FIRST AN INSTITUTION – THEN AN ORGANIZATION

Dutch nineteenth century economists as a professional community

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Evert Schoorl

(Groningen University – retired)

e.schoorl@rug.nl

Abstract

This paper claims that Dutch economists of the nineteenth century were a professional community decades before they organized themselves in a professional society. A royal decree of king William I of August 1815 encouraged the teaching of economics in law faculties. By the mid-1820s the subject was taught nationwide. The professors also took up their social responsibility by participating in public discussions and conferences on the Dutch economic stagnation, more particularly the poor question and agricultural reform. Around 1850 a national society was founded, the journal *De Economist* was published, and the first economics textbook in Dutch was produced. Following Hans Boschloo's dissertation (1989), the paper pretends that Dutch economists were an institution already before they formed an organization.

Keywords: nineteenth century Dutch economics, sociology and professionalization of economics, informal institutions

Introduction

According to Hodgson, institutions are the stuff of social life. He defines them in a 2006 article by saying that institutions are "the systems of established and prevalent social rules that structure social interaction". Examples of institutions may be language, money, law, and organizations (for example firms). Conventions, that may be included in law, can be regarded to be institutions as well (Hodgson, 2006, p. 2).

What Hodgson considers important about institutions is the way that they structure social life and frame our perceptions and preferences. They also create stable expectations. He argues that: "Generally, institutions enable ordered thought, expectation, and action by imposing form and consistency on human activities." Consequently, institutions enable as well as constrain action.

(Wikipedia)

This paper, following Douglass North, starts from the simple assumption that formal organizations cannot automatically be considered as institutions. On the other hand it is possible that an informal organization can be labelled as an institution. The paper argues that this is the case for the Dutch economists community as early as the eighteen-twenties, decades before they organized themselves in a Statistical Society (in an age where statistics and political economy were partly overlapping categories). However this does not mean that the Dutch economists held the same theoretical views. This is illustrated by comparing three pairs of contrasting economists from the first half century of the Dutch kingdom. Then the fora in which they participated are described: debates and meetings on the poor question, on the Dutch corn laws, and on agricultural reform.

For most Dutch economists and historians of economic thought, in their discipline the first half of the nineteenth century is decidedly uninteresting. Inside as well as outside academia there were no theoretical innovators of economics, and the few professors who taught the subject were trapped in the law faculties. By the 1850's they organized themselves in a statistical society and produced the first Dutch textbook. Only with Pierson in the last quarter of the century an economist of international standing appeared on the stage.

This picture has been drawn by Irene Hasenberg Butter (1969) and was more or less confirmed by Vermaat/Klant/Zuidema (1987) and van Daal/Heertje (1992). Joke Mooij's history of the Dutch Economic Society did not delve deeply into the early history of Dutch economics. The dissertation of Hans Boschloo (1989) was a tremendously important study in demonstrating the broad and early – also by international standards - institutionalization of economics chairs, and showing the activities of many professors outside academia regarding the poor question, corn laws and agricultural innovation, and economic growth in general. Wim Coster's recent biography of Sloet offered another useful picture of the popularization of economics outside academia.

The important role of Gijsbert Karel van Hogendorp – best known as the politician who staged the return of William of Orange in 1813 – as a key figure in the first generation of Dutch academic economists, has already been recognized by J.R. Zuidema. Hogendorp's periodical *Bijdragen tot de Huishouding van Staat* (Contributions on the Economy of State) was used as a source for the professorial lectures of Tydeman (Leyden) and Ackersdijck (Liège and Utrecht). Ackersdijck is described by Overmeer as a Ricardian who influenced his student and nephew W.C. Mees and through him N.G. Pierson as well (Overmeer 1982: 108). The label of Ricardian is appropriate for Mees, but rather exaggerated for Ackersdijck. Zuidema has been even more explicit in identifying a tradition in early Dutch economics, starting with Hogendorp and Ackersdijck:

'Ackersdijck was a fervent admirer of Adam Smith. (…) He was a widely read man of great erudition who influenced his nephew W. C. Mees fundamentally. If Hogendorp is the godfather of the Dutch economists, Ackersdijck may be considered their father' (Zuidema 1992: 46).

The fact that relevant research on early Dutch economics and economists has been divided between historians and economist has not been helpful in showing an overall image of a true professional community of

economists from the 1820's on, decades before the founding of a national statistical and economic society. The paper presents a view of the 19th century Dutch economists community as an institution long before becoming an organization.

In the concluding section the simple Northian hypothesis is refined by measuring the early Dutch economists' achievement against the Hodgsonian criteria for organizations.

1. *A godfather and a father: Hogendorp and Ackersdijck*

1.1 Gijsbert Karel van Hogendorp

Regarding academic developments, the new discipline of economics received a firm impulse from King William himself. He did not share the fears of other European Restauration governments and princes for whom political economy was dangerously close to political liberalism. As land-owner in Fulda (while in exile from the Netherlands) he had experienced the relevance of cameralist-economic education for the management of his estates. As the Dutch-Belgian king he promoted higher education in the subject by making an economics course compulsory for students of law aiming at a career as civil servants, by a royal decree of August 1815. This turned out to be an important stimulus for the establishing of economics courses and professorships.

