THE PRACTICAL HEART OF MARKETS

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> To men thoroughly imbued with this matter of fact habit of mind the laws and theorems of economics, and of the other sciences that treat of the normal course of things, have a character of "unreality" and futility that bars out any serious interest in their discussion. The laws and theorems are "unreal" to them because they are not to be apprehended in the terms which these men make use of in handling the facts with which they are perforce habitually occupied (Veblen, 1898: 397).

By addressing the 'practical heart' of markets, my aim in this article is to explore the way markets carry on despite the peculiar, mathematically limited and opportunistically versatile, character of human calculation. The abstract theorems of economics may be unreal to practical 'men' but the curious thing is they calculate still. In any social world there are vast unknowns compensated by routine, practice and habit, but also by faith, piety and fundamentalisms of all sorts, including religious, market and even liberal secular (see Block, 2010; Thompson, 2006). Viewed from a pragmatist perspective, knowledge is always partial, always shifting and always social. An admission of deficits, of course, is not the same as an admission of complete ignorance. While critics from Thorstein Veblen (1898) through J.K. Galbraith (1954/1975; 1958) to Mark Granovetter (1985) and the 2001 Nobel prize winner Joseph Stiglitz, have lined up to dismiss even the possibility of the perfect information stipulated in neoclassical models of exchange, no-one is claiming that markets run on nothing. So if it's not perfect information what is driving market calculation? Michel Callon's influential solution was to propose that the sociological impulse to add a 'little more soul' to the economic agent be resisted in favour of research into how 'framed, formatted and equipped with prostheses' human beings nevertheless calculate (1998: 51).

In the ensuing decade and some, a plethora of research, into financial markets especially,[1] has endeavoured to do just that. This research has lucidly demonstrated the performative range of market tools, technologies and techniques in creating the conditions of possibility for particular forms of market action. And yet, with all the emphasis on the material practices of calculation, something of the mundane, practical heart of consumer market calculation escapes largely unexplored in this corpus.[2]

Economic sociology has had its primary answer to what this something is for decades; at least since the 'Parsonian' pact that made economies the business of economists and the social the business of sociologists. Callon's (1998) exasperation with the sociological effort to demonstrate the social 'embeddedness' of economic agents derived not so much from a disagreement that economic action was also social, but from a frustration with the failure of sociologists to grasp how action nevertheless sometimes became economic. Of course, economic agents are also social but the challenge, Callon insisted, lies in examining how the social is temporarily set aside in the framing of market transactions, and how equipment and rules are adopted which enable calculation to take place. If sociologists are to understand how this happens, and what consequences ensue, they have to do more than object that economic actors also have social ties.

Callon's intervention has since altered the way many sociologists, in Europe in particular, approach markets. It has cross-fertilised a much broader empirical turn and reinvigorated the study of material practices[3]. The result has been much better descriptions of what is going on, at least in some sorts of market, and a much better understanding of the way

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1 There isn't the space here to do this research justice but for useful overviews see Mackenzie, Millo and Sui (2007) Pryke and du Gay (2007) Pinch and Swedberg (2008), Langley (2010).

2 'Underexplored' might be more accurate. Callon and Muniesa's (2005:1232) discussion of how intuition, judgement and mathematics coincide in calculation clearly acknowledges these connections while the work of people like Franck Cochoy (2010; 2008; 2007; 2005) and Catherine Grandclement (2005; 2008) endeavors to unravel the practical micro calculations of everyday consumption.

3 I use the term sociologists very broadly, the turn to science and techniques in the social sciences and the humanities is not really confined to any particular discipline. Many in the academy, it should also be noted are hostile to this turn and many, especially in economics, are oblivious to it.

tools, techniques, formulae and equipment combine to produce particular forms of action. This result, however, has not exactly settled questions about the social content, still less the social consequences, of markets. Some critics are unconvinced by the claim that the social can be framed out, even temporarily and partially, from market transactions while others are disappointed by the critical potential of a solution that invokes an associative rather than a humanist definition of the social. These are not issues that will easily be resolved but in this short article I want to follow through what allowing for the sentimental as a component rather than a contaminant of economic calculation suggests about the relation between the social and markets more broadly.

