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5 Decades of disagreement

Rise of the coordinated welfare state in the Netherlands in the nineteenth and twentieth centuries

Jeroen Touwen

Introduction

How can we explain the trajectory from social fragmentation to socio-political consensus in the Netherlands? The Netherlands is an interesting case when we study the process of peaceful integration in fragmented societies. It has been famous for its consultation economy, sometimes called 'poldermodel', but in many regards, it was not a very homogeneous society. In this chapter, I review the development of the welfare state in the Netherlands through the lens of social fragmentation. After a brief survey of the nineteenth century, I focus on the introduction of formal consultation and of social laws during the inter-war period, analyzing three case studies.[1] As I show, the introduction of welfare state laws hinged on the introduction of formal cross-class consultation.

Fragmentation in spatial, social and religious terms was strongly influenced by the halcyon days of the Dutch Republic in the seventeenth century. Early urbanization created relatively autonomous cities. The Dutch Revolt and subsequent religious tolerance resulted in an influx of talented workforce that supported the Dutch Golden Age. In the tumultuous period between 1781 and 1794, patriots attempted to renew the political economy but did not succeed. After the Napoleonic era, in 1813, King Willem I became monarch. Since then, the Netherlands was a relatively quiet monarchy. Of course, there were numerous conflicts and discussions, but all in all the Low Countries were a relatively calm corner of Europe. It excelled in overseas trade and was creative with dykes and polders in the struggle against floods. Urbanization in this country full of rivers and lakes was made possible by high agricultural productivity.

Industrialization in the Netherlands came relatively late; it only gained momentum in the second half of the nineteenth century. In the late nineteenth century, Dutch society became organized and coordinated in a vertical structure with religious pillars. During the twentieth century, a welfare state system consolidated the transformation to an advanced economy. Welfare state expansion is often crucial to peaceful social integration, but how was it connected to and influenced by the strong division in religious pillars? What was the attitude of entrepreneurs and unions in the fragmented industrializing economy towards national social laws? And what was the effect of World War

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I on this small, open economy that remained neutral but suffered the effects of worldwide stagnation in trade? I analyze three case studies from primary source material. These three examples are based on archival research of employer views on issues relating to labour relations and social protection: (1) collective labour agreements in the early 1920s (which opened the door to codetermination and the expansion of more elaborate welfare provisions), (2) the Sickness Act of 1913–1930, and (3) the Unemployment Act initiatives of 1921–1923.

All through this chapter, employer views are emphasized, because their voice was crucial in supporting or rejecting the introduction of social laws. My analysis builds on the institutionalist view that temporal processes generate and reinforce actor preferences.[2] This can be viewed as the effect of a logic of *membership* (of the interest group) on the logic of *influence* (on the consultative platform).[3] I show which concerns the stakeholders had and how consultation reduced fragmentation.

Societal commitment, local loyalties

In the nineteenth century, as in most industrializing economies, the gap between rich and poor in the Netherlands was large. Social fragmentation in classes and regions created tensions as it did elsewhere. But the Low Countries stood out with an affluent past, a rich bourgeois elite, and a large influence of religion on society. In the cities, there was an elaborate system constituting various types of social provisions and charities. Dutch citizens in the cities were conscious of their societal commitment, because of the struggle against the threat of the nearby sea and because of the desire to protect their urban autonomy. They organized meetings to adjust local agendas to national ambitions and displayed in their diversity a convincing unity.[4]

One may observe three types of fragmentation in Dutch society. First, in spatial terms, the economy was fragmented because the cities had their own institutions, including certain taxes and welfare arrangements.[5] Second, in income terms, the economy was fragmented in social classes. An increasing class of urban workers shared a low-income level with the poorer agricultural population in the rural areas. In particular, in the southern and eastern parts of the country, agriculture had modernized to a lesser extent than in the northern and western parts. Third, in religious terms, the economy and society were increasingly divided. The Protestants, who had the dominant position in society since the Dutch Revolt in the sixteenth century, had to accept a stronger position of the Catholics and were themselves increasingly divided into different groups.

There is a direct connection between nineteenth-century religious rivalry and twentieth-century consultation which is explored in this chapter. Competition between Protestants and Catholics accompanied industrialization and renewed the organization of civil society. In the early nineteenth century, about 38% of the population was Catholic. The Protestants, constituting about 62%, split into different groups in 1834 (when Hendrik de Cock organized a divergent group) and 1886 (when Abraham Kuyper led another separatist movement of orthodox Protestants). The constitution of 1848 had allowed the Catholics

to organize themselves and pressure from Rome to do so created much unrest among the Protestants. Different religious views resulted in lengthy vehement discussions, for example on the right to organize private (Christian) schools and the way these should be financed (an issue that was only resolved in 1917).[6]

However, instead of disrupting social order, these conflicts were solved in a relatively peaceful way. Often, petitions were used to voice a broadly backed protest, as an instrument of social movement.[7]

Welfare state expansion

The expansion of social laws took place in conjunction with the development of a coordinated market economy. In this institutional type, drawn from the varieties of capitalism theory, non-market coordination plays a role in a number of institutional fields.[8]

The Netherlands were slow in introducing state-level social laws because welfare was organized locally, in the cities. During the late nineteenth and early twentieth centuries, elite democracies (where voting rights were given on the basis of property, such as the Netherlands, Sweden and Britain) were not exactly eager to install tax-financed pension or sickness programs. As can be observed in Figures 5.1a and 5.1b, the Nordic states together with the United Kingdom took a lead in organizing social transfers, while countries, such as the Netherlands, Belgium, Austria and France, caught up much later.

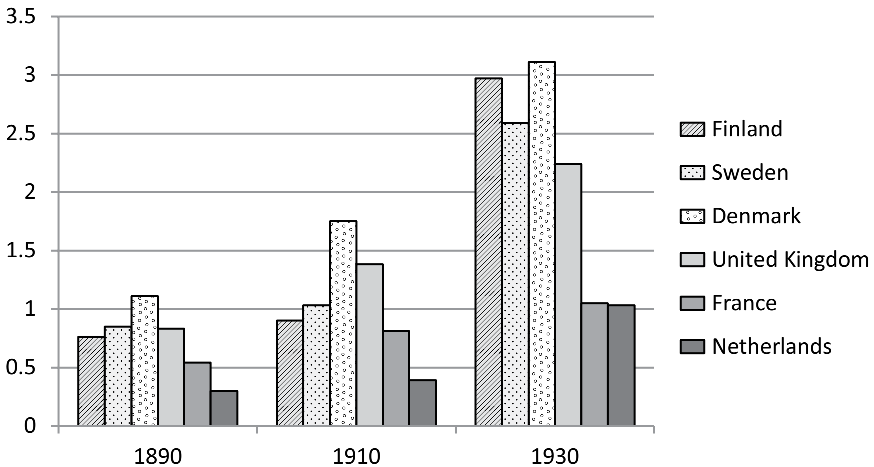

Figure 5.1a Nordics plus the United Kingdom in the lead, 1890–1930

Source: Lindert (2004), 12–13.

Note: Social transfers from 1890 to 1930 as a percentage of gross domestic product (GDP) at current prices. Welfare, unemployment, pensions, health and housing subsidies. Social transfers from 1960 to 1980 are given as a percentage of GDP at current prices. These are based on the Organisation for Economic Co-operation and Development (OECD) old series, from *OECD Social Expenditure 1960–1980* (Paris 1985).