A less successful and non-lasting initiative of the king was another royal decree ordering the teaching of agronomic course in the faculties of mathematics and physics. These courses were compulsory for students of theology, who would only be appointed as a reverend of the Dutch Reformed Church with a testimony of this course over two years. In his German years, the king himself had been privately taught in 'experimental cameral and agronomic chemistry, as well as the economics of forestry and agriculture' (Veldink p 85-86). Of course the idea was that the village parsons would be instrumental in spreading the newest agronomic concepts among the farmers. In practice this hardly worked, and after the compulsory lecture course had been reduced to one year, the whole project was cancelled in 1831 upon repeated requests from the national church board. Regarding the subject matter taught, the accent was more upon the biology and chemistry of agriculture than upon its economics. The Groningen professor of the subject, Uilkens, published a 'Textbook of Homeland Agronomics' in 1819. The only one taking the economic dimension seriously seems to have been G. Wttewaall [W = double u] in Leyden. He expanded the existing cabinet of agricultural machinery with a collection of seeds, wood samples, dried plants, and instructive illustrations. In his teaching, and outside academia as well, he stressed the links between agriculture, industry and trade (Veldink p 87).

Where part of the professorial income depended on the number of students taking their courses, it became profitable to offer economics lectures. Little more was required to do so than a good reading of Adam Smith and Jean-Baptiste Say. So it happened that the first professor offering an economics course in Groningen – the second oldest Dutch university (1614) – was Theodorus van Swinderen (1784-1853), who had written three PhD dissertations (in physics, law, and literature) and occupied the chair of Natural History, besides being an inspector of primary education. He is best known for his active civil work rather than for his scientific exploits. He wanted to educate the general public and make them more historically aware. But already in the eighteen-twenties the majority of economics teachers were law professors, many of whom had written a dissertation on an economic subject.

Gijsbert Karel van Hogendorp (1762-1834) is primarily known as a politician, and a short-lived minister of foreign affairs. As an economist he still belongs to the proto-academic phase of Dutch economics. But he was well read into the contemporary economic literature, and entertained many academic contacts in the Netherlands and in Europe. If he would not have been financially independent, he might have held a chair in law and economics in his later life. Instead, he chose to comment from his armchair. Following Overmeer, one can label him as a Smithian free trader on the one hand, and as a historical-institutional, evolutionary economist on the other. He disliked 'abstract, speculative, metaphysical ideas' (Overmeer 1982: 64). Equally influenced by Hume and Smith, he followed the former in his judgement of the importance of convention and tradition. He disliked 'the ice-cold Ricardo, who treats human society too much as a play of puppets on a string'. He wrote about the Ricardian model-builders that they assume 'that everyone can easily make switches in his employment, that a blacksmith can become a watchmaker. Upon such unrealistic propositions they build theories like castles in the air' (quoted by Overmeer 1982: 112). This quote demonstrates that he implicitly had a clear notion of human capital and thereby of one of the key issues of the general glut controversy.

Through his travels, Hogendorp personally knew many French, English and German economists. By his contacts with the younger generation of Dutch economics professors he was an important link in the transmission of economic ideas. The Leyden professor Tydeman, teacher to Hogendorp's two sons, and the Utrecht professor

Ackersdijck, who had taught in Liège before the Belgian Revolt of 1830, both considered him to be better acquainted with foreign economists than themselves. Following Hogendorp's advice, Tydeman prepared and published a Dutch translation of Mrs. Marcet's *Conversations* (Overmeer 1982: 108-109).

In 1824 J.R. McCulloch sent a pamphlet of his to Gijsbert Karel: 'Knowing that in a high official situation you have supported your liberal commercial principles which are now, I am happy to say, becoming decidedly popular in England, I thought you would not be displeased with an abstract of a course of Lectures' (Quoted by Overmeer 1982: 413). Most probably he referred to his article Political Economy in the Encyclopaedia Brittannica. He also mentioned that MP's and cabinet members attended his lectures. In his reply, Hogendorp dwelled at length at the problem of economic education, in particular the question how to teach liberal economic principles to the poor and their children. It is instructive and amusing to read his summary of recent literature: the Ricardo-Say controversy, the oral Sismondi-Ricardo controversy 'started in Geneva and continued in print by Sismondi', Louis Say's Considérations (1822) written against his brother Jean-Baptiste, and Ganilh's work, 'fully directed against Adam Smith and free trade' (Quoted by Overmeer 1982: 414).

The later Hogendorp was much influenced by Sismondi. The latter's historical works greatly appealed to him, and the second edition of his *Nouveaux Principes* (1827) gave him food for thought on the distributive effects of taxation and on the emerging social question in England. Thus it seems that in his later life, Hogendorp supported the subjectivist ideas of Sismondi and of Louis Say who both asked for a broader concept of economic welfare than a simply materialistic interpretation. Human happiness must be taken into account as well.

Around 1820 the United Kingdom had started to clear up its debt by using two budgets, an annual one and another for a decade, and by creating an Amortisation Fund for the existing public debt. As a neomercantilist William I, the 'merchant king', did not have a sharp insight in public finance. He wanted to diminish the debt while at the same time he maintained a large standing army – long after the Belgian war of independence - and modernized the Dutch infrastructure. As late as 1844, when a new government had finally brought some order in the budget, Ackersdijck wrote about 'the nebulous art of finance' of William's reign (Overmeer 1982: 243). It is paradoxical that the king had a better insight than Hogendorp in an industrial future, while the latter held a better understanding of the importance of free markets.

Hume, Smith, Forbonnais and Necker were Hogendorp's monetary teachers. From the latter he absorbed the idea of the 'veil of money'. From the Englishman George Crawfurd, who lived in Rotterdam around 1790, he copied his criticism of the quantity theory. But it is impossible to reconstruct a coherent system of beliefs that would represent Hogendorp's monetary ideas. He was convinced that wealth was created in trade, and that therefore free trade was a good thing. He knew that taxes could have a distortive effect on prices and trade, and that for this reason loans were an acceptable means of government finance. He was a fierce critic of paper money, 'that child of revolutionary times, and cancer of society' (Overmeer 1982: 284). But this criticism was only aimed at inflationary government paper like the French assignats. He knew that trade needed paper, but he went no further than approving the traditional role of bankers and cashiers to provide it. Government must certify the banks, and therefore he also approved of the new De Nederlandsche Bank, as its banknotes were not 'government paper'.

