A Historical Take on Agency and Institutional Change: The Case of National Advisory Councils in Inter-War Western Europe and the Netherlands

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RESÜMEE

1. Introduction
The new institutionalism, which gained prominence in social and political science from the late 1980s onwards, has significantly changed the epistemology of institutions in scholarly work. An important school of thought within this field of study, stresses the temporal dynamics of institutions, and has become known as ‘historical institutionalism’. Leaning heavily towards the terminology of path-dependency, scholars have ad-
addressed the issue of institutional change in time since the late 1990s. This has resulted in a productive debate about the theoretical and methodological implications of the empirical study of institutional change. However, historical contingency and agency is largely missing in their explanatory matrices, particularly with regard to the way in which institutional change is addressed.

This contribution aims to explore the ways in which another perspective on institutions might bridge the gap between the claims of explanation, and the more historicist and humanist approaches to institutions. In their book *The State as Cultural Practice*, the political scientists Bevir and Rhodes make a strong case for a more decentred interpretive take on institutions, conceiving institutions not as actors in themselves but as contingent constructs of individual human action.1

Relating it to some topical historical institutionalist propositions to deal with institutional change and agency, this article will highlight the particular approach and conceptual framework that it adopts in the first section. It will also elaborate on the approach’s (partial) indebtedness to a dualist conception of institutions loosely derived from Anthony Giddens’s path-breaking work on structuration. Secondly, the precondition for presenting the argument in this article – the historical and historiographical context of the test-case – will be outlined: inter-war advisory bodies in the socio-economic realm in Western Europe in general, and in the Netherlands in particular. Then the article will present a historical institutionalist reading of these advisory councils, allowing for what Charles Tilly called the explanation of ‘big structures’, ‘large processes’, and making ‘huge comparisons’.2 Subsequently, the article will point at the value of a decentred, interpretive approach that brings forth a historical understanding of institutional practice and change on rather different terms. It will do so by probing into the micro-level practice of some inter-war advisory councils in the Netherlands. Finally, this article aims to show how an agency-centred historical inquiry into institutions might allow us to grasp the complex dynamics of institutional change by diverting from the explanatory language and reification that is ascribed to historical institutionalist readings of change.

2. Historical institutionalism and decentred interpretation: change-agents and situated agency

Proponents of historical institutionalism (HI) share a set of assumptions that are key to their understanding of ‘how institutions evolve’. Essentially, they adhere to some notion of path dependency – the idea that ‘what has happened at an earlier point in time will affect the possible outcomes of a sequence of events occurring at a later point in time’.3 Once put in place, institutions tend to become ‘sticky’, implying a conservative attitude

towards (radical) change and a tendency to signify continuities by the subsequent reproduction of a particular institution. Furthermore, a particular conception of temporality or historicity is included in their theoretical propositions. Institutions are not looked at as a ‘snapshot’. Instead, they are subjected to a developmental analysis over a certain period of time that entails decades or centuries rather than years.

Theorists of historical institutionalism have embarked on an intensive dialogue about the epistemological consequences of their work, most notably about the methodology and tools needed to explain institutional change. At the heart of this debate is the acceptance of some degree of incremental change of institutions over time which is generated by a set of endogenous mechanisms – as opposed to the ‘critical junctures’ which are regarded as creations primarily enforced by exogenous shocks. Although some recent contributions to the debate claim otherwise, to a large extent agency has generally been conceptualized as a subordinate factor in explaining endogenous change.

The focus has shifted from more radical modes of change – instances of contingent ‘path creation’ at some critical juncture at which the parameters of future development are (re)set – to theoretical reflections on gradual and evolutionary institutional change. Culminating from a long-pending debate is a well-elaborated ‘theory of gradual change’, most comprehensively forwarded by the sociologists Thelen and Mahoney.\(^4\)

The key to this theory is the assumption that once created institutions are not subjected to an era of relative stasis – which most neo-institutionalist analyses infer – but instead fit into a pattern of gradual changes or adjustments inherent to institutions. Building on a burgeoning corpus of change theory, Thelen and Mahoney propose four modes of gradual change that reflect the way in which institutions tend to evolve. They take both the ‘characteristics of the political context and the institution in question’ into account which shape what they phrase “the dominant change-agent”.\(^5\)

These modes of gradual institutional change comprise displacement (the removal of one set of rules for a new one), layering (a new set of rules on top or alongside existing ones), drift (changing impact of existing rules due to environmental changes) and conversion (a redeployment of existing rules). The so-called change-agents’ actions coincide with a certain mode of institutional change. According to Thelen and Mahoney, “the character of existing institutional rules and the prevailing political context are again the key explanatory factors” of institutional change. To them “agents become the intervening step through which the character of institutional rules and political context do their causal work”.\(^6\) They incorporate social interaction between agents into their explanatory matrix by adding the impact of ‘coalitional dynamics’ to institutional change as a key factor.