It may be widely accepted that economic calculation is not exclusively mathematical but there is work to be done yet to determine what non-mathematical calculation involves, especially in consumer markets. Part of the answer is undoubtedly ‘the social’ but on its own that’s not much of an answer. The genius of the way sociologists like Latour (2005), Callon (1998, 2007) and their many collaborators have problematised ‘the social’ lies in exposing how little the term means when stripped of any context and yet how much it is made to carry. From this perspective all that can be reliably said is that the social refers to networks of association and relations and that - if this definition is accepted - explains very little about the content of market calculation. This is not the dead-end it might seem. Instead of looking for how ‘the social’ gets into markets or how markets affect ‘the social’, attention is directed to the ways particular sorts of social relations are made and remade in market contexts. Practically, legally, formally and informally, social relations are carried out in markets and this bears on consumer calculation in ways that are poorly understood.

In the remainder of the paper I try and make sense of how calculation works by, first, reviewing briefly how the character and limits of markets have been understood historically and, second, by looking at a case study of a form of life insurance that was designed to fulfil intimate obligations between the poor, their dead and their children. This product, industrial life assurance,[4] both foregrounds the perplexities encountered in trying to

4 While a technical distinction can be made between ‘assurance’ and ‘insurance’, in practice the terms were used interchangeably in Britain with ‘life assurance’ usually adopted as the preferred term by most commercial offices.

define and maintain an ‘outside’ to markets and demonstrates the practical heart of market calculation. Markets for industrial assurance depended on the ability of companies to work with, negotiate and refashion social ties in a business founded on the inescapable connectedness of love and money.

What Gets Into Market Calculation?

At their core markets necessarily involve a contest of powers, levelling motivations to sell against motivations to buy, with different resources on both sides. If this process of exchange is not to degenerate into a violent and bloody contest, as philosophical historians have explained, rules, norms and regulations had to be developed. Thus David Hume regarded a system of property as creating the first requirement for a system of justice; while Thomas Hobbes agreed the necessity of designing strong governmental systems to reign in the irrationality and impulsiveness that had lead to the protracted and bloody civil wars of the eighteenth century (Saunders, 1997). Philosophical and governmental arguments in favour of free market capitalism ‘before’ its triumph grew initially from this same imperative to engineer a more palatable alternative to the unbridled pursuit of the passions (Hirschmann 1977; Poovey, 1998). This alternative involved the deliberate cultivation of market-based self-interest as a pacific, moral strategy. Today the very idea that free markets might be moral in their constitution sounds odd to many ears because the customary critique of markets as immoral, or at best morally neutral, has such a strong hold. But, since fine intentions are a long way from desirable consequences, recognising a moral strategy in free market modes of allocation does not exhaust the ways in which the relations between moralities, politics and markets can be thought.

One of the most persistent currents in critical thinking about consequences in a world ‘after’ the triumph of free market capitalism involves defining what should best be kept ‘outside’ of markets, defining in which particulars Adam Smith’s (1776) universal human propensity to ‘truck, barter and exchange’ is best reigned in. Life assurance is a prime example of a business that activates these kinds of questions by introducing commercial considerations where many have felt they have no proper place. Human life, as theologians and sociologists have generally agreed, is sacred and incommensurable and should never be made the object of commerce or subjected to calculating logics. Cases which trigger prohibitions, as Vivianna Zelizer's work (2005; 1981; 1979) demonstrates, are also fertile ground for examining how what is, and what is not, the proper terrain for economies and markets is established. In *The Purchase of Intimacy* (2005) for instance, Zelizer charts the coexistence of the belief that economy and intimacy corrupt each other, with an enduring tendency for them to mingle in practice. The practical mixings of money and love may provoke discomfort, but the boundaries and separations erected between 'economic' and 'intimate' territories are not the product of a doomed refusal to accept the reality of the situation. Instead, Zelizer sees the advocacy of separate spheres as an enterprise in governing the adverse effects of any interaction. This enterprise draws people into what she calls 'relational work' to establish, maintain and reshape differentiated social ties by means of which the boundaries, transactions and media of intimacy are made distinguishable from those of economy. From the giving of diamond rings to the exchange of 'earmarked' money; tokens and media are used in ways meant to mark the particular meanings of distinct forms of transaction.

