Gender and Well-Being
Interactions between Work, Family and Public Policies

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Informal transfers, men, women and children: Family economy and private social security in early 20th century Finnish households

ABSTRACT: Informal transfers have gradually emerged as a major theme of economic and social policy research in the context of debating and planning welfare systems. In these discussions, policy arguments are routinely propped up with unsubstantiated references to an underresearched European historical experience. This paper applies the perspective of gendered household economy to the quantitative economic history of the subject by analysing the determinants of different kinds of informal transfers with a new, detailed cost-of-living study primary material from Finland in the 1920s. Different types of transfers were determined statistically by variables in the household budget data in ways that suggest there were actually several parallel “informal social security systems” at work, and these were related to gendered activities and household composition.

Introduction

Informal transfers – transfers of cash, goods and services between households occurring beyond the spheres of the state, the market or civic organisations – have gradually emerged as a major theme of economic and social policy research in rich and poor countries alike. In the West, curiosity is connected to welfare state reform with an interest in “the community” as a potential provider.1 In the global South, the design of new social security systems is at stake.2 In these discussions, policy arguments are routinely propped up with unsubstantiated references to an underresearched European historical experience. This practice has inspired new retrospective studies, with results undermining sociological assumptions about a past “golden age” of extensive and effective informal support in “traditional” communities.3

3Works explicitly aiming to contribute to this debate by historians include Horden & Smith (eds.) 1998; Gordon 1988; Thomson 1986.
Opening up the black box of the household, however, still presents a major challenge for quantitative economic history on the topic. It is prompted on one hand by qualitative findings across diverse cases on the central role of women in managing informal transfer networks⁴, and on the other hand by the methodological tools for discerning gendered outcomes with household budget data provided by development economics.⁵

This paper analyses the determinants of different kinds of informal transfers using a new, detailed cost-of-living study primary material from Finland in the 1920s. The types of transfers are determined statistically by variables in the household budget data in ways suggesting there were actually several parallel informal social security systems at work, and these were related to gendered activities and household composition.

Finland, Helsinki, 1928

Early 20th century Finland was a poor country in the European periphery with modest formal social security and an urban workforce characterized by migrant origin and recent ties to land – a configuration theoretically conducive to informal social safety nets. Structural change related to industrialisation has been identified as a situation particularly conducive for the formation of informal insurance networks, as socially connected people move to different environments and are able to pool risks. Instead of disrupting families, geographic and occupational mobility generates diversified networks, where those exposed to certain kinds of hazards (e.g., unemployment) are able to rely on relatives in environments with other, non-covariant risks (e.g., harvest failures). Especially cooperation between rural and urban kin has been referred to as a potent form of “risk-sharing” or informal “social insurance”.⁶

During this period, public and institutional social security was relatively modest in Finland. National sickness, pensions, or unemployment insurance systems did not exist. In the year 1930, the so-called Flora index, measuring the extent to which the labour force was covered

⁴E.g., Wong 1984, 60; Results on the matrilateral orientation (i.e. dominated by kin related through the mother of the family) of the co-residence patterns of kin in 19th century Lancashire are presented by Michael Anderson (1971, 55-56). Tamara Hareven (1982, 105-106) describes the role of women as “kin keepers”, managers of kinship ties, in her Amoskeag families. Carl Chinn (1988) sees controlling networks as an aspect of the “hidden matriarchy” of married working-class women in England in 1880-1939. Kathie Friedman (1984, 42) refers to various modern studies on marginal Third and First World households recognizing “…the centrality of women (and children) in linking sets of “kin-related” households.”

⁵Gender inequalities in intra-household resource allocation have been analysed mainly through discerning the different effects of the presence of male and female children on household consumption patterns. Deaton 2000, 223-240; for historical applications, see Horrell & Humphries 1999; Logan 2005.

⁶E.g., Linden 1993, 170; Linden & Lucassen 1999.
by social security, rated Finland at 5 points, while Sweden scored 60 and the UK a yet higher 75 points.7

An array of institutional sources for assistance did nevertheless exist. The most important public arrangements operated at the municipal level. Municipalities responded to seasonal unemployment during the winters by implementing public works (relief work). They also ran the poor relief system, probably the most important source of welfare provision at the time. It provided actual income transfers to people in cash, as well as assistance in kind, and in some cases free access to services like hospitals or child care.8 However, the law governing the system from 1922 till the late 1930s stipulated that everyone was primarily responsible for the sustenance of their spouse, children, grandchildren, parents and grandparents. The municipality was the absolute last resort, and both the recipient and those primarily responsible for her/him were obliged to later pay back any assistance given – in the case of negligence towards one’s wife or children, also through forced labour in an institution if necessary.9 Oral history generally describes the system, especially the board hearings it involved, humiliating and something to be avoided.10 Municipalities also took other ad hoc social policy measures at times. Sickness, unemployment and burial insurance funds existed mainly in connection with certain trade unions and employers. The average level of unionization was small, but in certain locations and sectors the role of unions was quite pronounced.11 Schools assisted children of poor families with clothing, and in some instances with meals.12 Charities operated in large cities.

By and large, existing research suggests that although the contemporary relief systems were able to play a significant role in individual cases and situations, on average their provision was patchy and inadequate.13 Their makeup also underwent dramatic changes over the years,

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8Hannikainen 2004; Kalela 1987, 139-18; Piirainen 1974, 173-177.

9Ask 145/1922. Matti Hannikainen has shown that in Helsinki the actual successful recovery of poor relief from individuals remained small in 1928-1945. The deterrent may nevertheless have been effective. Hannikainen 2001.

10Virkkunen 2002; Tuomaala 2000. The studies are based on material from rural municipalities. One may speculate over the differences in the threat of humiliation for instance in a large city like Helsinki, where the potential for gossip by familiar officers was smaller, proceedings may have been more modern and bureaucratized, and the labour movement had more foothold in municipal administration.


12This practice involved stigma as well, as the clothes were identifiable. Tuomaala 2004, 283-292.

13E.g., Parikka 1994, 245-258.
particularly during the Great Depression, which makes it crucial to take into account the historical specificity of the exact time a research material was produced.

The growth of Helsinki as a national centre of industry and administration was to a considerable degree sustained by migration from the rural areas of the country. In 1930, altogether 66% of Helsinki’s population of 219,842 had been born somewhere else. People in prime working age dominated the population of the city, migrants formed a majority of these age groups, and women formed a majority of the migrants, also dominating the entire city population with 1359 females per 1000 males. Particularly landless labourers were becoming a shrinking occupational group in the countryside, though in absolute terms only after the Great Depression. Family ties to agricultural producers were probably not uncommon among Helsinki residents either: Finnish agriculture was characterized by widespread independent smallholding since the land reforms following the civil war of 1918. Important sectors of employment in Helsinki included industry (28% of “workers” according to the 1930 census), domestic service (18%, entirely female) and construction (12%). As a whole, the occupational structure of the city was highly heterogenous.