In this explanatory language, change-agents – or human agency – is still more or less subordinate to institutions (rules) and environment. It is a cog that provides for the ‘causal

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5 Ibid., p. 15.
6 Ibid., pp. 27-28.
work’ that is taking place within the kaleidoscopic matrix of time-space. Change-agents, in contrast, might also be considered as the starting point of analysis rather than as the missing link in change theory.

For such an agency-driven approach, constructivist or discursive institutionalists provide us with relevant impetus. Vivien Schmidt argues, for instance, that institutional change is by all means agency-driven: “one could consider how agents get beyond their institutional constraints, with ideas conveyed through discourse having a causal effect on their environment.”

In a way, such an approach is derived from Anthony Giddens’s famous idea about the ‘duality of structure’. It suggests, in accordance with Giddens, an inextricable mutually constitutive and dialectic relation between ‘structural properties of social systems’ and the historical agents. This historical process of structuration entails a presupposition of agency and structure: agents’ actions are incited and limited by ‘rules and resources, organised as properties of social systems’. Yet, at the same time these rules and resources exist merely by the grace of human enactment through which they are reproduced and petrified – as institutions.

Despite legitimate questions about the conceptual clarity of Giddens’s theory and propositions to rethink structuration in different terms, its key assumptions of duality might contribute to a heuristic framework for historical research on the development of institutions. However, similar to historical institutionalism, the theory of structuration seems to downplay modes of institutional change in favour of modes of reproduction and continuity. Change is hard to pinpoint when adopting a structuration framework. Since agents’ actions are engrained in structures, and structures are in turn acted out by agents, the reproductive process of structuration in essence does not disclose patterns of change other than those emerging from the dialectics between structure and agency.

In my opinion, institutional change, as an object of historical inquiry, has to be sought on a conceptual grounding that diverts from the explanatory language of historical institutionalists. It proceeds from Giddens’s framework of duality, but at the same instance encapsulates a particular notion of agency-driven institutional change as promoted by constructivist institutionalists.

I would like to argue in favour of the decentred interpretive approach adopted by the political scientists Rod Rhodes and Mark Bevir. Their perspective offers a yielding mid-

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8 V. Schmidt, A Curious Constructivism, p. 710 (footnote 7).


way between historical and constructivist institutionalism. They take the primacy of the agency argument a step further, but still implicitly adhere to Giddens’s idea of duality of structure. Key to Bevir and Rhodes’ understanding of institutions is what they call ‘situated agency’. They share a post-foundationalist postulation in human agency, implying there is no autonomous self who acts on the basis of pure experience or reason. Bevir and Rhodes thus radically move away from rational choice. According to them, human action is triggered within a web of beliefs in a particular social context. Agency is the simple capacity of an individual to adopt beliefs – also new ones – and pursue actions. Accordingly, institutional change depends on the human reflection on at least two social constructs: tradition and dilemma. Tradition is defined as “a set of understandings someone receives during socialization” that is consequently a product of situated agency. Traditions should always be understood in the circumstances where they are applied. Dilemmas generate a certain choice of action for an agent. Fostered by their beliefs and experiences, human actors decide what kind of (discursive) action they will pursue – therewith affecting the web of beliefs. Subsequently, institutional change amounts to the “pushing and pulling of a tradition and a dilemma to bring them together”. This dynamic allows for a very different explanatory reading – at shop floor level – of institutional change that chooses historicist and humanist informed explanations through decentred interpretation over neo-institutionalist registers of explanation. As a test case for this decentred, interpretative approach, this paper addresses the history of inter-war advisory councils in Western Europe with a particular focus on the Netherlands. Before being able to employ such a reading of institutional practice and change, it is necessary to introduce the historical case study to some extent.

3. Beyond corporatism: readings of inter-war advisory councils in Western Europe

During the inter-war period public administration witnessed a fundamental acceleration of displacement and delegation of governance practices in Western Europe. Burgeoning state interventionism was accompanied by a nexus of new or expanded institutions that became increasingly engaged in procedures of decision and rule making – and keeping. From the outside of the state apparatus, in the extra-parliamentary realm of governance, a variety of professionals, experts and (representatives of) interest groups were clustered around – or (partly) placed within the structure of – the administrative state in order to render particular expertise, generate societal consent for policies, and to enable the

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12 M. Bevir and R. A. W. Rhodes, Governance Stories, p. 8 (footnote 11).


