

This paper is in its infancy and based on preliminary research. Many of the sources will be gathered in May and June of 2019, and a full draft should be completed by the end of the summer.

How much influence can one individual have on an institution? And to what extent can that individual’s abstract theoretical knowledge guide the creation and evolution of a formal bureaucratic institution? This paper delves into these questions by tracing the influence of economist John Commons on the creation and evolution of the Wisconsin state Industrial Commission from 1910 to 1950. Commons has long been recognized as the formalizer (if not the founder) of the “old institutional economics”, as well as a pioneer in the field of labor history (Kaufman 2007:4). Somewhat less well known is his political work in helping create the state’s Industrial Commission and drafting much of its labor legislation.

Part of a larger project on the development of Wisconsin’s labor market institutions, this paper uses primary source material from the Wisconsin Historical Society archives and the state’s labor laws to demonstrate the singular influence Commons had on the development of labor market institutions in the state. I argue that Commons’ (1931:648) definition of an institution—“collective action in control, liberation and expansion of individual action”—was made empirical reality in the creation and operations of the Industrial Commission in 1911 through the Depression and into the post-war period.

The Commission was “vested with the power and jurisdiction to have such supervision of every employment and place of employment in this state as may be necessary adequately to enforce and administer all laws” requiring the place of employment to protect the “life, health, safety and welfare” of every employee and patron of the business. This granted the Commission,

“Institutionalizing Institutionalism: John Commons and the Wisconsin Industrial Commission, 1910-1950”
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among other provisions, the authority to implement and enforce workplace safety regulations and eventually unemployment insurance, and administer laws governing women and children’s labor. Primary and secondary sources indicate that Commons was a principal architect of this law, and served as one of the Commission’s first board members from 1911 to 1913 (Perlman 1945).

This case complicates theories of institutional genesis and change by highlighting the influence a single individual can have on an institution’s creation and evolution (e.g. Mahoney and Thelen 2009; Hay and Wincott 1998). Commons’ strong influence on the Industrial Commission was both direct, through his own work, and indirect, by the rotation of several of his students through the Commission’s leadership over the course of the next three decades. Most notably among these students were Edwin Witte and Aruther Altmeyer, who later became the architects of the 1935 Social Security Act.

References:

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