The year 1928 was the very height of the boom preceding the Great Depression, although certain sectors of the Finnish economy already started to falter. Earnings and employment were generally high, and both the strong demand for labour and collusion between the rival Communist and Social Democratic branches of the trade union movement in 1926–8 gave the unions their best bargaining position and highest membership figures since the pre-civil war mobilisation. This also meant that late 1928, when unemployment had started to grow but was not yet catastrophic, was possibly the moment in history when the union-based unemployment insurance systems mattered most. Almost immediately after, the economic crisis, soaring unemployment and political unrest caused a major re-shuffle of the situation involving mass poverty, the depletion of insurance funds, various municipal ad hoc welfare measures, and a severe disruption of trade union activity brought about by pressure from the extreme right.

14 Helsingin kaupungin tilastotoimisto 1932, 44.
15 Waris 1945, 74-83, 134.
16 Siipi 1962, 191.
18 I am indebted to Matti Hannikainen for this important observation.
The Cost-of-Living-Study Data

The 1928 Cost-of-Living Study (CLS) was a government-commissioned inquiry designed to acquire information for calculating the weights for a new consumer price index as well as for other, previously mentioned policy considerations. It was implemented by recruiting altogether 1 214 urban Finnish households to keep detailed accounts of their income, expenses and finances over a period of one year. The original bookkeeping was done on a weekly basis. However, only the summary cards including quarterly information have been spared in the archives of Statistics Finland (the government agency for statistics). The core material for the following analysis consists of the 146 out of the 239 cards on households from Helsinki classified as “workers”.

The material is rich and previously unused in historical research. Its most important features are that it actually contains entries for “gifts and assistance”, as well as a relatively detailed section on loans. Furthermore, the data contains sufficient information on the name, occupation and family composition of the participants to make it possible to identify the same people in other records. This allows for partial control of the sources of the transfers by linking with municipal welfare records, which complements the effort to decompose informal and formal components from the transfers through statistical inference. Out of the 51 worker households in receipt of gifts and assistance, 45 could be identified from the church records on the basis of the CLS summary cards. Out of these, only three had received assistance from the municipality in 1928.

The material has the hallmark family bias of household budget studies of the period. It contains almost solely households with two parents and children. This was a consequence of a direct instruction to focus recruitment “particularly on those families containing a father, a mother and underaged children”. The summary cards record separately the age, number and gender of “family members”, family members considered “boarders”, and the presence of servants, boarders, lodgers and dining guests during the year in days for the calculation of adult equivalents for certain parts of household consumption. Focussing on family members, there are only five cases out of 239 where household size does not exceed two in the CLS

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20Tilastokeskus, Tilastoarkisto, Elinkustannustutkimus 1928.

21There were altogether six welfare cases in the 1920s among the CLS workers, demonstrating a less than total “elite” bias in the selection.


material, three of these in the category of “workers”. Only 10 out of the 146 worker households from Helsinki in the study did not include children under 15 years of age.

Closest available census data on Helsinki for 1930 reveals that in fact, 40.2% of all households in the city were classified as single-person households, with the proportion varying in working-class quarters from just over 50% in inner city areas to slightly over 10% in suburban areas.24 From this perspective, Helsinki was a city of singles in 1930, with single-person households the mode in all but few sparsely populated, outlying parts of the “metropolitan” area. The proportion of over two-person households increases and that of single-person households falls consistently when moving away from the city centre and towards the suburbs. Many single women also either worked in domestic service or led independent lives with middle-class occupations in the more affluent parts of the city.25

Omitting households with up to two members from both the census and the CLS, with the assumption that the households with three or more members most often were families with children, yields a mean and a median comparable between the two sources. This makes it arguable that in terms of averages, the CLS represented roughly the family size in Helsinki around the turn of the 1930s. However, families did not represent the whole population, and many specific social milieus and situations became eclipsed.

The distribution of household sizes in Helsinki reflects characteristic features of the population of the city at the time, related to ongoing economic and social processes. Obviously, the city was attracting plenty of young, single female migrants from the rural parts of the country. This contributed to the fact that the proportion of women who were not married barely fell below 50% of women in the age groups 30-45, only to rise again to well over one-half among older age groups, mainly due to the number of widows increasing by age. Under these conditions, the family bias became a gender bias as well.

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24 As censuses were only carried out every 10 years, no census data for 1928 is available. While the criteria for household membership are not the same for the two sources, the results of the comparisons are obvious enough to be suggestive. For the CLS households, the figure includes all family members present in the household during the year but excludes boarders, lodgers and dining guests (täysihoitolaist, vuokralaiset, ruokavieraat). Somewhat surprisingly, 10 worker households also indicated the presence of domestic servants during the year, excluded from the figures. As the census of 1930 recorded 33,787 single-person households in a city where according to one estimate only 3,710 people lived alone in a one-room apartment that year, it can be assumed that most people in the abovementioned categories were counted separately as single-person households, not included in the figure of the “host” family. It is noteworthy that while the CLS focussed on families with children, the households with more than one member in the census data may contain more diverse relationships between their members. CLS 1928 data; Helsingin kaupungin tilastotoimisto 1932, 30; Siipi 1962, 261-262.

On the other hand, looking at the number of people living in different size households, the image of a “city of singles” becomes subverted. Of the population of the city recorded outside institutions and lodging homes in the census\textsuperscript{26}, only 16.1\% lived in single-person households in 1930, while 68.3\% lived in households of three or more people. The mode as well as the median size of the household of an individual member of the population was three people. Of this population of 209,279, altogether 40,995 or 19.6\% lived in households of three. Households of four people follow closely with 38,092 members, 18.2\% of the total.\textsuperscript{27}

The family bias also meant that the age structure of the population in the CLS “sample” differed systematically from that of the population of the city. The age of the male “household heads”, married and with children, was naturally higher than that of the entire adult male population of the city. While the median age of the former was 39, for males aged over 15 in

![Figure 1. Age structure of the 1930 census male population over 15 and the CLS 1928 data male “household heads” of Helsinki compared.](image)

Note: Midpoints have been used because original source cites overlapping age brackets. 
Sources: Computed from Helsingin kaupungin tilastotoimisto 1932, 44 and CLS 1928 data.

\textsuperscript{26}As staff was also recorded into these categories but it is unclear whether they all actually resided in the units and in what size households, and as the “travellers, etc.” recorded in lodging homes included visitors, these categories were excluded here so as to not to distort the distribution.

\textsuperscript{27}Helsingin kaupungin tilastotoimisto 1932, 30, 44.
the city in 1930 it was 32. The distribution had another important feature as well: because of
the preferences for the presence of underaged children and “whole” families, there were less
elderly males in the CLS data than in the population at large. In the CLS, only approximately
9% of the household heads were older than 50, while 2% were older than 60. The
corresponding shares of the adult male population of Helsinki in 1930 were roughly 16% and
6%. The truncated nature of the age structure compared to the overall adult male population
can be observed in Figure 1. Correspondingly, the median age of the wives of the heads in the
CLS data is 36 years – roughly in the middle of those age brackets where marriage indeed was
slightly more common than not being married – whereas for the entire female population over
15 of the city it was 34 years.28

All in all, the family bias of the CLS led to the exclusion of people in various kinds of life
situations that were common in Helsinki at the time. Single, never-married men and women,
mostly young people, were not included, except as a peripheral presence as boarders, lodgers
and guests, appearing as sources of revenue or targets of expenditure from the perspective of
the main family.29 Neither were widows and widowers, or those who had been separated or
divorced from their spouse, frequent situations among older women. The elderly in general
became excluded through the family bias because their nests were already empty of children,
or they were potentially completely alone.