14 M. Bevir and R. A. W. Rhodes, Governance Stories, p. 11 (footnote 11).
outsourcing of regulatory, supervisory, executive and — in some cases — legislative tasks. Myriad advisory councils, as they were usually referred to, gave impetus to an emerging politics of consultation that reconfigured the relations between voluntary associations, interest groups and third party experts, and legislators, administrators and executive officials of the state.

Various renowned commentators of the time coined the terms for this nexus of advisory councils: *Spezialparlemente* (the German legal philosopher Georg Jellinek), *voorparlementen* (pre-parliaments, the Dutch socialist leader P. J. Troelstra), *l’administration consultative* (the French jurist Georges Hauriou), *parliaments of industry* (the English political thinker Herman Finer) or *corporatisme mixte* (the Romanian intellectual M. Manoilasco).  

It is exactly this intermediate sphere of governance that has attracted scholarly interest by political and social historians. For the last decade or so, extra-parliamentary advisory bodies have been part of the new historical readings of inter-war politics and administration. By moving away from the reiterations of accepted institutions, such as parliaments, governments, state departments, political parties and elections, a range of new questions have been posed about the nature of governance practices within the maturing — and contested — democratic polities of, for instance, France, Weimar Germany, Belgium and Britain. Furthermore, recent theories on the nature of political representation and on the historicity of political institutions have enabled scholars to review inter-war politics through a new lens.

Existing neo-corporatist scholarship, with its emphasis on the (success of) conciliation of colliding economic interests within a state-controlled, multipartite institutional edifice, tends to embrace normative assessments of extra-parliamentary governance. Whether it is a democratic benchmark (in terms of representativeness or the degree of subordination to national parliaments) or a functional evaluation (do neo-corporatist arrangements deliver?), neo-corporatists have not touched upon the historical contingency of governance practices and the concomitant issues of legitimacy.

This has had two impacts on the study of interwar politico-administrative institutions. Firstly, ‘corporatism’ has been associated with the ‘tainted’ institutions of the inter-war period, particularly those of authoritarian corporatist states such as Portugal, Austria and Italy, resulting in an a priori exclusion of inter-war extra-parliamentary, representative institutions from historical analyses of democratic governance. Secondly, pre-1940 corporatist arrangements have mainly been labelled as failed experiments that were unable to conciliate capital and labour, or inter-war corporatist institutions are explained.

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as deadlocks by taking the efficacy of post-war neo-corporatism rather anachronistically as the yardstick.

The current agenda of research sharply diverts from these conclusions. Being one of the initiators of a ‘new’ political history, Pierre Rosanvallon has broached the possibilities of subjecting modern French political history to a non-Jacobinist – and thus less essentialist – historical interpretation that moves away from the classical tenets of parliamentary democracy as the objects of study, and incorporates a much richer amalgam of intra- and extra-parliamentary political institutions.16

One significant contribution to this agenda of research, with regard to inter-war advisory bodies is Alain Chatriot’s study of the Conseil national économique (CNE). It is indeed one of the (representative) institutions constituting a mode of l’administration consultative in France from 1925 onwards.17 Recent inquiries into the more remote political institutions of the Weimar Republic have shown a lively practice of extra-parliamentary governance which ultimately was thwarted by Hitler’s rise to power in the early 1930s. Joachim von Wedel, for instance, has convincingly inserted the (Vorläufige) Reichswirtschaftsrat (RWR, 1920–1933), a constitutionally defined advisory council, into his historical narrative of German bicameralism and parliamentarism.18 Joachim Lilla has published lengthy ‘biographies’ of the RWR and other representative bodies with the explicit aim to assess these advisory councils on their own merits.19

Another indication for scholarly interest in ‘corporatist’ bodies – state-endorsed deliberative platforms that facilitated the articulation of aggregation of branch interests such as agriculture, industry, trade, banking, transport, crafts etc. – is the annotated reissue of an influential comparative study between the main French and German advisory councils first published in 1929.20 In British historiography, the work of Keith Middlemas, Susan Howson and Donald Winch, and W. H. Greenleaf, and more recently Chris Howell’s book on the relation between trade unions and the state, and Michael Moran’s work on the regulatory British state, offers myriad clues to arrive at a history of extra-parliamentary governance in Britain that is not merely preoccupied with Whitehall or parliamentary affairs.21

As extra-parliamentary institutions contributing to politico-administrative practices proliferated in (Western) Europe during the inter-war period, other national cases are still

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waiting to be scrutinized – as well as the interwar transnational attempts to create a set of functional representative organs to regulate supranational trade, agriculture, traffic, labour and finance in Europe. However, the inter-war advisory bodies also offer an interesting object of study through the lens of historical institutionalism. They were insertions into many (new) national polities and were subjected to critical reflections from the very beginning by advocates and antagonists of democracy alike. Advisory bodies had to invent their own best practices in a period during which political relations, societal stability and economic conditions were continuously under pressure. This context allows for an explanatory narrative that particularly underlines the impact of the historical circumstances on institutional change, as will be set out below.