These forms of relational work surround and pervade markets. Patterns of belief and practice circulate which are designed to divide market relations and practices from other dimensions of human association. Accordingly, market forms of relation are generally deemed most appropriate where social forms of relation are not. Market transactions involve profit, are of limited duration and impose no obligations for further contact leaving buyer and seller 'quits'; while social transactions are expected to involve no profit, to endure for unspecified periods, and entail reciprocal obligations on participants. If the social is characterised by ties, markets are characterised by the dissolution, the alienation of ties between people and between people and exchanged objects.

The Development of Markets for Life Insurance

Social ties – both weak and strong – are necessary to the everyday functioning of markets. Not only do they get into markets, they are an unavoidable and necessary part of the action. In the case of life assurance they are a fundamental part of what the business is for. The widespread censure against introducing profane logics into the management of sacred and intimate relations caused the nascent British industry of the eighteenth and nineteenth centuries a bit of trouble but ultimately not that much. After all, one of the founding motives of the first life offices was to develop a means of providing security for the wives and dependents of Anglican ministry. This could be, and was, relatively easily defended as a benevolent enterprise but the same could not so readily be said of the first truly mass-market form of life assurance. Industrial life assurance was targeted directly at the poor and initially provided for burial insurance in the main. In its design and in its means and mode of operation, industrial assurance was controversial from the first; further testing the legal and practical limits of what remains sensitive ground.

Despite its heavily trumpeted grounding in the objective certainties of actuarial calculation, life assurance remains resolutely a technique for managing intensely human, intensely social ties. These ties are not introduced into insurance as promotional afterthoughts but are the core of a business that exists only *because* personal intimate attachments exist. These attachments can take a variety of forms, they may be based on love or duty or dependence or a mixture of them all, but life insurance always works in some way to protect against, or compensate, their loss (see also Tytler, 2007). Yet the perceived profanity of the product's design has not been the only, or perhaps even the main, reason for the controversies encountered by the industry. In Britain, much of the industry's early notoriety derived from the speculative, unsafe, sometimes explicitly corrupt, principles adopted by a number of offices. In the boom decades of the middle century, as many as 50 new companies sprung up each decade but only a small percentage of them lasted for more than 15 years (Alborn, 2009). Such public and spectacular collapses meant that insurance was not infrequently a target for legislative reform (McFall, 2010) and this was especially the case when it came to those forms of life assurance targeted at lower income groups. In the first place, companies specialising in low-income insurance were amongst the most notable early failures but more importantly, when it came to the poor, a number of additional sensitivities were broached about what it was they insured for and how the business was conducted.

These sensitivities derived, in one way and another, from concerns about the capacity of the poor to sustain proper familial and social feeling and conduct alongside market relations. By the middle of the nineteenth century the market for life assurance was solidly concentrated in the middle and upper classes but the prospect of applying insurance techniques to foster thrift and offer some protection to the lower classes was being considered both as a governmental strategy and as a commercial opportunity. With a business model that relied on offsetting high administrative costs with minimum policy amounts and annual premium instalments, 'ordinary'[5] commercial life assurance was beyond the reach of poorer customers (Alborn, 2009). But this was not the only problem. Adapting a technically complex, expensive and deferred reward product to meet the needs of those struggling for bare daily subsistence was beyond the scope of the established companies. Further, if ordinary life assurance troubled sacred/profane boundaries, life assurance for the poor was even more disquieting.