Such exclusions were potentially quite significant for the presence of informal transfers in the
data. Young singles just entering the labour market might have been in receipt of support
from their parents, or potentially supporting peers in similar situation on a reciprocal basis.30
On the other hand, they might have been more resilient to hardship than those with small
children – unless they were single parents, compounding any other problem. Widows,
widowers and otherwise separated people, mostly women, were often in a vulnerable position,
particularly if they had children to care for. The same applies to elderly people, especially
those living alone. Again, women tended to outlive men, which made this bias gendered.
These categories of people might have been potential recipients of transfers, at least certainly
often in need of support, but were dropped out of the picture by the selection criteria.

In terms of informal assistance, the preferred families with small children were an ambivalent
category. On one hand, the stage of the family history with several small children was a

28Figures computed from CLS 1928 data and Helsingin kaupungin tilastotoimisto 1932, 44.
29Such individuals were recorded as financial contributors to the family or utilised to compute adult equivalency
scales for household expenditures they were deemed to participate in, such as rent or food.
notorious life-cycle squeeze. Families with low or uncertain income or an unusually large number of offspring might have attracted support, possibly targeted at the children themselves. The observation in social science literature goes back to at least Rowntree (1901). Oppenheimer (1974; Parikka 1994a).


Suomen Virallinen Tilasto XXXII, Sosialisia Erikoistutkimuksia 14. 1936, 3. While the Finnish language is grammatically neutral in terms of gender, the masculine pronoun is used in the Swedish text.

Mothers in particular often participated in matrilateral networks related to parenting, exchanging services like child care with peers living close by in the community. On the other hand, starting a family was a stage in the life-course of the parents potentially involving the shrinking and redirecting of social networks towards the family and its needs and away from the social world beyond the household. Parents might not have been equally active in reciprocal exchange networks of assistance beyond the household, particularly of financial services, as the sustenance of the family took precedence. Much probably depended on the economic situation.

**Bookkeeping and critical variables**

Bookkeeping in the CLS was carried out on a weekly basis. While details of expenditures were to be recorded daily, incomes were to be noted down each week. The informants themselves where then supposed to add up and balance the books at the end of the week, recording income, expenditure, and the way in which changes in cash assets, loans taken, repayments received, savings drawn, repaid loans, bank deposits or loans given to individuals accounted for the difference. In this procedure, the aspiration for accuracy and the desire for an educational Hawthorne effect were fused together on purpose. On one hand, the stated aim was to have the bookkeepers check their accounts at the end of each week and add possible omissions. On the other hand, it “...was a good way to increase the bookkeeper’s own interest towards his householding and gave him some sort of an overview of the use of income and its sufficiency.”

It can be assumed that the pressure to account for everything and make the weekly budget balance did indeed increase accuracy in reporting, particularly in reporting income as well as expenditure. In household surveys based on recall, measuring income is usually considered far
more problematic than measuring consumptions. By virtue of its method, the CLS 1928 data enables the use of income variables in the analysis with less concern. After each quarter, the account books were collected, and the investigators were able to check for errors and request explanations for discrepancies or patterns they considered unusual. Commenting on the reliability of the data, the report stated that certain regular payments had apparently at times been forgotten, as well as casual supplementary earnings. It was suspected this might be due to “...some sort of sensitivity in terms of reporting the income and a fear that information so provided might be used for taxation purposes”. Since prohibition was still in effect in 1928, it was also assumed that spending on alcohol was likely to be hidden under “other expenses”.

Many concepts and notations used in the sources involve problems of interpretation. Income categories of particular interest include that of “Gifts and assistance” and entries on loans taken and loans paid back. At the outset, “Gifts and assistance” sounds like exactly what is sought. However, the category is quite problematic. The weekly account book has an entry for “gifts and assistance received in cash”, and the data has been transferred to a summary card by quarter. Gifts and assistance received in kind, as opposed to money, have only been recorded as a lump sum for the entire year as a cash value estimate, with irregular inscriptions on the concrete content. Since there has been no separate question on these kinds of transfers at least on the weekly account book appended to the report, there is some uncertainty on the regularity of recording.

The origin of gifts and assistance is not asked or expressed. In principle, then, these entries could be anything from birthday presents to formal welfare transfers from institutional sources. Linking with municipal poor relief records makes it possible to control for this important option. However, it is not possible to fully decompose informal assistance from formal assistance, and the analysis will give grounds to believe that at least assistance from trade union related funds was involved. Nevertheless, the analysis will provide possibilities to differentiate and assess the nature of the income lumped in this category through statistical inference.

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35 While people are considered to be more reserved about sharing income than expenditure information, income is also often hard to define when dealing with entrepreneurial or farming households. The longer recall periods used to deal with seasonality add to the probability of underestimation compared to expenditure. Deaton 2000, 29-32.

36 Another possibility is that people simply invented odd incomes in order to make up for the discrepancies and get rid of the investigators.

37 This point also raises the issue of intra-household secrecy and family members hiding incomes and expenses from each other, affecting bookkeeping. Suomen Virallinen Tilasto XXXII, Sosialisia Erikoistutkimuksia 14. 1936, 3.
A potential downward bias of uncertain magnitude may be caused by the fact that the generic category “Gifts and assistance” has been a very small part of the extensive weekly account book, mainly covering details of the consumption of various kinds of foodstuffs. In repeat studies, econometricians have discovered up to fourfold differences between reported informal transfers in questionnaires querying about the issue in passing and questionnaires with modules focussing on transfers.\textsuperscript{38}

The nature of the data and the opportunities it provides justify focussing on the income side of the household budgets somewhat more than usual in the analysis of household surveys. In studies on informal insurance based on generic expenditure surveys, a common method has been analysing whether changes in the consumption of individual households are dependent on those of the entire relevant population – such as a village – or whether they are idiosyncratic. Domination of the collective is considered evidence of risk-sharing.\textsuperscript{39} However, such studies have often lacked direct, concrete information on any possible transfers as well as reliable income data. As empirical interest towards informal transfers and informal networks has started to grow in development economics, data with purpose-built modules has been produced, making it possible to analyse transfers and their determinants directly.\textsuperscript{40} The CLS 1928 data fortunately has features that enable similar, direct analysis. Variables on factors like health-related expenditure, age and the number of children in the household make it possible to see what underlying causes might have triggered recourse or provided entitlement to transfers. Albeit many such variables are also proxies for income loss, even in informal insurance systems different kinds of risks – for instance, illness versus unemployment – might have been covered differently, and by different kinds of actors.

The logic of transfers: Tacit social policy

A key issue in both development economics and the recent discussions in social history is the motivation, or rather the inferred behavioural logic, of informal transfers. The basic alternatives presented by literature are altruism, insurance, and exchange.\textsuperscript{41} In the case of

\textsuperscript{38}Cox & Jimenez 1998, 624-625.

\textsuperscript{39}E.g., Townsend 1994; Duygan 2005.

\textsuperscript{40}E.g., Cox & Jimenez 1998; Fafchamps & Lund 2003.