4. A look at inter-war advisory councils: a historical institutionalist reading

The scarce publications that probe into the actual practices of these advisory bodies all share a common focus despite the rather diverging methodological and conceptual postulations they pertain. With regard to the institutional origins or characteristics of inter-war advisory bodies, explanations tend to centre on a number of structural changes in the relation between state and society. These changes occurred as part of what Jürgen Habermas described as the dual – and dialectic – process of a ‘societalization’ of the state and a ‘stateification’ of society. They are often related to processes of re-corporatisation which started in the last third of the nineteenth century. This process refers to the re-emergence of social collectives (e.g. trade unions) after the liberal interlude incited by the French Revolution, during which collectives (e.g. guilds) were abolished.

Therefore, the institutional genesis (or ‘path creation’ process) of grand inter-war advisory councils, which all incorporated elements of group representations, is dated from the late nineteenth century onwards. At national and subnational levels, a variety of representative bodies were installed, ranging from local multipartite boards of industrial arbitration and negotiation to councils for governmental consultation, consisting of vocational and socio-economic interest groups. Examples of such councils are the Prussian Volkswirtschaftsrat (1880), the Belgian Conseils de l’industrie et du travail (1889) and Conseil supérieur du travail (1892) and the French Conseil supérieur du travail (1891).

The post-Versailles era was entered through a critical juncture at which the intermediate level between the state and socio-economic organised interests became a predominantly

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23 For a classic account of this history see: A. Black, Guild & State: European political thought from the twelfth century to the present, New Brunswick 2003.

national affair of state consultation, co-governance, (self-)regulation and interventionist policy-making. Considering the context of defining national positions within the largely undefined relations of global trade and industry of the early 1920s, governments resorted to broad consultations prior to the ratification of bipartite trade treaties. In many Western European countries, good experiences with the co-management of (food) distribution and wartime crisis policies, which involved the acceptance of many voluntary associations, particularly trade unions, as partners in governance by the state, fostered a sustainable acknowledgement of the presence of organized interests in governmental affairs after the war. Moreover, as many (new) states entered a process of (re)defining and ratifying new national constitutions, advisory councils representing the national economy as a whole were subjected to procedures of legal enactment, either within the constitution (such as in Poland and Weimar Germany, article 165 of the new constitution) or in adjacent laws (most other European states).

In a nutshell, the restoration of a global (economic) order, the wartime collaboration between the state and organized interests, and national constitutional demands were the main exogenous drivers of institutional change which ultimately manifested itself in the installation of a host of economic advisory bodies such as the Vorläufige Reichswirtschaftsrat in Weimar Germany (1920), the Conseil national économique in France (1925) and the Commissie voor den Economischen Politiek in the Netherlands (1917, re-installed in 1927 [CEP]).

In the literature, their raison d’être and functioning is to a large extent linked to state directives, regardless of the formal or informal tasks (ranging from legislative mandates to mere advisory work on request) these advisory councils were committed to. The advisory bodies allowed for the articulation of societal (group) interests otherwise not represented in public politics. They provided the state with an instrument to channel and conciliate social and economic interests as a means to promote stable relations between conflicting organized interest groups and between these groups and the state.

Another line of reasoning forwards these advisory bodies as deliberative arenas in which ideological charged issues could be discussed in terms that diverged from partisan discourse in parliament. In this reading, advisory bodies were a platform for techno-administrative debates on complex policy issues being kept at a distance from parliamentary decision-making. In similar vein, advisory bodies were able to provide government and its agencies with knowledge and expertise unavailable in state bureaucracy or parliamentary politics.