The reasons for this additional disquiet vary but they share some common cause - if the market was thought to disrupt social ties generally, such disruption would have grievous effects on the poor. The poor were considered in many quarters as in the greatest need of protection from the mid-century boom in new and speculative insurance enterprises. Protecting the poor was certainly part of Gladstone's motivation in the design of the 1865 Government Annuities Act. By the early 1860s a new generation of 'industrial' companies, including the Prudential, Refuge Assurance and the Pearl, had begun to offer insurance on a design incorporating small weekly collection of 'penny a week' premiums. These new companies competed alongside Friendly Societies, burial clubs and a variety of other offices to offer insurance and savings provision to the poor. Amongst these offices, a combination of poor management, inadequate accounting and actuarial pricing as well as deliberate fraud had led to numerous failures and a protracted public debate about how best to 'offer facilities for the increase and extension of frugal habits among the industrious classes' (Gladstone in Dennett, 1998: 59; McFall, 2010). Gladstone's Act introduced a state run fully contributory insurance scheme under which premiums towards sums assured between £20 and £100 could be paid direct to post offices.

The industrial offices may not have been Gladstone's immediate targets but they nevertheless energetically resisted the scheme, forcing the lower ceiling on annual sums assured to be raised from £5 to £20 and thus

5 'Ordinary' became the term for life assurance based on remitted annual premiums as distinct from 'industrial' based on collected weekly premiums.

effectively ring-fencing their control of the lower end of the market.[6] This surely hampered the scheme, but flaws in the design meant the scheme's eventual 'complete and colossal failure', was always predictable.[7] Collection based systems are extraordinarily expensive and, while dispensing with collection meant the post office could offer far better returns, there was an almost unbridgeable disconnection between a system of voluntary deposit and the lived circumstances of the poor. The scheme was only available in selected post offices making travel during working hours essential; it required a chargeable medical examination and the completion of lengthy and professionally witnessed paperwork (Wilson and Levy, 1937; Morrah, 1955). In these particulars the scheme enshrined in its administrative design guileless assumptions about prospective customers' levels of solvency, self-discipline, literacy and organization making it an early example of what Harvey Molotch has described as the failure of state provisioning systems to grasp the first principles of commercial industrial design.[8]

Gladstone's scheme, like subsequent attempts to reform or replace industrial life assurance,[9] was marked by a benign patrician detachment from lives as lived and a paternalism that ranked commercial forms of provision as least appropriate in cases of direst need. If the rich and middling classes could take their chances in a market economy, the poor were not so equipped and would be better served by traditional forms of social reciprocity. Collectivist institutions like Friendly Societies certainly offered a neat fit with the voluntaristic, self-help ethos of Victorian liberalism and it largely remained the case until the last quarter of the nineteenth century that the poor put their savings, where they saved at all, in institutions like savings banks, friendly societies and burial clubs. But such institutions fell far short of offering the kind of general provision against sickness, accident or premature death that had

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6 According to 1874 Northcote commission, see Johnson (1985: 34-6).

7 As described in Sydney Webb's (later Lord Passfield) report on Industrial Assurance published as a supplement to the New Statesman and known as the Passfield Report. Damningly. as gloated in a 1944 Industrial Life Offices pamphlet, the Post Office scheme issued fewer contracts in its 60 year history than any one of the main industrial offices issued in one week.

8 Molotch used the term 'groovy like the market' to describe this problem at International Sociological Association world forum in Barcelona (2008); Molotch (2005) offers further discussion of the importance of design.

9 There were numerous later attempts at legislation see McFall (2010).

begun, with the design of the first socialized insurance schemes in France and Germany towards the end of the century, to be recognised as socially necessary.[10] Despite reaching a membership estimated at between 4 and 6 million by the 1870s (Weinbren, 2006), friendly societies were not a universal form of provision. They catered for the regularly employed, skilled, respectable working classes, not for the poorest, and many societies made exacting behavioural demands on their members in relation to church and meeting attendance and sobriety. They also, as mentioned above, struggled throughout the nineteenth century to achieve reasonable standards of accounting, management and solvency. But the most delicate issue of all concerned what it was that the poor most wanted to save for.