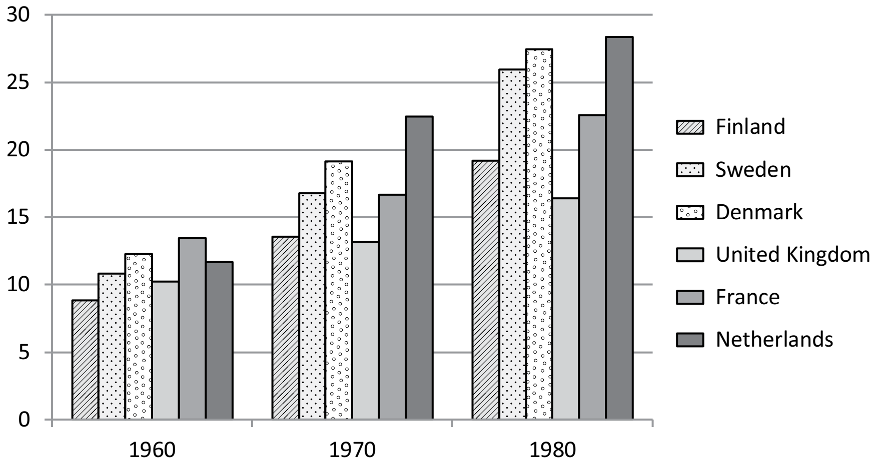

Figure 5.1b Western European catch-up in social transfers, 1960–1980

Source: Lindert (2004), 12–13.

Note: See Figure 5.1a.

During the course of the nineteenth century, the idea developed that the state should take care of the poor and had a role in organizing social protection for workers. The concept of a collective welfare state had far-reaching consequences for social stability and the diffusion of prosperity. Several explanations have been given for the fact that social laws made welfare from a gift into a right, consolidating democratic societies into robust welfare states with unprecedented high degrees of social spending. One is public pressure (mostly by lower classes) for social safety nets. Another explanation is that rising incomes supplied higher tax earnings (which facilitated social spending). In addition, Peter Lindert emphasizes that social affinity between middle-income voters and the perceived recipients encouraged social transfers. This was often fostered by ethnic or cultural homogeneity. If you realize something may happen to you, you may support measures to enlighten the burden of accident or sickness in your group.[9]

The Dutch catch-up in terms of social transfers took place after 1945. There were many reasons to introduce social laws after the war. The disastrous developments during the Great Depression had prepared the minds to provide more social protection. Objections to grant this role to the state had slowly eroded. In the post-war decades, Dutch stakeholders quickly, and almost unanimously, decided to introduce a generous welfare state. My claim is that this was facilitated by the Dutch system of consultation in the field of labour relations that had developed in the inter-war years and been formally installed by public law

in 1950. In the pre-war consultative system, opposing parties got to know each other and expressed the intention to improve the common good. Frequent and institutionalized consultation generated new actor preferences by shifting priorities and creating new commitments. After the Second World War, Dutch labour relations were ready to embrace modernization – including a full-fletched modern welfare state.

Globalization also provided an incentive to organize safety nets. Peter Katzenstein shows that small open economies tend to develop neo-corporatist institutions that have a strategic argument to install social entitlements in order to buffer cyclical downturns.[10] This may have been an argument specifically reflected in business views on social laws. Finland can be viewed as a paradigmatic example of such a small European economy.[11] The post-1960 Netherlands welfare state resembled the Nordic welfare states in many regards, but the Dutch version had several different features. It matured more slowly and was more breadwinner-oriented for most of the century. Only during the late twentieth century can a convergence be observed toward a social-democratic model, albeit a slightly less generous one. In Esping-Andersen's taxonomy, the Netherland forms a cross-over between the social-democratic welfare regimes and the corporatist-conservative regimes that were less universalistic and more breadwinner-oriented.[12]

Fragmentation along religious lines was a major hindrance for state social laws in an otherwise quickly industrializing economy. During the nineteenth century, increasingly, the idea was voiced that the private initiatives of social protection, which were in the hands of churches, municipalities and charity, did not suffice. This feeling was intensified by increasing pressure from the socialist movement and by the example of Germany, where Bismarck had introduced laws that obliged employers to insure workers, and Denmark, where, in 1891, a pension law was passed. Several other groups in Dutch society rejected the introduction of social laws on the state level: Christian-democratic parties believed in decentralized solutions and preferred private charity with only a residual (municipal) public safety net. Churches and municipalities claimed the field of poverty protection. The religious groups slowed down central welfare state development for issues such as industrial injury, unemployment and sickness since they preferred their non-government welfare initiatives.[13] In addition, liberal businesspeople and politicians preferred private measures in insurance against industrial injury, since this gave the entrepreneur more autonomy.

At the turn of the century, the belief in laissez-faire gave way to an interventionist approach.[14] In the Netherlands, the desire to organize and coordinate was strengthened by the First World War and resulted in increasing support for consultative platforms. It did not yet result in extensive social laws, but many Christian employers were in favour of consultation, since they valued harmonious labour relations. Thus, fragmentation along religious lines explains the rise of consultation while welfare state development stalled.

In this setting, an increasing number of entrepreneurs, politicians and union leaders advocated the establishment of formal consultative institutions. Representatives of employers, unions and the government would discuss wages and working conditions. After experiments on the municipal level, it became accepted to organize these platforms nationally. Interestingly, although many entrepreneurs were in favour of economic coordination in the form of cartels (they found unbridled laissez-faire capitalism obsolete and had learned to appreciate coordinating measures during the war), they were only slowly won over to introduce codetermination, since they hardly trusted the unions. Regulation would serve their interest, preventing destructive foreign competition, labour unrest or volatile markets. But the introduction of consultative platforms also introduced that control had to be shared.[15]

The consultative system that developed as the consequence of the existence of religious 'pillars' was eventually beneficial to the development of a generous welfare state. The welfare state was not a prerequisite for social peace. Despite the occurrence of incidents such as the 'Palingoproer' in 1886 and the railway strikes of 1903, the pressure from the working class seemed manageable for the elites. Even while in 1918 there were hardly any general social laws issued by the state, the attempts by Troelstra to launch a socialist revolution hardly stood a chance.[16]

Increasing organization and new institutions

Centralizing tendencies towards a national economy can be observed from the Napoleonic era onward, but in the Netherlands, the introduction of national institutions gained momentum in the late nineteenth century.[17] Different types of institutions with specific functions developed, aiming at coordination, distribution of information, and interest representation on the national level, such as the Central Commission for Statistics (Centrale Commissie voor de Statistiek, 1892) and the Mining Council (Mijnraad, 1902). In the first decades of the twentieth century, several were added to this list: the Unemployment Council (Werkeloosheidsraad, 1914), the Commission for Economic Politics (Commissie voor de Economische Politiek, 1917), the Council for Industry (Nijverheidsraad, 1919) and the Council for Retailers (Middenstandsraad, 1919).[18] Clearly there was enthusiasm for coordinating and regulating institutions.