Consequently, fundamental changes in the institutional layout of these advisory bodies in the course of the 1930s are related to certain needs of the state, mainly the urgency


26 J. Lilla, Der Vorläufige Reichswirtschaftsrat (footnote 19); A. Chatriot, La Démocratie Sociale (footnote 17); P. E. de Hen, Actieve en re-actieve industriebeleid in Nederland: de overheid en de ontwikkeling van de Nederlandse industrie in de jaren dertig en tussen 1945 en 1950, Amsterdam 1980.
with regard to the solution of the perceived functional (not enough expertise or knowledge for well-designed interventionist policies) or representative (absence of the articulation of certain social or economic interests in the legislature) deficits at certain instances, particularly during post-Versailles transitional politics and during the crisis of the 1930s. In general, one can discern a transformation of the grand representative bodies of the early 1920s into smaller overarching boards of (mainly) experts – not interest representatives per se – who coordinated the advisory work of subordinate committees. In some cases, for example in the United Kingdom (Economic Advisory Council, 1930) and the Netherlands (Economische Raad (ER), 1932), this resulted in the installation of a new advisory board of experts. It should be noted that myriad critics (e.g. technocrats, communists, fascists, corporatists, Catholics) also promoted such expert bodies as solutions to the alleged shortcomings of parliamentary decision-making and state-bureaucracy from the 1920s onwards.

The importance that is consequently vested in exogenous shocks resulting from economic, social and political crises, rather easily fit the logic and terminology of historical institutionalism. However, by defining the state as the main ‘change-agent’ and by conceptualizing state-society relations as the strongest driver for change something else is largely neglected or at least downplayed.

What is lacking at large is the inscription of agency into these advisory bodies themselves. Rather than being a technology of state interventionism per se, advisory bodies’ members or drawees generated their own dynamics. This dynamic was not exclusively rendered by governmental actions, orders or interferences. By probing into a Dutch case which from a HI perspective fits the explanatory narrative of institutional change enunciated above, I will argue that a decentred take on advisory councils discloses a different view on institutional practice and change that centres on the ‘situated agency’ of historical actors.

5. The case of the Netherlands: agency-driven institutional change

The Dutch case offers a promising, though complex, field of inquiry because its history shows much minor and major change in the institutional set-up of national advisory bodies. Complex because due to the organization of voluntary associations along the lines of ideological – ‘pillarized’ – blocks, the incorporation of socio-economic interests as a whole into a practice of l’administration consultative proved very difficult and troublesome.

Economic interests were not only horizontally clustered around perceived aggregated interests of a specific trade or sector or profession (e.g. industry, agriculture, transport, 27 S. Howson and D. Winch, The Economic Advisory Council (footnote 21); J. A. Nekkers and W. H. Salzmann, Een “Heilzaam Orgaan in Ons Staatsleven”? De Economische Raad Als Deskundigencollege 1932–1938, in: Economisch- en sociaal-historisch jaarboek, 53 (1990), pp. 191-224.
shopkeepers, wholesalers), but were also fragmented within certain functional or vocational groups, even at the subnational level. For instance, in one city or municipality one could find a catholic, liberal (neutral), and protestant shopkeepers’ association which also translated into a similar co-existence of (competing) national organisations. Other than, for instance, France or Germany, the overarching national advisory councils did not constitute the top of a territorially built-up pyramid of organized interests. Rather, they comprised equally represented national organisations with clear confessional or ideological signatures. Consequently, the history of the Dutch advisory councils of the inter-war period is also an episode during which experimentation to overcome or accommodate ideological deadlocks in Dutch politics and society took place. Advisory councils, other than parliament, did not have to relate to an abstract common good in concordance with ideological dogmas. Instead, it was a ‘partial’ interest, couched in terms of one trade, one sector or one profession that, at least in theory, would allow for a non-partisan, technical articulation of a shared interest.

To make it even more complex, alongside the grand advisory councils that aimed to represent the Dutch economy as a whole, councils representing a particular trade or sector which became acknowledged by the state as official advisory bodies as well (e.g. the Industrial Council of manufacturers, the Council of the Self-Employed) were also initially developed from the bottom up.

From the end of the First World War until the crises of the early 1930s, this implied an institutional constellation of sub- and co-ordinate advisory councils who all claimed to represent (part) of the Dutch economy and whose interrelations – or its relation to government and its agencies – were not clearly fixed by regulations or law. In theory, all councils were entitled to advice the government unsolicited or to receive consultation requests by the government to a similar degree.

This is not the right place to go into detail about the contribution of individuals within each advisory council. However, one can discern a number of beliefs and experiences that tend to correspond with the position of individuals who render the practices of consultation and governmental advising in general terms. This is where the idea of ‘situated agency’ becomes useful, not through ethnographic enquiry, as proposed by Rhodes and Bevir for contemporary cases, but by combining a variety of texts from the available archival records.

In the minutes of many meetings, in the correspondence between councils and state agencies or among council members, certain individuals become visible as the main agents in daily practice. These actors can roughly be found among five groups of participants of which the first three are highly relevant in the following analysis: state delegates (civil servants), the responsible ministers, members (mainly chairmen) of the advisory councils’ executive boards, invited ad hoc experts, and the members of the advisory councils who represent national voluntary associations with a specific ideological signature.

