Chapter 4 gave an insight into how the state behaved towards self-governed benefit societies; this chapter now turns to the question of how friendly societies and Hilfskassen reacted to state action, namely the projected nationalisation of health insurance. It argues that state intervention in the field of social policy brought about collective action on the part of private funds that were initially isolated from each other. This can be understood as a process of politicisation, for one has to assume that members of the privately organised funds did not welcome these public plans for a number of different reasons. First of all, their long-standing experience in the field and hence the established body of institutions, alongside the achieved degree of professionalisation and the acquired knowledge in the field makes it likely that the involved persons disapproved of such a transfer of competences. On the whole, state schemes not only ran contrary to the institutions’ vested interests – above all, their interest to perpetuate – but also contradicted the social ideas of these voluntary associations (Ritter 1991; Cordery 2003: 87). Therefore, it can be assumed that these long-lived institutions were loath to surrender their prerogatives.

However, in the face of the countless benefit funds that collapsed due to illiquidity or internal quarrels discrediting workers’ self-help, many workers were brought closer to public solutions. The following two sections shed light on the development of public health insurance from the perspective of workers’ insurance funds. State-centred theories in welfare state research lack this perspective and therefore often miss important impulses and innovations stemming from a non-state sphere. As our two cases show, the structure, experience and administration of voluntary organisations, as well as of other existing funds, proved to be a useful blueprint for public authorities. Whereas this chapter considers...
friendly societies and German sick clubs as collective actors that represent common interests and aim to have a say in politics, Chapter 6 further disaggregates the actor’s level and sheds light on single motives and interests alluding to questions of solidarity expressed in the debates revolving around the legislation.

**Mobilisation: The case of German benefit societies**

In the German Empire, affected by the former Prussian legislation on benefit societies, the conflict between mutual benefit societies and the state was much more of a conflict between the politically organised working class and state authorities. This can be traced back to the antagonist relationship between public authorities and the working class, triggered by a close relationship between benefit societies and the socialist labour movement, as well as the repressive policies enacted during the last decades. Furthermore, given the tradition of state help and the comparatively low importance of liberal self-help, public or authoritative social security was nothing new to the workers. Guild, factory or miners’ schemes all contributed to a rather paternalist picture of social security in Germany. Thus, the state was just another actor trying to provide for and control the labouring masses.

The legislation on provident funds between 1849 and 1876 can be considered as a pathfinder of Bismarckian social reform – especially of health insurance (see Chapter 4). Consequently, the second half of the nineteenth century can be seen as a period of creeping nationalisation of social security – nationalisation both in the sense of territorial containment and public responsibility. Thus, it was not the idea of statist social policy in general that was problematic for the involved parties, but individual clauses and its overall nature as an instrument to monitor and control the beneficiaries with the help of an exuberant bureaucracy.

Unlike British friendly societies, self-help organisations in Germany did not belong to the most powerful lobby groups. The reasons for this are manifold, the most important being: First, mutualism in the German states was much more fragmented, given the existence of diverse centralised bodies of different political provenience next to numerous local occupational funds; and second, state authorities and the police continuously suppressed and persecuted the more active parts of these groups that combined political activism with social insurance. This ongoing repression led to an extremely hostile environment, which curtailed the benefit societies’ ability to raise resources and interact with each other on a regular basis. Although state intervention was not as successful