically feasible consumers’ (2013: 15). This has involved the development of specific metrologies adapted to assess and measure the credit potential of a largely unbanked and poor population within new ‘multi-channel retailing groups’ consisting of department stores, supermarkets, home improvement stores, real estate development and credit facilities. These metrologies combine quantitative ‘control-by-risk’ techniques with qualitative ‘control by screening’ techniques (Poon, 2009) based on residence, credit and purchasing history in an attempt to balance the competing needs to increase sales while avoiding excessive default. For integrated in-store credit to effectively push retail sales, stores had to make credit decisions quickly based on information, like identity, residence and existing credit accounts, which could be accessed while the customer was actually in the store. Offering credit on the basis of limited information is of course risky, especially given the target of customers with very low income and/or no collateral. The solution that Chilean retailing groups developed was to offer very small credit lines, under the assumption that some would default generating losses that were classified as marketing expenses - a tolerable price for the identification of new, potentially enduring customers. After screening it is the behaviour of customers that matters most in determining the credit extended. Regular payers were encouraged by increased borrowing limits and those who repaid the initial loan were tempted back with promotional offers. This was designed to ‘sow’ customers:

Try to imagine this: we could spend 10 or 15 thousand trying to capture new customers, so instead, why not try a quick transaction at the cash register. We offer them something, let's say \$30,000 [US\$60] in credit, and, let's be extreme, half of them fail. With these small credits we have only spent \$15,000 on each. You can say, but 50% is a risk rate that no-one can afford, but you can, with micro-credits you can. This is why it is known as 'to sow', because when you sow you spread many seeds, but seeds are small, and we want them to become big plants, and some of these seeds blossom and others die, but that part that dies, dies with small credits, with these others, what we call 'green buds', the idea is to grant them bigger credits to make them properly profitable. (Interview 3, risk manager, department store, own translation) (Ossandon, 2013: 13)

A comparable dynamic exists in the contemporary home credit sector in the UK. New business there still comes from agents but their overall significance is in long-term decline. Smaller lenders have moved towards longer-term, lower-cost, higher-value loans as larger ones have developed risk management systems, and diversified into products like online payday loans, secured lending, sub-prime credit cards and mortgages and rent-to-own retailing (Kempson et al., 2009; Langley, 2008). In home credit this has meant an increased dependence on remote recruitment, for example through third-party canvassing in which low value vouchers or sometimes products are offered on the doorstep and the loan is then sold on to a larger company. The main problem, despite increased competition remains one, not of finding buyers but of finding the right sort of buyers. There is 'no shortage of demand for our services' according to one home credit manager 'the challenge is not overlending to the customers you've got and not taking on too many new ones who are not going to pay you back' (in Kempson et al., 2009:25).

The growing significance of remote recruitment has meant that most large companies now use some type of credit scoring, but even with rates of refusal ranging between 50-90 per cent, there is a higher incidence of collection problems and bad debt for customers recruited remotely than those acquired through recommendations. One manager estimated only a third of customers recruited through remote or third party canvassing would become 'good customers', the remainder would either default or take no further loans.

Agents feel they have less 'ownership' of customers acquired in these ways and, in turn, customers feel less commitment to the agent. They are, therefore, less likely to develop long-term relationships with the lender. Only 30 to 40 per cent of customers recruited through canvassing take out a subsequent loan and

bad debt is high as canvassers are concerned only to make a sale and, unlike agents, not with the need to collect the money owed. (Kempson et al., 2009: 25)

In these cases digitised data and technologies, including credit scoring, geo-referencing residential addresses, the cross-checking of databases, identity fingerprint scanning and so on are deployed in different contexts to measure risk. But while this use of data may sometimes improve the fertility of the soil credit lines are sown in to, this is not necessarily a result of more precise measurement nor is it an entirely new sort of speculation. Instead both cases offer digitized variations of the long established tendency to tolerate high default by offsetting it with flexible combinations of high pricing and careful management of the long-term relations with, and between, customers and retailers. There are significant differences between credit systems targeted at the poor in different places and times but the use of informal, relational techniques to follow and manage the lines connecting customers, retailers and credit providers is persistent.

Prospecting and qualifying doorstep insurance customers

This is also true of the doorstep insurance sector. Insurance is not as tightly or directly connected to the next consumption as credit. Industrial offices did not lay out directions to retailers in the same way but their success still depended on understanding of what customers might be using, or be encouraged to use, their products for. This meant continually developing techniques designed to follow, prospect, qualify and lead customers to their products. These techniques often sought to inflect the encounter between agents and customers as more of a conversation than a sales pitch. The manual *How to Sell by System* advocated the introduction of the 'scientific methods of salesmanship' used in **American life insurance** to British industrial offices ('Colonial', c1920). The 'system' featured some standard sales advice but more interestingly it outlined a 'paper and pen method' for the selection, limitation and presentation of information that resonates with methods still used to sell personal finance (c.f. Vargha, 2011). 'Thoughtful' agents, it stressed, would understand that words like 'policy' and 'premium' create subconscious resistance and are best avoided. Policies should be referred to as 'contracts', endowment

policies as ‘savings plans’, premiums as ‘annual savings’, etc. The opening statement to a new prospect was to be couched as an opportunity to save or make to money without even mentioning insurance, a flank movement expressly calculated to prevent the sales prospect feeling ‘right away he is the agent’s master’ (‘Colonial’, c.1920: 6). Agents should resist the tendency to introduce their office’s full range of policies and select only the one likely to appeal to the greatest number of prospects.

Having made your selection, write down on paper - or better still have them typed – examples of how the plan works at several different ages, say 30, 40 and 50, using a separate paper for each age. When drawing up your examples, make them look attractive, but not gaudy. ... The salient features of the policy should be underlined in red, blue, or green ink, to make a favourable contrast to the colour of the type. A thin border of red, blue or green completes the picture and the agent has forged his first weapon for the canvassing campaign. (‘Colonial’, c.1920, p7-8)

If the agent *planned*, he would have the confidence to dominate the sale knowing ‘how to open out, how to hold the interest ... no matter what line the prospect takes’ (9). Following the prospect’s ‘line’ demanded a positive attitude, smiling was the only means to disarm the ingrained suspicion that would be present ‘unless the agent has a lead from one of the prospect’s friends’ (10).

Advice on how to identify and follow prospects was legion. Agents were encouraged not only to follow their customer’s connections to relatives and friends, to watch out for ‘hatches, matches and dispatches’ in local newspaper announcements, but to listen in to all sorts of local events as a way of picking up prospects. Guidance like the Prudential’s ‘make the policyholders your friends and get them to introduce you to their neighbours. Watch local happenings – fires, accidents, weddings etc.; you will find many opportunities for productive work’ and the repeated injunction to agents to ‘follow the fire engine’ to find prospects alive to risk through their proximity to a recent accident or fire (PAC, 1926; *Prudential Bulletin*, 1935d; 1935g) - was repeatedly dished out at annual conferences, training days and in handbooks. The agent’s place in the heart of local communities was reiterated, celebrated and reinforced by marketing that hammered home the many benefits of ‘the man at the door’.

Catch him when he calls next door. He calls at 6,000,000 British homes. On anything to do with insurance he is the man people look to for friendly advice. Often his help is sought on other matters as well. It is all part of the service he gives. You may wish to provide something for your family, to insure your home against fire, to make arrangements for your retirement – whatever it is, his knowledge and

experience are yours for the asking. One of your neighbours will put you in touch with him – Ask the man from the Prudential. (Prudential press advertisement, 1952)

Neighbours were prospects and they were leads to prospects. Within the geographical territory of the agent's debit productive 'increases' were sought by following a whole host of other lines; of relationship, friendship, sentiment, religion, community and so on. The 1962 Prudential manual 'Organising for great success' was an attempt to identify more formally, the lines agents and managers followed in their prospecting methods in response to the company's declining share of the ordinary and general branch markets. The manual offered district managers instructions and advice on how to review existing agents' performance and to train new staff in their 'number one continuous job' of 'prospecting' in 'various markets' defined as 'groups of people susceptible to a common approach'. Figure 4.8 is an extract from a longer table that goes on to identify four further markets and selected 'ideas' or products to present as best adapted to these 'sources of prospects'.

Figure 4.8 1962 PAC Prospecting Table

"Market" or Group of people	Sources of prospects	Ideas to present
Neighbours, friends and friends of policyholders.	Those with whom they do business or friends to whom they can introduce you.	Saving for the future. Fire and accident needs, leading to life insurance. Key man insurance. Death duty cover. Personal accident insurance; car insurance renewal date.
	Those who have just left school or graduated from university. Those recently married or just engaged. Recently started a new job.	"Part of all you earn is yours to keep." Setting up a saving plan. Advantages of starting young.
	Professional people: doctors, lawyers, architects, teachers, engineers, accountants, writers, artists.	Capitalize future earnings. Family protection. Outgrow your income problem by an extra £

It is remarkable what information can be obtained from policyholders about their neighbours, indents and friends if they are discreetly and tactfully led along lines which will help to "qualify" a prospect! Inquire as to occupation, best time to be seen, any children (and if so their sex and ages), whether they own their own house, whether the wife works also and if so where, and similar enquiries will often bring in light interesting and useful information to the alert businessman.

"Market" or Group of people	Sources of prospects	Ideas to present
The "Group" market.	Policyholders who have businesses.	Favourable tax treatment of group premiums. Shopkeepers' mutual insurance.
	Policyholders who are situated in businesses where there is no personal element.	The opportunity to buy at "wholesale" rates. No need to "pass the hat round" for the widow of an unfortunate fellow worker.
	Relatives and distributors.	Good staff relations.
	Building and reconstruction technicians.	
Frequenters and people in the street. (Use the label "You're in the news.")	Newcomers to your town.	Offer service as "Man from the Prudential."
	People who have had narrow escapes.	Personal accident insurance.
	Private and business people in vicinity of large fires.	Follow the Fire Engine.
	Local or widespread storm damage.	Hearts & Home and House Owners' policies.
	Winners of local sports events.	Insurance of trophies.
	Expensive acquisitions.	Save increased income.
	Contributors to charities.	Life assurance as a means of providing a capital sum.
	Building parties.	Fire, burglary and other small risks.

Notable throughout the table is the use of policyholders to help 'qualify' prospects by using their networks, their clubs, associations, employers or employees together with local events, house moves,

fires and accidents to extend the search for susceptible prospects. These are examples of the ‘specific ways’, the practical means in which individuals, policyholders, credit customers and agents, were enabled to ‘mingle’ according to a ‘bundle of customs’ in the market for doorstep finance products (cf. Latour, 2010: 151). Companies deployed agents to spread products by following, triggering and directing imitative behaviour. Agents were cultivated as exemplary types -as one 1960s Prudential advert queried ‘*is he really human?*’- who could be called upon for all sorts of things. They were always being encouraged to offer ‘extra services’ to policyholders since cultivating goodwill, for example by acting as a character reference for a policyholder’s son or daughter or advising on a tenancy agreement, might reap future business and even if it didn’t it could only bolster corporate celebrations of agents’ useful social roles.

Agents were a means of ‘listening in’ to customers’ conversations, of learning about their habits, interests and preferences and adapting and framing their sales, collection and recruitment practices accordingly as part of the routine qualification of products. Conversations were -just as Tarde said they were- the way trust in product qualities spread. Companies understood and responded to this by swamping agents with advice about how, where, when and what to listen to and what sort of things to say. Agents didn’t follow prescribed scripts but they were coached to talk about and repeat particular sorts of things, in particular ways, to particular sorts of prospects. These cultivated routines and techniques helped to ensure that advertising didn’t ‘trumpet in vain’ because it endlessly repeated and reinforced, with minor variations, the sort of things agents were trained to say, just as agents were encouraged to reinforce the sort of things that advertising said.

The voices of the dead

So far as the majority of their acts are considered, crowds display a singularly inferior mentality; yet there are other acts in which they appear to be guided by those mysterious forces which the ancients denominated destiny, nature or providence, which we call the voices of the dead, and whose power it is impossible to overlook, although we ignore their essence. (Le Bon, 2009: 4)

Le Bon's explanation of what is driving crowd behaviour sounds fanciful and magnificently anachronistic. It wouldn't really do today to describe crowd behaviour as displaying a singularly inferior mentality even if the policing technique of 'kettling' protesters in the waves of demonstrations and civil disturbances that have taken place since the 2007-8 financial collapse suggest that is precisely how crowds are still understood. Fanciful or not, Le Bon was digging around for some way of understanding how masses of people start to move in particular directions at particular times according to a logic that has recently returned to baffling theorists across the social, human and physical sciences (c.f. Borch, 2012; Thrift, 2009). The struggle to comprehend what goes on in financial markets that could end in such spectacular failures has reawakened old debates about the continuing significance of herd behaviour and animal spirits underneath all those mathematical models and rationalist conceits. These debates have made questions about imitation and contagion in market settings fashionable again but there has been little emphasis on how these same processes work in domestic environments and even less on how they work in low finance. This is a shame since the histories of low finance are showcases of rapid, mass enrolment in what might have been expected to be sluggish markets.

Probably, this mass enrolment wasn't guided by the voices of the dead, at least not in the spiritual sense, but Le Bon's phrase, like Tarde's 'invisible cortege', pushes at the obscure forces propelling the propensity to trade. Given the patterns of inter-generational loyalty and product persistency in the sector, these forces do include, in a more practical sense what was done before, by generations above, and by generations since deceased. Ancestral voices no doubt have a role in marking the admissibility of products like funeral insurance and clothing checks, they were in some way thinkable thoughts only because they had been for generations before. Still there is more, or perhaps less, to the mystery of mass markets than this. Tarde's instinct that it was the line of 'associates, friends, and coreligionists' that bring buyers and sellers to each other was certainly right. The buzz, the chatter, the 'word on the streets' is still what successive marketing initiatives try to tap into through product placement, social media, viral campaigns, crowdsourcing, real-time bidding etc. It is clear too that this enterprise in listening in long predates the current wave of innovations in digital marketing. A bulging historical

portfolio can be assembled of marketing techniques that provided the practical means for sellers and buyers to encounter each other.

Advertising has been marked as the technique most likely to prompt imitation, but even in markets like doorstep insurance where it has been used heavily, it has not been trusted to work its wonders alone. Instead it has been integrated with promotional, publicity and sales techniques in an effort to both amplify and monitor its impact. The figure of the agent as the good, average, everyman was planted at the centre of marketing strategies, and of public consciousness for decades. This incessant repetition worked like Benjamin's neon reflection in the fiery pool to grant advertising its efficacy but this could never have derived from the content of advertising alone, no matter how clever, manipulative or emotive. When it works, advertising works because of its place in a market and marketing system that escorts buyers into the presence of sellers. All the listening in techniques that companies developed would have been in vain if they were not translated into a means of producing, adapting and distributing something that incorporated what people wanted (c.f. Hennion et al., 1989). For doorstep finance companies whose business was explicitly designed as a means to other products, understanding, and providing easy paths to what people wanted to have, was critical to their success. Equally important was the development of techniques to identify, train or 'sow' future custom. These techniques were not just about listening in. Just as with the 'speaking' techniques used in prospecting, qualifying and presentation in insurance sales, they were about making the conditions for exchange.

¹ See also Alborn (2001; 2009); McFall (2009b); McFall and Dodsworth (2009)

² This well documented at the James Walter Thompson advertising archives. See also McFall (2004), Schwarzkopf (2008), Nixon (2009), Ariztia (2013).

³ All the major industrial companies had ordinary branches and general branches selling home, fire, accident and motor insurance.

⁴ Everybody's Weekly, 11 December 1954.

⁵ 'Necessary' here is a relational property and not an assessment of what is, and is not, a necessary product. The line dividing luxury and necessary products is notoriously difficult to draw in practice.

⁶ It is always worth going back to Hirschman (1997) to think historically about how passions and interests combine in capitalist economy.

⁷ Annual Reports 1962-1975

⁸ See BBC Panorama *Undercover: Debt on the Doorstep*, 2012 and Provident Financial's response <http://www.providentfinancial.com/index.asp?pageid=128&newsid=1821>, accessed October 2012.

⁹ The sector has seen recent innovations that may already be changing this. Online payday lender Wonga, established in 2007, uses a variety of credit assessment techniques, including the browsing behavior of customers while on the site, to filter

out 66% of applicants resulting in a low claimed default rate of 8%. Errol Damelin, the founder, claims to be adapting the digital profiling techniques pioneered in companies like Apple, Google and Amazon to produce more precise measurements; 'The great thing about that is that our decisions are always objective, we are not subject to the same kind of imperfections that traditional lenders have, where different bank managers have different preferences and often prejudices which affect how people get access to credit'. <http://www.bbc.co.uk/news/business-18019272>, accessed October 2012.