It is not surprising that labour relations were also increasingly coordinated. The High Council of Labour (Hoge Raad van Arbeid, 1919) was a landmark innovation: it formed the main platform for discussing state law proposals with employers and unions. This peak institution was preceded by an experiment on the local level, called the Chambers of Labour (Kamers van Arbeid, 1897–1923). These Chambers of Labour had been established in 1897 in order to formulate bipartite advice in labour conflicts and to investigate and improve local labour conditions. There were organized per sector on the municipal level. One can debate whether such local initiatives of consultation were either

relatively unsuccessful or, in fact, essential forerunners of the national concertation platform. Although for a long time judged as a failure, they are increasingly viewed as the latter, signifying the transition towards consultation.[19] They seem to have been the municipal pioneers of the future neo-corporatist institutions, useful experiments that took away the antagonism and proved that deliberation could lead to practical solutions. In some sectors, in some cities, they functioned well, but in other sectors, they seemed to have been an instrument in the hands of dominant employers.

The build-up of the consultative system was analyzed by Nijhof and Van den Berg, who distinguish period between 1890 and 1912 as one of state-led development and between 1912 and 1939 as one that formed the heyday of Christian corporatism.[20] In a corporatist system, consultation takes place on labour relations in order to negotiate issues such as wages, working conditions, the duration of the working week and a degree of codetermination.[21] Welfare states introduce social protection that may include arrangements for industrial injury insurance, income protection, healthcare and pensions for all. At a time when poverty and bad living conditions of the workforce could form a threat to society, employers had to become 'social' in improving labour relations. They were hesitant in introducing social protection for the wider population. However, in the bargaining platforms, labour relations and social protection sometimes formed different angles of the same problem. For example, one could exchange a wage increase for social entitlements, but this required bargaining on the peak level with the government.

In the nineteenth century, the Christian parties were already heavily debating the principle of individual responsibility for social protection. In 1890 the Dutch government held surveys on labour conditions in a large number of firms: the '*Arbeidsenquete*' of 1887 and the '*Staatsenquete*' of 1890. Various kinds or abuse were reported, and new legislation was deemed necessary: the Labour Act of 1889 (Arbeidswet) can be viewed as a result, as well as the later proposal for a law on industrial injury (Ongevallenwet, 1899).[22]

Expansion and obstruction of social protection

But at the time, poor relief in the Netherlands was not organized by state law, and there were hardly any laws for the protection of workers against sickness, professional injury or old age.[23] Although in international comparison social spending was relatively generous in the nineteenth century (slightly below 'top spender' England), it was a system based on charity, not on rights. The liberal view dominant at the time was characterized by a strong belief in free trade and laissez-faire, symbolized by the abolition of the Cultivation System in 1870, with only a small 'night watchman' role for the state.[24] Self-reliance and incentives to engage in work were viewed as more important than social support.

It dawned slowly that more was needed to solve the 'social question'. Many younger Dutch liberals in the late nineteenth century advocated state intervention to strengthen the position of workers. In 1872, the organization of labour

unions became legally permitted.[25] In this year a hybrid organization started, the General Dutch Worker Association (Algemeen Nederlands Werklieden Verbond, ANWV) that was a union and an employer organization at the same time, because workers and small entrepreneurs were members. Immediately after its establishment, it started to take action against child labour, resulting in the law on child labour of 1874. In 1896, it supported a proposal to widen the electoral base. Democracy, labour relations, and welfare state development were strongly interconnected.

Traditional private and church-related social provisions were thus merely supplemented by hesitant state-issued social laws. The 1874 law on child labour, the Kinderwetje by Samuel van Houten, prohibited hiring children younger than the age of 12 for factory work. But this can only be viewed as a precursor to state responsibility in social matters, because it was a weak initiative. At most, it was an attempt to mitigate ruthless economic competition between industries. There was no adequate inspection, so for many children the law had no effect. Only when in 1901 compulsory education between the ages of 6 and 12 was introduced (with a marginal majority of 50 against 49 votes!) could children not be sent to work in factories any longer.

In 1899 the Industrial Injuries Act (Ongevallenwet) was presented to Parliament. It took effect in 1901 and was an early example of state regulation of social protection, although it was still largely based on employer responsibility. Injured workers received a 70% pension (which did not stop at the age of 65, because there was not yet a pension law). In the following, I observe that an important effect of this law was that it stimulated entrepreneurs to organize themselves, in their resistance to this state intervention in their affairs. I focus on employer associations to the detriment of labour unions, of which the history can be found elsewhere.[26] In turn, business-interest organizations propelled the development of the consultation economy.

Weak pre-1945 welfare state initiatives

The starting point for the state seriously taking up responsibility for people's welfare can be placed about 1900. Around this time, industrial capitalism reached a higher degree of organization: workers' unions gained importance, confessional groups advocated a social agenda and state legislation increased. Firms began to organize themselves in associations partly in response to these initiatives. However, during the inter-war years, state-led welfare expansion was restricted to relatively small-scale initiatives in sickness laws and old-age pensions. As said before, civil society still debated the stronger role of the state. The confessional pillars rejected the tendency toward centralized state provisions and insurances. In addition, liberal employers were afraid of such commitments, fearing that state laws would be dominated by unions and that the entrepreneur would lose control and profits. Among employers, the protagonists for social laws could be found predominantly among Christian-democrat employers.

After the Industrial Injuries Act was passed in 1901, it took another 12 years before minister A.S. Talma introduced a law providing income in the case of industrial injury and old age in 1913. This law took effect after the war, in 1919. By way of pension, workers who were more than 70 years old obtained a small 'work invalidity' benefit (usually it was too small to live on). Meanwhile, a law for health insurance, the Sickness Act (Ziektewet), was passed in 1913, but it came into effect only in 1930 (see the following discussion). This law aimed at a regional provision of insurance against sickness.[27]

The sociologist Schuyt points out that the Dutch welfare state had both material and moral foundations.[28] We observe different early initiatives of social protection in which the modern welfare state was rooted: private charity, employer initiatives, state-led initiatives, and union-based initiatives. After the Depression, the Keynesian realization that consumptive demand needed to be supported in times of crisis formed a *material* foundation of the welfare state. Social provisions and social insurance programs sustained consumption by providing income to vulnerable groups, such as the unemployed, elderly, or injured (thus functioning as automatic stabilizers). The *moral* foundation was the ambition to provide an income for state citizens with disregard for their success in the labour market (a *decommodified* income, therefore). To some extent this constituted an agenda for a 'just' income distribution, correcting market failures in the distribution of economic and social goods.[29]

Organization against the chaos of industrial capitalism

Concertation was supported by the idea that nineteenth-century laissez-faire capitalism was outdated and the economy needed to be regulated – in the same vein that large companies needed professional managers to run smoothly. (In the later Cold War antagonism between the free market and the socialist command economy, this recognition of voluntary regulation of business has often been ignored.) The economy had become too complex to hand over all processes to the invisible hand; coordination was needed 'against the chaos of capitalism'. Economic actors, including entrepreneurs, increasingly became convinced that markets should be regulated and coordinated because of the complex nature of the modern industrialized economy.[30]

New coordinating institutions were inspired by an emergent organizing principle that was advocated by technologically advanced sectors. Their interests differed from the old liberal ideology that was cherished by landed gentry and handicraft trades. The nationalist industrial development ideology replaced liberalism as a hegemonic philosophy at the end of the nineteenth century.[31] 'Classic liberalism' was increasingly challenged by 'social' or 'progressive' liberalism. Interestingly, *neo-liberal* ideology has sketched an image of a long fight for free markets that lasted about a century (a 'long march' of neo-liberalism, guided by thinkers such as Von Hayek, a lengthy effort to break markets loose from the straps and bridles of the imposing state). In fact, the opposite happened: advocates of free markets were *not* afraid of a supportive state (although

they rejected socialism!) and were increasingly convinced that markets should be regulated and coordinated, because of the complex nature of the modern industrialized economy.[32]

Thus, in many countries, emerging forms of corporatism were accepted. It provided a state-organized, legally bound structure in which employers were required to negotiate.