As a rentier he was critical of any plan that proposed to disregard or postpone the rights of government bondholders, or to meddle with international mobility of capital. In the same capacity he absorbed elements of Malthusian theory that pointed at the useful effects of unproductive and luxury consumption, while at the same time he embraced a kind of Sismondian concern with the fate of the poor.

1.2 Jan Ackersdijck

Ackersdijck (1790-1861) was brought up in an Orangist family. After graduating in law he became a successful solicitor. He was particularly effective at the 'tribunal des douanes', where he established his reputation as a true Orangist who was definitely opposed to French protectionism. Three years later, on December 1, 1813, the French regime broke down and the 'tribunal des douanes' was dissolved. Jan was out of business.

Between 1813 and 1825 Ackersdijck was not a prolific writer. He spent most of his time reading, especially in economics. In 1817 he became a substitute judge at the court of justice, and at the end of the year he was the secretary of the board of governors of the University of Utrecht. He held this position until 1825. The word must have spread that he was an economist of wide reading, for in that year he was appointed to a professorship in political economy at the university of Liège, in the Southern Netherlands.[1]

The years in Liège were highly successful, privately - he met his wife there - and professionally. In Liège he gradually seems to have drifted away from the 'regent' mentality that characterised the Orangists of the Northern provinces. He confessed himself explicitly to a liberal ideology with its stress on individual freedom, individual development, equal rights and democracy. In his lectures the political message of Adam Smith was put into practice: the market is the appropriate mechanism to co-ordinate the individuals' comparative advantages and the resulting division of labour will lead to an ever-increasing income.

In his course of lectures of 1826 he started with the history of political economy, commencing in classical antiquity. After a treatment of physiocracy, he arrived at Adam Smith:

In his work, he proves that wealth consists of objects possessing value, and that man in making these objects valuable by his labour, gives them this value. Thus it is clear that wealth is produced by every industrial activity. Which is why his system is called: Système des industriels.

[…]

Jean Baptiste Say is one of the French authors who has the greatest merit in this science. He has facilitated its study. His work was published in 1802 [sic]*. He distinguishes himself by his extreme clarity. He has explained better than his predecessors that all industrial activity produces wealth.*

Among the other authors and books, Sismondi's *Nouveaux Principes* are listed. The latter 'states, against Smith, that the government must direct industry instead of letting it go [laisser aller].' Ricardo's *Principles* are 'highly esteemed in England'. Ackersdijck also mentions the French (Constancio) translation of Ricardo, with J.B. Say's notes. Say's *Letters to Malthus* are listed together with Louis Say's 'several works in which he combats his brother.'

Altogether it is clear that Ackersdijck was well read in the mercantilist, physiocratic and classical economic literature. So if he was a follower of Say, he was not just vulgarizing him but had carefully picked out Say's economics as his choice of the state of the art.

The lectures then really start with a treatment of value. Ackersdijck briefly dwells upon the distinction made by various classical economists between material and immaterial value. Continuing with the subject of production, he seems to follow Say with his description of the division of labour in the production process. Theoretical [research] work is necessary to reveal the secrets of nature. Its application is the task of the entrepreneur. Finally there is the execution or the manual work of the labourers. All these three activities are necessary for any kind of production, but often the functions are combined in one or two persons: 'Only in very big factories, these duties are executed by different people.'

Regarding the labour theory of value, Ackersdijck tells his students about the diverging opinions on the subject between the contemporary economists:

A number of authors pretend that all riches are the fruit of labour. Ricardo, Buchanan, Tracy, Sismondi, Mill and McCulloch support this system. Smith, Malthus, Say, Storch pretend that riches are not only produced by labour. This question divides all present authors. We will discuss the subject further in the treatment of the distribution of wealth.

This makes clear that he did not teach from a dogmatic approach, but introduced his students to the diverging opinions among contemporary economists. As a popularizer for the general educated public he praised the initiative of Wttewaal, the Leyden professor of agricultural economics, who published a short-lived periodical

[1] Perhaps Hogendorp, who was a good friend of Willem Ackersdijck, played a role in suggesting Jan for the Liège chair.

Bijdragen tot de Staatshuishoudkunde en Statistiek (Contributions in Political Economy and Statistics). Ackersdijck wrote this for the newly founded literary, cultural and political monthly *De Gids* in 1837. This journal would be tremendously influential in economics as well, not least because of Pierson's surveys of the international literature in the 1860's. (The journal is still running as a primarily literary periodical.) Ackersdijck wrote:

These disciplines deserve to be better known and appreciated in our Homeland. When one notices the stupid contempt with which many discuss it, while others – borrowing or quoting from authors they hardly know – show off as if they are experts in it, Political Economy and Statistics undoubtedly are not entirely neglected, yet little spread and practiced.

2. *A socially concerned professor and an agricultural outlier: Tydeman and Sloet*

2.1 Tydeman: 'A harsh and inhumane doctrine'

The Leyden professor Tydeman (1778-1863) and the politician and country squire baron Sloet tot Oldhuis (1807-1884) are both difficult to label by conventional categories. Both were more active as popularizers than as original thinkers. Neither of them can be called a liberal, but Tydeman went further in allowing room for interventionism while Sloet was more market-oriented and religiously inspired.