Chapter 5: The Practical Heart of Markets

Now we must not claim too much for sentiment. It does not go a great way in deciding questions of arithmetic, or algebra, or geometry. Two and two will undoubtedly make four, irrespective of the emotions or other idiosyncrasies of the calculator; and the three angles of a triangle insist on being equal to two right angles, in the face of the most impassioned rhetoric or the most inspired verse. But inasmuch as religion and the law and the whole social order of civilised society, to say nothing of literature and art, are so founded on and pervaded by sentiment that they would all go to pieces without it, it is not a word to be used lightly in passing judgement, as if it were an element to be thrown out with the smallest consideration. Reason may be the lever but sentiment is the fulcrum and the place to stand on if you want to move the world. (Holmes, 1872: 159)

The last sentence of this nugget led a column in the *Prudential Bulletin* (1930b) that pronounced the reliance on reason as the cause of many failures to close business. In the absence of the ‘illuminating power of sentiment, the quickening force of emotion’ (1739) the prospect ‘remains cold’. Warming up prospective buyers with an emotional appeal was an established sales strategy long before the early twentieth century boom in salesmanship literature. Appeals based on fear, flattery, envy and love can be found in the promotional relics that have survived three centuries or more and it is certainly the case that the role of sentiment in market action was apprehended long before Keynes remarked on animal spirits. Still, as Oliver Wendell Holmes warns, sentiment only gets you so far and it’s an appalling substitute for algebra, engineering or sound actuarial calculation.

This may make it sound as though the place for sentiment in markets opens up only after the goods and services, the stock in trade, have been properly calculated, designed and engineered. Sentiment then would act like a dressing, a superficial coating that ‘glamours’ marketed things. Such a view of market architecture, where sentiment provides the final touches, the paint finishes and soft furnishings that showcase how a home might be lived in, is almost banal. Just as mechanical imitation has been read as the degraded human response to advertising, generations of critics have regarded marketing as a professionalization of emotional manipulation techniques designed to allow ‘make

believe' needs to be produced and pacified more efficiently¹. This basic premise has persuaded not just the Marxist left; all manner of moderates, conservatives and environmentalists have complained that the skill of image-makers fuels the excessive over-consumption of things people don't need and don't *really* want.

Surely this happens, sometimes it is the work of a market professional, whether a sales coach, merchandiser or copywriter or some combination of the three and others besides, that makes something more deeply 'wantable' out of a mundane object through the sheer artistry of its sentimental veneer – we have probably all been dazzled this way by something that on a closer reckoning was unfit for purpose – but this is not the only, or most important, way sentiment works in markets. As Holmes warns, sentiment goes so much deeper than that in holding together the pieces that make social order. This is true too of the markets for doorstep finance. These were markets that, deep in their fabric, were constituted by sentiment. In different ways, the demand for both insurance and credit is driven first, by relations and relationships, by ties of duty, love, care, obligation and fear. People insure, by custom and law, those people and those things that they have an intimacy with and a demonstrable interest in. Credit similarly is a way of providing oneself and one's dependents with those necessary, or longed for, things that define kinds of living. This places sentiment at the heart of markets because it is at the heart of the relationships that - despite the persuasive characterization of markets as purified, stripped down economic calculation - drive market activity.

That doesn't mean that markets are truly, in essence, made out of sentiment. It means that sentiment should be accorded its proper place amidst the engineering, manufacturing and calculation of production. Insurance responds to the deep-seated human longing to live within a stable, pleasant, recognisable world by supplying products that promise to restore value should the worst happen. Fulfilling that promise demands a reliable calculator. Sentiment may be the place that insurance stands on, but without sufficiently accurate actuarial calculation, without secure and predictable organisation, it cannot stand there long. Safety, including financial safety, requires the establishment of technical rules, protocols and routines. The trick is all in the arrangement, the orchestration of practical technique and

sentiment, it is in how sentiment is put into relation *with* products and in how relations are transformed into sentiment *for* products. Relationality, Callon argues, is the constitutive condition of all value, whether economic or not, because value supposes the establishment of ‘a connective link that puts things into relation with each other and calculates this relationship in the form of a ratio’ (2009 in Trompette, 2013: 381).

This business of putting things into relation with each other is what really marks the achievement of doorstep finance companies. Industrial assurance offices in particular were selling something that it was accepted before doorstep delivery emerged, had to be sold, and sold hard. Life insurance in the 1850s was an expensive, difficult, complicated product with a reputation for failure. A succession of companies had collapsed as a result of actuarial incompetence, corruption or both and those that survived did not always settle claims as easily as public confidence required. This got worse as the nineteenth century progressed, and the new generation of industrial assurance offices navigated their way between one moral hazard and the next public scandal. The sins offices were accused of accumulated: over and wrongful selling of unnecessary, worthless or illegal policies; poaching and transferring business between offices resulting in undeclared losses to policyholders; encouraging sentimental extravagance amongst those who could least afford it; inducement to speculation on other lives; and worst of all, providing incentives to neglect or harm insured dependents. While any one of these scandals might have been expected to derail a fledgling business, a long combination of them scarcely paused the appetite for policies in households that commonly bought several, often as many as there were mouths to feed, since in an era of high infant mortality, mouths might also become bodies to bury.

The ease with which this gigantic industry established itself is at odds with the long struggle to secure markets for ordinary life assurance. It’s an ease, that marks how closely, and how successfully, companies managed the fit between their products and the relations and relationships that mattered most to their customers. In insurance, what began as a means of covering the expense of funerals and providing the expensive pomp necessary to mark a ‘decent burial’ quietly morphed into provision for

the various contingencies of living: as a family man, a breadwinner, the responsible head of a growing household, or in the demographically modernising aftermath of World War 1, 'a bachelor girl or a bride'. This expansion of purpose very slowly began to collapse after the Second World War. It took a long time, but a gap began to open up between what industrial assurance companies had to offer and the lives of a less poor, poor. In the doorstep credit sector, companies expanded just as insurance offices were beginning their decline, by adjusting their offer from the means to bare subsistence to the means to having *now* all the things that began to appear necessary to a bright, modern way of living. Both sectors grew by extending their product portfolios in line with an ongoing definition, or qualification and requalification, of the relations and relationships that their products worked within. This was a matter of translating back and forth between customers' lived circumstances and the actuarial, administrative and organizational bases of company experience.

The creation of market value depends on this traffic. Financial products have to be designed with customers' lived experience in mind but they also have to be designed in line with company experience. In insurance companies, the population insured is never identical to the general population from which mortality tables are drawn. This means that company experience of mortality must be continually measured against the expectations on which prices were based and adjusted accordingly. A similar process has also to take place in credit companies, where actual default has to be measured against anticipated default. The need to always connect corporate and customer experience is obvious in theory. In practice however enduring alignment is a rare and difficult accomplishment. To design a market object that succeeds is, as Akrich et al. (2002) put it, an 'adventure' in diffusion, in summoning more and more interest, from customers and other actors, whose interactions are allowed to shape the object. All the strategies described in the last chapter - the talking, listening in and reporting back on customers - were efforts to capture these interactions and feed them back into production. Doorstep finance companies were for a long time adept at this, using interactions to inform constant modifications, adaptations and extensions to product lines.

This constant monitoring helped fit and refit product lines into shifting patterns of living but the process was fraught. The lesson of history is not that nothing ever really changes but that everything changes all the time. In insurance and in credit, products were revised and re-versioned to stay in step with these changes, with impressive results in product persistency. Still, even constant revisions have their limits. Innovation in doorstep finance tended to take place across the sector and although constant it was slow, incremental and generally shallow. Product change often consisted of the type of imitative, ‘cut and paste’ bricolage that Lopes (2013) reports as still typical of product development in retail credit. So new policies might cover new risks, like life *and* endowment or fire *and* burglary but their core design and distribution method changed little. This style of innovation was insufficient when it was the ‘doorstep’ mechanism itself that began to disconnect companies from the practices and sentiments of their customers. Just as offices sought to improve their sales prospecting in the late 1950s, so the appetite for doorstep insurance products began an irresistible decline. This decline can be traced to the shifts in fashions, beliefs and desires about what the working poor should have and how they should go about getting it, that accompanied their new affluence. That even when companies could see this coming they could do little to avoid it short of getting out of the market, illustrates how perplexing the *deliberate*, that is, the planned, alignment of sentiment and practice can be. It is one thing to appreciate that moving the world means combining the lever of reason with the fulcrum of sentiment, but it is another to keep coming up with substantially new recipes when an existing combination starts to fail. The accomplishment of doorstep finance companies is that they succeeded, for a very long time, in doing precisely that by shaping their products to fit the events that defined their customers’ lives.

Part 1: Building the industrial assurance portfolio

Saving for Death: industrial assurance, the poor and their children

Much to the consternation of middle class observers who thought there were better uses for hard-earned surplus income, if the Victorian working class saved for anything it saved for death. (Laqueur, 1983: 110)

For social investigators like Charles Booth and Seebohm Rowntree, the percentage of income spent in even the poorest households on insurance was a matter of grave welfare concern. That concern stemmed from the discovery that the poor were intent on saving for death even when they could scarcely afford the stuff necessary to live. From the 1750s, this saving was done through the various collective insurance mechanisms on offer in friendly societies and burial clubs. Many of these were precarious enough to have prompted a series of parliamentary investigations and enactments throughout the nineteenth century but this did little to disturb the death saving impulse. By the second half of the century, there were millions of savings policies and contracts in a field proliferating with organisations offering assorted forms of provision². The industrial offices quickly became by far the biggest players, controlling more than two thirds of the market by 1910, with almost half of that in the hands of the Prudential. Even where reformers, philanthropists and legislators were sympathetic to the impulse to provide for a 'respectful' death – and many of them weren't - the funeral insurance industry had a dreadful reputation.

Aversion to the industry came in many forms but it often started from the sheer expense, of the policies of course, but also of the funeral itself. After the 1750s, according to Laqueur (1983), funerals began to offer the final, determinate reckoning of social distinction. The quiet ascendance of what Trompette (2013) calls the 'hush-hush atmosphere' of contemporary Western funerals obscures the scale, variety and extravagance of funereal pomp and mourning paraphernalia as late as the 1950s. In the nineteenth century the manner in which funerals were conducted really mattered. Funerals became consumption occasions, with an industry of metal workers, mourning jet jewellery makers, ostrich

feather dressers and sad-looking mute pall bearers behind them, all disposed and arranged to mark the deceased's 'class and degree of "respectability"' with 'exquisite precision' (Laqueur, 1983: 114). Not even the very poor were excluded from this classifying parade, they too could add, 'bit by bit', extras like name plates, shiny coffin nails, or an extra man to make a finer procession. There were many steps too, between the poorest and the richest poor and many material adornments - angel handles, flowers, drapes and carriages - to mark the difference. As the 1854 *Select Committee on Friendly Societies* was told, the basic funeral expenses for a child would vary according to 'the differences in the parent's notions of respectability' from £2 for those 'in a very low class of life' up to £10' (BPP 1854). The point was not the amount itself 'but that a precise relationship could be established between social standing and the cost of a funeral; and, that the cost was manifest in the parade that was presented to the public' (Laqueur, 1983: 115). Toward the end of the century funerals were condemned by one of Booth's respondents as 'still very extravagant, especially in the case of the poorest, flowers being one of the chief items of expenditure' (2012: 249).

Against this environment of conspicuous distinction the pauper's funeral was a horror. Prior to Edwin Chadwick's reforms the bodies of the poor were 'mingled helter skelter ... three coffins wide, twelve deep' (Laqueur, 1983: 116) in graves fifteen or twenty feet deep. Even after the reforms, 'common interment', J.H. Hurry, the General Secretary of British Undertaker's Association, told the 1932 Cohen Committee, offended 'finer feelings' with 'about eight adult persons in the grave, and they will finish off the top with a layer of four children so there may be twelve to sixteen persons in one grave' (Wilson and Levy, 1937: 134). Grizzlier still were the miasmas of putrefying corpses, that Chadwick confidently - though wrongly - pronounced the cause of disease and the genuine threat of bodies being caught, without consent, in the medical anatomist's trade (Trompette and Griffith, 2011; Hurren, 2011; Richardson, 1987; Grey, 2013). The poor, one of Charles Booth's respondents reported, 'will well nigh starve' to avoid such an end (Booth, 2012: 61), and even if poverty investigators knew less than they might about attitudes to burial and mourning, the cost of funerals evidently caused privation. A basic adult funeral, Hurry told the Committee cost between £13 and £15 (Wilson and

Levy, 1937: 133-5) in the region of seven to nine times unskilled workers' weekly earnings, even without flowers, headstones, mourning clothes, travel expenses or lost earnings. Rowntree's 1902 study of wage earning families in York, supports Booth's description of insurance 'as almost a first charge upon income' (2012: 15), with an average of 3.6% and a maximum of 8.8% of weekly income spent on insurance and sick clubs in even the poorest of these families. Reeves (2013) estimated between 2 ½ and 10% of the whole household income was spent on burial insurance in the 42 manual workers' families living around Lambeth Walk that she, and other members of the Fabian Women's Group, visited between 1909-1913. In Rowntree's 1936 follow-up studies of families living below the poverty line the amount spent on insurance rises to between 5-20% of income (1941). This is in line with Hurry's estimation of the 'almost unbearable burden' borne by pensioners devoting between 6*d.* and 1*s.* out of a 10*s.* weekly pension to insurance but it is also true that by then these policies were being purchased with a greater range of purposes than funerals in mind.

As ignoble an end as a pauper's grave was, this does not in itself explain much about *how* funerals mattered and how this shaped the insurance business. Providing for funerals may have been a driving motivation - as one friendly society member put it 'what did a poor woman work for, but in the hopes she should be put out the world in a tidy way?' (in Laqueur, 1983: 110) - but as Strange (2003a; 2003b) argues there was more in this motivation than emulation of the parades of the 'respectably' mourned. The idea of 'respectability', she suggests, infers much more than is actually known about the poor's culture of death. Respectability doesn't have to be all in the beholder for it to mean rather different things in different settings. Underneath all that widely recognised striving for a 'decent' end was a delicate reckoning of pragmatism and sentiment that had more to settle than a display of social and economic status.

As the embodiment of the punitive New Poor Law, 1834, the pauper grave was undignified, ignoble and anonymous. Importantly, it removed ownership of the corpse from the bereaved and prohibited and/or circumvented many secular and spiritual mourning and commemorative rites. Such restrictions ruptured the catharsis of the funeral. (Strange, 2003: 145)

Viewed this way, aversion to pauper burial derived as much from the loss of practical control of mourning rituals as from circumscribed opportunities for material display. As Strange's discussion of the sale and transfer of grave deeds among the poor also indicates, sentiment had, perforce, to be combined with a pragmatism that limited opportunities for certain sorts of emotional investment in sites like the grave. Financial pragmatism was just necessary. The enthusiastic and general uptake of funeral insurance fits very well with this account of a mourning sensibility accustomed to reconciling sentiment with costs.

Such reconciliation was not universally palatable. Much of the debate about burial insurance described something deeply distasteful in the combination of pragmatism and sentiment. Insurance offered a practical route to securing ownership of the body and access to full commemorative rites. What mattered most in the sudden, massive growth of industrial assurance was that it reliably delivered the means to an end that was otherwise genuinely difficult to achieve. Strange describes the sale and transfer of deeds, pawning, temporary internment and donation as strategies used to secure a private grave and there had been clubs and societies for decades, attempting, in ramshackle fashion, to provide for the same. Compared to these, whatever their deficiencies, industrial offices offered a relatively clear path to the desired consequence. This was not though, how the cadre of regulators, reformers, politicians, social investigators, journalists and other concerned citizens who passed comment, saw it. Opinion ranged from those who regarded the working classes as needing the form of protection from unscrupulous offices that only a socialised state insurance scheme could offer, to those who regarded the inherently feckless, dishonest and greedy working classes as needing protection from themselves. Running through almost all that opinion was a persistent buzz of concern about the compatibility of proper sentiment and calculating pragmatism. Two particular and related regulative challenges - 'life of another' policies and child life assurance, which together were the basis of industrial assurance – recurred throughout the seventy years or so of funeral insurance's peak.