The Poor, their Dead and their Children

Industrial life assurance grew out of working-class demand for a decent burial. In the first half of the century this demand was met mainly through friendly societies and burial clubs but these were steadily eclipsed in the last half of the century by industrial offices[11] which held 30 million active policies between them by 1910. There may have been a ready market but burial assurance was a fraught business all the same. It was driven by the horrors of the pauper's funeral where the bodies of the poor were 'mingled helter skelter ... three coffins wide, twelve deep' (Laqueur, 1983: 116) in multiple graves. The poor, according to contemporary accounts, were willing to 'well nigh starve'[12] to avoid such an end and it is clear that the cost of funerals was high enough to cause considerable privation. Johnson (1985) estimates the basic cost of an adult funeral between 1870 and 1937 as ranging from 7 to 9 times an unskilled workers' weekly earnings, with the flowers, headstones and

10 See Donzelot (1988), Lengwiler (2010) for more on socialised insurance schemes in Europe.

11 The term offices refers to the combination of industrial companies and collecting friendly societies. The latter effectively operated on a model much closer to companies than friendly societies proper but were technically registered as societies under the 1896 Friendly Societies Act

12 In Wilson and Levy, 1937; p133, Booth's 1882 survey has even the poorest families putting away 3 ½ d. per week (see Gilbert, 1966) while Rowntree's 1936 survey of 267 families living below the poverty line shows between 5-20% of income spent on life insurance (See Johnson, 1985: 45).

mourning clothes all additional costs. As degrading an end as a pauper's grave was, it does not explain just how much funerals mattered and how this shaped the funeral insurance business. In the same way that people now work to pay for houses or holidays, 'to decorate' as Molotch (2005) puts it, funerals were what the poor worked for - as one member of a West country friendly society 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). The funeral, Laqueur remarks, was the final marker of social place.

> For the same reasons that the well-appointed funerals of the wealthy and prominent came to signify their pre-eminent position in society, the ignominious funerals of the poor came to signify the opposite - their absolute exclusion from the social body. … Funerals thus became the ritual occasions for definitively marking social place, and the imaginative vehicle for contemplating one's ultimate fate in the public eye (1983: 109).

This marking did not just separate the rich from the poor but was minutely detailed. The various trappings – professional mourners, carriages, horses, caskets, headstones etc. – all functioned as intelligible markers of social distinction. Funerals were spectacles of consumption across the classes but, while the extravagances of the very rich need concern no-one, conspicuous display by the poor was a matter of public concern. That so much of working-class thrift was devoted to funding this final festival was seen by a series of politicians, legislators and reformers as ill-advised and warranting regulation. Opinion ranged from those who regarded the working classes as needing the form of protection from unscrupulous insurers 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.[13] Two particular regulative issues - the so-called 'life of another' policies on which industrial assurance was largely based and child life insurance – recurred at intervals throughout the seventy years or so of funeral insurance's peak. Both these issues concerned how insurance intervened in the social and familial relations of the insured and how the perceived risks of that intervention could be managed.

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13 Johnson (1993) makes a compelling case for the class bias against the poor in the legal framework of Victorian England.

Illustrating again the formative connection between insurance and intimate ties, the Life Assurance Act of 1774 had required that an 'insurable interest' be proven to exist before a life assurance policy could be taken out on the 'life of another'. 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 well established in ordinary life assurance in the nineteenth century but was openly disregarded in industrial assurance practice. The reasons for this lay with the small sums involved and a recognition that relatives who, while they have no insurable interest, may still reasonably claim to incur expenses in providing for a funeral. By the end of the century, a good proportion of the industrial policies in place were 'life of another' policies effected by relatives of the insured. These policies were not formally legal until the 1909 Assurance Companies Act retrospectively recognised them and permitted insurance for limited sums on the lives of parents, grandparents, grandchildren, and brothers and sisters.