One may therefore wonder whether the Dutch case was exceptional, although it has frequently been advocated to be so. In 1968, Lijphart published his famous hypothesis on the *consociational* Dutch society, stating that the pillarized structure enhanced a stable and harmonious democracy. He explains that elite competition was replaced by elite cooperation and that there is a disciplining effect of vertical interaction within pillars, reducing class struggle. The drawback of this view is that it overemphasizes univocal solutions, whereas consultation in labour relations and among business networks included strong disagreement, long delays in sensitive issues and lengthy debates on policy alternatives. The horizontal interaction between different elites may have been more important than the disciplining effect of vertical interaction in the pillars. Indeed, non-market coordination found its shape in a system of industrial organization. But compromise did not entail consensus, and as we will see, disagreements abounded.

In due course, the practice of organized consultation had an effect on the bargaining culture. Dutch concertation became less conflict-oriented than for example bargaining practice in France, less formal than in Germany or Austria and less class-conscious than in the United Kingdom. The Dutch pillars did not constitute strong immobile blocs that influenced all aspects of society, and, moreover, there was a very unequal regional distribution of the influence of the various pillars. Nevertheless, the pillars were very influential in the public debate before 1914; the First World War led to a 'breakthrough' in national politics.[33]

The depression of the 1930s provided the coordinating institutions with a new function: Keynesian economic policy. Collective bargaining and minimum wage setting provided stabilizing effects and helped prevent deflation. For these reasons, John Maynard Keynes favoured a greater role of the trade unions: collective bargaining could regulate wages, set a wage floor and prevent cut-throat competition. This, according to Keynes, would prevent downward spirals of recession and benefit an economic growth that was more equally spread among the populace.[34] The acceptance of Keynesian economic policy also implied the acceptance of bargaining platforms. In the resulting system of organized consultation, employers and unions of the different pillars coordinated their policy decisions. The material foundations of the Dutch welfare state were observed in that vein after World War II. But in contrast with the views of Schuyt expressed earlier, before the war, this was not a widespread idea.

Employer organizations

But in order to consult each other, employers and workers need to organize themselves, so that they can send their representatives to the consultative

meetings. How did the peak employer associations come about? The establishment in 1899 of the first modern employers' association, the Organization of Dutch Employers (Vereeniging van Nederlandsche Werknemers, VNW) was closely connected with the preparation of the Industrial Injuries Act (Ongevallenwet) that would take effect in 1901.[35] The government initiative to introduce such a law induced resistance among employers and made them realize that cooperation was desirable.[36]

The ambition of that particular Industrial Injuries Act was to make insurance of *risque professionnel* compulsory for employers of dangerous industries so that selfish employers could not rely on public provisions in this regard. The law was written by C. Lely, the famous minister of Waterworks, Trade, and Industry who also developed the plan to build the Afsluitdijk (which turned the Zuiderzee into the IJsselmeer). The proposal incited massive protests among employers and prompted them to set up an employers' organization. The campaign was initiated by D.W. Stork, owner of the machine manufacturing firm Stork in Hengelo. He claimed to have a good private factory fund for injuries and stated that a law stipulating compulsory insurance would damage free entrepreneurship.[37] The government did not budge and denied that the new law would be expensive for employers.

During the formative decades, a system developed with employer organizations for small and medium-sized firms, firms in agriculture and horticulture, and large firms (industry and big business), and in each group, there were Catholic, Protestant and non-confessional general associations. There were 'entrepreneurial' associations looking after the *economic* interests of their members, such as the Association of Dutch Employers (VNW) and employers' organizations taking care of *social* matters, such as the Central Social Employers Association (Centraal Sociaal Werkgevers Verbond, CSWV). Some similar associations took care of both economic and social affairs or merged after some time. Three pillars can be observed in the development of employer organizations: a general (or liberal) pillar (starting with VNW in 1899), a Catholic pillar (1915) and a Protestant pillar (1918).[38] In the postwar era, these organizations combined and consolidated into three peak organizations that represented about 800 to 1,200 smaller employer' associations and branch organizations. Of these three, in 2004 VNO-NCW had 160 associations totalling about 100,000 firms, MKB-Nederland (small and medium-sized firms) represented 500 associations and about 175,000 firms and LTO-Nederland (agriculture and horticulture) held 18 associations and represented about 55,000 firms.[39] In short, we observe a strong consolidation in employer associations.

In the period up to the late 1960s, membership of these employer associations tended to be more constant and more loyal than that of the unions, where free riders and high turnover caused some trouble. But internal disciplining and developing uniform employer policies was difficult. The central organizations of labour held more authority over the individual industry-level unions than employer central organizations over their affiliates. As Windmuller writes, 'employers only grudgingly surrendered a slice of independence to

their associations'.[40] In the consultation process, firms looked after their interests rather than having the intention to develop better working conditions: one could say that continuity rather than change was on their agenda.

As we saw, during the First World War and during the 1930s' Depression, Dutch firms did not appreciate fierce competition or a race to the bottom in prices, because these would further destabilize their position. Cartels were widely found. The government complied and increasingly regulated and coached domestic competition. Industrial organization was accompanied among some groups by the idea of *state planning*. For example in 1935, the social-democratic 'Plan of Labour' (Plan van de Arbeid) of J. Tinbergen and H. Vos, took up the state responsibility for the macroeconomy. But this was met with much resistance. Harmonious labour relations formed an acceptable goal, but giving up autonomy was not a popular idea.

An accepted system of consultation

In this manner, in a gradual process, Dutch employers increasingly supported industrial organization. Industrialization inspired cooperation to regulate competition and implement standardization. The increasing complexity of economic activities made that these efforts were deemed necessary. It also corresponded with views on the organization of capitalism. Moreover, banks were increasingly involved with industrial finance: in the Netherlands, this came about in the 1910s. It meant that bankers took a seat in advisory boards, reinforcing directorship networks.[41]

All these new organizations formed extra-parliamentary institutions that at the time were also regarded as alternative avenues of political representation. They were perceived to be part of the solution to an alleged inter-war crisis of parliamentary government.[42] After the war, the system of industrial organization and organized consultation, in turn, supported the introduction of social provisions. In the successor of the High Council of Labour, the tripartite Socio-Economic Council (Sociaal-Economische Raad, SER, established in 1950), employers consented with ideas that came forward from the government and the unions. Once neo-corporatist bargaining had reached an agreement, the Christian-democratic parties, which broadly speaking had a left-wing and centre orientation, and the Dutch liberal party (Volkspartij voor Vrijheid en Democratie, People's Party for Freedom and Democracy) was willing to provide political support for the expansion in social spending between 1958 and 1982.

The system of coordination thus preceded the expansion of social laws in the prewar years. The social partners and the Raden van Arbeid favoured wage-earner laws and did not encourage the state to introduce universal provisions (a universal pension scheme for all elderly was only officially implemented in 1956). While the construction of a negotiating platform for employers and workers received much attention, the state did not superimpose central social policy before the war. The consequence was that the Dutch system became

rather strongly breadwinner oriented – prewar social provisions were directed towards the wage earner and not universally to all the population. The main social provisions were added after the war.