Insuring other people's lives

'Life of another' policies were, exactly that, policies taken out on other lives, initially almost always to meet burial expenses not to financially compensate the loss of the insured's income or labour. This nice distinction was mobilised in justification of the fact that so many industrial policies flouted the formative legislative principle of life assurance and were therefore, technically, illegal. *The Life Assurance Act of 1774*, also known as *The Gambling Act*, had settled the question of whether the contract was an invitation to the worst kind of speculative gaming on the likely duration of other lives, by requiring that an **insurable interest** be proven to exist before a life assurance policy could be taken out on the 'life of another' (Clark, 1998; Grey, 1992). Insurable interest requires that individuals have a reasonable expectation of pecuniary loss through the death of another person and that the policy sum assured should be broadly in line with that potential loss. This provision was established in ordinary life assurance in the nineteenth century but openly disregarded in industrial assurance practice. The illegality of many policies was tolerated in the nineteenth century because of the small sums involved, in deference to the importance of funeral provision and in quiet cognisance of the fact that the expenses funded by such policies might otherwise fall on the public purse. By the time the 1909 *Assurance Companies Act* attempted to clarify the standing of these policies – in response to lobbying from industrial companies nervous that this dubious legal position left them open to 'the Edwardian equivalent of a class action suit' (Alborn, 2007: 17) – the practice of insuring other lives raised a long list of controversies.

Section 36 (1) of the 1909 Act permitted insurance for limited sums on the lives of 'a parent, grandparent, grandchild, brother or sister' (20) and retrospectively recognised, 'whitewashed' as the Cohen Committee was told, 10 million policies provided the proposer had good reason to believe at the time the insurance was effected that s/he would incur funeral expenses. This still left a whole host of issues regarding the range of permissible relations, the precise definition of expenses and the enforcement of both of these, unresolved. Strangely, 'children' were left off the list of permissible relations though the intent to permit insurance on children was recognised in practice. This oversight

was corrected in the re-enactment of the provision in Section 3 to include ‘money to be paid for the funeral expenses of a parent, child, grandparent, grandchild, brother or sister’ in the 1923 *Industrial Assurance Act*. In addition, the 1909 law’s extended definition of legitimate kinship left out step-children, half-siblings, and cousins, all of whom nevertheless continued to buy or benefit from, life of another policies. Even where offices aimed to adhere to the strict definition of permissible relations it was not clear how the precise nature of kinship was to be determined or how financially motivated agents were to be dissuaded from adopting lax interpretations of the requirements.

The scope for confusion was matched by questions about what precisely was meant by funeral expenses. Legal uncertainty remained after 1909 mainly because the amount of a ‘bona fide’ policy was defined:

as the sum which “the relative reasonably might expect” to pay for a funeral. “Reasonable” funeral expenses remained a bone of contention, with some trial judges setting the bar as low as £10 and companies issuing policies up to £25, and nobody was too sure what to do about people who took out several policies from different offices (Alborn, 2007: 18).

If funeral expenses were strictly limited to the costs of the burial, costs might be calculable but not if they were to include ‘the purchase of mourning ... travelling expenses, and going to the hospital to see the insured person on his death bed, and loss of earnings’ (Wilson and Levy, 1937: 143). The debate remained unsettled into the 1940s and kept returning to the sore spot of what the legal standing of insurable interest in industrial assurance really was. A core question was whether industrial policies were meant to indemnify their holders against actual expenses incurred or whether they were a special type of insurable interest vested in the relationship pertaining between the life assured and the policyholder.

It has been held in *Wolenberg v Royal Co-operative Collecting Society* 84 L.J.K.B. 1316 and *Goldstein v. Salvation Army Assurance Society, Limited*, [1917] 2 K.B. 291 that policies issued under the provisions of section 36 (1) of the Act of 1909 are policies of indemnity and only the actual amount paid for funeral expenses can be recovered. In practice, however, the policies are not treated by the offices as policies of indemnity, the premiums are not calculated on that basis and when a policy matures no enquiries are made as to whether

the owner of the policy has made himself liable for the funeral expenses and for what amount; in fact we have been told that it is exceptional to find that the assurance moneys under these life-of-another policies are used to pay for the funeral. (CMD 4376, 1933: 88)

Instead, policies were generally used to meet the real demand for help to cover ‘incidental expenses incurred by relatives in connection with the death and funeral’ (1933: 88). Companies insisted that life-of-another policies had legitimately to be regarded as stemming from an insurable interest in relation to these broader expenses. Wilson and Levy’s critique of course identifies the vested interest in this. An indemnity interpretation would curtail the range of actual insurance and there is no question that the companies saw this too. It does not follow however that their position in this was narrowly determined by an interest in enlarging the scope of funeral insurance.

By the 1920s, funeral insurance remained an important portion of the business but it was a declining priority compared with other, potentially more lucrative, policies. Funeral business was of less significance in itself than it was for enlarging both the appetite for the practical things the sum assured might provide and the market, since sellable and inexpensive funeral policies might lead to other business. This fits well with Alborn’s (2009) account of the Prudential as adopting a business model based on the strategic use of burial insurance to expand the ordinary branch. Funerals were, after all, a spending occasion. As Dorothy Keeling of the Liverpool Personal Service Society told the Cohen committee, ‘it was usual to have a complete new rig-out of clothing. It is almost the only time in their lives that they do. They have not only mourning, but every kind of clothing, boots and stockings and underclothing and everything else as well’ (in Wilson and Levy, 1937: 137).

As the offices argued, a strong indemnity definition would be hopelessly difficult to implement. Ensuring that policy proceeds were actually spent on the direct, never mind the indirect, costs of funerals would be impossible in the extended networks of policies taken on other lives. That the grounds on which life of another exemptions were granted in the 1909 Act – the provision of a decent burial – could not safely be demonstrated as the usual outcome of the policy was an enduring controversy. An aged person might have had multiple relatives legitimately holding insurance policies

on them, but there was nothing to guarantee that the same ‘over-insured’ person would finally have the pay out devoted to their send-off. As George Robertson K.C., the Industrial Assurance Commissioner, told the Cohen committee ‘I came across a case where there were policies for a total of £400 effected on one old woman in a workhouse in Wales; they had all got a bit on her. She was probably buried by the parish’ (*HC Deb*, 22 Feb. 1944 cc795-804). That these policies had often been effected, albeit illegally under the 1909 and 1923 Acts, without the consent of the person whose life was insured made matters worse, but, as the persistence of the debate through a whole series of reports and enactments illustrates, ‘life-of-another’ policies were robustly resistant to regulation. The legislative provisions that were made were almost unenforceable because they depended on identifying the nature of kinship relations between people as well as the material things that ‘reasonable expenses’ consisted of. Even if it were possible for agents to verify whether the relations between people were what the proposers said they were, agents’ interests lay in writing business, not judging its legality. These issues were even more difficult to resolve in the case of one type of life of another policy – child life assurance.

Child Life Assurance

Policies on children’s lives had been taken out in Britain throughout the nineteenth century.³ If ‘life of another’ policies were considered potentially morally hazardous, **child life assurance** was regarded as actually dangerous. From the 1850s, a connection was repeatedly drawn, in the press, courts and in parliament, between insurance on children’s lives and deliberate neglect or murder. This was part of what Johnson (1993: 154) characterised as a new Victorian tradition of regarding poverty with suspicion, in itself a sign of the guilt and ‘latent beastliness’ of the working classes. This is the spirit that moves Punch’s wit.

Among our provident Institutions are Life Assurance Societies for Parents, which are Death Assurance Societies for Children. They are otherwise called Coffin Clubs. They engage to find the money for the coffin: the subscriber, father or mother, finds the occupant for it – by murder. (*Punch*, 24 December, 1853)

The Punch commentary was liberal enough to trace the popularity of burial clubs back to meagre imitation of the rich's habit of expressing 'proper respect' in ostrich feathers and ended by warning the 'superior classes' that 'every nail' driven to this end offered 'an incentive to child murder'. This acrobatic leap from condemnation to sympathy had the poor as at once so eager to emulate their betters that they would set aside ruinous amounts; *and* so impatient to demonstrate their own proper respect that they would murder the objects of it. Such confusion was typical of a debate that ran for over half a century on a fear that –though not entirely groundless since all insurance contains an element of moral hazard– was never proportionate to the evidence. The Punch column appeared in the wake of the 1853 'unanimous opinion' of the Grand Jury at Liverpool Assizes:

that the interference of the Legislature is imperatively called for to put a stop to the present system of money payments by Burial Societies. From the cases brought before them at the present Assizes, as well as from past experience, the Grand Jury have no doubt that the present system operates as a direct incentive to murder; and that many of their fellow-beings are, year after year, hurried into eternity by those most closely united to them by the ties of nature and blood—if not of affection—for the sake of a few pounds, to which, by the rules of the Societies, as at present constituted, the survivors are entitled. The continuance of such a state of things it is fearful to contemplate (in Clay, 1854: 3).

The following year, John Clay, chaplain at Preston jail, published his pamphlet *Burial Clubs and Infanticide in England* which made no apology for keeping attention to this 'horrible gaming' alive by claiming a direct connection in 'hundreds of thousands of instances' between the prospect of burial money and parental cruelty and neglect in working-class areas (Clay, 1854: 3). Clay's pamphlet was not his first foray into the debate, he had written to *The Times* on the subject in 1849 and had gathered evidence and submitted reports to Parliament and the Board of Health throughout the 1840s. His evidence consisted of a list of sensational 'instances' derived from the popular press combined with figures contrasting, for example, how often medical advice was sought for older versus younger patients and his finding that the infant mortality rates reported by clubs was 62-64 per cent while that in the general population was 56 per cent. That Clay's evidence turned out to be less than robust did not prevent his efforts, and

those of others, from keeping the question in the public and legislative gaze for much of the century. Their success in this can be judged from a long series of enactments and amendments that aimed explicitly to rule out any 'gross abuse' (Grey, 2013). When **Tid Pratt** attempted to reassure *The Times*' readers following extensive coverage of the insurance motivated Essex poisonings in 1848, that the **1846 Friendly Society Act**, already expressly provided, 'that no person under the age of six shall be allowed to become a member of a Friendly Society for money payable on death, and that no insurance shall be effected on the life of any child under six years of age' he was pointing to just one of the moves in a nineteenth century legislative 'omnishambles' that saw 20 friendly society acts passed and six investigations commissioned between 1793 and the **1870-74 Royal Commission on Friendly Societies**. As Clay retorted, the 1846 Act was prospective and did nothing to outlaw existing assurances and in any case was openly disregarded by many clubs.

Since the ghoulish preoccupation with insurance motivated murder, together with a readiness to suspect the worst and a genuine motivation to prevent it, proved a stronger influence on the legislative imagination than evidence that such an epidemic of murder and neglect was indeed taking place, the somewhat stronger provisions of the 1850 **Friendly Societies Act** soon succeeded the 1846 Act. The 1850 Act allowed registered societies⁴ to permit a maximum of £3 to be placed on the lives of children aged below 10 years, insisted on a doctor's certificate before any money would be paid and most controversially required the money to be paid directly to the undertaker. As Mr Daly, a collector representing 31 societies told the 1854 **Select Committee on Friendly Societies**, the stringency of the 1850 Act, and the undertaker's clause in particular had prompted many societies to 'unenrol'.

Yes the feeling is so strong that I am instructed to say that if that clause be inserted in a fresh Act, the majority of members will withdraw from the societies at once. They would take it as an insult to suppose for a moment that, having done their duty conscientiously to their child, an undertaker should come in and say that he was to have the management of their own money which they had paid out of their earnings week by week, they conceiving that they have done what is right by their children, and they thinking that they have the right to the management of their own money. (BPP 1854: Q1234)

The Select Committee heard evidence from Mr Clay alongside four judges, two prison governors, two coroners and one police chief and received written evidence from two inspectors of factories but concluded that ‘child murder is not a prevailing crime in the densely populated areas ... and that the instances where the motive of the criminal has been to obtain money are not numerous enough to justify the opinion that it is necessary for the sake of public morality that a legislative safeguard should be attempted (BPP 1854: xiii). The 1855 *Friendly Societies Act* accordingly abolished the loathed ‘undertaker clause’ and a further Act in 1858 dispensed with the condition that a doctor’s death certificate had to be presented to the registrar of births and deaths. Having found no ‘authentic evidence’ to support the rumours and general suspicion surrounding child insurance the 1854 Select Committee’s measured judgement ‘that they rest on a narrow foundation, exaggerated by the horror which such desperate wickedness produces in all kindly hearts’ (BPP 1854: xiv) did not keep the temperature down for long. The issue rumbled on in a series of restrictions imposed on the amounts and ages at which children might be insured. This culminated in the claim made to the Royal Commission in the early 1870s ‘that the high infant mortality rates and extensive infant life insurance in Lancashire was proof that children were being deliberately killed for cash’ (Johnson, 1993: 155). In 1875, a further *Friendly Societies Act* reinstated the requirement to send the doctor’s certificate to the registrar, limited insurance on the lives of children under five years to a maximum of £6, and strengthened the rules governing the registration of societies and the type of returns they submitted.

Clay’s position was taken up by newly formed ‘child saver’ societies like the London Society for the Prevention of Cruelty to Children (SPCC) and its Scottish counterpart. Benjamin Waugh, who became the first director of the NSPCC, published and campaigned extensively on the incentive insurance offered to child neglect and offered testimony to the 1889 Select Committee on the 1875 Act; while the *Lancet* and the *British Medical Journal* frequently expressed a commitment to banning insurance on children. This effort succeeded in getting a mention for infant life insurance in four of the child protection acts that were passed between 1889 and 1904 (Grey, 2013). Infantile insurance was never outlawed but the 1889 Select Committee remained convinced that ‘culpable and even wilful

neglect or violence ... has not been unconnected with the sums payable on the death of the children' (BPP 1889: xi).

Not all of those involved in the child protection side of debate took such a determined view. The Scottish National Society for the Prevention of Cruelty to Children (SNSPCC) remarked that while it was 'impertinent to interfere' with the 'proper and laudable desire on the part of the poor to provide ... decent duties to their dead' there were some people who 'have no aim in insuring the lives of their infants except the rational expectation that the life may end and the sooner the better, and be followed by the payment which they can assure by the payment of so small a sum as 1d. per week' (SNSPCC, 1890). Such base motives had to be legislated against, but the Society concluded nevertheless that another bill in 1890 proposing the reinstatement of the undertaker clause requiring any sums payable on the death of young children to be handed direct to the undertaker was ill-judged.

There are infinite grades in the population. I mean there is a perfect succession of minute steps from the highest to the lowest person in our great mass of population, each of whom has the right to form his own idea of what his social position demands and what in family matters his expenditure should be. It would be absurd to fix the cost of a child's funeral who is insured at the same amount in the case of a working man earning £2 a week and who has a small family, and in the case of a labourer earning 18s. a week and having a large one (SNSPCC, 1890).

Paying direct to undertakers, the SNSPCC argued, would require a fixed scale of charge and contribution and for funerals to be performed according to a predetermined model, yet in practice the manner of funeral provision varied hugely, even among the poor, as did undertakers' charges. The 1890 Children's Life Insurance Bill ultimately failed, even after the removal of the undertaker clause, as did a series of subsequent NSPCC sponsored attempts to ban insurance on children under 12. The *Friendly Societies Act* passed in 1896 made no mention of the kind of punitive measures the NSPCC had in mind and focused instead on fixing the maximum, aggregate amounts payable on the death of a child under 5 at £6, and under 10 at £10, on presentation of a certificate of death issued by the registrar of deaths and endorsed with the name of the society. This was the model on which safeguarding continued with

provisions only tweaked in the 1923 *Industrial Assurance Act* to introduce a distinction between the maximum amounts payable at ages 3, 6 and 10 of £6, £10 and £15 respectively.

This framework, the Cohen Committee resolved, had been successful in preventing the kind of bonanza overpayment that nineteenth century child savers were so worried about, but it had been ineffective in preventing over-assurance. In other words, while there were effective safeguards against policyholders *collecting* more than the maximum sum permitted, there were none against them *paying* for it. This came about partly because the regulative structure of insurance on other lives defined a range of ‘permissible relations’ who might all buy the standard £10 policy on the same child’s life either without knowledge of other insurances or without understanding that the maximum amount referred to total aggregate payout at death, not to the sum assured of an individual policy. There were also numerous ways in which insurance offices could legally design policies that exceeded the maximum amount. As the Committee concluded ‘we cannot absolve the managements of the offices concerned from complicity in this imposition on the public (it is nothing less) inasmuch as it is they who have devised the form of contract by which it is effected’ (CMD 4376: 18). The result was an estimated 200,000 over-assured children in 1929.