\textsuperscript{41}In the case of urban workers in early 20th century Finland, the fourth common model of strategic bequest, where transfers are solicited from children in exchange for a future heritage, is a less likely candidate. It could in principle appear through age and homeownership, but has not been tested for here. The truncated age structure and inability to discern transfer sources in the data would be liable to make such analysis unviable. Cf. Bernheim
altruism, closest to the old moral economy ideal of historical anthropology, assistance would be determined by need only. According to insurance theory, then again, assistance would be attached to the realization of a pre-defined risk, and conditional on reciprocity in case the same fate met someone else in the informal insurance network. Monitoring would be carried out to ascertain entitlement and adherence to reciprocal obligations. Network members would be selected so that there would be no “bad risks” included, and diversification could be preferred in situations where covariate risks threatening everyone at the same time might become an issue. In the case of transfers as mere exchange for other resources or assistance provided, then again, they would not be related to hardship as such. Theory would suggest that particularly in the case of services rendered, they would under certain circumstances in fact rise with recipient income, as the required compensation for labour provided would be higher for those with more income.42

While both altruism and insurance differ from exchange by suggesting a negative correlation with income – something which has already been ascertained for the CLS 1928 category of “workers” under analysis here – the specific empirical predictions distinguishing these two fundamentally very different logics from each other are somewhat less clear. This problem is entangled with how, in a specific sociohistorical situation, the economics of information and cultural conceptions of risks and hardship may influence who is actually deemed to be entitled to informal assistance. Under an implicit informal insurance contract, information would be needed by potential donors in order to determine whether an external circumstance really has caused a shock to a household, entitling it to assistance. Cox and Jimenez have pointed out that compared to cities, determining entitlement could be easier in a rural setting where people would presumably share the same (agricultural) occupational environment, and are well informed about the intricacies of the possible risks and local problems involved. In a diversified urban context, then again, it could be hard to determine at the outset whether someone’s low earnings are caused by insufficient effort or unfavourable (market) circumstances. Furthermore, the fact that people might not know the specific risk structures related to each others’ occupations might complicate things.43

While this argument overlooks the possibility of pooling risks informally at workplaces or in trade union contexts – an important option in early 20th century Finland – it points to a more general issue. Income, consumption or economic hardship are not necessarily phenomena that et al. 1985.

42See e.g. Cox 1987; Cox, Eser & Jimenez 1998; Foster & Rosenzweig 2001; Platteau 1999, 135-140.

are clearly or directly observable to a donor, particularly in an insurance context, where there is suspicion and need for methods to control incentive problems. This is why it is not obvious what sort of factors should be expected to trigger transfers. Like formal insurance, also informal insurance can become attached to well defined, relatively easily verifiable events like sickness or accidents.\(^{44}\) In this case, income actually becomes a proxy for the real reason for transfers and not vice versa, and not all income shocks, regardless of their quantitatively identical nature, may cause a similar inflow of transfers. The coverage of an informal insurance can remain limited or partial in relation to earnings losses, and its identification may require data of a particular class of events or circumstances. Variables like expenditure on medical services or the number of children can be useful here.

Furthermore, the insurance theory of economics might not concur with the concepts of the agents who engage locally in practices aiming to control risks, as pointed out by J.P. Platteau. Instead of mere implicit contractual protection against a potential but abstract risk, the participants often require tangible reciprocity to occur among network members over a sufficiently brief period of time in order to consider their contributions worthwhile.\(^{45}\) While this finding violates the ideal type insurance model and makes the concept elusive, it also suggests that the significance of reciprocity, proxied with transfers given, could be used as an indicator of the presence of such informal “insurance” systems.\(^{46}\)

The aim is to reveal features of ‘informal social security’ by modelling its observed outcome – to work from the practical results of transfers towards an understanding of the “tacit social policy”\(^{47}\) they express at a point in time. The results, in fact, resemble the workaday reality of modern formal welfare states. Instead of a single overarching principle like moral economy or insurance, the emerging pattern displays the coexistence of several kinds of imperfect transfer systems with different functions and rationalities.

\(^{44}\)In the case of begging, a practice often marred by doubts over the credentials of the would-be beneficiaries, this logic is exemplified by globally widespread customs according to which the presentation of a physical handicap or deformity by a beggar confers entitlement. In historical Europe as well as in poor countries today, this has in turn been suspected to have led to large-scale, organised mutilation of children. Saaritsa 2003, esp. 242; Cf. Donzelot 1979, 58-61.

\(^{45}\)Platteau 1997.

\(^{46}\)Using two South Asian datasets, Foster & Rosenzweig (2001) have used the significance of the transfer history of a household for determining present transfers as a measure of the importance of observing an underlying reciprocal insurance contract, a factor that was apparently diminished by the presence of kinship-based altruism.

\(^{47}\)By analogy with Rainwater, Rein & Schwartz 1986, 22-23: “To study a crowded policy environment which lacks harmonization, we believe it is necessary to approach policy backwards...we need to begin not with specific programs, but with outcomes and then try to trace government activities which contributed to creating the situation as it is, on the assumption that policy is implicit as well as explicit. In this sense, we can talk about a tacit policy”.
Gifts and assistance in cash: Insurance and altruism

The first analysis deals with gifts and assistance in cash. The data is treated as a cross-section at the annual level. The main purpose is to enable a comparison with assistance in kind, on which there only exists data on an annual basis. The modelling is implemented as an ordinary least squares (OLS) regression where thematic “blocks” of potential explanatory variables are added one by one. This treatment makes it possible to see how the significance and coefficients of individual variables change as new blocks are added, as well as to observe the ensuing changes in the joint determination and the explanatory capacity as expressed by the R squared of the whole model. As the model grows complex and contains many interaction terms which increase collinearity and can make some of the coefficients instable, the block-by-block presentation enables a more transparent scrutiny of the development and assessment of plausibility.

At the outset, the results support the initial hypothesis that transfers did indeed have a social security function. The block of demographic characteristics alone has no statistical significance for explaining the reception of transfers in cash, which are measured as gross, as it is not possible to decompose net values for gifts in kind and in cash. The number of underaged children present in a household is measured by the presence of family members reported to be under 15 years of age, reflecting a rough estimate of “working age” among early 20th century Finnish workers.48

48See discussion on schooling below.
Table 1. Determinants of gifts and assistance in cash. OLS regression. (Continues on next page.)