Three examples of consultation

In order to show the opinions and concerns of the Dutch employers, I present three case studies dealing with social themes. We screened the archival sources of employer organizations, searching for discussions on social laws, in order to discover the strategic preferences of Dutch employers. How did entrepreneurs prepare for the bi- or tripartite discussions with unions and government representatives? And which arguments did they express during the tripartite meetings? In these preparatory meetings, only business colleagues were present, so we could examine genuine objections and concerns. We systematically examined sources of the negotiating platforms in the Netherlands from the 1910s onward – including both meetings with the unions and preparatory meetings with only employers. If business representatives would outline the advantages of social laws, this could show that employers were probably not *forced* to accept welfare state expansion as a result of union power. If they accepted additional social laws and expressed pragmatic second-best attitudes, this confirms that secondary preferences could be supportive of welfare state expansion.

The three case studies that follow were the only instances I found during the inter-war period in which employers explicitly voiced their opinions and standpoints on welfare state laws. Of course, employers may have discussed these issues in informal settings where no reports were made, or in meetings with different formal agenda's that we overlooked. However, I am convinced that these are representative examples, since consultation was increasingly institutionalized and the preparation of their position in the formal platforms was essential for the negotiations.

1 Collective Labour Agreements, 1920

Early 1920, the minister of labour, P.J.M. Aalberse, and the minister of justice, Th. Heemskerk, sent a proposal to the High Council of Labor for a law that facilitated collective labor agreements (Collectieve Arbeidsovereenkomsten, CAOs). A tripartite subcommittee of the council, the 'Committee on Industrial Organization' (Commissie voor de Bedrijfsorganisatie) discussed this proposal on 12 April 1920.[43] The view of the High Council of Labour was essential in the outcome of the discussions whether CAOs should be made binding for all employees in a branch of industry, whether union member or not.

Since 1907, collective labour agreements had had a small footing in Dutch Civil Law. The law said that if there were national labour agreements in specific industrial sectors, such as the graphic industry, individual employment contracts were not allowed to deviate from these.[44] The Christian Union (CNV) was in favour of a nation-wide system with collective labour contracts and

wanted to expand their use. Since 1918, the CNV had also advocated equal treatment of union and non-union workers. A special jury committee should decide on labour conflicts, which abandoned the right for workers to launch a strike until the jury had spoken. In irony, they even called the collective labour agreement 'a contraceptive against open conflict'.[45] The CAO law of 1920 met this wish and constituted a major step in labour relations. It meant that employers could not individually decide on wages, labour conditions and individual social security arrangements such as sickness and pension payments. What did employers at the time think about this law?

To begin with, the discussions were chaired by a supporter: Professor J.A. Veraart (1886–1955). Veraart was a progressive Catholic and the intellectual architect of legislation that coordinated industrial organization. Several decades later he designed the 'PBO Act' (Publiekrechtelijke bedrijfsorganisatie, industrial organization under public law), the law that introduced a multilayered system of tripartite consultation in the Netherlands and came into force in 1950. Veraart was an ardent believer in the possibility of harmonious relations between employers and workers.[46]

In 1920, Veraart started by asking whether the Committee on Industrial Organization thought this issue had to be arranged by *civil law* or by *public law*. Surprisingly, the employers in the committee were not against such arrangements at all, because they thought it would reduce labour conflicts. They favoured collective labour agreements in the form of *civil law* (private law) contracts. They viewed an agreement as something that was as likely to restrict unions as employers and were even afraid that the unions would not comply. So they suggested that sanctions should be included to force unions to stick to the arrangement. This showed that they had a very pragmatic approach to such arrangements. Neither employers nor union representatives wanted to include regulations about strikes – that subject was obviously too sensitive.

Later on, it was decided to make this into *public law*. This turned out to be important, since it points at the perceived role of the state. Private law deals with the relationship (and conflicts) between individuals and companies among each other. By contrast, public law governs the relationship between individuals and the government and provides mandatory rules to which everyone should conform. It increases the coordinating role of the state.

In contrast with employers, the representatives of the workers' unions were generally *not* in favour of collective labour agreements. It is telling of this period that many of their representatives thought that *conflicts* (strikes) were a better way to reach their goal.[47] They distrusted the proposed conflict settlement committees, because they feared the government would have much influence in the composition and operation of these and thought the government would be biased towards the employers.

Windmuller states: 'The leisurely pace of national debate, required by the need for obtaining a consensus among the dogma-bound views of society's constituent blocs, prevented the possibility of full-fledged PBO legislation before World War II.'[48] In some regards, *dogma-bound* may be too strong a

statement: employers were open to bargaining but very pragmatically said that they did not want government officials without practical experience to rule the economy. Their willingness to negotiate, resulting from pillarized tradition as well as from a new view on capitalist order, prompted them to accept frequent consultation with the unions and the state. But in this consultative process, they blocked far-reaching top-down plans. The logic of influence resulted in bottom-up solutions rather than consenting with top-down designs. Their preference for bottom-up solutions stalled far-reaching social laws.

In 1937, a law was passed that allowed the government to either extend the bargaining agreement (collective labour agreement) to an entire industry or economic sector, including non-union members or else to nullify its provisions.[49] This was an example of the layering of labour institutions: small initiatives were succeeded by new rules that expanded the role of consultation. The first Act on Labour Contracts, issued in 1909, had included a careful exploration of the collective labour agreement. After World War I, the number of CAOs had risen sharply.[50] Now, in 1937, the minister of social affairs was given the power (on request of the social partners) to universalize collective labour agreements (regulating labour conditions and wage increases). Signed by the unions of a specific industrial sector, an agreement applied to all workers in that sector. This meant that labour unions did not need to have full coverage in a sector in order to represent all workers in that sector. Ironically, socialists in the parliament voted against this law (but were overruled), because it also contained the possibility that the minister would declare the provisions void in case the public interest demanded an opposite form of action.[51]

The effects of the 1937 law were larger than was expected at the time. It accepted unions as representatives disregarding union coverage. It was not allowed for employers to distinguish between union members and non-union members, which prevented underbidding by unorganized workers. Collective labour agreements on the basis of union bargaining were not uniquely Dutch. This institution has been applied in all Western European countries. In some countries, the conditions apply to non-union members on a voluntary basis (Denmark, Germany, Finland, Ireland, Italy, Sweden) and in others it is laid down in laws (Belgium, France, Austria, Portugal, Spain).[52]

What does this show us? Employers were willing to commit themselves to formal consultation because it drew the (hesitant) unions into this commitment as well, which they believed was good for harmonious labour relations. A major newspaper wrote in 1922 that employers found that these public laws restricted their freedom of movement, but also viewed some elements favourably. Harmonious relations between patrons and workers were stimulated, it built upon the insight that entrepreneurs were no longer 'monarchs', and individualism had finished flowering.[53]

2 The Sickness Act, 1920–1923

In 1913, a Sickness Act was introduced by the minister of agriculture, industry and trade, A.S. Talma. Remarkably, it only came into effect in 1930. It

included compulsory insurance for sickness and medical care for salaried employees (independent entrepreneurs could join voluntarily). Both employers and employees would contribute equal payments to a fund, from which a sick employee could receive payment (six months, 70% of his wages).[54] The Councils of Labour, the regional concertation platforms, were originally meant to carry out the administration. This law from 1913 was accompanied by an Industrial Injury and Pension Act (Invaliditeits- en Oudersdomswet) that arranged entitlement for industrial injury, for old age for employees older than 70, and for widows. The entitlements were not indexed against inflation. This additional law came into force on 3 December 1919 in a slightly revised form.