Putting aside the earlier mentioned dynamics in politics and industry as exogenous drivers of change, I will show now how beliefs, experiences and orientations – and the traditions they are rooted in – of a number of individual actors posed feasible dilemmas
that eventually marshalled institutional change from ‘within’. The analysis focuses on the late 1920s and the early 1930s, the years during which the CEP – the ambitiously set-up economic advisory council of 1917 that claimed to represent the economy as a whole – became idle and superfluous and a new overarching advisory body was installed that capitalized on expert input in the politics of consultation, the Economic Council (Economische Raad, founded in 1932).

While scrutinizing the archival records of both generic advisory councils, as well as probing into the materials about the more specific Industrial Council and the Council of the Self-Employed, one striking conclusion has to be drawn. The activities and meetings of all advisory councils did only relate partially to the actual substance and procedures of governmental consultation. Rather, the councils proved to be a platform on which the opaque relational matrix between government, state bureaucracy, interest groups, advisory bodies, and (scientific) expertise was negotiated, discussed and rendered visible. This particular setting of extra-parliamentary politics, institutionalised in an intermediate sphere between state and society, allowed for a mode of ‘situated agency’ of which the tradition or social discourse was highly undetermined, giving rise to a context of novel actions and creative innovation by historical human agents.²⁸ A few of these ‘situated agents’ will now be presented as part of an attempt to grasp the institutional change within the realm of inter-war Dutch advisory bodies.

It is worth to point out one civil servant who operated as the state delegate in all above-mentioned councils, F. K. J. Heringa, a former marine official who was the so-called head of the section Trade and Industry of the national department of economic affairs starting in 1921. As ministers rarely attended the meetings of the advisory councils themselves, council members experienced Heringa as both the delegate of the minister as well as the representative of the department of economic affairs – he was the minister’s advocate as well as the guardian of red-tapism. As such, Heringa was held accountable for the many cases in which government had not consulted its ‘formal’ advisory councils with regard to policy-making. At the same time, he had to confront the councils’ members with the expansion of bureaucratic autonomy within the departments which in many cases implied the creation of alternative procedures of advice or consultation for government.

Heringa fought many battles with the councils’ members, boards and, in particular, chairmen. During the councils’ meetings and in correspondences Heringa frequently gave account of his irritation and discomfort with the advisory councils.²⁹ In 1928, discord with the Industrial Council, a body which combined many renown Dutch manufacturers and entrepreneurs, resulted in Heringa’s refusal to ever attend meetings again.³⁰ Although Heringa at occasions still attended meetings, his input was diminishing. With Heringa as the gatekeeper between the Industrial Council and government, the Industrial Council

²⁹ National Archives The Hague [NA], Archive Ministry of Economic Affairs, Direction Trade and Industry (Ministerie van Economische Zaken, Directie Handel en Industrie) [DTI], inv.nr. 3040, correspondence VWN and department, 15 April 1926 and 19 May 1926.
³⁰ NA, Archive Industrial Council (Nijverheidsraad) [IC], inv.nr. 10, minutes January and February 1928.
was increasingly surpassed or even neglected in advisory procedures as a result. Heringa’s successor, the highly independently operating H. M. Hirschfeld completely ignored the existing advisory councils and, together with his superior, minister T. J. Verschuur, designed a whole new institutional configuration for the politics of consultation.

All subsequent ministers displayed a personal preference toward their means of consultation during the inter-war period. After its installation in 1917, the grandly devised CEP (24 to 30 members who all represented a particular economic interest) seldom convened plenary. Most ministers did not feel the urge to debate policy issues with such a diverse and inherently juxtaposed set of people. Instead, ministers decided to deliberate with a much smaller sub-commission of the CEP in which they additionally appointed experts from their own professional or personal networks by the mid 1920s. To put it differently, ministers of economic affairs such as D.A.P.N. Koolen (1925), J. R. Slotemaker de Bruine (1926–1929) and T. J. Verschuur (1929–1934) all remained hesitant towards the plenary CEP. They rather activated a blend of CEP’s delegates and experts as an advisory board which officially resorted under the CEP as a sub-commission, but in practice resembled much of the proven experiences with informal, unofficial old boys meetings familiar to many well-educated public officials. In short, the efficacy of an advisory council, and the extent to which the government applied to it, to a large degree depended on the quality of personal interaction between high echelon civil servants and the councils’ executive boards. These social interactions reveal many colliding traditions and dilemmas that stemmed from an increasingly diverging set of beliefs and orientations which, in turn, were highly specific for each agent.