<table>
<thead>
<tr>
<th>Block</th>
<th>Variables</th>
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<th>II Coeff. (s.e.)</th>
<th>III Coeff. (s.e.)</th>
<th>IV Coeff. (s.e.)</th>
<th>V Coeff. (s.e.)</th>
<th>VI Coeff. (s.e.)</th>
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<td>2067.310 (933.047)</td>
<td>1334.641 (915.377)</td>
<td>510.478 (973.879)</td>
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<td>-28.530 (44.895)</td>
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<td>37.115 (56.584)</td>
<td>44.280 (54.670)</td>
<td>94.310 (57.966)</td>
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<td>Income</td>
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<td>-.034 (.010)</td>
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<td>Health expenditure</td>
<td>-.197 (.137)</td>
<td>-.150 (.136)</td>
<td>-.183 (.124)</td>
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<td>-.1133.066 (531.396)</td>
<td>-.1108.491 (532.075)</td>
<td>-.321.481 (508.224)</td>
<td>-.40.074 (461.147)</td>
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<td>Deficit shock *</td>
<td>-.158 (.060)</td>
<td>-.199 (.079)</td>
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<td>Complements and substitutes</td>
<td>Net loans taken</td>
<td>.006 (.054)</td>
<td>-.024 (.051)</td>
<td>-.031 (.046)</td>
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<td>(t=.475)</td>
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<td>Net savings drawn</td>
<td>-.090 (.041)</td>
<td>-.085 (.037)</td>
<td>-.070 (.034)</td>
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<td>Gifts in kind</td>
<td>-.033 (.539)</td>
<td>.245 (.527)</td>
<td>-.045 (.480)</td>
<td>-.045 (.480)</td>
<td>-.045 (.480)</td>
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<td>(t=-.061)</td>
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<td>Insurance dummy</td>
<td>1594.169 (686.543)</td>
<td>1264.554 (637.860)</td>
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<td>782.309 (583.644)</td>
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<td>Insurance X income</td>
<td>-.043 (.021)</td>
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<td>II Coeff. (s.e.)</td>
<td>III Coeff. (s.e.)</td>
<td>IV Coeff. (s.e.)</td>
<td>V Coeff. (s.e.)</td>
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<td></td>
<td></td>
<td>-.197</td>
<td>(.035)</td>
<td>-.197</td>
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<td>(.035)</td>
<td>t= -5.669</td>
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</table>
| (Continued from previous page.)

N=142. Cases with poor relief or house loans purged. Coefficients significant at the 5 % level in bold. *=Largest negative quarterly value as share of average quarterly income. §=Household income in the bottom 25 % of the sample.

Source: CLS 1928 data.

Household head age and age-squared are included to capture possible nonlinear age effects. Some studies in developing countries have identified a U-shaped curve for transfers by age, with higher levels in the early and late stages of the life-course and a slump in the middle.49 This would be a mirror image of the classical hump-shaped model of earnings by age of an individual, where earnings first rise and then fall with age. The operational prediction for age and age-squared in a regression would in this case be a high but positive coefficient for age and a low but negative coefficient for age squared, with the former dominating the determination of earnings in the earlier years of a work history, to be overtaken by the negative effect of the latter towards the end of the life course.50 The fact that the signs here are opposite would support the U-curve proposition of transfers, but the variables are not statistically significant. A possible reason is the biased age distribution of the sample. In any case, the


hump model of life cycle income to which this proposition is closely linked has lately been subjected to severe empirical criticism.\(^5\)

The inclusion of total household income in Block II immediately gives the model explanatory power, and the variable is highly significant, with the negative coefficient indicating that lower earnings are associated with more gifts and assistance in cash. The coefficient is not very large. In addition to a weak or a nonlinear relationship\(^6\), this could be related to the presence of all cases with zero transfers in the data. This choice is based on a wish to not to slant the analysis towards an overstatement of transfers.\(^7\)

The choice of total household income as a principal explanatory variable is not self-evident. However, the results for gifts and assistance in cash are actually robust to other potential choices as well, such as starting with the income of the male head of the household or focussing more exclusively on measures of income shocks during the year instead of levels. Interestingly, relating incomes to household size with a per capita specification yields substantively identical results. It is noteworthy that the one variable available which could be considered a far better measure of welfare than any of the income variables, expenditure per adult equivalent, fails to produce equally significant results. This could be taken as a hint that the transfers indeed operated on the basis of criteria other than what social scientists might consider as valid measures of poverty. While the effects of choosing different income concepts, such as the income of the male head, will be discussed further below, no other choice would help make the age variables discussed statistically significant either.

The following block III includes variables which might be related to specific circumstances potentially triggering informal assistance. High medical expenses could indicate a relatively

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\(^5\) The problems that have been pointed out are caused by the fact that in empirical work the “hump” is usually constructed from a “synthetic cohort” based on a cross-section rather than longitudinal panel data on real life-courses. In growing economies, the lifetime earnings of older people present in a cross-section are lower than those of the younger people in the same sample will be, which creates an artificial drop in income with age, whereas real, longitudinal age-earnings profiles would present an upward trend. Taking into account the changes in household as opposed to individual income as well as the changes in the composition of households may also flatten the hump. Historically, changing income generation opportunities like increased employment chances for women have affected the deployment of different household strategies over real life-courses in ways that differ drastically from inferences based the effect of age in cross-sections at a point in time. Deaton 2000, 337-350; Robinson 1995, 12-14.

\(^6\) The results could be replicated with a log transformation of the household income variable with slightly higher significances at some stages. As there would be no substantive difference, the most basic specification has been opted.

\(^7\) For instance, Cox & Jimenez (1998) instead drop all zero cases from their regressions, and also measure the magnitude of transfers as a percentage of “pre-private-transfer income”, artificially reducing the size of the denominator and increasing their “share”. The conclusions, showing transfers of significant magnitude with an insurance function, are then used to support a cautionary “crowding out” hypothesis of the effects of introducing public social security in Colombia.
clear and verifiable event and target for assistance: an illness both affecting earnings and causing an unexpected cost. Expenditure related to the education of children (“school charges” in the account book) could also be thought of as something that could have been considered as a critical investment into the future, as well as a likely target for outside assistance.

As such, neither of these variables proves significant. This is not entirely surprising, as health and education were not fully marketized in early 20th century Finland. While some medical services were available free of charge from the municipality, the medical bill also rises with income among the CLS households, rather than becoming fixed to a certain level. It is not evident that even an incapacitating illness would necessarily have triggered high medical expenditure in a worker household. In serious cases, free admission to a public hospital was an option. On the other hand, low-income households might have refrained from seeking paid medical help even it would have been when needed. Nevertheless, all but two in the analysed part of the sample did have such costs over the year with a mean of FIM 535, and altogether 15% paid more than FIM 1000 over the year. Later results on loans will shed further light on the dynamics of financing these expenses.

In principle, basic education was both compulsory and completely free up until the age of 14 in 1928. However, the educational system was two-tiered, and a part of the cohort entered a general secondary school preparing for eventual academic education at the age of 11 on the basis of an entry exam. While scholarships existed, more charges and fees were involved in the latter system. Tracking to the two different systems was connected with social class, and accordingly, school fees were a smaller and rarer expenditure among workers than the two other categories in the CLS study. Costs might have been involved in some vocational and other supplementary education beyond basic education as well. Out of the 142 households analysed, 63 or roughly 44% paid no such charges. Among those who did, the mean was FIM 293. While in six cases fees of over FIM 1000 were reported, the median expense was only FIM 91. The real costs of childrens’ education probably consisted centrally of the opportunity

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54 In the report of the study, medical expenses were even referred to as “evidently a type of cultural expenditure” (aivan ilmeisiä sivistysmenoja) because they increased with earnings. Suomen Virallinen Tilasto XXXII, Sosialisia Erikoistutkimuksia 14. 1936, 46.

55 On reports of failure to seek medical help as well as cuts in public municipal health services during the Great Depression, Taskila-Åbrand 2001, 97-99.

