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Foreword to 'Morals and Markets'

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In October of 2016, MetLife fired Snoopy. The New York-based insurance company had been endorsed by the beloved beagle, together with other members of the *Peanuts* gang, for more than thirty years. Over that period Snoopy appeared in MetLife's advertisements, in the firm's logo, on the company blimp that floated over fairways at PGA golf tournaments, and on the business cards of its sales agents and executives. (The firm's *Stationery Brand Guidelines* recommended Snoopy appear on employee cards, but cautioned that he should only be shown in his "brand ambassador pose", trotting along with his arms outstretched in a carefree fashion.) Snoopy has long been a beloved figure in American culture, but sadly in capitalism all that is solid melts into air—or, as the company's press release put it, "Around the globe, change is happening faster than ever before … consumers are overwhelmed with the pace of change and are looking for a trusted partner to help them navigate these changes." MetLife decided it was going to reorganize its business or, again as per the press release, it was "evolving our brand" to better express "our noble purpose". The restructuring left no room for cartoon dogs. The company's global chief marketing officer, Esther Lee, commented, "It is to the best interest of all policyholders that they shall be taught to regard life insurance as a practical business institution—managed on purely business principles, and to be judged only by rules of recognized business procedure. The sooner they learn to sever it from all connection with impractical sentiment, the better it will be for them."

No of course she didn't say that. That was William Standen, quoted in the text of this book and writing in the late 1890s in an article titled "Life Insurance as a Practical Business versus Life Insurance as an Impractical Sentiment". What Esther Lee actually said was, "We brought in Snoopy over 30 years ago to make our company more friendly and approachable during a time when insurance companies were seen as cold and distant. Snoopy helped drive our business and served an important role at the time … However, as we focus on our future, it's important that we associate our brand directly with the work we do". Steven Kandarian, MetLife's President and CEO, added that "Our new brand reflects our company's transformation and differentiates us in the marketplace, ultimately driving greater value for our customers and shareholders". Their statements are rather less blunt than Mr Standen's, but they are recognizably in the same vein. There was a time, they say, when we needed Snoopy to make Life Insurance seem warm and welcoming, but those days are gone. It is now time—and, more to the point, it is justification enough—to think of MetLife in more directly economic terms, without any additional softening distraction.

We might be a little skeptical of the MetLife executives' gesture backwards towards that simpler time in American life when people needed to be coddled a little about the harsh realities of the insurance business. They are, after all, talking about the mid-1980s, a period when Wall Street (the institution) and *Wall Street* (the motion picture) were both strong advertisements among many others for straightforward self-interest in economic life. Whatever story is behind an insurance firm's initial need to sweeten its public image, and its subsequent willingness to cast off the safety blanket, it seems it ought to have deeper roots than that.

Morals and Markets is a study of what those roots might be. It is Viviana Zelizer's first book. She followed it with a series of works—*Pricing the Priceless Child*, *The Social Meaning of Money*, and *The Purchase of Intimacy*—that had a formative influence on both the sociology of economic life and the sociology of culture. When revisiting the early work of a scholar who set and sustained an important research agenda, as Zelizer did, one is always curious to see how much of the past has since been forgotten in the literature, and how much of the future is already there on the page.

Like many first books, *Morals and Markets* shows some evidence of its origins as a Ph.D dissertation, most notably in the way that the argument is initially framed and also in the nods throughout to the work of the sociologists at Columbia who were mentors for the project. At the same time, the book does not read like a dissertation. The prose is lucid and the pace is brisk. We get through the first three chapters in less than forty pages. The problem is efficiently set up. Life insurance companies were established in the United States toward the end of the eighteenth century, and seemed a strong solution to the financial problems of widows and orphans. But they failed to thrive at all. People would not buy what the companies had to sell. After the 1840s, however, this changed. Life insurance began a period of rapid expansion culminating in its consolidation as a large and influential market. What accounts for its early failure and its subsequent success? Existing explanations—mostly structural or economic—are examined and found to be insufficient. The means to pay for life insurance existed early on; other forms of insurance (such as fire and marine policies) were successfully sold on the market with little fuss; insurance companies were generally well-run; the law was no obstruction; the right sort of knowledge and data about mortality rates was available; and the policies were not terrible. But life insurance, in particular, faced a distinctive sort of resistance from people. Even one of the more plausible explanations for the industry's eventual success—its recruitment of an army of high-pressure sales agents and marketers—presupposes that there was some special problem with life insurance that needed a crack team of salesmen in the first place.