Despite the 1909 Act, insurance upon the 'life of another' continued to tread on delicate grounds. The 1909 Act had legalised even those policies enacted by distant relatives provided the policyholder believed at the time of the insurance that s/he would incur funeral expenses. But this left unresolved a whole host of issues related to enforcement, the definition of expenses and the extent of permissible relations. It was not clear how what was believed by policyholders could be ascertained; it was not clear whether funeral expenses meant only the direct costs of burial or indirect expenses like mourning clothes and travel; it was also not entirely clear which relations were permissible or even how the relations between policyholders and the assured were to be established. Perhaps most importantly of all, it was not clear whether the grounds on which the exception to the insurable interest clause was granted - the reasonable desire to provide for a decent burial - could be safely demonstrated as the usual outcome of the policy. An aged person might have had multiple relatives legitimately holding insurance policies on their life but there was nothing to guarantee that the same 'over-insured' person would finally have the policy sums devoted to expenses associated with their send-off. As a witness to the 1933 Cohen committee noted, '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' (in *Hansard*, 1944).

That these policies could be effected without even the consent of the person whose life was assured made matters worse, but, as the persistence of the debate through the 1920 *Parmoor Report*, the 1933 *Cohen Report* and the 1942 *Beveridge Report* and further attempts at regulation in the 1923 *Industrial Assurance Act* and subsequent enactments in 1929 and 1940 suggests, the commerce in 'life of another' policies proved extremely resistant to regulation. The conditions imposed by the 1909 and subsequent enactments were largely unenforceable in part because the practice of life assurance was so intricately bound up with intimate, familial ties. In this, the regulators of British life assurance encountered the same sort of difficulties in disentangling commercial and intimate relations that Zelizer (2007) remarks of the American judicial system.

These entanglements are at their most sensitive in the case of one particular sort of 'life of another' policy – child life assurance. Policies on children's lives had been effected in Britain throughout the nineteenth century, initially in friendly societies and burial clubs and, later in the century, in industrial offices. In America, children's life insurance took off with the arrival of industrial insurance there in the 1870s. The scale of children's life assurance is less surprising, given an era when child mortality was high and funerals were of such consequence. But if 'life of another' policies were considered potentially morally hazardous, child life assurance was often regarded as actually dangerous. The regulation of child insurance, according to Johnson (1993: 154), was driven by value judgements about the 'latent beastliness' of the working classes who required only the smallest financial inducement to infanticide. Johnson describes a series of mid nineteenth century restrictions on children's life insurance that limited the amounts and ages at which children might be insured in friendly societies. This culminated in the explicit claim made to the Royal Commission on Friendly Societies in the 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).

The debate was given extra heat by the involvement of newly formed 'child saver' societies like the Society for the Prevention of Cruelty to Children (SPCC) in Britain and equivalents in America (Johnson, 1993; Zelizer, 1981). Benjamin Waugh, the director of the SPCC, published pamphlets and gave testimony to the Select Committee on Friendly Societies on the incentive to child neglect and the 'child blood' spilt by the industry. Despite a protracted debate, played out in various parliamentary committees, the popular press and the letters page of the *British Medical Journal*, little firm evidence in support of such claims was produced. This did not prevent a succession of witnesses maintaining that very little financial reward was needed to induce wilful neglect (Johnson, 1993; *British Medical Journal*, 1891). A parallel furore accompanied the growth of industrial insurance in America:

> Newspapers across the nation carried sensational articles on the dangers of making a child's death profitable. The Trenton True American, for instance, suggested that children's insurance be declared invalid as a "dangerous incentive to murder": "It is not only the inducement which inhuman parents ... find in insurance on their children to ill-treat them or put them out of the way, but it is the tendency to cause them to neglect their children in their sickness and ... the demoralizing effect produced by parents speculating on the lives of their children" (March 26, 1878) (Zelizer, 1981, p1042).