As a student in Leyden Tydeman received his first lessons of economics from professor Kluit, who later formally became the first economics professor, appointed by king Louis (Napoleon's brother). Tydeman's first academic position was at the Frisian university in Franeker, where he taught civil law. From 1815 he occupied a chair in Leyden where he taught encyclopedic law, economics and statistics, as well as constitutional history. In 1830, after the Belgian revolt, this last subject was taken over by Thorbecke who had been expelled from Ghent.

In 1807 he published a translation of Schlözer's *Introduction to the Theory of Statistics.* From 1817 till 1822 he edited the periodical *Magazine for Poor Relief in the Kingdom of the Netherlands.* In 1819 his prize-winning essay for the Netherlands Society of Sciences was published, *On the positive or negative influence of introducing machinery, instead of manual labour, in the mills of our Nation*. It is a sound argumentation, starting with a redefinition of the question and including agricultural machinery in his reasoning. Arguments pro and con are neatly classified, with a demonstration of thorough knowledge of the literature: Adam Smith, Count Chaptal, Jean-Baptiste Say and Simonde de Sismondi. The pin factory example is there, and also the moral argument in Smith's reasoning that the ultimate result of the division of labour can be that human labour is reduced to an endless repeating of one deadening action. He reproduces Sismondi's negative opinions in the matter, but gives more weight to his positive arguments. Finally he expands his overview to the dimension of poor relief. Altogether it is a well-balanced and state of the art essay.

One year later he published another prize-winning essay, written together with his co-editor of the *Magazine for Poor Relief* Scherenberg, on the question whether poverty in Europe could be attributed to overpopulation. The authors started their argument from extensive quotations of Malthus' Essay. Then they rephrased the subject of overpopulation by including the question whether a country could and should always be self-sufficient in agricultural production. Firstly they remarked that the U.S.A. not only doubled its population every 25 years, but also managed to continue as an agricultural exporting nation. And starting with the (still united) kingdom of the Netherlands and Belgium they examined this question for all Western European countries. Their general conclusion was that almost everywhere there was sufficient room for cultivating new agricultural areas, in order to feed the population. In industry it was inevitable for entrepreneurs wishing to survive, to introduce labour-saving machinery. So altogether there would always remain a jobless number of poor people in every economy. It was not the responsibility of entrepreneurs to take care of their employment, but it was the task of charity and poor relief to provide useful – even if not marketable – occupation and nutrition support to the needy. Elsewhere Tydeman remarked that classical economics was 'a harsh and inhumane doctrine' in preaching that the free market would be the only road for everybody to earn his living. So despite his thorough knowledge of classical economics he was a worthy heir to the authors of the constitution of the Batavian

Republic who in 1798 stated that the nation would provide employment for the able-bodied and support for the needy.

Tydeman's translation of Mrs. Marcet's *Conversations on Political Economy* was already mentioned above; it was published in 1825. In 1839 his translation of the French (Arrivabene) edition of Nassau Senior's *Principles* came out. Regarding his continued interest in the Poor Question, his son wrote in his obituary that 'The question of poor relief, upon which so many of his efforts had concentrated, continued to be close to his heart even after his academic retirement' (Tydeman 1863). He published several comments on the drafts for a new Poor Law in the early 1850's, and finally in 1853 produced a translation of A. & P.W. Alison's book on state care for the poor.

2.2 Sloet's green future

The country squire from the province of Overijssel, baron Sloet tot Oldhuis (1807-1884), was an outlier among economists although he too could boast of a family relationship with an academic professional. He never taught the subject himself in a classroom, but his uncle Wttewaal was a Leyden professor of economics since 1828. From the point of view of economic theory, his writings can even be seen as a step backwards in comparison with Ackersdijck. But he deserves a place in our story as the influential editor of a single author economic journal.

Trained in law, Sloet became mayor of Zwolle and for many years he was a conservative MP. In 1841 he started his *Journal of economics and statistics* with the aim of spreading the knowledge of political economy, as well as historical and contemporary examples of good economic practice.

According to his mission statement he did not wish to get engaged in economic quarrels and debates. Political economy being an 'entirely practical science', grounded upon 'experience and observation', should not be labelled as theory. Wealth, consisting of material goods, was its subject matter. Sloet's *Foundations of Political Economy* consisted of an 800 pages survey, published in his journal between 1841 and 1855. He switched from economic observations and lessons to literary and folklorist paragraphs, historical flashbacks stretching as far as classical antiquity, walks in the countryside where he saw the potential of agricultural development, and many other sidesteps. An important element were his plans and political messages referring to the problems of the day. He also translated works of Jeremy Bentham and Joseph Droz.

His biographer Coster believes that his combination of reviews, translations and articles must often have confused his readers. In Sloet's opinion, economics was an *entirely practical science ... founded upon experience and observations.* But its lessons did not deserve the label of 'theory'. Its object was simply *wealth, or the possession of certain material goods*.

Sloet's Dutch hero was Pieter de la Court (1618-1685), whom he saw as the predecessor of Adam Smith. (But of course his rejection of all monopolies was more motivated as the voice of an interest group than as a theory of economic growth and welfare.) In any case Sloet shared the practical approach to economic problems with the seventeenth century merchant.

But with his own fysico-theological background he could just as well identify himself with the Scotsman who wrote: *Human Society appears like a great immense machine, created by an all-wise Architect and Conductor*. And in his Dutch introduction to Droz he drew the comparison between the human body and the state: religion must bring harmony in moral questions, economics must take care of material welfare. Economic development must take place gradually – no revolutions! - and the interests of countries like England, France and the Netherlands were best served by governments leaving most economic decisions to its citizens. After the constitutional reform of 1848 he once more stressed the importance of economic knowledge for everyone, as the citizens had acquired greater influence in politics.