With the puzzle in place, the remaining chapters of *Morals and Markets* move to solve it. The overarching idea is that we need to understand how the culture or values of American society, and their interaction with the introduction of products that priced and calculated the costs and benefits of death, impeded the development of the life insurance market for half a century or more. At this point, I can write a sentence or two that might be found in many discussions that cite the book in passing: *Morals and Markets* shows how the introduction of calculative market principles into a sacred sphere, that of death, provoked a surprisingly strong resistance that took time and effort to overcome. Market success for the insurance industry eventually came not through the simple elimination or replacement of people's sacred values with something more instrumental, but in a more interesting way, through a kind of partial co-optation: "Theology yielded to the capitalist ethos—but not without compelling the latter to disguise its materialist mission in spiritual garb" (Zelizer 1979, 153).

That is a fair summary of the book, but it is far from all there is to it. In its relatively compact span, *Morals and Markets* addresses a series of hard problems about the role of culture in economic life, and in social change more generally. While Zelizer makes substantial progress—and indeed achieves her basic goal of showing that it is hard to explain what happened in this case without an understanding of cultural aspects of exchange—the book also seems not entirely satisfied with itself. The emphasis of the analysis shifts as it unfolds. The opening point, about the need to incorporate culture or values into a satisfactory explanation, gradually gives way to a different conception of the relationship between social structure and culture, as the book explores not simply the exogenous effect of culture but a two-way conduit between people's value commitments and the economic decisions they make.

The shift is prompted by the structure of the case and the fact that the research question is about how change was substantially delayed but not put off forever. Even the most seemingly straightforward question in historical sociology—"Why did this happen when it did?"—is a hard one to answer plausibly when you are confined to a single country and a sequence of events that unfolded only once. This difficulty is partly addressed by the use of England and France as comparison cases in a brief but effective chapter on the development of insurance in those countries. It is harder again to explain why something *didn't* happen, even when plausible counterpart cases are available for comparison. But it can be especially difficult to give a convincing account of why something failed to happen—and then also went on to happen very successfully. Life insurance was a failure in America, until it was a big success. The problem is more pointed when structural impediments to success seem to have been largely been absent, and one is pressing the case for the importance of culture or values. Bringing values to the center of the explanation seems like a good way to explain why things stay the same, not why they change. It is tempting to fudge the issue by twisting the historical lens until the problem goes out of focus. That way we can dismiss a decade, or a few generations, or a whole century as a "transitional period" between two eras with different but stable values. In the case of life insurance, we see an incompatibility between the calculating demands of the market and people's deeply-held religious beliefs and some fundamental social practices around the management of death. Deep and fundamental, that is, until these beliefs and practices show an unexpectedly flexible capacity to be adapted and reconfigured.

Rather than dismiss the question or relax in the glow of paradox, *Morals and Markets* moves instead to explore how exactly this reconfiguration happened. The book's opening discussion of the role of culture is pitched in what is, for its time, a conventional vocabulary of "non-economic factors" or "cultural variables". This suggests a kind of stable, monotonic causal effect at work. But by the fourth chapter, where the relationship between life insurance and the management of death is examined in detail for the first time, the analysis is quite different. Although the chapter opens with the idea of "value compatibility" in the diffusion of innovations, the discussion quickly shifts to a much more interesting conception of the "dual relationship between money and death, actual or symbolic". The key is the idea of "sacred money", a seeming contradiction that Zelizer quickly resolves through a series of examples into plausible and compelling detail. While the introduction of money at the point of grief seems abhorrent, the problem is not some general taboo against calculation but rather a horror of being cheap. Gift exchange and money are united in their love of excess, or at least in people's desire to avoid being seen as unable to make the right gesture or cover a needed expense when the moment arises. The conventional opposition between the sacred and the profane places gifts, altruism, and charity on the former side, and money, self interest, and the market on the other. But, as Mary Douglas notes in *Purity and Danger*, ideas about the profane and what is symbolically polluting

> … work in the life of society at two levels, one largely instrumental, one expressive. At the first level, the more obvious one, we find people trying to influence one another's behaviour. Beliefs reinforce social pressures: all

> the powers of the universe are called in to guarantee an old man's dying wish, a mother's dignity, the rights of the weak and innocent.