The claim that the poor would dispatch their children for the price of a few drinks has a note of hysteria in it, and it is undoubtedly bound up with broader changes in the valuation of children, towards what Zelizer (1981) calls their 'sacralization'. The debate was stoked by the difficulty of producing definitive causal evidence which could track patterns across volatile infant mortality rates, imperfect registration of births and deaths, millions of insurance policies, shifting restrictions on ages and sums assured, multiple policies and policy lapses. This imperfect knowledge left the Scottish Society for the Prevention of Cruelty to Children (SSPCC) to conclude 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' that 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' (SSPCC, GD409/29/1; NAS). Such base motives had to be legislated against, but the Society concluded nevertheless that an 1890 bill proposing that any sums payable on the death of young children should be handed direct to the undertaker was ill-judged and unworkable.

Now the Scottish Society, unlike its English counterpart, was distinguished by a director who was also manager of the Scottish

Amicable Life Assurance Society and a vice president who served as a director of the same insurance society. The SSPCC thus had some plural interests and its testimony to the House of Lords committee does bear traces of a desire to defend the industry. Alongside this defence, a more informed, technical understanding of the business and its customers than that shown by some witnesses is also evident. Paying direct to undertakers, the SSPCC 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 too did undertakers' charges.

> 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 (SSPCC, GD409/29/1; 1890, NAS).

What the SSPCC's testimony shows is a working understanding of the intricate commerce between insurance and the social and familial ties of the poor. There were the finest of distinctions between how poor families managed funerals related to their position, income, expenditure, values and experience among other things. It was in large part through a growing capacity to recognise and negotiate through the elaborate knots of such individual, familial and social distinctions that the success of industrial assurance was based. In this sense privatised market forms of insurance developed because of their sensitivity to, rather than their triumph over, the social relations of their customers.

The Practical Heart of Calculation: Concluding Comments

In the background of captation and its possible substitutes, one can discern the will to encircle, to surround, to enrol, to deflect, to catch, to include or to seduce users, clients, consumers, in short, all the likely actors from whom money can be made by captation, but a *priori* outside their control. From this point of view, and amongst all the synonyms, seduction is doubtless one of the best, to the extent that this word designates the affective, symbolic and cultural mechanisms in the process, beyond rational forms of gain, while placing the emphasis on the 'deviation from the path', on the deviation inherent in this kind of operation (Cochoy, 2007: 205).

One of the most striking things about industrial assurance is the way it captured and captivated the market. This capture, or more precisely, 'captation' in Cochoy's (2007) sense, persisted for well over a century after the Prudential opened in 1848 and led to almost 70 million extant policies at the industry's peak in Britain in the 1940s. It took place even though there were many clear reasons why it shouldn't have. Insurance is a peculiar product, neither an obvious necessity nor an object of strong gratification or desire. A version targeted at the poor might have been expected to be a tougher proposition than ordinary life insurance, which had built its market in Britain very, very slowly. Premiums for industrial assurance were relatively small but they were still estimated to account for anything up to twenty per cent of income.[14] Added to this, industrial assurance offered its customers a notoriously poor return on investment, with an administrative expense ratio three times as high as that in ordinary companies, resulting in up to half the premium being devoted to meeting such expenses. Given that customers could have deposited the same sum for a better return in a savings bank, as a purely arithmetical calculation, industrial assurance makes almost no sense.

The suggestion here, however, is that consumer market calculations are rarely, if ever, purely arithmetical. They rather involve the subtlest of algebras where an array of values, sums and possibilities are substituted and weighed against one another. Industrial policyholders might have calculated their policy return against that offered by a weekly trip to the bank but, even if they did, the sums would not be commensurate since travelling to the bank incurs costs that handing a penny to the collecting agent doesn't. More distorting, the insurance policy contains a magic trick that the bank cannot match, since the 'if…then' structure of 'life of another' policies means a disproportionate return should the 'other' die early in the life of the policy. The controversy of industrial life was partly occasioned by the unmanageable hazard proposed by these 'other'

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14 See note 12.

relations. Who were these others? Who were they in relation to the policyholder? These were questions germane to determining moral hazard but, legally and practically, they defied the administrative capacities of insurance regulators.