In 1920, as part of the ongoing discussions, plans for an alternative Sickness Act were debated in the central consultation platform of the employer associations (the Centraal Overleg Werkgeversbonden).[55] By examining this agency, we can observe what employers talked about among each other, which concerns they raised in preparation of tripartite consultation, which would take place later on in the peak organization, the High Council of Labour.

This alternative proposal for the sickness and industrial injury insurance was drawn up by E.F. Posthuma, a director of the collective insurance firm Centraal Beheer who represented the employer association Maatschappij van Nijverheid (Society of Industry), and E. Kuypers of the peak union organization NVV (Nederlandsch Verbond van Vakverenigingen; Dutch Association of Trade Unions).[56] The chair of our employer's meeting, Mr J.J.M. Noback, announced on 27 October 1920 that the 'Posthuma-Kuper plan' was to be discussed.

During the discussion on this proposed sickness law, Posthuma said that he was afraid that the High Council of Labour would probably change the proposal in such a way that the employers would have to pay the entire provision, instead of sharing the cost with the unions. He stated that, in practice, this was already often the case, and conceded that actually it would be no problem to supply the full sickness pay even to a level of 80% (instead of 70%) of the wage, under the explicit condition that the *administration* of the law would be carried out by the employers themselves. This would still be cheaper because they would be much stricter in admission. He expected that the union NVV would agree that bureaucratic interference of the Chambers of Labour in this case would be undesirable.

But other employer representatives hesitated. They did not expect that the unions (who were not present in this preparatory meeting) would agree to the fact that employers took control into their own hands. The unions would probably demand some degree of codetermination. In reply to this concern, Posthuma emphasized that he thought that *cooperation* on the administration of the Sickness Act was possible without problem. Another objection expressed during the meeting was that if workers would not contribute financially, they would feel fewer incentives to keep down the number of sickness incidences. Others, by contrast, stated that the worker contribution could be part of their gross wage. If the workers would have to take care of 20% of the costs, there would remain a healthy incentive to reduce inflow. The discussion was concluded by most representatives remarking in a rather modest way that they

merely expressed their *personal views*, not formally as representatives. Posthuma was given the assignment to continue to develop his proposal.

During the next meeting of the employer section of the High Council of Labour, on 28 January 1921, the proposal for full coverage by employers was accepted: all members, representing different employer associations, agreed to take this collective stand.[57] The Sickness Act would also be applicable to those who were not a member of a union (this is an early foreshadowing of the law of 1937 that made a Collective Wage Agreement binding for the entire sector). One member of an employer association remarked that he was sure that the association he represented would *not* agree with these changes in the original Sickness Act plan. He stated that he himself did not object but that it was his duty to draw attention to the fact that his association would not collaborate. This was a clear sign of a logic of membership, which is important for the functioning of an interest group involved in consultation, since it means that representatives take the lead in finding compromise.

When the issue came into the High Council of Labour, on 7 April 1921, it turned out that 'almost all organized employers and workers, except for the Christian unions', voted in favour of the new Posthuma–Kuper plan for the Sickness Act. Only the Christian-democratic unions and employer associations were not happy with the initiative. But despite such differences in opinion, the general feeling was that these social laws had to be accepted in one form or another. Employer representatives expressed fear of the unacceptable possibility that the unions would laugh since they would win either way (whether via the original Talma law or via the Posthuma–Kupers law). It was also stated that this was a matter of personal pride rather than a principal rejection![58]

In short, control was viewed as more important than financial cost. As Bruggeman and Camijn write, 'the employers were satisfied with the eventual result'.[59]

3 Unemployment Act

On 7 July 1921, the Unemployment Act was discussed by the employer section of the High Council of Labour.[60] This law had to replace the 1917 'Unemployment resolution' and the subsequent 'Unemployment Insurance Emergency Act' of 1919.[61] However, no new law was accepted until the war.[62] Employers were divided on the issue whether the employer should contribute to unemployment benefits for involuntary unemployed employees. At this point, the secretary pointed out that rejection meant an exit from consultation and that would mean that no influence could be exerted on outcomes. The employer representatives then preferred voice over exit. Nonetheless, they felt they still did not want to contribute directly to such 'generous' unemployment provisions. They had an interesting argument for this. They stated that in the early 1920s the economy was in a recession and that they needed all available capital to continue already-existing jobs rather than finance entitlements for the unemployed. But other employers, including the chair M. Triebels

and the secretary, repeatedly argued in favor of contributing to unemployment provisions. On 11 August 1921, they decided that they could vote in favor of the 'Unemployment Act', on condition that it would *only* operate in times of 'normal' economic conditions and 'normal unemployment' and not during economic crisis![63]

On 15 September 1921 they stated again that they were willing to support unemployment benefits at a later moment in time (all further objections were ignored). It shows that they valued participation in the consultative process highly, in order to be there to influence results.[64] However, when the minister was advised by the advisory 'Unemployment Council' (Werkloosheidsraad) in October, in the final draft, the comments made by the employers were ignored entirely. This raised considerable irritation.[65] Fortunately for them, no law was passed.

On 15 February 1923, several representatives again expressed concern that the unemployment law would be disadvantageous for entrepreneurs during a recession. Several members stated that they should never have joined the consultative meeting with the government and the unions, because it showed that 'one commits oneself to something that is not desirable.' But a larger group expressed satisfaction that permanent consultation had prevented the minister of labour to introduce an Unemployment Act without consulting the employers at all![66] In 1928, the final advice to the government by the High Council of Labour stated that employers did not think it was fair to pay unemployment benefits to workers who had not earned the right to receive an income. They also objected to workers paying contributions for unemployment benefits through the unions, since, they said, the unions were essentially their opponents.[67] Thus, that particular law was postponed. We can conclude that control was higher on the agenda than cost, and in order to expand control, they expressly valued consultation.

Post-war hesitation and take-off

After the war, the introduction of broader welfare state laws could not be stopped by hesitant employer representatives. National unemployment insurance was introduced in 1952.[68] Universal pensions were introduced in 1947 and (formally) in 1956.[69] The Sickness Act was extended in 1939, following the German example of a general sickness law. In that year, Minister of Social Affairs C. Romme announced a new law, in which a 'Council for Sickness Funding' (Ziekenfondsraad) would survey the sickness funds that distributed healthcare remunerations to all workers below a certain wage threshold. This type of healthcare funding was introduced during the war so that in effect a national health service was realized by the German occupying regime. After the war, in 1949, it was continued. The system functioned until 1999, when it was replaced by the College voor Zorgverzekeringen (CVZ).[70]

By comparison, the German health insurance law of 1884 was almost fifty years ahead of its Dutch counterpart, the Sickness Act of 1930. Such laws

had been introduced in the United Kingdom in 1911 and in Denmark in 1917. A universal public pensions law was introduced in Germany in 1889, in the United Kingdom in 1908 and in the Netherlands only in 1956 (1947), although it should be remembered that there had been company pensions since Stork introduced the first one in 1881. In the United Kingdom, an industrial injury law was introduced at about the same time as in the Netherlands: the 1897 Workman's Compensation Act.