The Committee saw office practices connected to child life assurance as a reflection of an eagerness to swell profits. Well into the 1920s, insurance on children was an easy sales proposition, tapping into both the keenest sentiments of parents and the practical demand for provision in a period when both funeral costs and infant mortality rates remained high. In addition, children were interesting to insurance agents not just for themselves but as a means of prospecting the relations that surrounded them. As the *Prudential Bulletin* reminded agents;

Every Industrial Assurance Field man has discovered that, following the transaction of a considerable amount of pure Endowment and Deferred Assurance business on the lives of children, the volume of business on adult lives has correspondingly increased, and connections formed through the former are frequently of the more durable and satisfactory nature. (1925a: 761)

Child life assurance, like funeral insurance, was an easier sale than many other insurance contracts, but that didn't mean it was unproblematic, even from a purely commercial perspective. Child insurance was an excitable, fragile product. It aroused passions readily enough but it also courted almost constant controversies, always teetering on the brink of legislation, until it was finally prohibited in the 1948 *Industrial Assurance and Friendly Societies Act*.

Something of these difficulties can be guessed at from the proposal form for an infantile life in Figure 5.1. As can be seen on the first page, the agent had to testify that the child was in good health and appeared to be the age claimed; this was significant given the statutory limits on insurance at different ages. Questions 10 to 13 relate to a range of health and family history issues that the agent could have little means of investigating seriously. Trying to ensure that agents were informed and compliant with changing legal requirements, would have been a considerable challenge even for such tightly organised bureaucracies as the larger firms. Laws governing which children could be insured, when, by whom, for how much and by which bodies, since the rules for friendly societies and collecting friendly societies were slightly different than those for companies, changed many times. These laws attempted to steer a way of safety through myriad familial ties by at times for instance, banning insurance on children under 12 months, leaving step and half children outside the definition of permissible relations and setting the maximum amounts at different levels as if the likelihood of abuse could be related actuarially to the character and duration of the relationship. Moreover, firms had their own rules to add to the legal requirements, so for instance, the Prudential among others banned insurance on illegitimate children under 3. This interpretation was in line with the ruling that the word 'child' in a legal document means legitimate child unless otherwise declared by statute but it was far from universally enforced across the industry. So many agents had written policies on the lives of illegitimate children that in the 1931 case of *Morris -v- Britannic Assurance Co* it was ruled that in the law relating to the insurance of children established in the 1896 *Friendly Societies Act*, the word 'child' was meant to include illegitimate children. This ruling was supported in the Cohen report

recommendation that this be made statute with the addition of a provision for illegitimate children to assure their mothers.

Figure 5.1 Child Life Assurance Proposal Form

PRUDENTIAL ASSURANCE COMPANY.
CHIEF OFFICE—HOLBORN BARS, LONDON.

INFANTILE PROPOSAL.
All Infantile Policies are issued subject to the provisions of the Prudential Assurance Act.

DECLARATION TO BE SIGNED BY THE PARENT.
Being desirous of effecting an Assurance on the Life of my Child in the Industrial Branch of the Prudential Assurance Company in accordance with the Proposal, I declare that the Answer on the other side are truly correct, and that I have nothing to reserve or explanation. I agree that such Answer shall be the basis of the contract between me and the said Company, for effecting the Assurance hereby proposed, on the terms to be contained in such Policy as shall be granted in pursuance of this Proposal, and nothing shall be effected, except in conformity with the provisions of the said Company. Dated this 8th day of Oct 1901.

Witness my hand and seal this 8th day of Oct 1901.
Father's or Mother's Signature: John Sharp

CERTIFICATE OF AGENT.
I have this 8th day of Oct 1901, personally seen the Child mentioned on the other side, and am of opinion that he is fit and healthy, and that he appears to be of the age which is stated, and I recommend the Directors to accept the Proposal, as stated above.
(Signature of Agent) J.E. Sharp

PROPOSAL.
1. Name of Father? John Sharp
2. Is he alive? Yes
3. Name of Mother? Maria Sharp
4. Is she alive? Yes
5. Residence of Parents? 50 Southwark Bridge Rd S E
6. Occupation of Parents? Engineer
7. Name of Child? Charles Edward Rufus Sharp
8. Sex, Month and Year of Birth of Child? 3rd day January 1902
9. Amount of Weekly Premium to be paid? 2d per week
10. Is the Child now subject to any illness? No
11. Is the Child employed or detained in any way? No
12. Is the Family of the Child comfortable? No
13. Have any of the Brothers or Sisters of the Child died? No
14. Where was the Child born? Nil
15. Have other companies been the Child in any way? Nil
16. How the day of the Child's death, and also the day of the Child's death? Nil
17. What is the last time when the Child was employed? 9 yrs

TABLE OF SUMS PAYABLE FOR ONE PENNY WEEKLY.
(THE SUMS PAYABLE SHALL BE PAID WEEKLY AS TAKEN.)
Amount Payable if the Child should die after the Policy has been issued for:
Three Months, Six Months, One Year, Two Years, Three Years, Four Years, Five Years, Six Years, Seven Years, Eight Years, Nine Years, Ten Years.

The controversies provoked by child life assurance meant that while offices were willing enough to sell it well into the 1930s, it was often positioned a route to other business. As was the case with funeral business in general, it started to matter, not as an end in itself, but as a means toward the enlargement of insurance as ‘savings for living’.

Saving for life: expanding the scope of industrial assurance

A Coffin as Bonus

Not long ago the holder of an ancient Industrial policy died, and the company concerned found itself with a claim, not only for a sum of money but also for a coffin. It appears that the policy was issued by one of the old burial societies, which had been absorbed by the company. For a premium of 1d. a week the burial

society agreed to pay a death benefit of £6, with a coffin thrown in by way of a bonus! An additional sum was paid in lieu of the coffin, for, as everybody knows, insurance companies do not contract with undertakers to supply coffins, nor keep them ready made in their basements. (*Prudential Bulletin*, 1935c: 2693)

By the time this anecdote appeared, industrial companies were immersed in cultivating and presenting a public face that was some distance from their narrow association with funeral business. The Prudential at least, was by then sufficiently confident in its expanded sphere of activities and its enlarged product portfolio, that it could comfortably feature the coffin story as a distant anachronism, far removed from the activities of the modern company. Although in reality funeral policies continued to represent a significant proportion of the business, even for the Prudential, the companies were hard at work at establishing all sorts of other outcomes that might be secured by insurance. These outcomes were ones that belonged firmly to the sphere of living, as the industry attempted to turn its primary association with securing a good death towards a new association with living a good life. In this products were repeatedly positioned as practical means to sentimental ends, so the comfortable hearth, the provided for wife, the cosy retirement and the life lived by choice, began to dominate marketing strategies.

Establishing these associations involved more than the development of a promotional vocabulary. It involved the continual alignment and realignment of product portfolios with the relations, relationships and manners of living that mattered to customers. The product innovation necessary to secure such realignments was not necessarily that deep. Consumer insurance products were fairly standardised. The larger industrial companies offered similar portfolios by the 1920s featuring products that differed only in the specifics of how insured contingencies were defined, measured and priced. As such, innovation was often more a matter of positioning and managing products than of total invention. So life cover might be paired with an endowment element, allowing the policy to pay out either at death or after a defined period had elapsed, or a company might define terms for new groups like 'under average' lives, soldiers or people who regularly travel overseas. Once a new risk was covered by one office, the tendency was for other offices to offer similar cover in a

pattern of incremental, imitative innovation. Innovation was not particularly dramatic but it was continuous - the challenge was in the alignment of products with corporate and with lived experience.

The desirability of expanding product portfolios must have been clear to commercial providers by the early years of the twentieth century. By that point they had negotiated over fifty years of controversies and legislative restraints, which, in the run-up to the 1911 NIA showed no sign of abating. Death assurance had turned out to be huge market, much larger than the Prudential and its competitors envisaged, but it was not a calm market to be in. For the larger bureaucracies operating within a sector known for its conservatism, this cannot have been comfortable. Even in its original mission statement, the Prudential placed both adult and infant burial business behind the priorities of enabling 'people of small means to provide first, for relief in sickness or in accidents; second, for a person in old age' (in Burton et al, 2005). The company offered ordinary business from its establishment and only added industrial policies six years later. A sort of ambivalence toward their greatest hit can be detected early on in the strategy of nesting burial assurance within a broader portfolio with the ultimate goal of an expanded ordinary branch. From that perspective the expansion of their product range that took place in the 1920s was predictable and had taken longer to achieve than initially planned.

One of the things that got in the way was just how quickly the Prudential's industrial branch became colossal. An impressive growth pattern in the ordinary branch from 10,700 policies sold in 1870 to 301,000 sold in 1892, was rendered almost unremarkable by the sale of 670,000 industrial policies in 1870 and 10,000,000 in 1891⁵. Managing that growth would have been a task even if it wasn't compounded by almost continual negotiation with government over the long series of committees and commissions that accompanied the industry's expansion. Insuring between $\frac{1}{8}$ and $\frac{1}{3}$ of the UK population in the last quarter of the century put the Prudential in a unique lobbying category and one that absorbed considerable executive energy as a series of senior managers and directors got involved in overtly political work. This continued into the twentieth century at the Prudential and across the rest of the industry with the establishment of the Combine in 1901. This lobbying had derailed the plan for a

national socialized insurance scheme that would effectively supplant industrial assurance and ultimately reinforced the industry's position. This started to become clear at the second reading of the insurance bill in Lloyd George's discussion of the role of industrial societies.

We do not propose to interfere in the slightest degree with their present business, as death benefits do not come in. They will also benefit incidentally by the improved conditions of health, which will be the result of the preventive part of this measure. They will also benefit by the release of the sum of money which is now paid by six million people in this country for the same kind of insurance as we are providing here. These 6,000,000 people will have more money to put into death insurance. [...] There is nothing to prevent [industrial offices] forming subsidiary departments. They would have to keep the money absolutely separate; they would not be allowed to pass one penny of it to the other part of their business; they would not be allowed to make any profit out of the money compulsorily collected by the State; but they would be entitled to do this. (*HC Deb.*, 29 May 1911 c775-6).

It was more than just lobbying that produced this turnaround. There was a whole apparatus of levers and pressures that shaped the form the NIA eventually took. What is clear though, is that in introducing the first form of social insurance to the UK, the NIA progressively triggered a reframing, and ultimately an enlargement, of the purposes of private insurance. Some of this Lloyd George anticipated in these remarks; death assurance would be left untouched and the offices would benefit from both the lower mortality risks of a healthier population and from the larger sums nationally insured workers would have available to spend on other forms of insurance. In addition, the industrial offices were to be allowed to form 'subsidiary departments' that would become the 'approved societies' which administered the scheme. While they would not be allowed to make any profit out of compulsory collections, this additional 'secretarial' work would be paid.

The funds might have been strictly separated and offices prevented from directly profiting but Lloyd George perhaps didn't anticipate just how much indirect benefit would accrue from approved society status. Being an approved society boosted corporate reputations, informally (and inaccurately) underwriting their broader commercial safety (c.f. Heller, 2007; CMD 6404, 1942). Just as important, approved society status provided opportunities for 'platforming', as society members were obvious

prospects for the introduction of other insurance products. This became clear soon after the NIA. The Prudential, for instance, initially founded six approved societies for men, women, domestic servants, agricultural workers, laundresses and miners (the latter two were absorbed into the first four in 1917) that were reported ‘with every confidence’ as having received ‘a large accession of members’ in the 1912 Annual Report. The Chairman’s Statement that year went on to remark that the legislation had uncovered a demand for ‘certain additional and voluntary sickness insurances supplemental to the insurances afforded by the Act’. This had resulted in two special tables being prepared and 27,195 new policies in force by the end of 1912.

Within another few months, Prudential’s 20,000 agents had signed up 3,000,000 members to their approved societies with an average of 2000 new applications coming in every day (Dennett, 1998). This sharp trajectory is not surprising. The scheme was compulsory for all manual workers, and for all employees earning less than £160 per year and aged between 16 and 65. Given that after July 1912 these workers had to register somewhere, and given that the Prudential had 19,788,135 industrial policies in force by the end of 1913 (PAC AR 1913), the chances were high that a Prudential Approved Society would be an obvious port of call. And this was what happened – Prudential’s approved societies mirrored the company and became the largest of them all with 3.4 million members in 1920 and 4,827,000 members at their peak in 1946⁶. The nature of the traffic between the company and the societies has been argued about elsewhere⁷ and although there is little doubt that the Prudential benefitted from the NIA not much attention has been paid to how this worked.

It certainly wasn’t straightforward. The legal separation of societies and companies precluded any direct benefit, administering the Act was neither cheap nor simple and there were both direct and indirect costs as well as benefits to account for. The new requirements had to be made to fit within organizational structures that were not designed with them in mind. In an effort to ensure that accommodating the collection and administration of compulsory contributions didn’t further inflate the **expense ratio** the Prudential decided that a more efficient system of organizing the field staff within **blocks** would be necessary. This was an undertaking that altered not just the practical and technical

organisation of the work, but also the fundamental selling orientation. Agents until then had had fairly free reign to define and build up their debits. They were now expected to maintain and develop them within a pre-defined territory. The rules governing where they could sell and who to were tightened and stricter regulations about poaching and transferring business between agents were introduced. This might have been met with more resistance than it was, if the start of the war had not intervened to produce a greater upheaval in staff organisation. As it turned out 1914 produced the largest increase ever in industrial business. A range of factors played into that. The drive to sign up approved society members wouldn't have hurt, it may well have energized agents, it probably informed and may even have enriched the kind of conversations they could have with policyholders and prospects. The war too would have produced a surge as enlisting soldiers tried to make provision. But something else happened after 1911 in the whole climate surrounding insurance for the poor.

The NIA was intended to improve the health and welfare of the working poor and, as Lloyd George had signalled, this would be an incidental benefit to the companies. It was, but not simply because public health and therefore company mortality experience improved after the war. There was also a related, diffuse benefit in the imagination of insurance purposes as industrial assurance began to be envisaged as a tool that could be used to save for life. Agents who were making frequent visits, for example, to pay out maternity benefits, became party to entirely different sorts of conversations than those who were collecting funeral premiums. It is likely too that the assembly of many female, outdoor staff to cover the absence of 'more than 10,000 men' supplied 'to the fighting strength of the nation' (PAC AR, 1916) and the steadily increasing employment of female clerks at chief office contributed to a broadened understanding of how insurance products could be targeted at women. The Act opened up the possibility of new connections between insurance, public health and well being especially for a company as heavily involved in approved society business as the Prudential. After the war, the Prudential and its approved societies invested in becoming 'active in a whole range of public health issues including hospitals, medical research, dental treatment, maternity care, diet and physical fitness'

(Heller, 2007: 18). This re-positioned the company and was consistent with an expansion and refocusing of the product portfolio.

What this might mean was already starting to emerge by the early 1920s. The war, together with the approved society work, had produced record increases in premium income in the 1910s but not record profits. The Courts (Emergency Powers) Act of 1914 had made it illegal to pursue the recovery of any sum of money except by court order if the person liable was ‘unable immediately to make the payment by reason of circumstances attributable, directly or indirectly, to the present war’. This meant that insurance companies could not allow policies to lapse and had to treat them as if the premiums had been kept up to date. The Courts Act was predictably unpopular in the industry; the Fraternal Association of Assurance Officers protested to the House against it, many companies continued to issue lapse notices ‘stating that arrears must be paid up within fourteen days or the policy will lapse, which many policy holders are permitting, being ignorant of their rights under the Courts Emergency Act’ (*HC Deb.*, November 1914, c1303; *HC Deb.*, March 1916 cc1394-5) and the Prudential grumbled throughout the war about the ‘severe strain’ it placed on company resources’ (ARs, 1915; 1916; 1917). Combined with high civilian mortality, war claims and the depreciation of securities this meant that increased premium income was just absorbed and the pressure to improve profitability remained.

RATES OF MORTALITY AMONG MALE POLICY-HOLDERS IN THE INDUSTRIAL BRANCH.

Rate of Mortality experienced during the year 1915
 " " " " " 1919
 " " " " " 1920
 experienced among males according to the most recent Census Table for England and Wales (English Life Table, No. 8)

Y-axis: RATE per 1000 (4 to 68)
 X-axis: AGES NEXT BIRTHDAY (1 to 70)

The striking "peak" at age 21 very clearly shows the terrible toll which the War took of young life and also gives some idea of the strain on the Company's resources entailed by the payment of War Claims.

The mortality at age 21 was more than 13 times the normal, and equalled that of age 68.