56 Hästesko 1922, 626-627.

57 Pekkala, Pekkarinen and Uusitalo (2006) have shown that the comprehensive school reform of the 1970s which ended the two-tier system significantly reduced the intergenerational correlation of earnings, suggesting the old system facilitated the intergenerational transmission of economic and social position and reduced social mobility, reinforcing distinctions of social class. Suomen Virallinen Tilasto XXXII, Sosialisia Erikoistutkimuksia 14. 1936, 44.
costs incurred through children staying in education until 18 years of age and beyond instead of taking up paid employment and contributing to the family economy at 15, and would require a different sort of a specification.\textsuperscript{58}

The introduction of two other variables measuring the magnitude of “shocks” that occurred during the year is what makes the block statistically significant and increases the overall explanatory power of the model considerably. While the analysis of the effect of adverse changes on transfers is best done with panel regressions, these variables have been designed to bring indicators of fluctuations within the year to the cross-sectional regression, so that they can also be applied to assistance in kind for comparison. The “income shock” variable is the largest negative income deviation from annual average on any quarter, measured as a share of that average, whereas the “deficit shock” is the largest corresponding negative discrepancy between income and expenditure. Descriptive statistics have suggested that the former probably occurred on average on quarter I and the latter on quarter IV, with the higher coefficient for the latter in line with the observation that both gifts and assistance and deficits were more common during quarter IV.

While any substantive interpretation cannot easily be ascribed to the coefficients, the significancies and overall improvement in the model are clear. There are no indications of any detrimental collinearity between the two variables, and controlling for the shocks, total household income still retains its significance. This suggests that the inclusion of indicators for such short-term problems is relevant, and reinforces the interpretation of the social security or social insurance nature of these types of cash transfers.

Block IV is intended to analyse possible complements and substitutes for cash transfers. These both control for potentially important alternatives and shed light on the possible “portfolio” dynamics of different kinds of methods for dealing with problems. While again best analysed with quarterly panel data, on the annual level, loans do not appear to have meaningful relationship with gifts and assistance in cash. Introducing savings for the first time, then again, yields a more interesting result. Controlling for other factors in the model, savings drawn net of deposits made has a significant and negative impact on gifts and assistance. This supports the notion of savings as a form of “self-insurance”, acting as a substitute for external aid, and vice versa. Gifts in kind, then again, appear to not to figure in the equation either as

\begin{itemize}
  \item \textsuperscript{58}At the outset, there are no significant bivariate correlations between children’s contributions to families and school charges, or between school charges and gifts and assistance in cash, in the sample.
\end{itemize}
The same is suggested by the complete lack of correlation between these two variables.\(^{59}\) The portfolio perspective will be developed further with panel regressions later.

Introducing variables on the presence of formal insurance presents a slight dilemma. Formal insurance – at the time, mainly life or accident insurance\(^ {60}\) – could again be expected to act as a substitute for informal transfers.\(^ {61}\) On the other hand, the realization of an insurable event might be grounds for informal entitlement from others as well, for instance if the formal compensation would not be considered adequate: insurance compensation could signal a clear and formally verified event. This means the possibility of a complementary logic cannot be excluded either.

The effect of formal insurance is entered as an interaction term, where paying any insurance fees over the year is the basis for the conditioning categorical or dummy variable (0=no fees paid, 1=fees paid) indicating taking out insurance, and the effect of household income on gifts and assistance in cash is conditioned by this variable through multiplication to see whether having formal insurance makes a difference for the relationship.\(^ {62}\) Importantly, after including an interaction term, the interpretation of the coefficient of the income variable in block II changes as well: it no longer models the unconditional relationship of income with gifts and assistance, but the relationship on condition that there is no indication of formal insurance, i.e., that the insurance dummy variable is zero.\(^ {63}\) The results would suggest that formal insurance mattered and had a positive link with transfers. The collapse of the coefficient on the constitutive income variable in block II, while the standard error remains comparable with the interaction term, would suggest that it was the presence of formal insurance that made the transfers take on a social security character in terms of responding to total household income.

While the increase in the overall significance of the model is again satisfactory, there are two serious measurement problems involved. One is the chance that payments from formal insurance policies have, in fact, been recorded as gifts and assistance in cash. There are some instances in the data where insurance compensation has been separately inscribed to be present

\(^{59}\)The same is suggested by the complete lack of correlation between these two variables.

\(^{60}\)While private insurance is an underresearched topic in Finnish labour history, categories for fire, life, accident and “other” insurances were included in a 1920-21 CLS query. In CLS 1928, the category is undifferentiated. Cf. Kettunen 1994, passim.


\(^{62}\)The results for gifts and assistance in cash would be substantively identical if the interaction would be constructed with the intuitively more sensible income shock variable, but the income level variable has been preferred in this analysis as it produces results on assistance in kind as well.

\(^{63}\)On interaction terms in regression analysis, see Wooldridge 2003, 233-240; Brambor et al. 2006.
and not recorded under this category, and the title of the category clearly does refer to something donated to the household without immediate reciprocity rather than the fulfillment of a contract by a private company. However, the problem is compounded by the second issue, which is that insurance for workers was often managed by trade unions, and this included unemployment insurance.\textsuperscript{64} Payments from this type of insurance might more readily be referred to as “assistance”. In fact, this sort of insurance was often organised and referred to as “assistance funds”. On the other hand, if such insurance was managed by the union and connected to union membership, one may suspect the actual insurance payments might have been recorded under membership fees in associations, including trade unions, which again is a separate entry in the data.

The results are clarified by the introduction of the next block of determinants, which includes these variables. Block V contains various factors under the heading “social capital and reciprocity”. The intention is to analyse whether variables in the CLS data that can be considered indicators of participation in potential risk-pooling networks or exchange relationships were significant. They are again entered as interaction terms with income.\textsuperscript{65} Their entry significantly increases the formal explanatory capacity of the whole model. The outcome is also interesting because of the effect on other coefficients in the model, and because of the varying direction of the statistically significant relationships.

The first variable of the block is membership in associations, as indicated by the payment of membership fees over the year. While this has not been specified in the material, most likely these were very often trade unions. Unionization was at its peak in 1928, and the characteristics of the educated, skilled workers in a stable situation concurred with the image of organised labour at the time. Other alternatives, ranging from political organisations to sports clubs, naturally existed as well. Because trade unions managed insurance or “assistance” funds, exact knowledge would be helpful for attempting to infer whether the assistance was formal or informal, but in fact, it would not be decisive. Apart from their formal insurance services, early 20th century Finnish trade organisations were simultaneously arenas of diverse kinds of informal and semi-formal exchanges of assistance, as well as hubs in extensive social networks.\textsuperscript{66} Membership in a union would have conferred access to informal as well as formal


\textsuperscript{65}While there is surprisingly little evidence of harmful collinearity among the several interaction terms which use income as a component, their entry does mean that the constitutive income term in block II no longer has a reasonably meaningful interpretation. The results are robust to entering the interaction terms separately one at a time in different orders.

\textsuperscript{66}Cf. Terä 2001, 72-75.
support, and in this sense, all possible organisational and associational affiliations could be seen as different forms of similar social capital, underpinning private transfers of resources. In any case, the conditional coefficient is significant and negative, indicating a social security function as expected. While all the coefficients remain low and the increase in standard errors needs to be considered, it is also slightly higher than the coefficients for other terms including income in the same model.

