

Are people willing to share risks together within a financial market?

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Economic anthropologist Erik Bähre does research on the morality of insurance. In his latest ethnography "Ironies of Solidarity" Bähre explores how the South African insurance market expanded. His book asks questions about boundaries of solidarity; to what extent are people able and willing to share risks together within a financial market? These questions have become ever more urgent with the outbreak of

COVID-19, which further tests the limits of financial instruments and solidarity.

Urbanisation and the insurance market

"A little bit of background: when the racist apartheid regime ended in 1994, South African [insurance](#) companies 'discovered' African clients and the country became a testing ground for new insurance products. Funeral insurance was the most popular. People living in Cape Town did not want to be buried in this hostile city. They needed money to be buried 'back home' in the Eastern Cape, among family. To do this they had set up neighborhood associations and kinship networks, which I examined in my previous book "Money and Violence." In "Ironies of Solidarity" I show how insurance policies entered the scene and changed [solidarity](#) among neighbors and kin."

Escape from Solidarity

"Solidarity is inherent to [human relations](#) and people help each other in all kinds of ways. Who is against solidarity, right? But solidarity is also a burden and can even be cruel. Key questions that we need to ask are: what are the boundaries of solidarity, where does solidarity stop? Solidarity always excludes and always demands a degree of conformity, which suppresses individual freedoms. The working title of this book was "Escape from Solidarity," which referred to the movie "Escape from Alcatraz." I found that Africans in the townships of Cape Town took out insurance in order to escape solidarity among neighbours and kin. Neighbours and kin are extremely important but these relations are at the same time unequal. For many, insurance offered an alternative way of helping and caring. But "Escape from Solidarity" was not such a good title because insurance is also a form of solidarity, also with cruel dimensions."

New problems with solidarity

"For example, parents claimed insurance money after the death of their daughter. The insurer turned it down and argued that their daughter was not insured. The parents eventually found out that their daughter was legally married with a Nigerian man and that she had his surname. But their daughter had never been married! Most probably, a Nigerian gang had bribed government officials to register this marriage in order to get South African citizenship. The parents had no means to challenge the insurance company's decision. They felt that the company was cruel by not paying and that their daughter was dishonored. So here too solidarity comes with cruelty that we can only discover when we examine concrete cases. The irony is that people use insurance to solve problems they encounter with solidarity among neighbors and kin. But this solution creates new problems with solidarity. That is how I understand [social change](#): we try to solve something together, and the solution creates another problem, and so on."

Emerging markets

"At the start of my research I was surprised that insurance companies became active within a market where people are poor and exposed to many risks. How are they going to make a profit here? It soon became clear that profit was not nearly as important as I thought. The 'discovery' of this market had more to do with democratization and the recognition of Black South Africans as fellow human beings. This emerging [financial market](#) was the outcome of a political struggle for dignity and human rights where Africans had to be recognized as fellow human beings who were part of what Mandela called the Rainbow Nation. The 'discovery' of a financial [market](#) was the result of an ideological change and a political struggle which shifted the boundaries of who financial companies could see as clients. Companies are also profit driven. But

this book warns against a narrow focus on profit and utilitarian motives. Financial markets are also 'discovered' because of ideological and political struggles where people are suddenly seen as clients."

Provided by Leiden University

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