Excepting the war years, (where as shown in Figure 5.2, the adult male mortality rate rose at age 21 to equal that at age 68) the death rate and infant mortality had both been declining since 1900, with 1920 and 1921 recording the lowest ever mortality rates. Given the size of the population insured by the company, it is not surprising that the lines representing the Prudential's mortality experience in 1920 and that of the most recent census table, mirror each other. This improved company mortality experience underpinned moves to extend the product range and improve policy conditions in line with growing demand for policies that incorporated stronger savings elements. Monthly terms were introduced for industrial branch policies in 1921 in a tentative move away from the sort of subsistence desperation that underpinned weekly collection and a year later the 'Progressive' policy combining life and endowment was launched. These policies were about meeting demand for a different sort of working class insurance, one fitted to a changing manner of living. This is even more clearly illustrated

in the launch and promotion of products that directly referenced lifecycle events like marriage, parenthood and bereavement.

A bachelor girl or a bride?

The September 1921 edition of the *Prudential Bulletin* (1921a) opened by ruminating on how much brides, a group ‘in whom we take the kindest interest,’ must have appreciated the hot summer. Insurance agents certainly had an interest in brides; the occasion of marriage had long been regarded as a sales opportunity in ordinary assurance, but the explicit emphasis on weddings in industrial offices was new. Agents, the article advised, should not wait until a prospective bridegroom seeks advice but ‘let him have our counsel and that, before he begins buying things for which he can wait. “Plenty of life assurance”. That ‘plenty’ was translated in the article into three times annual income, which for those workers covered by the NIA would have been easily £400, significantly more than the average industrial policy and closer to the average sum assured in the ordinary branch (*Prudential Bulletin*, 1921b). A sum assured of three times annual income would not have been a realistic prospect for the majority of industrial assurance customers but the article reflected the changing aspirations if not quite the reality of the core business. Achieving these aspirations meant making the most of an expanded insurance context by explicitly designing and situating products within existing and emerging aspects of lived experience. Agents were the established key to that process, operating already as the means of targeting sales to fit in with what they knew about their policyholders. In the 1920s, the Prudential began to systematically elaborate what that meant in more universal terms through targeted product design and marketing.

One of the first fields in which this approach was tried out was the development of insurance products targeted specifically at **women customers**. A short-term endowment that dispensed with the need for a medical had been launched before the war and sold well, especially to women, who by 1920 represented a quarter of new ordinary branch business (Dennett, 1998). This provision was built into the ‘Everywoman’ policy, a new ordinary branch life and endowment combination that replaced the

medical examination with a questionnaire announced in a leaflet in ‘the form of a “fetching” letter to a lady who isn’t married but who one day may be – on the other hand she may not’ (*Prudential Bulletin*, 1922b: 355). The policy was an explicit recognition that the demographic aftermath of the war meant the increased practical and financial independence of women during the war years was likely to endure with more women ‘engaged in business or dependent upon their own efforts for a suitable competency in later life’ (AR 1923). This was reflected in what were, for the time and the sector, unusually gender role equivocal marketing materials that stressed the opportunities and options available and the accompanying ‘vital need’ for women to ‘make provision’ and ‘take charge’ of their own security (*Prudential Bulletin*, 1925b: 761). The policy, was for ‘everywoman’ since, whether she ‘marries or she may prefer to remain single’ it would enable her ‘to obtain a sum of money sufficient to buy a house, to rent a farm, to stock a shop or to start alone or as a partner in business’ (1925 *Home Chat* advertisement, PRU).

Figure 5.3 Prudential Everywoman Policy business reply card, 1938

The Everywoman policy was still marketed in the late 1930s (Figure 5.3) as a means that would equip women to navigate the choices they might face. As the text on the reverse read;

...the modern business girl rarely has the time to make things for a trousseau. Usually she has to buy what she will need. That means saving money and every young women knows how difficult saving is. Why not

save up for your trousseau by means of a Prudential “Everywoman” policy? In this way you will not only provide a cash sum for the time when you marry, but, whether you marry or remain single, you can secure a pension later on in life.

‘Everywoman’s’ marketing continued between the wars to delicately mobilise the uncertainty single women faced about their futures by positioning the policy as one that came with options which could be tailored to the practical and sentimental choices they might make. A 1935 leaflet showed a well turned-out bridal party under the headline ‘getting married costs money’. Younger women whose parents could afford only a ‘meagre trousseau and a modest wedding’ were encouraged to avoid such an outcome by taking an Everywoman policy that would pay a cash sum on marriage while those who did not marry could fulfil an ‘even more essential need ... provision for the time when she will have to give up work’ (*Prudential Bulletin*, 1935a). The same strategy featured in the 1952 ‘spending and saving’ campaign which described *Everywoman* as an ‘option policy for single women’. The options included taking a cash sum of £250 after twenty years of paying a £1 monthly premium or of continuing the policy until age 55 or 60 and receiving either an increased cash surrender or an annuity for life. Alternatively, women who did marry would have the option of converting the policy into an ‘endowment assurance on your husband’s life which will be your property’ (PAC reply card, 1952).

The marketing strategy for the Everywoman policy was genuinely innovative⁸. Other offices offered terms to single women but none appear to have addressed them, or the possibility they might need - or want - to plan careers, income and savings on their own behalf, quite as directly. As the *Bulletin* noted ‘no company has yet issued a ‘trousseau policy’ but the Prudential “Everywoman” Policy will serve the needs of most’ (1935a: 2865). The policy was finally replaced with the ‘Bachelor Girl’ in 1969 that continued the theme into the 1980s. The Prudential’s commitment to advancing gender equality in financial marketing was never all that deep. Alongside Everywoman marketing, there were campaigns to support other policies featuring copy like ‘her place is in the home’; ‘your father was a thoughtful man’ and ‘your wife is well cared for now... will it always be so?’ These campaigns were in

closer alignment with the industry preoccupation with situating industrial assurance within the comforts of family life.

Family, heritage and home

Although her husband was not wealthy he had made provision to ensure that she would not have to leave her children to the care of strangers. When he was 33, he took out a policy which would have provided for him at 60 £4 a week for life, or £2600 cash, whichever he preferred. Two years after taking out the policy he died. For the next 25 years – that is until the time her husband would have been 60- his widow will receive payments at the rate of £4 a week, and, when those payments cease, a lump sum of £2,600. In all she will receive £7,800. HAVE YOU MADE SURE THAT **YOUR** WIFE'S PLACE WOULD ALWAYS BE IN THE HOME? (PAC Reply Card, 1938)

This copy was used to promote the Heritage Endowment policy launched in the ordinary branch in 1932. Poster and leaflet campaigns featuring happy 'assured' families accompanied the launch. A further, starker campaign, depicting the safeguarded dependants was launched the following summer in response to slow initial sales. The Heritage policy followed the launch of a similar policy by a competitor. As H. S. Lane, a branch organiser, chided staff, the unnamed competitor had already written over £5 million sums assured:

are we seriously to believe that the public to whom we sell life assurance is differently constituted from the public which is buying this cover? ... Are we going to continue meekly bowing before the popular demand for short term Endowment Assurances, a demand that we ourselves must accept the odium of having created, or are we going to shoulder our task and fight hard for the survival and attainment of the true Assurance ideal – the maximum cover for dependants. (*Prudential Bulletin*, 1933b: 2215)

Despite the slow start the policy ultimately did well and was marketed well into the 1970s. Small changes to the cover were introduced at various points over the years. The terms advertised in 1937 appear less generous on the surface, with family income replacement in the event of death within twenty years continuing for the remainder of twenty, rather than twenty-five years, and allowing for

£200 immediately then £6 a week or £2000 if death occurs after twenty years.⁹ These terms are clearly stated on marketing leaflets but whether the offer was equivalent to the twenty-five year terms is hard to judge without factoring in ‘real’ prices and premium prices. Missing this interesting piece of information out was part of a deliberate strategy of sequencing the presentation of ‘bottom-line’ information to coincide with a point when prospects would be ‘warmer’ having made the commitment of enquiring. The twenty-year term was the one settled on and it was not varied again until 1961 when more flexible terms were introduced to ‘meet the varying needs of our clients’ (PAC AR).

In 1934, the Prudential’s Ordinary Branch was comfortably the largest in the country, with new net sums assured of £25 million. Its nearest competitor was Legal and General, which wrote just over £14 ½ million the same year (*Prudential Bulletin*, 1935e), the nearest industrial provider of ordinary assurance was the Pearl with just over £8 million. As Lane’s comments highlight, companies kept a close eye on each other. They were, as financial services companies remain, conservative innovators and routine imitators (Lopes, 2013; c.f. Bourne 2013, Knights, Sturdy and Morgan, 1994). So terms for covering new general risks to motors, plate glass, elevators etc. were offered by numerous companies around the same time as too were terms for ‘with profits’ endowment, family income, house purchase, personal and group pension schemes. All the companies relied, first and foremost, on agents equipped them with leaflets, cards, coupons and merchandise. If there was a difference in the core marketing of the largest offices it was in tone and style more than anything else.

Figure 5.4 Pearl With Profits Endowment reply card c.1956

Figure 5.4 for instance, describes an endowment product very similar to that marketed by the Prudential, offered by its closest competitor. The Pearl may have often been the second largest of the industrial companies but it was far closer in size to its own near competitors than it was to the Prudential. There are many reasons for this sustained dominance, but the difference between the two companies in the style of their promotional activities and the date they were adopted, was certainly among them. Where the Prudential started developing publicity designed to position their product within illustrative contexts of everyday living - weddings, christenings, coming of age and retirements, in the 1920s – Figure 5.4 is among the Pearl’s earliest attempts to do something similar in the 1950s¹⁰. The Prudential converted the idea that the ‘art of portraying insurance as a means of accomplishing a person’s ambitions is the key to successful salesmanship’ since ‘man’ will buy a comfortable retirement, a family income or a good education for his children more readily than he will an insurance policy (*Prudential Bulletin*, 1935): 2876) into integrated marketing strategies from the 1920s. Pearl’s campaigns headed ultimately in a similar direction but they often depicted photographs of money, aging or referred directly to anxiety, protection and savings. This bleak mono-message also sounds in the Pearl’s ‘face the future’, a slogan that appeared not long after ‘Ask the man from the Prudential’. The Prudential man could be asked about almost anything and the slogan was used with the drawing to brand - that is to identify, mark and link the range of products - whatever the situation depicted, far earlier and more effectively, than elsewhere in the industry. In short, the Prudential developed much

Figure 5.5 1964 Royal Liver Friendly Society Premium Receipt Book

industrial branch policies even after the Second World War. Products, their methods of delivery and the means and mechanisms of collection hardly changed throughout the twentieth century and there is little evidence of the kind of positional advertising discussed here. There was instead remarkable stability in marketing strategies and the core devices of agents' books, ledgers and premium receipt books. As Figures 5.5, 5.6 and 3.2 illustrate, the receipt book issued by the Royal Liver in 1964 was not that different from the one issued by the Pearl in 1931 or the Prudential in 1916. These books changed little in a century, the print was sometimes three colour rather than monochrome and promotional messages were sometimes inserted between the pages as in Figure 5.6. Otherwise these were uniform documents, as in part dictated by the design of the collection system and the statutory requirements of the various industrial assurance acts. Besides agents and books there was relatively little direct promotion of industrial branch policies.

This might be a significant flaw in the argument that industrial companies were integral to the devising of new patterns of spending were things arranged that neatly - but they are not. As I've tried to illustrate, the industry's activities cannot meaningfully be abstracted from the context they were conducted within. In general terms, neither the NIA nor the raft of nineteenth century industrial, friendly society and children's legislation can be separated from how industrial assurance fared, and the particular activities of companies, in bureaucratising, reorganising, lobbying, marketing etc., can only be understood in relation to the legislative background they operated within. More technically, the company administered approved societies, and their industrial, ordinary and general branches, were legally required to keep separate accounts. They were processed in separate sections, sometimes in different offices and they organised separate marketing and promotional efforts. But this legal, operational separation does not separate in market terms. The agents who collected national insurance contributions, collected industrial branch premiums and they collected ordinary and general branch premiums too – and, in the main, they collected them from the same customers. The markets for ordinary and general branch assurance were, by and large, carved out of the more prosperous sections of the market for industrial assurance. The shifting balance between the branches, like the changing

marketing of doorstep credit companies, coincided, not always very comfortably, with shifting distributions of relative affluence and aspiration among the poor in the latter half of the twentieth century.

Part 2: Door-stepping the (relatively) affluent poor

Whatever happened to industrial assurance?

Firms and other organisations are conceived to be permanently and randomly subject to decline and decay, that is, to a gradual loss of rationality, efficiency, and surplus-producing energy, no matter how well the institutional framework within which they function is designed. (Hirschman, 1970: 15)

The ordinary branch had always been important to the Prudential. In ordinary branch business the Prudential detected a calmer market, one that was both more profitable and less susceptible to the continuing threat of regulation. The trouble was that it was industrial branch products that spread so feverishly that they seemed to defy the marketing maxim that financial products, especially insurance, are not bought but sold. Agents *sold* industrial products, but they sold them so easily, in such enormous volumes, that personal selling, no matter how cleverly orchestrated, offers only a partial account of the market, its size and its persistence. For the Prudential this introduced a peculiar tension; industrial branch was huge and profitable so they didn't want to discourage agents from selling it, but nor did they want them to neglect the more difficult business of selling products from the ordinary and general branch portfolios. The early investment in marketing was an attempt to address this by reinforcing agents' efforts to sell the ordinary branch. Advertising depicted prospective customers facing situations that products were designed to 'solve'. Agents were encouraged to prospect customers in these situations with leaflets and then follow up with detailed information and materials to close the deal. The first Everywoman policy leaflet, as the *Bulletin* announced, 'is so designed that it may be folded and addressed to an *individual*. Doubtless most of our representatives will make a list of the unmarried ladies in their area (fixing a reasonable age limit) and despatch to each a copy of the letter. A few days later of course there will be a call with Prospectus and Proposals (1922b: 355).

Despite this canny marketing, ordinary branch products continued to require more pushing than industrial policies for much of the twentieth century. This was a continual source of frustration to the company and it repeatedly used the pages of the *Bulletin* to hammer home the need for agents to push ordinary branch products harder. The true ‘mission’ of life assurance, as H.S. Lane had grumbled, was to promote lasting, meaningful thrift over the ‘odium’ of short-term endowments (*Prudential Bulletin*, 1933b: 2215). The underlying reasons for this antipathy are complicated. All business was worth having but short-term endowments lacked the political and moral distinction of long-term savings at a level that would make a substantive difference to dependent survivors. These policies were also less profitable since the initial costs of administering new policies took time to offset, in addition the longer a policy was in existence the less likely it was to lapse and the greater the return to the company. There was also the technical matter of balancing the mortality tables on which prices were based with company experience. The vast majority of new sums assured in 1920 were between £100 and £500 (*Prudential Bulletin*, 1921b). This might not seem like a problem in itself, as long as new business continued to be written in such volumes, but for the Prudential the pattern of business risked placing company experience out of sync with broader demographic patterns. Discussing 1920’s pattern of new sums assured the company explained to its staff:

The basis of stability in Life Assurance is to be found in the “Law of Large Numbers.” ... if we have a large number of persons exposed to the same risk of accident or death and assured for the same amount, then it is possible to estimate, with considerable accuracy, how many claims will arise in any one year; but if only a few persons are under observation, or ... if there are one or two assured for very big amounts among a large number assured for a comparatively small amount, the number of claims may be normal, or owing to unexpected claims among the heavily assured persons the claims may be unduly heavy. It is therefore important that the composition of our business should be carefully examined. ... It will be seen that five-eighths of the total new sums assured was under policies for less than £500, while only about one-fifth was under policies for £1000 and over. If, however, all classes of society had been canvassed with equal success, these proportions would probably have been one-half and one-third respectively. (*Prudential Bulletin*, 1921b: 143)

This process of measuring company claims experience against pricing expectations was a significant element of the business and it underpinned decisions about how to balance, expand and promote the product portfolio. Throughout the 1920s, the Prudential sought to ensure that ordinary branch sales increased in a pattern that was balanced against expected and actual claims experience. There was nothing straightforward about this. The Everywoman policy, for instance, was a key strategy for increasing branch sales since it targeted a group who had ‘accumulated money over the last few years’ but who were often not insured (*Prudential Bulletin*, 1922b: 358). Still the company was tentative about the kind of cover it was willing to offer professional women. Responding to a suggestion from one of its own female employees that the real appetite among professional and single women was for sickness cover, the company remarked:

The question of sickness insurance for women is, except within narrow limits, an exceptionally difficult one. The rate of sickness amongst women is high, so that premiums would appear unduly heavy. Moreover, an assurance company could not hope to get a fair average amongst those to whom it issued such policies; only those who were nearly certain that they would experience heavy sickness would pay the premium asked. The result is that what is known as “selection against the company” would operate, and the business would involve a loss. (*Prudential Bulletin*, 1926: 999)

Adverse selection is a hardy perennial in life insurance. Those most motivated to take out cover may well be those who have found reason to fear. Fear might be experienced for any number of reasons. Publicity messages warning of the dire consequences faced by the uninsured and prospecting techniques like ‘following the fire engine’ were designed to cultivate it. More problematic for companies was fear that arose because customers had information about their health that companies were not privy to (Van Hoyweghen, 2014). It was to avoid adverse selection that ordinary assurance companies had introduced **medical examinations** in an attempt to make sure that their ‘select lives’, if not identical to general population, were of better than average quality (c.f. Jureidini & White 2000; McFall 2007; 2011). Industrial policies were issued without any medical screening beyond some basic questions on the proposal form and while medicals were used for many ordinary branch policies, the

Everywoman policy abandoned them in 1921, calculating that the increased attractiveness of non-medical insurance would offset the loss of any selection benefits (*Prudential Bulletin*, 1925b). It is not clear whether adverse selection really would have kicked in were the company to offer sickness cover to women. Patterns of subjective discrimination on gender, race, occupational, neighbourhood, genetic or other grounds are in no way ruled out by the use of actuarial calculation in commercial insurance practice (French and Kneale, 2009; 2012; Glenn, 2000; Van Hoywegen, 2010; Wolff, 2006). In refusing to offer the cover the company was in line with the sector's prevailing view at the time that only the state could adequately define a cost for women's sickness cover by compelling contributions but this was a commercial judgement about a prospective outcome rather than an objective financial 'fact' – were such a thing even possible. Financial **valuation**, as Muniesa (2012) insists, is neither subjective nor objective but *practical*, that is, it involves the practice, the activity, of turning things or people into objects or subjects of valuation. In this instance, women's sickness was an object that most industrial companies declined to value or attempt to make a market from.