The realization that the state could be held responsible for the distribution of welfare benefits gained way during World War II, particularly after publication in 1942 by Lord Beveridge of *Social Insurances and Allied Services* (1942), followed in 1944 by *Full Employment in a Free Society*. For the Netherlands, the Beveridge Report inspired the 'Commissie Van Rhijn' to write several reports in 1945–6, of which the first has been called the 'birth certificate of the Dutch welfare state'. But there was little political support for the idea of centralized social laws in Beveridgean style as advocated in the Van Rhijn Report – it met with strong resistance, despite extensive public attention.[71]

The upshot was that even then, the expansion of the welfare state did not immediately take off. Apart from the fact that Prime Minister Willem Drees was a prudent politician who was careful with the state's finances, there were other reasons for a slow expansion of social security. The pillars, through unions and employer organizations, still operated in the pre-war tradition. Within the new consultative PBO structure, a 'guided wage policy' was agreed on, which limited space for wage-related entitlements. Industrialization policy and wage restraint slowed down welfare state expansion. The unions did still not demand an expansion of welfare state provisions in the early 1950s: this would have gone against the agreement to keep wage costs down.[72] But the improved Sickness/Healthcare Act (1947), the temporary Pensions Act (1947) and the Unemployment Act (1952) were major improvements at the time.

When recovery and subsequent economic expansion was on the way, the social partners and the government coalitions agreed to introduce more generous and decommodified universal state laws. First, they installed old-age pensions, next disability and then unemployment benefits. The consultative bodies supported the guided wage policy which aimed to keep wage costs low (to stimulate investment and thus generate jobs). In the 1960s, with booming economic growth and full employment, wages could no longer be suppressed. At this time, additional social laws could be introduced because the costs of these were viewed as a social wage, and thus part of the wage bargaining process, where there was room for increase.

An impressive expansion of social laws brought the welfare state from a modest level to one of the most generous social systems, almost (but not quite) competing with Sweden as a yardstick for generosity. In quick succession, the Dutch government introduced the Widows and Orphans Act (1958), Child Allowance Act (1962), Unemployment Benefit Act (1964), Healthcare Act (1964), and the important Disability Act (1966).

Summarizing, we can state that the Dutch confessional parties by preferring 'subsidiarity' (decentralized provisions) slowed down the introduction of national, state-led provisions. There were no social democrats represented in the coalition governments before 1939 who could fight for the state-led solution. Liberal politicians did not see social transfers as a priority for state finances and favored subsidizing the agricultural sector (farmers had strong lobby groups), although there were social liberals who did put social security on the political agenda. Several laws were conceived before the war, but they were only realized after decades and were employer-oriented, not universal. Suspicious of central government intervention, the Dutch Catholic and Protestant parties were against social provisions by the state (exemplified by the Dutch-Reformed politician Abraham Kuyper, who was politically active between 1874 and 1920). Until 1939, ideological differences made it impossible for the confessional parties to cooperate with the socialists. In the Netherlands, the social democrats were not represented in coalition governments before the war, and the unions were not strong enough to demand state laws on social protection. In the meantime, the elites of the confessional and liberal blocs or pillars cooperated in the face of external threat and established a consultative mechanism in labour relations, which in the future would benefit welfare state expansion.

Conclusion

In the Netherlands, expansion of social laws took place in conjunction with the development of a coordinated market economy. These developments consolidated social peace while the unions and social democrats gained a stronger position in the political economy. In welfare state development we observe procrastination in the inter-war period and a relative generosity of the Dutch state welfare state laws that were introduced in the 1950s and 1960s. This development can be explained by the rise and acceptance of coordinating institutions. This implies that I do not emphasize labour union power, nor the role of organized business interest, but the development of institutionalized consultative platforms, supported by state law, as the main drivers of welfare state development. Naturally, once the platforms were in place, the social partners could voice their opinions or exert their power. It is remarkable that the discussions about increasing social protection and about giving more voice to stakeholders are strongly intertwined.

The perspective of employers on social laws changed once they were drawn into the bargaining and consultation system. Various examples show that employers bargained repeatedly for the best, or least objectionable, deal. As can be expected, objections were based on the past, such as unions not sticking to agreements. They did not foresee that the negotiated agreements would evolve into many comprehensive deals which unions would not be tempted to break at all, for example a strong, institutionalized bargaining position. Remarkably,

in discussions about the Sickness Act, issues of control dominated over the financial costs of the provisions.

Actor preferences can be understood by applying historical institutionalism literature rather than rational choice literature. Representatives increasingly feel obliged to take a constructive stand, and they are not unwilling to consider certain initiatives as theoretical possibilities, while their rank and file would reject these outright. At a certain point someone would raise a substantial objection, which moved the outcome into the direction of an alternative solution – sometimes compromise, sometimes postponing the entire issue. As a result, the outcome of consultation with members of opposing interest groups was valued more than theoretical objections of the original rank and file.

This story illustrates the institutionalist view that deliberative processes generate new actor preferences. During the inter-war period, the coordinating institutions attempted to develop a shared approach to economic problems by uniting employer views and the views of representatives of the unions and the government. In particular, employers were a heterogeneous bloc. Various types of firms (small and large, liberal and Christian-Democrat) did not see eye to eye on social issues. Dutch welfare state expansion was put on hold while increased worker co-determination and information sharing were being discussed. The *increasing support view* provides a good perspective on the development of the coordinated welfare state. The post-war boom in welfare spending could only come about because a consultative platform was established in the inter-war period. Thus, ironically, the pre-war decades of disagreement resulted in far-reaching post-war social laws and a coordinated system that still exists today.

Consultation between employer and union representatives repeatedly displayed a willingness to accept compromise and moderated outcomes. The bargaining platform was also used as a vehicle for damage control: to prevent worse outcomes, both groups searched for the lesser evil. But we should keep in mind that the state had a very important role as the initiator of new initiatives and setting the agenda of the negotiations.

These observations show that the formative period of institutionalized consultation left a mark on the post-war coordinated market economy by developing *informal* institutions of conflict solving by speech. This was the foundation of the post-war consultative system. The viewpoints of firms were consolidated and expressed through inter-firm cooperation, which, in a comparative perspective, was strong in the Netherlands in the 1920s and 1930s. Coordination among firms was not centrally organized by the state, but instead the result of voluntary coordination and information exchange. Most prominent was the integration of employers in the national policy formation process through boards and commissions. These formed an institutional setting in which welfare state laws were discussed and accepted after the Second World War.

Institutionalized consultation had a basis in religious differences in a multiparty system: it aimed to deal with rising social-democratic pressure and was

inspired by the developments outside the country, such as World War I. It should be kept in mind that in a coordinated economy, bargaining, conflict and distrust repeatedly came up. *Consensus democracy* is a much too rosy term for a system that only was established with gradually increasing support.