Further, if the close family resemblance between insurance and gambling complicates the calculation, other family relations make it harder still. Policies grant immediate cover, securing those precarious related lives in a context of high mortality at least a dignified send-off. The child savers' notion that industrial assurance policyholders, *en masse*, calculated the costs of cover in hard numbers is plainly untenable. While some were undoubtedly 'quids-in' when a distant relative died in the early days of a 'life of another' policy, for others the death of a child was a realistic horror that the absence of insurance cover, given the shame of an improper funeral, could only make that bit worse. The industrial life assurance calculation thus drew together a delicate mixture of numbers and costs, duty and love, dependence and obligation. The market flourished when all these different elements came together, 'lashed-up' or 'agenced'[15] in just the right way to make industrial assurance the fitting solution to some of the problems associated with poverty, high mortality and the symbolic significance of funerals.

Something intrinsically puzzling remains about how precisely such combinations of problems find solutions in a given product or service. Industrial assurance markets may have grown out of strong social, familial ties and the willingness of people to pay to mark them symbolically in funerals, but neither of these factors necessarily pointed to industrial assurance as the answer. Industrial assurance became the best answer because it came in a form adapted and adaptable to the practicalities and the sentiments of poor communities. Weekly collection by agents, who were generally recruited directly from the communities and trained as inoffensive yet trustworthy 'good, average men', became a very practical marketing device with certain crucial affordances.[16] Collecting meant that the expense of the product could be offset by the

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15 The key thing here is the stabilisation of market forms, products or services through the dynamic articulation of a range of elements at a particular moment in history. McFall (2009) considers these intersections as an 'agencement'; Molotch (2005) seems to be driving at something similar in his use of the term 'lash-up'.

16 See McFall (2011; 2009) for an extended discussion of the role of agents in the industrial assurance market.

tiny, regularity of the contributions, but it also meant that the premium could be secured before other demands, for food, clothing or other distractions took over. Collecting also meant that industrial offices had a foothold in their customers' houses and neighbourhoods. The significance of this should not be underrated. Through the device of collection, agents were not only better placed to know and sell according to the relations and circumstances of their customers but they themselves were better placed in relation to their customers. Collecting agents engaged in 'relational work' that helped inspire patterns of brand loyalty that worked across families, and across neighbourhoods where the call of the agent became a mark of respectability and, even in some cases, across generations. This relational work operated at the practical heart of market calculation as it offered a means of incorporating social and sentimental ties into commercial insurance contracts.

There was nothing pre-ordained in the story of industrial assurance – the offices succeeded to the extent that they were able to fit with existing, and react to changes in, the habits, desires and sensibilities of their customers. Commercial insurance had long acted like a laboratory testing new combinations of elements - statistics and love, profit and duty, markets and loyalty – but in the industrial version the method of collecting agency made for a strange but robust compound. This article began with a review of some of the delicacies and intimacies that this compound involves. Insurance depends on awkward combinations of the technical and the intimate, the sacred and profane but, when targeted at the poor, commercial insurance significantly raises the stakes. As the history of funeral, 'life-of-another' and child insurance policies shows, industrial assurance provoked sustained, almost neurotic, anxiety about the capacity of the poor to sustain proper familial feeling against the onslaught of market relations. Still it was sometimes the market actors themselves who demonstrated the best informed and most measured understanding of the relationship between the demand for burial insurance and social and familial relations. That marketised insurance offered a product widely preferred to the forms of provision offered in 'more traditional' social associations like friendly societies and burial clubs or in socialised government schemes can be read as evidence that markets dismantle the institutions and practices that protect the poor. This, however, does not explain the failures of traditional forms or government schemes to develop designs adapted to the practicalities of working lives nor does it account for the continued centrality of social relations in market activity. Understanding the 'realities' of this market activity means understanding that market calculation has a practical heart in which social relations form a shifting but integral part of the algebra.

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