While the association variable implies an attachment to a formal organisation, and possibly entitlement to formal transfers in cash, which cannot be decomposed from informal ones, the next two variables have an increasing likelihood of depicting informal practices. In the case of gifts and assistance given, there is still chance that some of the expenditures recorded were related to collections, formal or semi-formal, for instance under the auspices of a trade union. However, the category of “loans given to private parties” in the weekly account book, functioning as a basis for the variable for acting as a lender over the year, evidently described an activity that certainly constituted a private, and most likely an informal, outward transfer.

Both are intended to measure the effect of acting as a source of transfers, analysing whether an indicator of engaging in reciprocity on the part of the recipients over the year conditioned the link between income and transfers. Significant reciprocity variables with a negative coefficient when interacted with income could indicate an insurance, as opposed to purely altruistic, logic at work. A positive coefficient, then again, might support the model of exchange.

Interestingly, both variables are significant, but the signs are different. The effect of having acted as a private lender over the year is similar to that of having paid association fees, suggesting access to informal insurance through reciprocity. Controlling for everything else included in the model so far, having given gifts and assistance over the year, then again, seems to condition a positive relationship between income level and cash gifts and assistance received – those with higher income received more. This would concur with the exchange rather than the insurance logic.

While the increasing complexity of the model and the concomitant risk of instability caution against reading too much into the coefficients, the result could be seen to imply that insurance or altruism were not the only logic the cash transfers followed, and that once those aspects are controlled for, also exchange unrelated to any sort of informal social security can be teased out. As those with higher income levels also tended to give more, one suspects the results

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67 Yksityisille annettuja lainoja.

68 It is unclear whether possible recording in a written contract factually changed the practical character of such loans.
might have something to do with the relationships changing at different points of the distribution of the income variable – with, for instance, one logic for the poor and another one for the more well-to-do. This interpretation is supported by the findings on the last block of variables in the model. Meanwhile, it can be noted that the formal insurance interaction variable loses its significance after the social capital and reciprocity variables have been included.\textsuperscript{69}

Finally, in block VI, it is tested whether, on top of everything else, being a relatively low-income household affected the relationship between income and gifts and assistance in cash. Income poverty is operationalised by creating dummy and interaction variables for belonging to the bottom 25\% of the sample in terms of total household income. The results are dramatic – the new variables reach a statistical significance higher than that of any others in the model, and the negative coefficient is larger by an order of magnitude. While the association and lender variables out of the social capital and reciprocity block still retain significance, the positive coefficient for the interaction of gifts given disappears, suggesting it was indeed related to income levels. The positive “exchange” association between income and transfers seems to shift to income in block II when all the other conditional income variables, including low income, are controlled for. While a large significant coefficient for low income alone might imply altruism at play, the persistence of the significance of the lender variable provides support for the insurance model as well. Also the number of underaged children attains significance in the full model.

As the CLS sample consists of relatively well-to-do, median-income workers, this finding also has implications for the generalisation of the results of the analysis. The social security logic of transfers appears much more clean and intense at the low end of the income distribution, and there are signs of different logics of gift-giving at play among the richer as opposed to the poorer workers.

All in all, the results on the cross-sectional analysis provide support for a social security interpretation of the cash transfers, with elements of both altruism and informal insurance involved. While membership in an association (union) could mean either membership in a risk-pooling network with insurance-like criteria or membership in an essentially altruistic community, the significance of the provision of informal loans refers more clearly to a logic of

\textsuperscript{69}Technically this shift is not dramatic: standard errors of the insurance interaction term actually decrease, but the drop in the coefficient and $t$ statistic are not very large. Out of the variables in block V, the association membership interaction term correlated with the insurance interaction term much more than did the lender interaction term, indicating the former two variables were likely to measure more of the same phenomenon, as discussed.
reciprocity and hence insurance. Both kinds of variables retain significance in the regression when controlling for each other.70

**Gifts and assistance in kind: A “child allowance”**

Interestingly, repeating the annual cross-sectional analysis for gifts and assistance in kind yields rather different sorts of results. To begin with, there is a difference in terms of sensitivity to the main income variable used in the model. The results on gifts and assistance in cash can be replicated relatively faithfully by either replacing the total household income variable and its interactions with the main income of the male head – in which case, the income of wives and payments by children can be entered as potential transfer substitutes, and become statistically rejected – or by replacing the income variable in the interaction terms with the household income shock variable. In the case of gifts and assistance in kind, however, only the use of the total household income variable yields any results. As can be seen from the table, these differ clearly from the ones on cash transfers.

The one factor that is a clear and consistent determinant in this model is the number of underaged children in the household – this demographic variable displays strong significance throughout the phases of adding further blocks. Otherwise, much fewer significant relationships are picked out by the regression than in the case of cash transfers.

The difference in the effect of the income variables is remarkable. The constituent effect of household income becomes negative and significant only after the interactions with the insurance and reciprocity variables are controlled for. The latter variables, then again, have a diametrically opposite direction than in the case of assistance in cash. If these kinds of transfers had a social security function at all, it was evidently not realized through membership in formal or semi-formal risk-pooling networks or communities. There are some indications of positive effect of reciprocity in gift-giving, perhaps suggesting this variable on the whole related to barter in goods rather than handouts in cash, but the direction of the interaction term is indeterminate.

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70While the number of observations becomes uncomfortably low, it can be noted that out of the 6 cases that were both low-income and providing informal credit, 5 were receiving cash gifts and assistance over the year; out of the 21 low-income households that had not provided credit, altogether 8 were transfer recipients.
Table 2. Determinants of gifts and assistance in kind. OLS regression. (Continues on next page.)

<table>
<thead>
<tr>
<th>Block</th>
<th>Variables</th>
<th>I Coeff. (s.e.)</th>
<th>II Coeff. (s.e.)</th>
<th>III Coeff. (s.e.)</th>
<th>IV Coeff. (s.e.)</th>
<th>V Coeff. (s.e.)</th>
<th>VI Coeff. (s.e.)</th>
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<td>.026 (.078)</td>
<td>.029 (.080)</td>
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<td>-.085 (.083)</td>
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<td>-.009 (.022)</td>
<td>-.009 (.021)</td>
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<td>110.418 (86.856)</td>
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<td>Complements and substitutes</td>
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<td>-.009 (.009)</td>
<td>-.009 (.009)</td>
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<td>.007 (.016)</td>
<td>-.002 (.017)</td>
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<td>.005 (.003)</td>
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<td>II Coeff. (s.e.)</td>
<td>III Coeff. (s.e.)</td>
<td>IV Coeff. (s.e.)</td>
<td>V Coeff. (s.e.)</td>
<td>VI Coeff. (s.e.)</td>
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<td>V Social capital and reciprocity</td>
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<td></td>
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<td>VI Income poverty</td>
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<td>$t=-1.158$</td>
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</table>

(Continued from previous page.)
N=142. Cases with poor relief or house loans purged. Coefficients significant at the 5 % level in bold. * = Largest negative quarterly value as percentage of average quarterly income. § = Household income in the bottom 25 % of the sample.
Source: CLS 1928 data.

Importantly, the income poverty variables have no effect comparable to the case of gifts and assistance in cash either, casting doubt on an altruism explanation. The explanatory power of the model and the significance of most of the thematic blocks remain low. Certainly at least, the underlying phenomenon was different than in the case of the cash transfers.