As civil servants increasingly fostered an agenda of bureaucratic autonomy which comprised the development of an independent departmental politics of consultation and ministers favoured their own beliefs and hands-on experiences with consultation, the executive boards of the advisory councils, with their protracted chairmanships, tried to define the merits of their bodies on their own terms.

The chairman of the Industrial Council, the former minister F. E. Posthuma (chairman from 1921 to 1933), refused his council to become susceptible to the beliefs of single civil servants and ministers. Posthuma himself roamed the corridors of government and state bureaucracy in order to secure a significant position of the Industrial Council in state governance at large. During the 1920s, he put much energy in having council members represented in a host of state commissions relating to new state services, such as the postal service, the railways and utility companies. When minister Verschuur aimed at the creation of a new overarching advisory body of experts in the early 1930s, Posthuma wanted to keep a special position for the employers’ and manufacturers’ interests, in the guise of the Industrial Council, as it “was historically entitled” to.\(^{31}\) In 1929, Posthuma publicized a report in which a full reorganisation of economic governance entailed the
inflation of existing advisory councils and a decrease of departmental activity.\textsuperscript{32} He believed economic regulation was much better off when ‘his’ befriended industrialists were in charge. Much of the Industrial Council’s meetings were dedicated to its position with regard to peer-institutions, government and state governance, mainly due to the perseverance of its chairman Posthuma.

Another flamboyant chairman, A. I. M. G. Baron van Wijnbergen of the Council of the Self-Employed (1919–1940), who formally had a similar position to Posthuma, employed a whole different set of beliefs. Whereas communis opinio arose over the mitigation of group interest representation in the system of advisory bodies as a whole and the prominence of expertise was increasingly encouraged, Van Wijnbergen continued opting for the former. At the 100\textsuperscript{th} meeting of the CSE in early 1928, he declared that the “CSE should become more and more a representative body”. And according to him, this direction necessarily implied the inclusion of a new electoral procedure for the council’s representatives.\textsuperscript{33} This meant that the three unions of the self-employed (Catholic, Protestant and liberal) had to call for elections amongst their members to recruit their representatives. Van Wijnbergen strongly believed such reforms would ensure the CSE’s position as one of the main advisory councils of government. So whereas Posthuma boasted the Industrial Council’s importance within his personal network of state officials and members of government, Van Wijnbergen sought to reinforce the CSE from within, spurred by an unremitting belief in the fading paradigm of group representation (through elections).

One could argue that the internal appeal of Van Wijnbergen who still championed the post-Versailles discourse of interlinking the state and society by means of functional representation and Posthuma’s extravert networking amounted to the same result: the ostracism of their respective councils from a new agenda that underpinned the politics of consultation which was based on fundamentally different orientations and beliefs. Their personal actions promoted an institutional change that would eventually result in an increasing subordination to other advisory bodies. Put differently, the ‘situated agencies’ of Van Wijnbergen and Posthuma explain the beliefs and orientations with which they believed to advance the position of their respective rank and file, the self-employed and the industrialists. At the same time, they were informed by traditions that were seen as highly contested by a contrasting set of orientations and beliefs personified by other actors. These orientations and beliefs stemmed from the earlier mentioned tandem of the civil servant Hirschfeld and the minister of economic affairs Verschuur. To Hirschfeld, a highly ambitious bureaucrat with strong beliefs in the technocratic organisation of economic governance, the primacy of interest representation which was so prominently engrained in the “ponderous organ” of the CEP was a residue of a previous era, unfit for his agenda.

\textsuperscript{32} N. N., Rapport van de Commissie van voorbereiding eener organisatie van den economischen voorlichtingsdienst, 14 November 1929, The Hague 1929.

\textsuperscript{33} NA, Archive Council for the Self-Employed (Middenstandsraad) [CSE], inv.nr. 3, minutes 22 May 1928.
of institutional and departmental reform. Moreover, Hirschfeld had hardly experienced any personal interference of the group of men who formed the pool of economic representatives in the 1920s. He was – and felt – refrained from personal commitment and refused to take delicacies, vested interests and gentlemen’s agreements that had developed within the nexus of advisory councils during the early 1920s into account. As such, Hirschfeld’s situated agency was informed by a fundamental different set of beliefs and orientations than, for instance, Van Wijnbergen and Posthuma. He rooted in a tradition that was refrained from old boys’ networking and to a large degree was determined by the new meritocratic modes of authority – based non-legal higher educations in administration – burgeoning during the inter-war years.