It is remarkable that a propagator of modern economic ideas like Sloet, who also promoted the construction of railways and canals both nationally and regionally, was such a staunch defender of the countryside as an environment superior to the city:

Our flowering fields of oilseed, potato and buckwheat, no less than our apple and cherry orchards, offer the most pleasant scenery for a Dutch Arcadia. (…) We have only wished to argue that the form of Arcadia's is not unfit to describe our soil elegantly; it is the romantic form of statistics, getting married to poetry.

As Coster (p 85) concludes: 'The statistician-economist, the agronomist, the fysiocrat and the fysico-theologian in Sloet marched hand in hand through the green space of the nineteenth century, giving each other priority where desired, and enlightened by the friendly light of Christianity.'

More practically, Sloet pronounced his economic programme for the nation as an M.P. in the revolutionary year 1848:

The Dutch nation must and must continue to let its hands work; must maintain its dykes, must cultivate its heaths and dunes, exploit its fenlands, and extend its trade relations around the world; the fields, the shipdeck, the stock exchange, there you have its porticus, its forum! There alone it can, in eternal wrestling with nature, under continuous exercise of all its powers of body and soul, remain wealthy, religious and happy (Coster: 99).

No mention at all of industry. Yet he had a point. International trade channels had shifted, and in the once wealthy cities of Holland pauperism was widespread. The Industrial Revolution came late to the Netherlands. But the Northern and Eastern agrarian provinces were relatively well-off and exported their products to England and elsewhere.

Sloet's most successful activity in advancing agriculture was the founding of the national agronomic conferences. In 1846 the first of these was held in Sloet's home town Zwolle. The annual conferences were successful in uniting farmers, politicians and academics. Ackersdijck was a regular visitor. Even king William III attended a few. In 1870 more than 1700 participants attended the conference in Arnhem. One year before his death, Sloet spoke to the conference in the province of Groningen about his own experiences in growing and preparing soy beans, and about the culture of oysters and mussels in the Northern estuary 'Waddenzee'.

It is not easy to assess Sloet's precise influence in politics, in economics and in agriculture. Wim Coster does not provide data on the subscribers of Sloet's Journal, or on the reception of his ideas. But his role as an early and effective popularizer of economics cannot be denied.

3. *A liberal professor and a proto-socialist one: Kemper and Quack*

3.1 Kemper: market and social concern

Regarding the poor question, there had always been a big role for the church charity in mitigating the worst effects of pauperism. Some professors combined a purely liberal, free-market view of the working of an economy with a considerable amount of social concern. Jeronimo de Bosch Kemper (1808-1876) of the Amsterdam Athenaeum for example was a staunch defender of classical market economics, combined with a private attitude of concern for the poor. He graduated in Leyden with a dissertation on Roman penal law, was twice an MP, and became a law professor in Amsterdam. In 1848 he was a founder (and the first president) of the Dutch statistical society, the predecessor of the present Royal Economic Association. Equally important was his work as the founder of a statistical annual, to be continued (till the present day) as the journal *De Economist.* In a survey article of 1851 in the literary journal *De Gids* his Leyden colleague Vissering, himself the author of an economics textbook, highly praised the 'indefatigable and persistent zeal' of Kemper's contribution to the factual knowledge of economic data in the Netherlands: 'Therefore let us popularize factual knowledge as much as possible. (…) We would like to see the [statistical] annual in the hands of everybody; with its figures it may be barren and dry as *our first arithmetics book*, it is also *the first* ***political*** *arithmetics book*, and just as indispensable as the other lessons of our primary school teacher.'

But Kemper's real magnum opus was the *Historical Overview of Poverty in the Netherlands*, and he also founded a society *The Friend of the Rich and the Poor*, with an organ publishing recommendations for cheap yet healthy food and other budget lessons, and an office functioning as a kind of private labour exchange.

Hans Boschloo has pointed to Kemper's seemingly paradoxical social activities, in view of his staunch liberal, free-market opinions:

[Kemper's] enormous activity in social affairs seems contradictory to the laisser faire he propagated. It may be true that the laisser faire supporters preached – in the words of Tydeman – a harsh and inhumane doctrine, but on the other side almost every one of them was intensely occupied with fighting poverty in the only way allowed by laisser faire, to wit the moral elevation of the poor. With Kemper this is particularly the case. All his activities, his work for the poor, his scientific work, the editing of the Annual of Statecraft and Political Economy – *leading to the founding of the Statistical Society – all served one ideal: bringing a better world nearer.*(Boschloo 1989 p 99)

3.2 Quack's Christian socialism

Among the economists who expressed social concern, Tydeman was a non-classical interventionist; de Bosch Kemper distinguished himself from his purely analytical, classical contemporary Mees by his historical description and analysis of poverty in the Netherlands. In the 1860s this Christian tradition of concern for the poor found another representative in the economics professor and Netherlands Bank director H.P.G. Quack (1834-1914). As a student of Kemper in the 1850s, Quack had heard him teach that 'for the emancipation of factory workers, it is more important to study the history of the workers in British mills than to read theoretical discourses about them'. And after having defended a dissertation on the Middle Ages, as a contributor to Kemper's popular weekly he wrote economic reviews. As a professor of economics in Utrecht since 1868, he taught a kind of Christian evolutionary economics in which not the individual agent but the social structure was the most important element. He rejected the abolition of the guilds, and deplored the isolation of the individual worker, brought about by the industrial revolution. In his autobiography he wrote that 'what I taught my students on the subject of economics – mostly following the historical school – was nothing but an orderly consequence of the once, in my student years, proposed principles of de Bosch Kemper' (Quack 1915, p. 168). As Quack was a student in the eighteen-fifties this is an interesting statement, labelling Kemper as a forerunner of the Historical School in the Netherlands.