Looking further into the apparent strong link with the presence of underaged children, a complementing crosstabulation supports the results of the regression. Increase in the number of children appears to be significantly related with increase in the frequency of receiving gifts and assistance in kind over the entire year. No similar result emerges for gifts and assistance in cash.
What could be said of the potential sources and substance of this type of assistance? In 27 cases out of all the 44 households receiving assistance in kind in the data, the household cards contain some qualitative information of its nature. The most common types of goods mentioned in these cases, with several classes of goods mentioned in some, were foodstuff (18 mentions) followed by clothes (6) and firewood (4).

Union insurance funds can pretty safely be ruled out as a source. A potential institutional provider of support in kind directly related to children would have been the clothing assistance handed out by schools. However, when the regressions and crosstabulations are restricted to the effect of the presence of children in school age (7-15), the results not only are not improved, but they disappear altogether, giving grounds to rule out this sort of assistance as a major explanation. Poor relief as well as private charities could have been inclined to support large families with transfers in kind, like clothes and firewood. The high prevalence of foodstuff like potatoes, pork, fish and butter, however, rather suggests presents from individuals. Quite possibly, the assistance was to a large degree completely informal in nature.

Over the whole year, gifts and assistance in kind seemed to relate to specific variables – total household income, but primarily the number of underaged children – which could be seen as reflecting aspects of the economic position of the family as a whole. At the same time, like cash transfers, this variable was not sensitive to the consumption variable that could be considered the outcome of these two explanatory factors, namely expenditure per CLS adult equivalent. A possible explanation is that members of local communities and social networks explicitly or implicitly used the number of underaged children in a family as a ‘rule of thumb’ to determine the need for this type of support, which may also have often been targeted on the children themselves in the form of food and clothing. This would include transfers from close relatives, like the childrens’ grandparents.

The results make more sense when contemplated in the context of gender. Considering the characteristics of the households selected into the CLS material, with clear male breadwinners

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**Table 3. Number of children under 15 and the reception of gifts and assistance in kind.**

<table>
<thead>
<tr>
<th>N underaged children</th>
<th>Non-recipient N / %</th>
<th>Recipient N / %</th>
<th>Total N / %</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1</td>
<td>49 (77.8%)</td>
<td>14 (22.2%)</td>
<td>63 (100.0%)</td>
</tr>
<tr>
<td>2</td>
<td>34 (72.3%)</td>
<td>13 (27.7%)</td>
<td>47 (100.0%)</td>
</tr>
<tr>
<td>3 or more</td>
<td>17 (53.1%)</td>
<td>15 (46.9%)</td>
<td>32 (100.0%)</td>
</tr>
<tr>
<td>Total</td>
<td>100 (70.4%)</td>
<td>42 (29.6%)</td>
<td>142 (100.0%)</td>
</tr>
</tbody>
</table>

N=142. Cases with poor relief or house loans purged.
Chi-square: .043.
Source: CLS 1928 data.
and women who had small children to care for, probably earning both less and less frequently than might have otherwise been the case, one could reasonably expect a bias towards male-dominated family finances and social roles. Membership in trade unions and their insurance systems were likely to be male prerogatives. Assuming either cash or decisions about cash were also predominantly in male hands in these families, this would have also applied to the provision of informal loans, another variable of significance in determining the reception of gifts and assistance in cash. It is noteworthy that while the model on cash transfers works with the male income as the primary income variable as well, no results can be produced with this specification on transfers in kind.

All this supports the conclusion that the informal social security embodied in the cash transfers, with aspects of altruism reflected by the connection with income poverty, and of insurance reflected by the connection with risk-pooling communities and reciprocal actions, was primarily managed by men. Transfers in kind, then again, had a different logic. Their connection with children and aggregate income, and disconnection from purely male income variables, suggests they were more likely the realm of women. It is the exchange of goods – and even more often, the services, which are regretfully omitted by the CLS data – rather than cash, that is most often described in the literature on women’s informal exchange networks. It has also emphasized the role of women as the builders and managers of the networks of informal assistance: despite of the prevailing male breadwinner ideology, in practice the wages of the “household heads” were often either insufficient for survival or insufficiently shared within the household, and it was left to women to muster together the means of subsistence for the rest of the family. An essential part of this was the provision of social security by maintaining exchange networks with friends, relatives and neighbours. It is also a standard result in the analysis of intra-household resource allocation in low-income populations that resources controlled by the mothers correlate with the well-being of children more than those controlled by the fathers.

Against this backdrop, it would make sense that transfers in kind managed by women would be strongly geared towards increasing child welfare in the CLS families. Instead of an altruism/insurance logic based on income variables, in statistical terms, children were the one trigger for such transfers. In Marxian terminology, use-values were allocated on the basis of this concrete factor, while exchange values followed more actuarial principles based on

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72Carl Chinn has used the term “hidden matriarchy” to emphasize the matrifocal nature of the working-class family economy. Cf. Horden 1998, 33-34; Chinn 1988, 12-44; Ross 1983.
monetary measures, albeit tacit. At the same time, it remains unclear to what extent the transfers in kind could in fact be considered a form of informal social security at all, as they were relatively impervious to income, whether low or shocked. They could perhaps be best described as an informal, universal child allowance.

Conclusions

On the basis of the statistical determinants, then, it seems there were somewhat different tacit logics of entitlement at work with the different types of informal transfers. Cash transfers displayed both altruistic and insurance elements. They were evidently related to low income and income and expenditure shocks, but also to membership in associations like trade unions, as well as indicators of reciprocity through acting as a provider of transfers. Unions were sites for mutualist practices, the formality or informality of which is not necessarily very relevant in terms of material consequences. The link with membership means some of the transfers in question might have had a formal source, like an assistance fund, or a semi-formal one, like workplace collections organised or sanctioned by a union. Such practices entailed reciprocal obligations as well, exemplified by instances where the duration of membership affected entitlement or where those shirking from informal assistance were ostracized by the worker community.73 This sort of exchange was generalised, not bilateral: members gave to the community, and expected to get theirs from the community when need arose.

Comparison with gifts and assistance in kind on the annual level points to a different sort of phenomenon. These were related primarily to the number of underaged children in the household. As for income variables, strictly the level of total household income displayed an occasional effect akin to social security, but the link to social capital and reciprocity as measured in the model was largely negative or displayed a different logic, possibly of exchange. Shock variables were not significant, and being income poor did not bring entitlement either. Judging by their content, a lot of such assistance was probably informal gifts of food and clothing from individuals, although some institutional provision could have been involved. Either institutional providers or other community members may have considered the number of children an adequate proxy for the need for help, and the assistance may have been targeting the children directly, provided as for instance children’s clothing or meals.

While experiments with alternative specifications and the male-dominated nature of the household economies selected for the CLS 1928 study give grounds to associate the cash transfers and their determinants with men, dissociation from these variables and the strong position of underaged children in the equation suggest transfers in kind were the realm of women. These sorts of transfers seemed to target children mechanically without an evident link to financial need.

The results, while to be taken with many reservations and based on a data limited in time, space, household composition and social position, convey an image of different, gendered systems informal assistance existing in parallel realms, instead of a singular, undifferentiated logic of transfers of “the households”.


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