The market the company did want to be in was that for ordinary business for sums greater than £100, or better still, above £500. The Prudential knew its insurance book was never likely to mirror the socio-economic distribution of the general population; their business was far too concentrated among the 'industrial' classes for that and larger contracts had always been the preserve of established life offices. Still that did not mean that the company couldn't expand its share of the market for amounts above £500, if agents could be persuaded to pursue such business. Agents whose key qualification was their 'fit' with industrial populations were notoriously reluctant to canvass 'better class' neighbourhoods and as a result much emphasis was given in staff training and supervision to overcoming this aversion through the cultivation of 'good, average' sales personas. A change in the composition of the classes the company covered, the *Bulletin* announced, was taking place and with 'greater experience and growing confidence the Staff is beginning to realise the vast potentialities that exist for securing bigger policies' (1925c: 839). To this end, two new prospectuses - one for sums assured less than £1000, and

another for sums more than £1000 - were published offering Tables it was hoped would 'suffer less by comparison' with those issued by other industrial-ordinary offices and the established offices.

Under some of the Tables published in the new prospectus the rates of premium at the older ages do not compare so very favourably with those of some of the other Companies. In constructing our Tables we have based our calculations on Prudential mortality experience, from which it was found that the assurance of older lives had not been at all satisfactory; effect has been given to this feature of the mortality experience, and is reflected in the premiums now quoted (*Prudential Bulletin*, 1925c: 839).

These improved rates were grounded not simply on mortality experience but on administrative savings, allowing the company to offer staff better remuneration from sales. Neither the tables nor the commission can have been quite sufficient as the company continued to complain of slow sales, especially for larger amounts, over the next two decades or more. As Figure 5.8 demonstrates £100, an amount that would 'barely suffice' to keep a middle class home together for a year, remained by far the most common sum assured. This led to complaints that agents suffered from a '£100 complex', which inferred that the commission rates that kicked in at that level were to blame. By 1935, sums assured had increased, but there had been a decline in the overall number of policies that was attributed to a combination of factors including deaths, maturities, lapses and surrenders. The first two factors were fixed and although agents had some influence over lapses and surrenders the main way of replenishing the 'leaking tank' of ordinary business, was through 'really prospecting' in the 'great adventure of the ordinary branch ascent' to obtain a minimum of one new policy per month and an average of £250 sum assured per policy (*Prudential Bulletin*, 1935e: 2789; May 1935h: 2864).

Figure 5.7: New Ordinary Branch Business 1929

By 1937, these efforts had begun to pay off. The Prudential wrote £32,457,832 of new business in the ordinary branch that year, the largest amount in its history, and roughly 10 million more than the new sums assured in the industrial branch. This was not yet the end of the industrial branch's dominance. In 1941, the war helped push new sums assured in the ordinary branch back down to £24,803,928 and in 1950, the surplus in the industrial branch at £10,742,942, was still almost double that in the ordinary branch. This was despite the fact that new sums assured there, were at £94,406,580, considerably higher than the £74,327,964 of new business written in the industrial branch. It was clear nonetheless that the balance between the branches was beginning to shift. In 1952, 140,929 new policies in the ordinary branch produced an annual premium income of £4,192,240 while in the industrial branch it took the issue of 1,384,073 new policies to produce an annual premium income of £5,163,612. Three

years later the ordinary branch had taken the lead in both total sums assured and new premium income.¹¹

Reckoning the overall commercial value of the various branches of insurance had always been a practical chore of enormous complexity. It was determined in part by the statutory accounting requirements imposed by general companies and insurance legislation that had been designed, since as far back as the 1844 *Companies Act*, to improve the safety of insurance companies given the long term nature of their liabilities and the uncertainty over how their assets were best measured. No matter how complicated the computation of value was - and even with advances in mechanical and digital computation, the proliferation of product portfolios, funds and investment strategies in the twentieth century always upped the ante – it was never just about the arithmetic.

“to calculate economic prices on lives” encompasses the absorption of an intermingling of economic, managerial, accountancy, actuarial and medical knowledges, figures and tools. Insurance calculative devices are crucial in linking these distinct actors, considerations and domains in order to frame the life insurance transaction. So even if there are – at the outset – multiple considerations and calculative agencies involved in underwriting, the devices render the enactment of particular versions of what ‘sound underwriting’ for the insurance company means. (Van Hoywegen 2014: xx)

Financial valuation more generally is about actively and practically considering value precisely for the purpose of business. This is a creative process since ‘value depends on how valuation is done, when, by whom and for what purpose’ (Muniesa, 2012: 28; c.f. Kjellberg & Mallard 2013; Beckert & Aspers, 2011; Stark, 2009; Miller, 2008). One of the things this points to in this context, is that no combination of valuation figures, whether of new or existing policy numbers, annual premium income, overall surplus figures etc. could determine the business value of the branches. That was a judgement that depended on the weight given to the different factors underlying fluctuations in sales and margins. Such a judgement had to interpret, for instance, whether fluctuations were short-term reactions or long-term trends, whether they might be influenced by operational changes, like reductions in the expense ratio, block re-organisation or marketing initiatives. Even then, the value given to the different

branches was also a matter of the will to develop, maintain or reduce the corporate emphasis accorded to the different branches. The sheer size, overall profitability and increased diversification of industrial offices throughout the twentieth century went far beyond expanded product portfolios in the branches into overseas enterprises, investment fund management, group and individual pensions, property management etc. This scale rendered the sector fairly slow to make major strategic alterations to the organisation or marketing of the branches when the balance between them started to shift.

And it did shift. The gains in new business made in the Prudential's ordinary branch in the 1950s, were by the early 1960s, settling into a pattern that was beginning to suggest not just a relative decline in the significance of the industrial branch but the start of an overall decline. This decline had a near inevitability about it but it was so gradual that it was years before it was explicitly articulated. The nationalization plan of the post-war Labour government may have failed, but the 1946 *National Insurance Act* and the 1948 *Industrial Assurance and Friendly Societies Act* nevertheless cut right into the industrial assurance market by first, providing the state death benefit that Lloyd George had shied away from, and then restricting life of another insurance to parents and grandparents and for sums no greater than £20. Even if Prudential's strategy of persuading a mass market that the proper purpose of assurance was not funeral cover but meaningful, long-term saving was to be successful, it required carving from within their market share, a larger segment willing and affluent enough to buy ordinary, or at least enhanced industrial, cover. It stands to reason then that the proportion of those buying only basic industrial cover had to decline. It may be that the company's ordinary branch marketing strategy was intended to take share not just from its own industrial customers but also from the mainstream life offices but that wasn't the outcome and it's not surprising.

Customers for new ordinary branch products were in the main found from the better off portions of the industrial assurance market. It was industrial branch customers who were repeatedly exposed to ordinary branch marketing through their agents and these same customers were the ones likely to be the warmest receivers of the relentless pools of publicity launched by industrial offices in the post-war period. Even internally, product marketing strategies would have helped close the gap

between the branches because the same agents sold products from all branches and because policy conditions offered in the industrial branch moved steadily closer to those on offer in the other life branch. Monthly terms on industrial policies had been offered by the Prudential since 1921, and even in death cover the direction of traffic was for larger policies with a savings element. In 1961, the Chairman, Sir Frank Morgan, remarked that although death cover remained a basic purpose of industrial assurance 'the public are increasingly attracted to policies which combine savings with death cover' (PAC, 1961a). By then, a much greater proportion of industrial customers could afford larger premiums and began to prefer monthly payments in line with the increasing numbers of workers who were paid monthly and the rise in women working outside the home. Weekly collection was abandoned in the Prudential in 1963 and while Annual Reports continued to stress the importance of home service, the sense that the division between the life branches was blurring in practical, if not yet in accounting terms, was building.

A noteworthy feature of recent years has been a widening demand for new policies for amounts well above the range traditionally associated with industrial assurance. Often this demand can be met by an ordinary life policy. This does not, however, satisfy the needs of those who require more ambitious life assurance protection, but for whom the practice of long term thrift is difficult without regular premium collection at the home. Over the years there has been a progressive narrowing of the gap between industrial and ordinary life assurance and we are now making important changes which we hope will prove to be a major factor in bringing the two branches of life assurance still closer together (PAC, 1964: 4).

This sentiment became stronger as the industrial branch declined and the requirement for the branches to keep separate accounts became increasingly irksome. Efforts were made to bring the administration of the two life branches closer together but the company was 'precluded from proceeding as far as we would like in that direction by the existence of a number of outdated restrictions perpetuated by Industrial Assurance legislation, mostly passed 50 years ago' (PAC AR, 1972: 7). The assets were finally merged by agreement with the Department of Trade and Industry in the late 1980s.

Since 1957, a year in which the Prudential had secured more than half of the new ordinary business in the country, the company's market share had been declining, even though it had accurately identified a growing middle income group of affluent workers. The difficulties the Prudential and other industrial companies encountered in 'grasping' their share of these better off workers raises an interesting problem. The phenomenal success of the large industrial offices was closely related to how well the device of weekly collection fitted into the lived experience of the poor. As late as 1950, the fit remained snug, but as the decade progressed the increasing affluence of the traditional market, in combination with social insurance provision, improvements in public health and the insistent marketing of insurance for long term security, began to loosen it. There were still plenty of customers who were reluctant, even when their means permitted, to move to ordinary policies but by the mid 1960s, these customers represented a dwindling, and aging, portion of the market. This was a trend that the Prudential picked up on from the amount of new industrial business that just replaced matured endowments (PAC AR, 1961). The market remained vast but the signs were already there that it was not being renewed with a pool of the younger, better off members of the post-war generation.

Part of the problem, paradoxically, stemmed from the success of the collection device because it was so universally and profoundly associated with funeral cover and subsistence saving, that no amount of colourful re-marketing, not even the television advertising that the Prudential began to place in 1966, was likely to completely break the connection. It was not even clear that finally breaking this association was desirable. In a business that operates over such a long-term, the tension between serving existing and attracting new customers is especially marked. With a model that had changed little in over a century, industrial companies had to work out how to improve their fit with the changing profile of a post-war generation of workers, without alienating their still substantial, 'traditional' core market. Around this time the term 'home service' began to appear in marketing across the sector. This quiet re-labelling was typical of the tentative tiny steps that were taken to re-format the market. It was not sufficient to rejuvenate the industry and neither was the hipster style of advertising (Figure 5.9) that began to appear after the 'Man from the Prudential' was finally abandoned in 1966. For the same sorts

of reasons that middle-income groups turned to ordinary rather than industrial life offices in the 1950s, younger, aspirant workers in the 1960s were not drawn by the collection mechanism and cautious rebranding exercises could not really be expected to disrupt the graven image of industrial assurance.

Figure 5.8 1967 Advertising Campaign

What is fascinating is that the Prudential had a good idea what the problem was well before it started to really bite. It has been remarked elsewhere that despite over a century of legislation that was designed to curb industrial assurance it was a piece of legislation that wasn't, the 1986 *Financial Services Act*, that finally toppled the industry (Burton *et al.* 2005; McFall, 2009) but this is not quite right. The 1986 Act might have been the final push but the industrial companies had known the end was coming decades earlier. Despite repeated public commitments to the importance of industrial branch the Prudential had set up a committee as early as 1965 to consider the appropriateness of field staff organisation in regard to the changing social and economic circumstances and working patterns (PAC, 1965). The committee recommended amalgamations of branch agencies but there was no move to abandon home service. Even though the expense rate started to rise again in the 1970s and the fit between home service and the way younger customers lived was no longer self-evident. Perhaps the best explanation for that was the difficulty of attaining an adequate balance between the conflicting demands of different segments of the market. The Prudential in the 1970s had been losing its share of the overall life market for over a

decade, the company was aware of this but there was no easy way of resolving the really difficult contradictions in the structure of its own market. As a survey commissioned into consumer attitudes to insurance and insurance companies in 1970 confirmed, the company was in an odd position.

There will continue to be a huge market for Industrial Branch business for years to come. Nevertheless, Industrial Branch will steadily lose ground to Ordinary Branch and at some point, probably 10 years from now there will be a marked acceleration in the decline of Industrial Branch. Any large increase in the promotional activities of the insurance could have the effect of hastening the decline in the importance of Industrial Branch. There is no evidence ... that the Prudential will find it easy to improve its Ordinary Branch position vis-à-vis its competitors; on the contrary there are, in terms of consumer perceptions of the company certain definite inhibitions that will require a major calculated action by the Prudential to overcome. (PAC, 1970: XX)

This assessment was almost eerily prescient. Between 1984 and 1994 industrial branch dropped from 55% to 2% of direct UK sales and the Prudential finally stopped selling it in 1995 (Dennett, 1998). Those 'definite inhibitions' marked the company with a faintly grey, funereal pallor that it never quite worked out how to shake off without alienating the long tail of industrial branch custom. Instead it concentrated on expanding the ordinary and general branches and diversifying into variously fated property, estate agency, overseas and reinsurance markets.

Elsewhere in the sector the Pearl, was acquired by Australian Mutual Provident (AMP) in 1990 to be demerged in 2003 and its assets, along with those of Britannia Assurance are currently part of Phoenix Group; Refuge Assurance was swallowed by United Friendly in 1996 and then again by Royal London Mutual Assurance in 2000, which also took over Royal Liver in 2009 and Cooperative Insurance in 2013. Like the Prudential, Liverpool Victoria survived as a diversified financial services company, rebranding in 2007 as 'LV=' - a play on the word love that neatly expresses insurance's essential combination of sentiment and practice. None of the firms, not even the few survivors, entirely dodged the convoluted series of compliance failings, financial collapses, restructuring, mergers and acquisitions that have characterised the sector since the 1990s. None of them actively trade in industrial business in the UK today but a long shadow remains.¹² Industrial branch policies were still being sold in

the 1990s and that means there are still quite a few of them around, being serviced somehow, often in the closed or 'zombie' life funds that hold industrial liabilities for defunct insurance companies. The irritations of maintaining, tracing, surrendering and collecting on these policies will continue for decades yet.

From inhibition to exhibitions: the magic carpet of doorstep credit

For example, it was estimated that the average real earnings of industrial workers had risen by more than 20% between 1951 and 1958; and that by the spring of 1959 the average working-class household income was about £850 per year (gross), with nearly half of all employed working-class families having an annual income of over £1000. It was revealed further, as a result of national surveys, that by 1959 among this more prosperous half of the working class 85% of all households had a television set, 44% a lawnmower, 32% a car, 16% a refrigerator. In addition 35% of the families in question owned, or were buying their own house. Finally, official statistics showed that between 1948 and 1958 one family in every six in Great Britain – and certainly a higher proportion among the working class – had moved into a newly built house or flat, whether renter or owner occupied. (Goldthorpe, Lockwood, Bechofer and Platt, 1969: 22)

If industrial assurers struggled to convince customers that their products fitted with their somewhat more affluent lifestyles, the purveyors of doorstep credit had none of this reticence and quickly made a virtue out of enlarging consumer appetites. This is surprising since doorstep credit providers might have been expected to suffer from precisely the same factors that triggered the downturn in the fortunes of industrial life assurance. Improved public health and welfare together with rising standards of living might well have reduced the call for subsistence credit modelled along the, unaltered in decades, lines the Provident had been offering. And it probably would have, yet the Provident, and its main competitors Cattles and Paget, not only survived, they actually flourished in this period. This happened because these companies saw in the transformed post-war landscape, the opportunity to reset the model, organisation and image of what doorstep credit was for.

