per cent of persisting households. This includes non-kin children for 60 per cent of persisting households and a remarkable number of children under the age of ten (p. 98). Hardin also notes that some of the movement is circular, as children often left and later returned to the household. In this section Hardin references studies on the history of childhood and child circulation, but seems uncertain if child circulation was related to domestic service, as Nara Milanich and Ann Blum have argued. She also notes that prosperous households were more likely than poorer households to expand and to add non-kin (both adults and children).

It becomes clear in the conclusion that Hardin has a methodological objective in this study in addition to her interest in household stability. She feels that demographic studies that use single censuses or that use samples of censuses for aggregate analysis are intrinsically inadequate to understand the dynamics of the family and household. She makes a compelling case that tracing households over time, utilising individual information on members, provides important information on household dynamics. Hardin argues against the use of the developmental or life course approach to family history espoused by Tamara Hareven that 'decided against tracing real families over time' (p. 123, note 2). Hardin points out that an aggregate analysis of the Guadalajara data would not have shown the mobility among households that she believes 'was the means by which most families coped with the necessities of the times' (p. 122). This study provides important insights for historians into the family, especially for those concerned with methodological approaches to census analysis.

doi:10.1017/S0268416018000280

Marco H. D. van Leeuwen, *Mutual insurance 1550–2015: from guild welfare and friendly societies to contemporary micro-insurers*

(London and New York: Palgrave, 2016). Pages xiii + 321, including figures 3 + tables 40. £75 hardback, £71.50 ebook.

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Assuring against loss of income arising from the uncertainties of life is as important today as it was historically. In this book on mutual insurance in the Netherlands, Marco van Leeuwen traces the history of mutual welfare arrangements back to the late sixteenth-century guilds, continuing right up to the present day need for insurance among the self-employed. The reader is given a comprehensive overview and understanding of the evolution and dynamics of mutual welfare insurance from an economic historian's perspective. This is an impressive effort and a strongly analytical piece of work.

The book takes as its point of departure the theoretical underpinning of welfare insurance. In the empirical chapters that follow, van Leeuwen successfully combines evidence with theoretical concepts in order to explain how mutual forms of welfare evolved over time. The book ends with an analytical summary of findings. Most of the arguments are convincing, although the form of insurance focused upon – the mutual – could be interpreted in a more complex and sometimes more critical way. I would encourage future researchers to question and not only confirm classical insurance concepts.

Welfare insurance in its mutual form has proven to be an innovative solution to mitigating financial risk arising from fluctuations in an individual's labour income flow. For most individuals, living without the possibility of diffusing the risk of temporary income losses over the life course is problematic. Events such as illness, sickness and accidents not only burden one's physical health, but place the financial health of the whole family in jeopardy. Without a sufficient level of accumulated savings or inherited wealth, periodic loss of labour income quickly creates financial difficulties.

In the pre-industrial period, rural areas had family-based sources of income derived from land and livestock, but the urban economy was based to a greater extent on continuous income flows from labour. Production was controlled through guilds, a rigidly hierarchical form of organisation. This made replacement of labour more difficult and limited the ability to effect intra-family or local community-based transfers of labour as a self-insurance mechanism. The breadwinner model created a need to find ways to support bereaved, newly masterless families running into financial difficulties, meaning that insurance against widowhood became a necessity.

Mutual insurance was an innovative strategy to assure against the temporary loss of income among guild members, that is, among individuals facing a similar exposure to the risks of accidents, sickness and early death. Its relatively homogenous pool of risk made the mutual form attractive, and it was an innovative way of reducing information asymmetry. Adverse selection of unhealthy higher-risk individuals was minimised by the use of mandatory membership or lengthy waiting periods. Moral hazard was reduced by the use of informal control mechanisms: visits to sick members were undertaken not only to offer comfort and moral support, but also to curtail malingering.

Despite many advantages, mutual welfare insurance had its limitations. One was the lack of actuarial pricing. Funds ran out of resources and risks were not fairly priced across the pool. Perhaps the greatest deficiency was lack of comprehensive coverage. Only a limited degree of risk entered the pool, with only a few individuals entitled to guild welfare, while a much larger number had to pay a premium for the guild-priced products that financed these welfare arrangements.

In terms of diffusion, the ascendancy of mutual insurance came after the abolition of guilds. During industrialisation, a rising wage-labour class needed to find ways to assure against fluctuating income, loss of income due to illness and accidents being among the major financial challenges faced by working-class families. Partly inspired by the protections previously set up by guilds, they created their own peer-to-peer mutual insurance arrangements, commonly affiliated to workplaces, unions, popular movements or other forms of association that created an atmosphere of social proximity. These friendly societies offered sickness and burial insurance and sometimes other forms of insurance and financial assistance, forming innovative solutions to assuring the labour income flow of the working class. In this form, mutual insurance made welfare accessible to a larger proportion of the population.

Self-selection of membership of friendly societies may appear to invoke a major adverse selection problem. Friendly societies remained weak at pricing differences in risk across the insured pool, in line with actuarial principles, and this meant that individuals facing greater risks of morbidity or accident had the strongest incentive to join. Such high-risk individuals paid the same premium but received more benefit, giving rise to cross-subsidisation, which persisted unless the low-risk individuals left the pool to create their own society. However, despite strong theoretical predictions for the presence of adverse selection, and several qualitative examples of measures taken to avoid it, there is only limited evidence that adverse selection truly was a major problem. One could argue that societies, on the contrary, faced a propitious or favourable selection of risk-averse individuals who had a stronger preference for precautionary measures such as insurance. A conscientious worker mindful of his or her family may have taken care both to avoid risks and also to insure against them. More work is needed in order to provide better evidence on the presence or absence of adverse selection in friendly societies.

Mutual welfare arrangements based on cooperative societies were replaced by social insurance schemes across the Western world in the twentieth century. The Netherlands was no exception. On the one hand, the rise of social insurance can be perceived as the end of mutual welfare insurance – a historical discontinuity. Alternatively one might choose to emphasise that the mutual conception of welfare came to encompass the entire population. In favour of discontinuity are the differences in form of each type of organisation and that the voluntary peer-to-peer principle existed only in mutual insurance societies and not social insurance. In favour of continuity are the similarity of needs met by social and mutual insurance, the philosophy of sharing risk across a pool, and measures taken to avoid the classic insurance problems of adverse selection and moral hazard. One could perhaps also argue that when citizens became more economically equal and homogenous enough to share the risks of all in one pool, organising one nation as one society became attractive to the principles of democracy. Mutualism as an idea did not die, but rather became a key element of the welfare state.

doi:10.1017/S0268416018000279