In his autobiography, Quack reports on his 'wanderings in society' as a necessary complement of, and sometimes a superior approach to 'reading dry and dusty discourses on political economy in the vein of J.B. Say'. In 1862 he considered his wanderings still incomplete, so when de Bosch Kemper proposed him as his successor at the Amsterdam Athenaeum – not yet fully a university – he negotiated about combining this appointment with his job at the Amsterdam Chamber of Commerce. The chairman of this chamber opposed the combination, so Quack declined the proposal of the academic chair.

When in 1868 a vacancy fell open in the Utrecht law faculty, de Bosch Kemper pushed both his former pupil Quack and his friend in the supervisory board to have Quack appointed. From the beginning the latter's teaching was controversial. In the editorial board of the literary and social journal *De Gids* (The Guide) Quack confronted the older, classical economist and textbook author Vissering with the statement that he could not share Bastiat's ideas on the dynamics of society, in a spontaneous and freely operating harmony of interests. Vissering could not distance himself from 'the rules of the doctrinary, absolute, closed science of political economy – with its constant and permanent laws – defined as the doctrine of wealth in a so-called free exchange traffic'.(Quack 1915, pp140-141) In the end, not scientific controversies but the combination of financial considerations with his research programme of writing a history of socialist ideas determined the end of Quack's Utrecht professorship. He successfully applied for the job of secretary of The Netherlands Bank: 'I threw myself again into real life, with the secret agenda of becoming a historian of socialism'.

Without ever calling himself a socialist, the Christian-inspired Quack wrote and published his six volume historical overview *De Socialisten* (1875-1897). When the first of these had just been published in 1876 Quack,

still teaching in Utrecht, was seated at a dinner next to the chairman of the university's supervisory board, central bank president Mees. The latter attacked Quack's criticism of exclusively regarding human labour as a good, subject to supply and demand, and of considering in economics only material riches: 'Mr. Mees was not amused: he did not easily admit objections against the absolute, closed rules of doctrinary science. I had the impression that he did not rate me highly as a scholar of economics. Or rather that he wished me to understand that an economist, in dissecting and unveiling facts and relationships in society, had nothing to do with the moral appreciation of these relationships. '(Quack 1915, pp. 275-276)

In retrospect Quack, by his social concern, was the linking figure between the late Enlightenment character Tydeman and the younger Dutch representatives of the Historical School.

4. *The early spread of economic knowledge: translations and journals [this section needs expanding]*

Of all economic journals published before the start of *De Economist* in 1857, Sloet's *Tijdschrift* was by far the most successful and longest lasting – from 1841 till 1875. But already before the middle of the century there were a number of other initiatives. And the general cultural, literary and political journal *De Gids* counted a number of economics professors among its editors, while N.G. Pierson was very influential from the 1860's on as the author of periodical reviews of international economic literature.

The educated public could read Smith and Say in the original version. The Dutch translation of book I of *The Wealth of Nations* did not sell well enough to justify the printing of book II. No Dutch economist considered writing a Dutch textbook. In 1826 Ackersdijck wrote to Hogendorp about the possibility of such a project:

In my opinion the economy of the state has not yet been sufficiently established as a science, and not ***at home*** *in our nation, in order to justify the need for an original Dutch textbook, unless your excellency would be willing to undertake it. (…) In my plan such a textbook must contain: 1. Statistics. 2. Economy of State (theoretical). 3. Constitutional Law and Art of Government.* (Overmeer, 1982: 416)

He added that parts 1 and 3 would be of interest to the general public. This sketchy table of contents gives the impression that economics was not yet a fully independent discipline to him. That makes it all the more surprising that at the same time he was writing a course of lectures that deserved to be printed as a textbook.

Tydeman's popularizing activities in translating Mrs. Marcet, N.W. Senior and the Alisons were already mentioned above. In 1839, when he had published a Dutch translation of Arrivabene's excerpts from Nassau Senior, he defended the general character of economics against his Amsterdam colleague Den Tex, who considered this book to be primarily relevant for England:

The general principles of economics belong to all languages, nations and times; and the specific examples are only given as illustrations; which a civilised reader will easily understand and translate into his own country. (Overmeer 1982: 114)

Sloet took care of a translation of Droz's Political Economy in 1849. One year later, de Bruyn Kops would publish the first Dutch economics textbook.

With the exception of Sloet's Journal, all Dutch economic periodicals from the first half of the nineteenth century were short-lived. Tydeman's *Magazijn voor het Armwezen* was an example from the eighteen-twenties. *De Gids*, founded in 1837, was primarily a literary journal but the inclusion pf economic articles made it clear that for the educated general reader, the economic dimension was here to stay. To a lesser extent the same was true for *Nieuwe Vaderlandsche Letter-Oefeningen* (New Patriotic Literary Exercises) which had started in 1768. It published Tydeman's comments on the poor question and the Poor Bill.

5. *Issues and conferences: agriculture and the poor question*

5.1 The agronomic conferences

The 1846 conference was the first of a successful series of annual conferences lasting well into the 20th century. A conference call had been sent around to all ''Dutch agronomers', with a plea for a more scientific approach of agriculture, a better exchange of local and regional agricultural practical knowledge, international exchange of information, and strengthening the ties between agriculturalists. In short: science, exchange, information and communication. More than 200 participants were present: general and agricultural economists, lawyers, civil servants, industrialists, traders, capitalists and farmers (Veldink p 63).