Despite being founded eighty years earlier, the Provident in 1960 was run on very similar lines, and deployed the same basic 'system', that it had been using throughout its history. The only real

innovation that happened in that time was the introduction of the ‘travelling check,’ which enabled a single check to be spent gradually at several different suppliers (MMC, 1981). The ‘Provident System’ as explained to customers in a 1934 Shopping Guide was identical to the one explained in an almost identical guide issued in 1957. By then, the company was struggling to assert the place of its product in their newly better-off customers’ lives. As O’Connell (2009) recounts, the Provident and other check traders had had a difficult war. Retailers had responded to the purchase tax and price controls that government had imposed on utility goods by reducing the discounts they allowed check traders and the latter had attempted to pass the cost back to customers with an increased **poundage** charge. This attempt coincided with the damning account of check trading published in ‘Our Towns’ by the Women’s Group on Public Welfare which informed the Board of Trade’s decision in 1941 to prohibit the poundage charge entirely. The prohibition remained in place until 1949 and by then the Provident had seen its customer base fall from 1,100,000 in 1939 to 535,000 in 1944. Customer numbers recovered but by the time they did a deeper problem was starting to emerge.

Although Provident’s customer numbers returned to their pre-war levels of just over one million in 1951, growth was more sluggish thereafter and it stalled in the late 1950s. Data from the company’s archives also reveals that demand for checks became more seasonal in the late 1950s, with customer numbers rising by between 80,000 and 100,000 from the third to fourth quarter. The average value of checks taken out grew at a substantially slower rate than average earnings during the 1950s, rising barely at all between 1955 and 1959. This suggests that for increasing numbers of customers, checks were becoming less a part of their weekly routine and more of an additional option, at Christmas. (O’Connell, 2009: 71)

The challenge was to figure out how to counter the current of increasing affluence that would leave their product reserved for emergency use. The solution, of course, was to re-position their offering not against the current but within it. There were though, a few obstacles in the way. The things that Provident checks might supply had steadily increased in variety since the 1880s but the emphasis remained on smaller, softer things like clothing, linen, drapery and some small electrical goods while the hard, sought after durables of post-war Britain, the washing machines, vacuum cleaners and

refrigerators were outside the scope of checks. These goods were primarily supplied to poorer customers through hire purchase schemes that became subject to **terms control orders** after 1952. The increasing stringency of terms control helped open up a space for doorstep, as well as other credit providers, to come up with an alternative product - the voucher - that fell outside the scope of legislation.

Figure 5.9 1962 Provident Checks and Vouchers

Introducing vouchers (See Figure 5.10), in addition to checks, sounds like a relatively trivial matter but it was probably the biggest change in the company's operations since it was founded. It was part of a planned expansion, a response to the 'interesting and even exciting possibilities' (PCS AR 1962: 10) the new affluence afforded those credit providers who could pull off the transition from subsistence to everyday 'people's' credit. One of the first changes the firm made was to quietly dispense with the limitations implied in the name 'Provident Clothing and Supply' by subtly altering it to Provident (C & S) Ltd in March 1961. The name change was part of a restructuring which saw a 'new' company acquire the whole of the share capital of the 'old' company and its subsidiary, Waddilove and Co. Ltd, both of which were placed in voluntary liquidation at the end of the year (PCS AR 1961). This technical restructuring was a precursor to the company's listing on the stock exchange in March 1962 and a change to the Articles of Association to permit the directors to borrow, without the prior consent of shareholders, up to five times the amounts paid up in share capital (PCS AR 1962).

These changes were designed to give the company the liquidity to defer revenue and finance the increased supply of credit they anticipated providing after the introduction of vouchers. Vouchers were introduced in July 1961 as 'the logical extension' of the long established checks 'into the field of larger

amounts over longer periods in order to accommodate the requirements of our customers for higher priced durable goods' (PCS AR 1962: 11).

In the past our check business was mainly restricted to clothing, shoes, drapery, linen and other soft household and family goods which could come within the 20 week payment period. Our customers had to look elsewhere for their other requirements. Now, however, vouchers provide our customers with a much more comprehensive service and can be used to acquire the whole wide range of domestic durable goods such as washing machines, cookers, refrigerators and the like with payment periods of up to 100 weeks. We have found this additional facility to be most welcome to customers and to shopkeepers. (PCS, AR, 1963: 10)

Vouchers were heralded as a means of closing the gap between the company's traditional business, and emerging customer requirements. If this were to work it would take more than recognition of the opportunities afforded by the new, and already exhaustively debated, affluent desires of their customers – that was probably the easy part. It also required practical and technical planning and organisation to ensure that a fit could be engineered between new patterns of living and corporate experience.

We have taken a searching new look at our organisation and methods – forging new links, examining incentives, setting up new sales promotion and generally initiating a policy of planned expansion. This policy must be soundly based and prudently executed if it is to produce lasting and reliable results. ... (PCS, AR 1962: 10)

All the firm's costing and debt experience was based on lending small sums up to a maximum of £20 over twenty week loan periods; offering sums of up to £100, for between 40 and a maximum of 100 weeks, was a different proposition and it was embarked on cautiously. One symptom of that caution was the decision initially to cap vouchers at £100 and to restrict them only to existing Provident customers. An increase in deferred revenue in 1962 was attributed to the introduction of vouchers and the longer periods of credit involved, and a further increase in 1963 combined with record turnover marked their secure establishment (PCS AR, 1962, 1963). Plans were announced for the further

expansion of voucher business the same year alongside the removal of the existing customers restriction.

Compared to what was happening in industrial assurance in the same period, the Provident's response to post-war affluence might be read as visionary. Weighed against this is the fact that while industrial assurance was beginning its long decline, it was still being sold in huge volumes in a sector where many firms could offset decline through their ordinary and general branches. Provident, meanwhile, had seen a number of marked and negative changes in the nature of their business that led them, by dint of necessity to review their system, organisation and image. The shift to a predominantly female, fulltime agency workforce was part of that and might be credited with helping shift the gaze, the imagination and the image of the company away from 'clothing and supply'. Women had a keen eye for all the necessities that would help 'keep the image of our service modern and bright without losing its traditional simplicity and integrity and to ensure that it reaches and is understood by the vast market of present and potential Provident users' (PCS AR 1964: 10).

Maintaining a balance between 'bright modern-ness' and traditional simplicity was left to rest partly on the proclaimed superior social sensibilities of women agents. As in catalogue agency, women were assumed to be more attracted to, and more interested in, the social aspect of the work and this is certainly how the attractions of agency work were represented to prospective catalogue agents. The majority of Provident customers were women and it was presumably a little easier for women agents to enter the homes of acquaintances and strangers and develop the kind of relationships that would allow them to assess creditworthiness and, just as importantly, 'see' the spaces in the home that credit could be summoned to fill. Women, as sovereign domestic consumers, were expected to have a better eye for any missing or worn out domestic appliances that were essential for the modern home.

By 1964 Provident was representing itself to its shareholders as improving 'the wellbeing of people everywhere'. Its annual report that year boasted of helping 'equip better brighter labour saving homes'; enabling 'the family to be better clothed and equipped for all occasions'; providing the 'tools, books and equipment for acquiring skills' and 'encouraging sports and hobbies and holidays and leisure

activities generally' (1964: 10). The report continued the trend, established when the company first went public, of taking shareholders 'backstage' this time with a 'pictorial demonstration of the scope and social impact of the company's activities'. This demonstration eschewed the monochrome photographs of previous years in favour of comic book style colour drawings of a modern working class home. These sunny illustrations were designed to showcase the Provident's role in supplying the means for the expensive equipment, tools and appliances that every modern home now required. The company was upbeat that the strategy was working since it was also reporting its third successive year of record trading profit and a 55% increase over the three year period at a time when overall economic conditions were difficult, with disappointing overseas trade figures and retail trade statistics that 'lacked sparkle'. The imagery and mood of the report is a world away from the 1950s shopping guides and is symptomatic of the company's success in inserting itself into the emerging experience, or at least aspirations, of the poor. The Provident's performance was picked up in an article in the *Investors' Chronicle* which marked the success of the firm's new image depicting the Provident voucher as a magic carpet conveying a family towards a higher standard of living.

Figure 5.10 The voucher as magic carpet

The image and its associations were clearly well received since it was reproduced in the 1965 Annual Report. It is an image that resonates with an atmosphere in which television shows like 'I dream of Jeannie' and 'Bewitched', featuring gleaming middle-class American homes rendered even more labour-

less by the magical powers of their custodians, were hugely popular. The idea of the voucher as a magical route to such lifestyles was appealing, even if in reality the closest the average customer got to a kitchen like Jeannie's, was on a television purchased with a voucher. The distance between the reality of customers' lives and their aspirations, as Provident's newly appointed marketing and consumer credit executives recognised, was an opportunity, not a problem. By 1962, the firm's 'more youthful outlook, new ideas, new men and a new approach' (AR, 1963: 10) led to the shopping guide system being supplemented with *Arcade*, a catalogue style magazine for customers, *Colonnade* an internal newspaper designed to improve communication with agents and an increased use of advertising, including for the first time, television advertising. These innovations brought expertise about what had worked in the mail order sector for companies like Littlewoods, into the Provident (O'Connell, 2009).

Mail order companies excelled at showcasing the goods on offer, rather than the credit means of their provision but as with store credit, customers could only buy what was in the catalogue or store – they couldn't shop around. What Provident worked out in the 1960s was that they had to close the gap between the means of credit and the ends of goods. Revamped marketing (see Figure 5.12) that hammered home the connections between all the different things that Provident credit would allow customers to have *right now* was part of that, as was the concentrated effort that led to agreements with 50000 retailers, including numerous multiples by the end of the decade.

Figure 5.11 1972 Provident Telesell Campaign

The strategy was one of fairly modest, innovation based on adaptation of what was working elsewhere in the sector and for a while it was highly successful. Profits in 1972 were just under £7 million, up from just under £2.5 million in 1967 and £1.25 million in 1962 (PCS ARs 1962; 1967; 1972). During that decade Provident, although the largest company by far, was constantly on the look out ‘for acquisitions or amalgamations which might be capable of being arranged with other check companies’ (PCS AR, 1963: 11). This resulted in the takeover of Paybonds Ltd in 1966, followed by Practical Credit Service Limited and Bristol Clothing and Supply Company Limited in 1968.

In a sector as cautiously innovative as financial services, the company was not the only one to spot the opportunities of the voucher business. A number of retailers introduced their own voucher schemes resulting in £25 million worth of business by 1966. Provident was the only company offering national coverage until 1962 when Hull based competitor Cattles, also went public as part of sustained programme of geographical and product expansion. A series of mergers and acquisitions followed, resulting in the establishment of Cattle’s national ‘Shopacheck’ voucher scheme in 1970. Provident, as Table 5.1 shows, remained comfortably the larger firm throughout the 1970s but Cattles, in increasing its market share from 7.7% to 10.4% in four years, and having the only other national voucher brand, took a good slice of the business. John Paget and Son Limited (Compass Paget Limited in 1980) in 1955 was still operating solely in Sheffield (MMC: 1981). The company expanded in the late 1950s and began trading in vouchers in 1964 and had achieved almost national coverage by the mid 1970s. Table 5.1 suggests that Provident was starting to lose some of its market share to its two main competitors but this is complicated by the fact that Provident held almost 22% of Cattles’ equity in the mid 1970s. All three companies’ main gains were in fact at the expense of smaller, local providers and it was this concentration in the sector that prompted its referral to the Monopolies and Merger Commission in 1977 (1981).

Table 5.1 The check trading market 1976-79

<i>Calendar year or nearest financial year</i>	1976		1977		1978		1979	
	£m	%	£m	%	£m	%	£m	%
Provident	86.8	66.9	82.0	64.0	86.3	63.9	92.5	65.7
Cattles	10.0	7.7	10.6	8.3	12.5	9.3	14.6	10.4
Paget	6.3	4.9	7.7	6.0	8.3	6.1	9.3	6.6
Total market	129.8	100.0	128.1	100.0	135.0	100.0	140.7	100.0

Source: Department of Trade. Adapted from MMC (1981)

The late boon in check trading proved relatively short-lived. Provident's aspirations to be seen as a 'fireside bank' or 'the smaller man's friendly bank manager' (AR, 1963: 13) seemed to come to fruition with the purchase, 'what could be our most important acquisition', of the People's Bank in December 1970 at the peak of the firm's growth (AR, 1971: 7). The bank was a relatively small operation when Provident purchased it, but the firm initially saw in 'Provident: the People's Bank' the potential for a major branded consolidation and expansion of their activities to offer a 'totally comprehensive range of family and domestic financial services for the whole field of present and potential Provident customers' (AR, 1971, 1972: 4). It never happened. The downturn that began in 1973 saw plans for the incorporation of 'people's bank' in the company name quietly dropped even before losses incurred through unauthorised trading forced the firm to write off £2.84 million in 1974 and to report to shareholders that year that it had 'no pretensions to fringe banking' (1974: 5). In 1975 business writing was reported as more selective, for smaller amounts over shorter periods (AR, 1975). Customer numbers fell from 1.5 million at their 1968 peak, back to 1 million in 1975 and down again to 721,000 in 1979 (MMC, 1981). Market research commissioned in 1975 confirmed a high degree of customer loyalty with 2/3 of customers using the firm for more than five years. The majority of these customers had children and were weekly wage earners aged between 25-44 and living in council houses (AR 1975).

The Annual Report's coverage of the research emphasised the positive, but the survey also revealed a sharp falling off in custom from younger, better-off fractions of the working class.

This failure to capture the interests of the more upwardly mobile fractions of the working class was an early indication that the company's plan to become, through the People's Bank, a more mainstream provider of everyday financial services was perhaps an overreach. The trouble with these aspirant and more affluent groups, as the industrial offices had already discovered, was precisely that they had their sights on the provision offered by ordinary financial services institutions. The specialist service of checks that were 'just like money', or of collection that would allow those of very limited means to save or borrow, bore the indelible marks of not being ordinary, of being, in later parlance, 'subprime'. By the start of the 1980s, checks and vouchers were no longer the magical means to a modern standard of living; they were an increasingly anachronistic mark of financial struggle. These dismal associations were picked up by retailers, more than 5000 of them, some 20 per cent, dropped their agreements with Provident between 1973 and 1979 leaving 19,530 in the scheme, as the proportion of total personal borrowing through checks and vouchers fell to 1.2 per cent in 1978 (MMC, 1981).

While similarly downbeat associations did serious damage to industrial assurance firms in the 1970s and 80s, something rather different happened in the doorstep credit sector. A number of smaller check traders had begun to offer cash loans in the 1960s, Provident joined them in 1972 offering loans through its agents and by the end of the 1970s, all three of the largest companies offered loans through their doorstep agents (MMC, 1981). The cost to customers of using loans was actually significantly higher than vouchers that split the interest and service costs between customers and retailers. As O'Connell (2009: 180) notes, 'the check traders gross margin was divided 70/30 between shopkeeper and customer respectively; once the retailer had paid their discount and the customer had submitted their poundage payment'. This higher cost however did not deter customers eager for hard cash and early home credit loan providers tripled their turnover in the 1960s. Personal loans fast became the core activity for the major check traders with Provident issuing more in loans than vouchers and checks

in 1979 (MMC, 1981). Provident, Cattles and Paget saw their customer numbers increase steadily through the 1970-80s, even as the importance of voucher and check trading diminished, towards an estimated 3 million by the early 1990s (Rowlingson, 1994). O'Connell attributes this growth to the shifts in economic direction and policy in the 1980s which led to higher unemployment and an increase in the number of people living in poverty from 22 to 28 per cent and the changing demographic profile of the UK, particularly the sharp rise in female headed lone-parent families. The result was that rather than expanding by moving into the middle market, Provident and its competitors consolidated their positions and profitability by specialising in an ever more tightly defined 'down' market of 'excluded', 'non-standard' or 'sub-prime' borrowers exacerbated as mainstream service providers responded to the negative equity housing crisis of the 1990s with a 'flight to quality' (O'Connell, 2009; c.f. Burton et al. 2004; Langley, 2008,). The proportion of low-income households using credit was estimated to have risen from 22 to 69 per cent between 1980 and 1989 with half of these being used for everyday subsistence rather than for large purchases. As loans became increasingly used not so much as a means to material ends, but to make ends meet, the companies became ever more profitable through the 1990s as their - never price sensitive - customers, absorbed borrowing costs moving from around 40-50 per cent APR for checks and vouchers in the 1970s, to up to 756 per cent for short term loans in the 1990s (MMC, 1981; Rowlingson, 1994). The sector was not unscathed by the financial crises that began in 2007 but most of the major firms are still trading and a whole new field of rent-to-own retailers and payday lenders, advertising APRs between 1000 and 5853%, has opened up.