Hirschfeld’s superior, the Catholic minister of economic affairs Verschuur, was confronted with the difficult challenge of survival as the first consequences of the economic crisis surfaced: raising unemployment rates, plunging export figures and growing national debts. A newly devised advisory council, quick and sound in its response was imperative for Verschuur’s complex crisis policies. Existing advisory councils were largely neglected during the preparatory meetings for the new council. Posthuma’s advice to enlarge extra-departmental involvement in economic policies was put aside. Instead, Hirschfeld submitted a portfolio of recent reforms in foreign advisory councils that all showed a reflex toward the permanent inclusion of experts and the concomitant decline of extra-parliamentary group representation.

In essence, Hirschfeld’s agenda of departmental reform and expansion in the realm of economic governance and Verschuur’s wish to have a group of fine advisory experts at his disposal converged into the main thrust behind the creation of the Economic Council (Economische Raad) in 1932, an advisory board of 10 to 15 appointed experts from commerce, trade, industry and science. The explanatory memorandum of the council’s enactment disclosed the intent of Hirschfeld and Verschuur:

At this point, the government uses the services of various permanent colleges to be advised on economic matters […] However, the reason of existence of these colleges will end as soon as the Economic Council is established as the central advisory body. Their work will be transferred to the Economic Council […].

At the installation of the Economic Council minister Verschuur iterated the intentional deferment of group representation:

I will not say this Economic Council is built on the principle of representation. Nor will I say that such a base is best. We have some experience with an economic advisory body based on the principle of representation, the CEP with its sub-commission. I believe this commission was not a success. We have seen foreign examples of economic councils with

35 NA, Archive DTI, inv.nr. 8362, Collection of foreign examples of advisory councils.
36 NA, Archive DTI, inv.nr. 3047, Explanatory Memorandum Economic Council Act 8 July 1932.
a representative character as well. In Germany a grand body has been in existence which one can call an economic parliament. That experience puts into question if, at this point, the time is ripe for such endeavours, if there will be a right time for such bodies at all.37

From 1932 onwards, negotiations commenced about how to merge the existing advisory councils, such as the idle but still existing CEP, the Industrial Council and the Council of the Self-Employed. The CEP was formally abolished in 1935. The government hardly ever consulted the other councils. Their self-initiated activities gradually became subjected to the rules and procedures defined by the Economic Council. In a non-explanatory and descriptive vein, this change would qualify as a combination of layering (the Economic Council was formally put on top of existing bodies) and displacement (many of the advisory bodies’ tasks were displaced to the Economic Council) – two of the incremental modes of change defined by Mahoney and Thelen.

Such qualifications seem to describe rather than to explain the occurrence of modes of incremental institutional change. In contrast, a historicist interpretation of ‘situated agency’ as a micro-level social dynamic seems to be much more entitled to making claims about the explanation of institutional change ‘from within’. This agency-driven approach to institutional change is by all means not complete and exhausting. Many other actors may be inserted in the web of di- and converging beliefs, experiences and the dilemmas and traditions that ensued from them. However, this brief excursion into the micro-level politics of consultation in the inter-war Netherlands reveals how institutional change (i.e. from the primacy of interest representation to the primacy of expert input, and from the horizontally organised collection of advisory councils to a single hierarchical structure in close proximity to the government and the departments) can depend on individual actions of human agents in a contingent historical setting.

6. Conclusion

Paradoxically, it seems that a decentred approach to institutional change rather meets the explanatory claims of neo-institutionalism, than historical institutionalist approaches which focus on meso and macro levels of institutional development. Even the theory of gradual institutional change, that postulates the incremental nature of institutional change, still seems to contribute to the description of processes and modes of changes. In contrast, I would argue that a decentred interpretation of agency substructures explanations of institutional change. Human action renders visible institutional practice. Institutions reflect social realities and are constructed categories, perceived (temporary) structures that, simultaneously, enable possibilities and limitations of human action within a particular setting in time and space. As such, Anthony Giddens’s reciprocal relation between structure and agency – regardless of the semantic and technical falla-

cies – provides an epistemological fundament that, ultimately, allows for the decentred, agency-driven approach forwarded in this article. However, aspirations to explain institutional change are not entirely supported by the yields of Giddens’s framework. Bevir and Rhodes’s conception of agency does provide such support. The languages of historical institutionalism and gradual institutional change theory do not convey their explanatory claims. Indeed, great transformative discourses about (democratic) politics and government can be linked to the genesis and evolution of inter-war advisory bodies, but the register employed to address change fosters a descriptive narrative rather than an explanatory one – i.e. displacement, layering, drift and conversion describe rather than explain modes of change. Incremental, gradual change, I argue, is to be explained by decentering on human agency at a micro-level. To look at how ‘situated agency’ enables new social discourses that pose individually bound dilemmas, allows for a less reified and more fine-grained explanation of agency-driven institutional change than much of the neo-institutionalism offers to historical scholarship.