The state of Dutch agriculture was better than that of trade and industry, especially in the Eastern and Northern parts of the country. Yet its future was a matter of concern for agricultural economists. According to Anton Schuurman, the organizers of the annual conferences clearly demonstrated their enlightenment roots. They continued the tradition of the *Hollandish Society of Sciences* (founded 1752) which later became the *Netherlands Society for Industry and Trade*. But Sloet and his fellow organizers wanted to have an organization primarily focused at the interest of agriculture and the countryside. In the Batavian Republic and under French dominance there had been some kind of agricultural policy, but king William I did not consider this a matter of national policy. Subjects on the conference agenda were agricultural land reform, the abolishment of certain agricultural taxes, organizing good agricultural statistics, the production of a Dutch geological atlas and the improvement of agricultural education. In the province of Zeeland the first provincial agricultural society had been founded in 1843. By the middle of the 1850's almost every province had one.

The conference of 1846 decided upon commissioning Dr. W.C.H. Staring, who had graduated in Leyden with a dissertation on geology, to write a report on the best way to compose a complete statistics of Dutch agriculture. One year later he came up with a broad project for collecting actual and historical data, technical descriptions of machinery, and a survey of institutional and legal frameworks. More in the tradition of old descriptive 'statistics' – by our standards more like economic geography than modern mathematical statistics. Now the economists Tydeman and Ackersdijck were asked to comment upon this proposal. Their advice convinced Staring that, without the cooperation of the Dutch government, his project would not be feasible. But the conference of 1847 agreed to the forming of a committee with Staring and the economists Sloet and Tydeman which would report on the feasibility of a society exclusively collecting Dutch statistical data. The project dragged on by lack of financial means, until the liberal Minister of the Interior Thorbecke commissioned Wttewaall junior (the son of the Leyden professor) with the writing of an annual agricultural report in 1851. Then the statistical committee of the annual Agronomic Conference was dissolved (Veldink p 156-157). Regarding the national statistics, the initiative of the Agronomic Conferences had been overtaken by de Bosch Kemper's *Statistical Annual* of 1849 – already mentioned above.

It is remarkable that the same actors – sometimes also linked by family ties - pop up in various publications and conferences. Tydeman and Ackersdijck for example were not only present at the agronomic conferences, but were equally active at the national poverty conferences.

5.2 The National Conferences on the Poverty Question

After the defeat of Bonaparte, some Dutchmen had expected a return to old trade channels with the Dutch East Indies. But the Dutch East India Company had gone bankrupt at the end of the eighteenth century, and international trade patterns had changed considerably. Many old harbour towns were in decline, and even the Amsterdam municipal government was pessimistic about its future as a trading port. Poor relief had always been the business of the church, and in 1850 a *General Association against Pauperism* was founded by a former Baptist reverend, Blaupot ten Cate, and other people active in poor relief in the province of Groningen. Its purpose was 'the moral elevation and welfare of the lesser classes' and its first national conference was held in 1854.

Ten Cate introduced the four causes of poverty on the agenda: alcohol consumption, irresponsible marriages, lack of thrift, and lack of work; he wished to add low wages as a fifth. Ackersdijck protested against this suggestion:

The complaint raised by the worker about insufficient wages is unfounded, as the wages have been balanced by supply and demand to the value rendered in labour and production, it is an exchange of work against wage. So he who complains about an insufficient wage, complains that he does not receive more than he gives; his work is defective, so his wage is insufficient; the capitalist, the entrepreneur does not cut it, that is an unfair accusation. (Boschloo 1989 p 123)

Tydeman was present at the conference, but did not raise his voice against this argument. Regarding alcohol consumption, the conference adopted the recommendation to caretakers of the poor to deny assistance to drunkards. The conference also agreed that irresponsible marriages were a cause of poverty, but explicitly pronounced that only moral persuasion was allowed as a remedy.

Two years later, in Amsterdam in 1856, the question of saving and thrift was discussed. The conference very generally advised the well-off to persuade the poor to save. Sharing-out clubs – the forerunners of co-operations – were recommended by some, but rejected by Ackersdijck as these were mostly administered by wealthier people, and effectively did the work that shopkeepers must do. He held a plea for full-year contracts, and spreading of wage payments. Others were more in favour of savings banks and sharing clubs, as already promoted by Tydeman in 1829, with his plan for a government-backed *General Widows and Orphans Fund.*

In the question of the wage level – enough or deficient? – most people agreed with Ackersdijck's Saysian reasoning: 'The general cause of what is called lack of work, is that there are so many who do not create as much as they consume; so more must be produced' (quoted in Boschloo p 127). Still there were others who attributed a responsibility for paying fair wages to the entrepreneur, or pointed to a lack of entrepreneurial spirit and investment.

By their behaviour at the *Landhuishoudkundige Congressen* and at the Poverty conferences it is clear that the academic economists were aware that although they were not always of the same opinion, as a community they had a social responsibility outside academia.

[It is outside the scope of this paper to discuss another important topic of the day, the discussion on the Dutch Corn Laws and the role therein of the Dutch economists. This was a hot debate, in which the Utrecht professors Ackersdijck and de Brueijs were officially rebuked – in their formal position as civil servants – for writing a pamphlet against these laws.]

6. An institutional landscape after 1848

6.1 a society, a journal, a textbook

The introduction of de Bosch Kemper's first *Staatkundig en Staathuishoudkundig Jaarboekje* (Little Annual of the State and the Economy) of 1849 echoed the political turbulence of the preceding revolutionary year in which 'al kinds of socialist ideas had been proposed, while losing sight of the real situation of the people'. Therefore he wanted 'to arouse public interest in the knowledge of the facts of society'.