¹ See any of McLuhan (2011/1951), Packard (2005/1957), Marcuse (1964), Ewen (1976), Williamson (1978), Haug (1982) or Wernick (1991): authors who disagree on much else but not really this.

² In fact the 1871-4 Royal Commission identified 17 different types of assurance society

³ A parallel debate about children's life insurance took place in America. See Zelizer (1981).

⁴ Central registration was introduced in the 1846 Act to tighten regulatory requirements. This was not entirely successful as many societies were reluctant to comply with requirements to submit their tables for inspection by an actuary. Tid Pratt found that societies avoided registering after 1846 and the number applying for registration dropped from 1500 annually to 215 (Corderey, 2003).

⁵ PAC ARs

⁶ *Prudential Bulletin*, 1921c: 169; 1947: 16

⁷ Heller (2007); Whiteside (1983) Gilbert (1965; 1966)

⁸ Judged by the emphasis placed on the financial services industries' 'discovery' of women customers in the 1980s (Knights & Odih, 1995; Odih, 1999).

⁹ 'What would happen' reply card (1937, PRU) refers to a 20 year term

¹⁰ The Pearl's (1990) own company history dates its 'leap forward' in advertising to the 1950s

¹¹ All figures from PAC Annual Reports, 1937, 1941, 1950, 1952, 1955

¹² Though it is worth noting that the Prudential Corporation Asia, the group's largest and most profitable division, still does a substantial trade in industrial assurance policies. At the time of writing, proposals that might ease the separation of Prudential's Asian, UK and American divisions into three separate entities are being considered

Chapter 6 Epilogue

At the close of the nineteenth century Charles Masterman's essay, *From the Abyss of its Inhabitants by one of Them*, ruminated on the puzzle that the absence of any voice from 'the abyss' of urban poverty would leave future historians. 'What manner of life had been lived there? What motives impelled their continuous striving? What temptations did they wrestle with? What hope sustained them through the unchanging monotonous days?' (1902: 26) were questions he thought might remain forever unanswered. Against all the noisy deliberations of critics, politicians, investigators and other sociologists, the poor were always silent.

Masterman had some claim to expertise on this. Like many of his generation of radicals, reformers and reporters he had spent time in the slums. Unlike most of the others, Masterman spent years living in, not days visiting, a workman's flat in south London (Mason, 1978). The bathetic essay title should not disguise the sincerity and the practicality of his aim to give a voice to the inhabitants of the ghetto. Masterman was not just a writer; he was one of the principal architects of the first piece of legislation to introduce social insurance to Britain. Whatever criticisms have been leveled at the 1911 National Insurance Act (NIA), this was a phenomenal accomplishment. Still to the extent that Masterman is remembered at all, it has often been as a failure, albeit a splendid one¹. The idea that a man who was so very central to the tiny group of politicians and government servants who made the legislative dent in the universe that led directly to the formation of the welfare state should be remembered as a failure of any kind is odd. The main cause of this reputation at the time was Masterman's limitations and ill fortunes as an electoral politician that led in a convoluted way to his losing his vulnerable Bethnal Green seat in 1914.

What happened to Masterman is a matter for historians to debate. My interest throughout this book has been in considering how the task that he set for himself, of giving a voice where there was none, might be achieved. Despite his combination of technical expertise and personal experience, Masterman did not speak for the poor. No matter how long he spent in the slums, the fact that he could leave, the fact that even while he stayed it was with the intellectual resources of a public school

and Cambridge education, meant he could not ever be ‘one of them’. Just how much the NIA was detested, even among those it was designed to help, bears witness to this. Its terms, after all, meant that ‘five-sixths of the British working population who had never paid income tax nor any visible charge to the London government were now confronted with a demand that amounted to about 5% of the average weekly wage’ (Gilbert, 2000: 686). Another indication of the distance between Masterman’s generation of reformers and the people they were trying to help, lay in their bewilderment and scorn at the continued growth of the commercial industrial assurance industry. The eventual admission of insurance offices as approved societies for the administration of the act was a pragmatic acknowledgement that the complexity of the task could not be delivered without their ‘magnificent machinery’. It was not a sign that they understood what the poor were ‘saying’ through their continued presence in a controversial market (c.f. Hirschman, 1970).

Working backwards through the chapters, the conceit throughout has been that a close study of the products, marketing and organisation of the industrial assurance and check trading industries, together with the political atmosphere in which they flourished, provides the best available means of ventriloquizing the silent poor. The industries’ products - the funeral, child, life of another, endowment and life policies, and the checks, vouchers and loans – succeeded for the time that they did, because they put people and things into practical and sentimental relation with each other. By following the paths from product development, to what customers used products for and then back again to redevelopment, modification and innovation, a perspective on how people lived, what material things surrounded them and how their consumption and spending patterns were devised, opens up. Across both industry sectors these innovations were painfully slow and systemically imitative as firms sought to balance their corporate experience with such emerging trends in their customers’ lived experience as they could identify. That this was not a straightforward matter is illustrated by the late histories of the market leaders in each sector. Both the Prudential and the Provident saw in market information, in the former’s case the need, and in the latter’s the opportunity, to reposition their products, but neither managed this in quite the way initially envisaged. The Prudential’s core market among the industrial

working class fell, very slowly, away and the effort to reposition the company as an ordinary mainstream provider was not anything like enough to sustain its once colossal market presence. The Provident's efforts to go mainstream as the People's Bank were also unrealised but with a rather different outcome as the firm began instead to consolidate its share of a 'down' market of 'excluded', 'non-standard' or 'sub-prime' borrowers.

The market information doorstep finance companies used to inform their product strategies was drawn from a wide and opportunistic range of sources. These companies were selling a finance product in a like-for-very-similar exchange that was at a temporal and practical remove from the outcome it was designed to supply. Insurance and credit products are not bought for themselves; they are bought as a means to something else. What that something else might be ranges from deeply seated human, metaphysical drives to manage mortality, loss and decay all the way to a pair of work boots or a washing machine. This meant that companies had to be alert to what their customers wanted their products *for* so that they might better present them as appropriate solutions. To achieve this, companies assembled a marketing architecture that worked to listen in, respond to and repeat customers' conversations. Agents selling products in customers' homes were at the centre of this. They could hear, talk and report back on what their customers were saying. The information gathered was replayed in marketing campaigns starring the idealized, ubiquitous agent – 'the man everyone knows', 'the man you ought to know' – and returned again as agents were deployed to distribute publicity material to their customers and report back on what they thought of it.

This cycle of multiple source repetition must have sometimes seemed like overkill, with campaigns that ran for decades across various media, but it was key. Repetitions and small variations in advertising, publicity and agents' talk worked a bit like ritornellos, the little returns of Baroque music. They became the familiar refrains that helped buyers to recognise and react to sellers' products. Markets may be no different in this particular than anything else if Gabriel Tarde was right to claim that there is 'nothing, absolutely nothing, in society which does not exist, in a state of division and continual repetition, in living beings, or that did not exist in the dead individuals who came before them' (Tarde

in Candea, 2010: 36). These constantly reflected and replayed messages created an atmosphere, a ‘fiery pool’ in Walter Benjamin’s description, of practical and sentimental connections that progressively closed the marketing gap between attention and action.

This was not something that occurred only by chance. It was, to varying extents, part of the orchestrated enterprise of imposing order on a vast and once structurally precarious industry. This precarity had a number of causes but one of the principal ones came from the tension between the vast aggregate scale of the industry and its basis in millions of tiny, weekly transactions conducted in millions of homes by tens of thousands of agents. The charisma of all these individual agents, expressed in their powers to ‘enchant and grasp’, that is, to recruit and retain customers, was necessary but it could not be allowed entirely free reign. The early history of doorstep finance was filled with the notoriety of agents. Poaching, transferring and overselling business, absconding with the cash and holding a contested entitlement to the insurance ‘book’, were all instances of the structural conflict between agents’ and offices’ interests. This conflict was addressed and contained through the development of bureaucratic systems that worked to tame, cultivate and organise charisma. At the same time, these systems addressed the task of reconciling the mass, aggregate scale with its minute origins. Life insurance and credit are both industries whose primary activity is to gather, process and distribute information. Conducted on millions of doorsteps and in advance of automated systems of data processing, this information had to be manually repeated over and over again in the receipt books, agents’ books and district and central office ledgers, which comprised the main equipment of the industries for much of their history. Ensuring the accuracy of all these repetitions involved the development of a magnificent machine and the rules, routines and procedures to operate it.

It was the affordances of this machinery that eventually drew Masterman and his colleagues to admit and then rely upon private insurance offices to achieve the public purposes of the NIA. This was a volte-face that hardly anyone – excepting the offices of course – was comfortable with. It was a step outside of a historical series of governmental attempts to control, curb or compete with commercial insurance and it did not resolve the issue. Throughout the twentieth century government committees

continued, ‘in a fit of absence of mind’ as Bentley Brinkerhoff Gilbert once put it, to examine the industry and tinker with the legislative framework surrounding it, deciding at times to clean it up and at other times, most famously in the Beveridge report, to get rid of it entirely. None of these regulative enterprises changed things in quite the way or to quite the extent that they set out to and none of them succeeded in terminating industrial assurance. The weight of past solutions always bore on alternatives even when the field seemed as clear of landmarks and ripe for revolution as it did in the 1940s. By then, industrial assurance was so deeply knitted into international, national and domestic financial landscapes that even the field clearing effects of the war had not really disturbed it.

The primary sticking point for governments was always that of collection. Collection was what made industrial assurance so expensive and dispensing with it naturally commended itself as the solution to providing affordable protection. The conclusion that the poor should not be paying into such an expensive system, that it was not economically rational for them to do so, was irresistible. Unfortunately, the question of whether or not the poor *should* be paying for collection was probably the wrong one when they already were, had been for a long time since, and in such vast numbers. A better question was why, but that seems seldom to have been asked. Collection took into practical account the lived circumstances of the poor, it connected offices to their policyholders and afforded an easy means of entry, of information, of feedback, of influence and so on – all facilities that government schemes lacked. Through collection, companies maintained a channel that gave them insight into the experience of their customers, to the ways in which they practiced rationalities and economies adapted to their knowledge of their own situations.

Fundamentally, collection was how companies accomplished the work of devising consumption among the poor. Collecting from homes exposed agents to the confounding mixture of reason and sentiment. It allowed access to the ‘very dirt of private fact’, that combination of belief, experience and knowledge that William James (2000: 40) pleaded should be admitted as evidence alongside the best that science and reason could marshal, provided it could be shown to have practical consequences. In the form of a series of organisational devices and ‘devising’ practices, collection allowed the impure

evidence of private fact to be incorporated into products. This conferred a stunning advantage on commercial schemes. If there are no independent variables (Molotch, 2005), if in reason there is always a bit of sentiment, and in sentiment a bit of reason, then the organized, disciplinary vanities that sustain instrumental rationality as the best explanation of human behaviour are just not that useful. To the extent that market providers devise techniques of sweeping up the mess of elements that make up public and private moods then incorporating them in products and marketing platforms that seem already to know all about us, they have the edge over government schemes designed only to appeal to our reason. This is not an anachronistic problem. The health insurance exchanges devised in the US to deliver the 2010 Patient Protection and Affordable Care Act that are currently striving to recruit enough healthy young men to create a sustainable pool of risk know precisely how much appeal matters.

Not that it's easy, even for providers with robust sensors. Collecting agents were immersed in all the mechanical, human contrivances that the term 'devising' summons. Through their organised encounters with customers they rendered a colossal amount of data, of quantitative and qualitative kinds, into processable, analysable forms. This basic structure managed the devising of consumption for almost 150 years but it was still not a permanent solution. Even with continual interference, modification, recalibration and invention all things fail in the end, sellers lose their way to buyers and markets collapse. The industrial assurance and home credit industries discovered, sometime around the 1970s, that the collection mechanism itself triggered 'certain definite inhibitions' among their ordinary, better-to-do customers. Insurance offices tried to abandon collection and both sectors diversified, consolidated and expanded product ranges but none of this was enough to remove the pallor of a history trading in subsistence finance. This, acting together with the series of regulatory measures and the restructuring of the financial services industries that began in earnest in the 1980s, proved fatal for collected insurance and for most of the companies trading in it. It had different consequences for the home credit industry, which responded by defining a new 'down' market of 'excluded', 'non-standard' or 'sub-prime' borrowers just as mainstream service providers reinforced their 'flight to quality'.

Industrial assurance is now a dead sector in the rich democracies where it began (though not everywhere else). Its once omnipresent agents, practices and artefacts are being rapidly forgotten and much of its remaining assets are simply waiting in zombie life funds for the final claims to be paid out sometime in the 2040s. The traces however of an industry founded on the despairs and hopes of the poor are knitted everywhere into the built landscape, into the infrastructures of global finance and the histories of private and social welfare regulation and health care systems. Some of these traces can be easily seen in the ghost signs and grand hotels that were once head offices² but many are much harder to identify. Following the money from the pockets of labourers to the building of city institutions and the partial funding of two world wars is not easy but those pathways were taken. Following it further would expose how companies in the two sectors began in the 1960s to own parts of their competitors, and parts of each other, as insurance companies bought shares in home credit companies and the other way around, and as holding companies were formed, consolidated, merged and demerged. All this makes it very difficult to work out what is what, where any of it came from and where it is now.

Trying to describe what had happened to the body of church, to the body of society, in the late medieval world, William of Baskerville tells his novice Adso in Umberto Eco's novel:

Imagine a river, wide and majestic, which flows for miles and miles between strong embankments, where the land is firm. At a certain point, the river out of weariness, because its flow has taken up too much time and too much space, because it is approaching the sea, which annihilates all rivers in itself, no longer knows what it is, loses its identity. It becomes its own delta. A major branch may remain, but many break off from it in every direction, and some flow together again, into one another, and you can't tell what begets what, and sometimes you can't tell what is still river and what is already sea... (2004: 189)

William was anticipating, without any certainty, that the spread of enlightenment and scientific discovery would reform the church, like the purification of the sea would transform the river. The result would be a new, modern assembly in which simple people would have the knowledge and information to make better judgements. The sea, as science did discover though, does not purify, it carries still within it all the mess; the oil, sewage and toxins, that pour in. We never finally became quite

the moderns that William and Adso were awaiting. They were imagining a future in which the management of human affairs would draw the senses and sensibilities of the individual and the reasoning and rationality of science into a common assembly. This is what William James was after too, but it is bewilderingly hard to design or legislate into being. When such a magnificent machine does emerge it is often the result of a long series of accidents, compromises and absences of mind and it may not have the features, effects or consequences that many would choose. The hundreds of millions of tiny domestic transactions, the reasons and sentiments that motivated them gave rise to the aggregate scale of an industry that persisted because it did offer a means of managing human affairs by drawing in individuals.

¹ He was the first subject of a biographical series of 'Splendid Failures' published in the *Daily Express* (12 December 1926: 12) and this title was adopted for one only two biographies of his life (See Gilbert, 2000). Masterman wasn't alone in this; of his collaborators on Part 1 of the NIA, Braithwaite's career ended in disappointment and Lloyd George's legacy is complicated by scandal. The main protagonists of Part 2, which dealt with unemployment insurance, Winston Churchill and William Beveridge, fared better.

² Refuge Assurance, Manchester is now the Palace Hotel; the Pearl's High Holborn headquarters in London is now the Chancery Court Hotel but there are many others.

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BOD	Bodleian Library, Oxford
BPP	British Parliamentary Papers
HCD	House of Commons Debate
LSE	London School of Economics archive collection
NAS	National Archives of Scotland, Register House, Edinburgh
PAC	Prudential Assurance Company Limited
PCS	Provident Clothing and Supply Company Ltd
PFG	Provident Financial Group
PRU	Prudential Archive, Holborn Bars, London
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