Money may often be polluting, but it is certainly also a power in the universe. As such, it can be called in to the service of some sacred end. It is this point of contact between the instrumental and the sacred that allowed it to stop being a profane intrusion and become instead a means to the right end. "Sacrilegious because it equated cash with life", Zelizer remarks, "life insurance became on the other hand a legitimate vehicle for the symbolic use of money at the time of death." The rest of this chapter follows through on this insight with an account of how life insurance gradually became incorporated into the preparation for death both practically and expressively.

Subsequent chapters look more closely at the marketing efforts of the life insurance companies and the particular role of the life insurance agent, whose job it was to make sales. Once again, Zelizer draws out the way that the content of the sales materials and the situation of the agents was in constant tension with the economic situation of life insurance as a product. Business strategies and public attitudes worked like opposing pairs of muscles, antagonistically but in a way that made things move. When the product was resisted, companies fought it "with moral and theological weapons", but once the industry began to thrive this "traditional moral weaponry rusty and useless in a battle that no longer sought ideological victory but unlimited economic expansion", and so "after disguising commercialism for almost three-quarters of a century, the life insurance industry became embarrassed by its former sentimentality and sought identification as a sober economic institution". Zelizer frames this part of the analysis in terms of "structural ambivalence", partly borrowing from Robert Merton and Elinor Barber's idea that roles, statuses, or jobs often come with cross-pressures that constantly pull their occupants in incompatible directions. She argues that, like undertakers, life insurance agents strove for respectability but were "occupationally constrained to treat death as a business". The result was that their moral arguments and appeals to higher values were always in danger of ringing slightly hollow. Even as they strove to be "salaried missionaries" enjoined to "act with the determination of the Apostle" they were also in constant danger of reverting to the stigmatized status of a salesman. Zelizer remarks that these "structural sources of ambivalence of the life insurance enterprise make it likely that swings in balance will repeat themselves".

And so they did, right down to the adoption and subsequent abandonment of Snoopy and his friends in the course of MetLife's pursuit of its "noble purpose". While that rebranding exercise is a relatively trivial case of the ambivalence that *Morals and Markets* identifies, the general point has been borne out repeatedly. In her book *Marketing Death* (Oxford, 2012), Cheris Shun-ching Chan traces the early development and consolidation of a life insurance market in China. The insurance corporation AIG came to China in the 1990s and recruited agents locally to sell its products. Few people in China knew what life insurance was at the time, and hardly anyone liked the idea of talking openly about contracts involving death. The result was that, in a slightly different manifestation of ambivalence, agents sold policies to their close relatives. These relatives trusted the sales agents, even though the policies were not cheap. Often, the sale was agreed with little or no discussion of the details of the policy, or even of what life insurance actually was. Importantly, agents deliberately did not mention the 40 percent ongoing commission they would earn from each policy they sold. Some sellers did feel misgivings about this, but in general they did not feel so bad that it stopped them from making sales. Enough policies were sold in this way that a market began to emerge. It was only at this point, when AIG sought to expand its pool of sales agents through an advertising campaign, that the terms of the deal were accidentally publicized by the insurance company itself. (More recruits were needed because, as the market expanded, the original cohort of agents more or less ran out of trusting Grandmothers.) The result was an immediate and embarrassing public controversy that quickly ended the practice of selling to close relatives. After that, the market become more formally regulated and agents began to sell more extensively to acquaintances and strangers.

In retrospect, *Morals and Markets* pioneered an effective and by now widely-employed approach to the sociology of exchange. Although nominally a study of an episode in nineteenth century history, *Morals and Markets* immediately suggests the general problems that underpin the insurers' dilemma. Several of these connections are made explicit in the text, for example in its mentions of the then-current (and still unresolved) debates about the commercialization of trade in blood and organs provoked by the publication of Richard Titmuss's book *The Gift Relationship* in 1970. Over the past two decades, sociologists have increasingly looked to Zelizer's work as a model for studies of the creation and maintenance of gift- and market-based exchange in sacred, taboo, or otherwise awkward goods and services. Chan's work on the Chinese insurance market builds on the original topic of *Morals and Markets* and confirms many of its insights. Yet its ideas are quite general. In an Introductory essay like this it is invidious to arbitrarily pick and choose from what is by now a large scholarly literature, but it is worth noting some of the varied empirical settings that have seen a broadly Zelizerian approach applied, or directly engaged with the questions explored in *Morals and Markets*. They include studies of exchange in "human goods" such as blood and organs; in eggs, sperm, and genetic material; in cadavers; in research on how a radical movement for hospice care could be made financially viable; in studies of how different kinds of hospitals dealt with pressure to be more responsive to the market; in an exploration of the reappearance of viatical settlements in the 1990s; in work on how employees charged with selling services to mothers resist the commodifying impulses of their own company; and in an analysis of how people wanting to get records played on the radio tried to avoid getting caught for payola.