In a parallel movement to the political modernization of the Netherlands, economists played their part by formalizing their societies and activities. Kemper's first statistical annual, of 300 pages, contained a summary of the new constitution, together with the election results and the budgetary an statistical data of the kingdom – including the colonies. Since 1825 the mathematician Rehuel Lobatto had published a statistical annual 'by order of H.M the King' (Stamhuis1989, ch.2). It contained population statistics as well as scientific essays. In 1848 a new Statistical Bureau was formed at the Home Office under one of Ackersdijck's former students. It produced its first statistical annual in 1851. One year later Wttewaall (junior) published his first agricultural

equivalent. In the field of public health, the newly founded association of medical doctors started to collect statistical data as well.

An important step forward had been set by the establishing of a Committee for Dutch Statistics by the Provincial Society of Arts and Sciences of the province of Utrecht (PUG) in 1846. Lobatto became a member, as well as Sloet, Kemper, Tydeman, Ackersdijck and Mees (a nephew of Ackersdijck and economist of the younger generation). This body commented upon Staring's plan for setting up agricultural statistics. But a really fruitful cooperation between the Utrecht Society and Kemper's Little Annual was triggered by Ackersdijck with a suggestion made at the 1849 meeting of the PUG. He warmly recommended the Annual to the members present, and Kemper responded by soliciting their possible contributions to new editions. Actually Kemper had suggested Ackersdijck's intervention in a letter to him.

As a result, a meeting of contributors took place in Kemper's house. From then on, Kemper's annual was published under supervision of an editorial committee with Ackersdijck, Mees and Vissering as members. The latter was Thorbecke's successor in the Leyden law faculty. Whereas economics had been a side interest for the father of the constitution of 1848, for his successor it became his core business. At the contributors' meeting of 1856, Vissering proposed the founding of a Dutch Statistical Society, with the mission of publishing a General Statistics of the Netherlands. The new constitution had greatly facilitated the founding of new societies by stating the freedom of association, so in 1857 the *Vereeniging voor de Statistiek* was founded with de Bosch Kemper as its first president. In 1892 its name was changed to *Vereeniging voor de Staathuishoudkunde en de Statistiek* (Association for Economics and Statistics) and it continues till the present day as the Dutch *Royal Economic Society*. However at its beginning the focus was upon uniting all theoretical and practical producers and users of statistics – whether doctors, agriculturalists or economists. And indeed a number of doctors joined the ranks.

Kemper's Little Annual was continued till 1858, when a State Committee for Statistics was formed. Kemper's facts and figures found their way into the new, official statistical annual, while the analytical articles could be published in the journal *De Economist*, founded in 1852 by the young lawyer de Bruyn Kops (1822-1887), who was also the author of the first original Dutch economics textbook. He published this popularizing tract in 1850 at the age of 1827. In 1864 he was appointed a professor of economics at the Delft Polytechnical School, where he taught for nine years. For the rest of his life he was a liberal MP and the editor of *De Economist*. His superficial textbook ran through five editions. Sometimes its wording is more like preaching than teaching:

Here a science steps forward, which limits itself to earthly goods only, and its greatest lesson is the same as that of Religion: love thy neighbor. *Thus to the imperative of duty, the one of self-interest is added; and then these two lessons, which for various reasons recommend the same road, will give an even more solid conviction, and make it easier to walk that straight road.* (de Bruyn Kops 1850 p 4)

Pierson criticized Kops for being too much a follower of Say, while neglecting Smith and the British School. More serious introductory textbooks were published by Vissering in 1862 – primarily intended for use in secondary education – and by Mees in 1866. With Pierson's textbook of 1884, Dutch economics finally reached the stage of not just importing economic ideas, but of producing a text which deserved several translations abroad.

6.2 Conclusion: Since the eighteen-twenties, Dutch economists were a professional community

It is understandable that at first glance, the Dutch economists' landscape before the middle of the nineteenth century gives the impression of a number of amateurs of good will, stumbling along amidst randomly handpicked fragments of classical economics texts, founding short-lived initiatives for journals and societies, while seriously handicapped by their appointment in law faculties. This is more or less the picture drawn by Hasenberg Butter (1969).
In a purely formal approach there is some ground for this view. When however one looks at what really happened , like Hans Boschloo has done in his dissertation (1989), the picture changes completely. The royal decree of 1815 led to the early – even by international comparison – institutionalization of economics chairs in the Netherlands. Even if the professors were no theoretical innovators, most of them were well read and had an international outlook. Beside their teaching obligations they felt a social responsibility in spreading economic knowledge outside academia, and in taking part in conferences and activities meant to tackle the economic problems of the day, notably the poor question, agrarian reform, and the collecting of statistical data.
By the eighteen-fifties a full-scale institutional landscape had emerged with an economic society, a professional journal and an original Dutch economics textbook. But already in the eighteen-twenties there effectively existed a professional community of Dutch economists, well aware of its role in society – in and outside academia.

Let us take a second look at Hodgson (2006):
>However, as Commons hinted and Veblen (1909, 628–30) argued in more depth, behavioral habit and
>institutional structure are mutually entwined and mutually reinforcing: both aspects are relevant to the full
>picture. A dual stress on both agency and institutional structure is required, in which it is understood that
>institutions themselves are the outcomes of human interactions and aspirations, without being consciously
>designed in every detail by any individual or group, while historically given institutions precede any one
>individual.

In my opinion, by these criteria the Dutch economists, from the 1820s on, can be regarded as an institution, not consciously designed but the outcome of a commonly felt responsibility and agency of a specific group of responsible citizens. When we get back to the Wiki quotation from the introduction, institutions *structure social life and frame our perceptions and preferences. They also create stable expectations.* (Hodgson summarized)
In Dutch politics and in public opinion, since 1820 it was clear that the professional economists' opinions would be voiced – and listened to – in economic debates. However different their opinions might be, the Dutch economists themselves held the stable expectation that their insights would be heard within and outside their professional community. They were a true institution.

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