Notes

1 I am grateful to Bram Hulshoff for his assistance with the archival research.
2 Fioretos et al. (2016), 3–18.
3 Schmitter and Streeck (1991), 47–53.
4 De Rooy (2002), 30–31.
5 Van Zanden and Van Riel (2004), 108; Postma (2017).
6 Wielenga (2009), 41; De Rooy (2002), 155.
7 Prak and Van Zanden (2013), 201.
8 Hall and Soskice (2001), 1–68. On the Netherlands, see Touwen (2014a).
9 Lindert (2004), 186–188.
10 Katzenstein (1985).
11 Rainio-Niemi (2008). See also Mokyr (2006), 8–12.
12 Esping-Andersen (1990), 76.
13 Van Leeuwen (1998), specifically 277. See also De Swaan (1988), 50.
14 Kaufmann (2012), 340.
15 Touwen (2014a), 160. See also Touwen (2014b).
16 Wielenga (2009), 76–77; De Rooy (2002), 164–165.
17 See Van Zanden and Van Riel (2004).
18 Van Veen (2013), specifically 33.
19 Van Veen (2013); Gijsenbergh (2012); Couperus (2012).
20 Nijhof and Van den Berg (2012), 185.
21 I focus on what is often called neo-corporatism. By contrast, in totalitarian systems, the state *dictates* labour relations.
22 Hertogh (1998), 60–69; Nijhof and Van den Berg (2012), 47, 52. To administer the law, the *Rijksverzekeringsbank* was established in 1901. In 1956 it became the *Sociale Verzekeringsbank*, which supervised from 1987 on the former Councils of Labour as regional offices.
23 Lindert (2004), 46.
24 Touwen (2001), 4.
25 Nijhof and Van den Berg (2012), 48.
26 See for example Harmsen and Reinalda (1975); Hazenbosch (2009); Van der Velden (2004).
27 Sickness payments had to be organized by the Councils of Labour (Raden van Arbeid, 1919). These 39 regional Councils of Labour (Raden van Arbeid) were founded in 1919. The chairs of the councils were appointed by the minister of labour. The Councils of Labour were the successors of the Chambers of Labuor of 1897 that were stimulated by anti-revolutionary Christian-democrat politicians who hoped that they would avert the threat of revolution and were officially abolished in 1923.
28 Schuyt (1991), 3–4.
29 For a basic introduction to the Dutch welfare state see Noordam (1998). See also Van Gerwen and Van Leeuwen (2000); Roebroek and Hertogh (1998); Trommel et al. (2004).
30 Jackson (2010). See for a brief analysis of Dutch cartelization and competition policy in the twentieth century as a form of institutional change: Touwen (2018).
31 Martin and Swank (2012), 32.
32 Jackson (2010).

33 Lijphart (1968). See for the debates Blom and Talsma (2000) and De Rooy (1995). From a Marxist point of view, pillarization formed a strategy of elites to consolidate their powerbase in the class struggle. Wielenga (2009), 242.
34 Visser (2013).
35 In the late nineteenth and early twentieth centuries, a series of different social laws were passed, which were evidence of increasing state intervention without yet establishing a full-fledged welfare state.
36 The Algemene Werkgevers Vereniging (General Employers Association, established in 1919 as Zaanse Werkgevers Vereniging) planned to merge with VNO-NCW in 1997, in which year it became AWVN, but in 2008 the merger was cancelled. Bruggeman and Camijn (1999), 293.
37 Bruggeman and Camijn (1999), 61–75.
38 The two confessional peak associations combined their efforts in 1967 into the Federation of Christian Employers Confederations (Federatie van Christelijke Werkgevers Verbonden). The merger with the non-confessional peak organizations took place as late as 1995. Alongside the resulting VNO-NCW, the employers' organizations for small and medium-sized companies (MKB) and the agricultural peak organization (LTO) continued to exist.
39 Tros et al. (2004), 51–52.
40 Windmuller (1969), 231, 259.
41 Jonker (1991).
42 Gijsenbergh (2012).
43 International Institute of Social History, Amsterdam (IISH), Archief Florentinus Marinus Wibaut, inventory number 330, 1. Second meeting of the *Commissie voor de Bedrijfsorganisatie*, Monday 12 April 1920. Department of Labour, The Hague. It was also called 'Commissie voor de bedrijfsorganisatie en medezeggenschap'.
44 Tros et al. (2004), 55.
45 Hazenbosch (2009), 96.
46 Nijhof and Van den Berg (2012), 68–69.
47 IISH, Wibaut, inventory number 330 (1920), Sixth meeting of the *Commissie voor de Bedrijfsorganisatie*, 1–10.
48 Windmuller (1969), 288.
49 The 'Wet-AVV' (Wet op het algemeen verbindend en onverbindend verklaren van bepalingen van collectieve arbeidsovereenkomsten). This law from 1937 built on an earlier law from 1927, which, in turn, had been prepared by the High Council of Labour since 1919.
50 Harmsen and Reinalda (1975), 426–429.
51 Windmuller (1969), 73–78.
52 Tros et al. (2004), 103–104.
53 *Algemeen Handelsblad* 2 February 1923. See also IISH, Wibaut, inventory number 330.
54 Bruggeman and Camijn (1999), 109.
55 This platform, also called Centraal Overleg in Arbeidszaken voor Werkgeversbonden, was established by the Association of Dutch Employers (Vereniging der Nederlandsche Werkgevers, VNW) in 1920. After 1945 the departments dealing with social affairs of the VNW and the Centraal Overleg in Arbeidszaken voor Werkgeversbonden were merged into the Centraal Sociaal Werkgevers-Verbond. See Nationaal Archief, Den Haag [NL-HaNA], Centraal Overleg Werkgeversbonden, 1920–1945, nummer toegang 2.19.103.04, inventarisnummer 2, 1–2.
56 Bruggeman and Camijn (1999), 107–109. NVV is the peak union association that was established in 1915 by 15 unions. It merged in 1977 with FNV.
57 NL-HaNA, Centr. Overleg Werkgeversbonden, 2.19.103.04, inv.nr. 2, 2.
58 NL-HaNA, Centr. Overleg Werkgeversbonden, 1920–1945, nummer toegang 2.19.103.04, inventarisnummer 2, 1–2.

59 Bruggeman and Camijn (1999), 109.
60 NL-HaNA, Centr. Overleg Werkgeversbonden, 2.19.103.04, inv.nr. 2, 9, 2–4. General Meeting of the Centraal Overleg Werkgeversbonden (GM), 7 July 1921.
61 In Dutch: *Werkloosheidsbesluit* and *Werkloosheids-verzekeringsnoodwet*.
62 Hertogh (1998), 222–223.
63 NL-HaNA, Centr. Overleg Werkgeversbonden, 2.19.103.04, inv.nr. 2, 9, 1. GM, 11 August 1921, Scheepvaarthuis, Amsterdam.
64 NL-HaNA, Centr. Overleg Werkgeversbonden, 2.19.103.04, inv.nr. 2, 9, 1–3. GM, 15 September 1921, Scheepvaarthuis, Amsterdam.
65 NL-HaNA, Centr. Overleg Werkgeversbonden, 2.19.103.04, inv.nr. 2, 9, 2. GM, 27 October 1921, Industrieele Club, Amsterdam.
66 NL-HaNA, Centr. Overleg Werkgeversbonden, 2.19.103.04, inv.nr. 2, 9, 3. GM, 15 February 1923, Scheepvaarthuis, Amsterdam.
67 Hertogh (1998), 224.
68 The 1952 law was called 'Wachtgeld en Werkeloosheidsregeling', WW.
69 Between 1947 and 1956 there had been an interim law, the Noodwet Ouderdomsvoorziening.
70 Vonk (2012).
71 Schuyt (1991), 3.
72 The notion that wage restraint was achieved *in exchange* for welfare state provisions is not correct for the Netherlands. Van Kersbergen (1995), 130. Wage restraint resurfaced in the 1980s as a consensus solution. See Touwen (2008).

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