It would be easy to give many other examples. Methodologically, this more recent scholarship has often departed from the historical approach taken in *Morals and Markets*. Much of it has been ethnographic or interview-based, for instance, which has allowed for a better view of what is now—following other, later writing by Zelizer—often called the "relational work" done by parties on both sides of these transactions. But while the methods are different, and the idea of structural or role ambivalence is not much used in contemporary discussions, it is notable that much of this work still ends up focusing on the persistent difficulties faced by people, often in formally defined roles, who want to broker a potentially awkward transaction while retaining their own dignity or that of their exchange partner, and also drawing a bright line between what they are doing in comparison to the behavior of people with more craven motives.

Research on the role of morals in markets, including Zelizer's own later work, has tended to focus on the processual aspects of the boundary-marking and distinction-drawing that exchange partners engange in. But having looked at how the relational work is done or the ambivalence is managed, the same scholars then tend to be drawn back to some of the more macro-level questions about where, exactly, people get their standards for what is right and what is wrong in these transactions (or, as they are more likely to say, what is "appropriate" and what is "inappropriate"), how these standards are enforced, and whom they benefit. The question of the origin and persistence of normative boundaries in exchange remains as hard to answer persuasively as ever. Economists examining these exchanges in recent years have been similarly frustrated by the existence, to use Alvin Roth's term, of widespread "repugnance" towards particular sorts of market transactions—a repugnance that is severe enough to be non-trivial but variable enough to defy easy generalization. *Morals and Markets* follows the initial arc of this problem. It begins with broadly Durkheimian questions about seemingly fundamental divides between the sacred and the profane, and basic institutional contrasts between gift-based and market-based solutions to exchange problems. But then it works its way towards something more like the sensibility of a Georg Simmel, where what seemed like basic, contentful or substantive contrasts start to appear more like abstract social forms with a dual aspect that can be made to run first this way, and then the other. Money becomes a gift, a gift becomes a burden, a burden becomes a moral obligation, and back again.

When it originally appeared, *Morals and Markets* was reviewed by sociologists and historians alike primarily as a significant contribution to our understanding of the insurance industry. As Zelizer's work became more influential, and her subsequent work pushed her ideas further along, the book came to be read for its account of how insurers made death safe for the market, and *vice versa*. The particular case of insurance began to seem less important than the general argument about the role of money in sacralized parts of life. This made a second substantive theme of the book fade into the background more than it deserved. Along with the role of money in the management of death, the book also made an argument about the growth of the life insurance industry and the sea-change in attitudes to risk and gambling that took place over the course of the nineteenth century. Zelizer's discussion highlights, in particular, the questions that swirled around the relationship between risk and moral accountability for one's actions, the potentially deleterious effects of an insurance safety net on personal motivation to work, and the general dangers of making bets against providence. The Great Recession that followed the financial crisis of 2007 and 2008 directed the attention of historians and social scientists sharply back towards the financial sector, the rise of the insurance industry, and the foundations of modern beliefs about risk and personal responsibility. In history, works like Jonathan Levy's *Freaks of Fortune* (Harvard, 2014) revisited the origins of the modern idea of "risk" in the marine insurance industry, tracing in depth the shift from providence to premiums, and the controversies surrounding the rise of insurable lives. Sociologists, for their part, began to look more closely at how techniques of quantification and measurement were used to encode not just estimates of the likelihood of default but also moral worth. Meanwhile, newspapers and the media were filled with opinion and commentary fulminating variously about the financial irresponsibility of impecunious individuals, the need to enforce personal responsibility in the market, or the deluded efforts of financial analysts to model and hedge away Knightian uncertainty (as Divine Providence is now known). The questions raised by *Morals and Markets* are as relevant as ever, as are the answers it offers. Go ahead and continue reading—it's a small risk for a near-certain reward.