RADICALISM AND RUSKIN: THE ORIGINS OF HOBSON'S WELFARE ECONOMICS

The main aim of this contribution to the debate is to assess the influence of John Ruskin's critique of modern capitalism on J. A. Hobson's mature welfare economics. I argue that the task can only be done successfully by first looking more closely at what it means to say that Ruskin and Hobson can be bracketed together as 'Oxford' economists, other than that they both took a qualitative approach to welfare questions. In particular, I want to argue that Hobson's own position cannot be understood properly without reference to his place in a long radical tradition in Britain that goes back to Tom Paine. On the other side, Ruskin's own arguments are better understood as a 19th century version of the pre-capitalist economic thinking that dominated the world of ancient Greece and Rome and was also authoritative in mediaeval Christian Europe. After that, it may be easier to see what Ruskin had to offer Hobson that he did not get from his own liberal and radical background.

I

The original basis of Hobson's critique of capitalism, and of his welfare economics, involved an extension of the argument of the later Mill that rent of land was the 'unearned increment' and that it should be taxed as such and open to purchase by public bodies. Like the Fabians, Hobson claimed that monopoly power accruing to any factor of production produced rents which the state had the right and the duty, in an emergent democratic society, to appropriate and distribute.¹ Rents could be earned by any factor of production but were now more likely to arise from the ownership of capital than from land. The whole of Hobson's purely economic analysis of mal-distribution of wealth, under-consumption, over-saving and imperialism can be derived from this original analysis of rent, as can the remedies he proposed for them. In Hobson's most complex piece of economic reasoning ² he divided costs of production into a) costs of maintenance, which were those payments needed to keep existing factors of production in a state of stable equilibrium; b) costs of growth, payments that would bring new factors into play or enhance the productivity of existing ones; and c) the 'unproductive surplus' which was the result of privilege and monopoly power and was not only unnecessary

² J. A. Hobson, The industrial System (1909),
to evoke growth but was also taken from other factors -principally labour- whose growth was
thereby inhibited. This unproductive surplus could be re-distributed by governments through
progressive taxation without impairing economic growth.\(^3\) This was a radical, rather than a
purely liberal, programme; and in looking at the background to Hobson's thought it is worth
taking a look at the history of radicalism to put his ideas in a broader context than is provided
by labelling him as an 'Oxford' welfare economist.\(^4\)

As a first step it is important to note that, by the time \textit{The Industrial System} was written the
core economic argument was interwoven with different strands of thought which shifted its
emphasis away from the simple notion - which might legitimately be inferred from it- that a
redistribution of income and wealth in favour of the poor was all that was needed to create a
better society, and towards a much more qualitative assessment of welfare. However, despite
his Oxford education, T. H. Green and his followers probably had less influence on Hobson
in this regard than the self-educated Herbert Spencer. Hobson agreed that he took something
from the 'atmosphere' of Green's Oxford though it had no immediate impact on him, whereas
he claimed reading Spencer's \textit{Study of Sociology} as a teenager had a 'profound influence' on
him.\(^5\) It is also the case that much of Hobson's analysis of the social problem was set within a
framework of Spencerian biologism in which the social organism was declared to be healthy
or unhealthy depending on the degree to which its members were parasitic, and consumed
too much for their own good, or were underfed and therefore undeveloped.\(^6\) Admittedly,
some of Hobson's increasing stress on the importance of qualitative forms of welfare was also
a product of a liberal - evolutionary train of thought that ran through Green and L. T.
Hobhouse as when he argued, against Benjamin Kidd and other Social Darwinists, that the
competitive struggle amongst humans would in future take place more on the non-material
plane than the physical; it was becoming a battle between ideas rather than one of crude
economic and military strength, and was reaching the point where men could exercise a
conscious control over their environment rather than blunder blindly down a Darwinian
 evolutionary path.\(^7\) But he was probably as much influenced in this direction by Spencer as

\(^3\) The best short introduction to this line of reasoning is in J. A. Hobson, \textit{The Science of Wealth} (1911).
\(^4\) Yuichi Shionoya, 'The Oxford Approach to the Philosophical Foundations of the Welfare State', In R.
Backhouse and T. Nishizawa(eds)., \textit{No Wealth but Life:: Welfare Economics and the Welfare State in
Britain} (Cambridge, 2010).
\(^6\) J. A. Hobson, 'Marginal Productivity', \textit{Economic Review} 20 (1910). See also, M. Freeden, 'Biological and
\(^7\) J. A. Hobson, 'Mr.Kidd’s “Social Evolution”, \textit{American Journal of Sociology} 2 (1895). On Hobhouse and evolution
(Cambridge, 1979).
by his Oxford connections since the former looked forward to a time in which work would be for life rather than life for work, and when the current stress on acquisitiveness would give way to the pursuit of more aesthetic and intellectual pleasures. In his youth Spencer had been a radical thinker, a believer in the 'unearned increment' from land and even in favour of land nationalisation. Later in life he abandoned his attack on landed monopoly, thinking that free trade had neutralised its effects: but, in response to Disraeli's imperial policy in the late 1870s, he made a sharp distinction between 'militant' societies which were aristocratic, warlike and authoritarian and enforced 'compulsory co-operation' through the state and high taxation; and 'industrial' societies, that were based of 'voluntary co-operation' in a market system, were naturally peaceful and offered prosperity to society as a whole. Spencer feared that Disraeli's militant policy might turn back the progress of industrialism; and Hobson, when similarly alarmed at the end of the century, adopted Spencer's language in many of his anti-imperial writings.

Spencer himself had been a fervent supporter of Richard Cobden, an industrial radical whose life was devoted to attacking aristocratic land monopoly through free trade and reform of the land laws. Cobden was another of Hobson's enduring heroes. Spencer's early commitment to the world of small scale industrial capitalism was also strongly influenced by the Ricardian socialist Thomas Hodgkin who had emerged out of the Paineite radicalism of the 1790s. Paine, along with William Godwin, was the founder of radicalism, attacking aristocratic privilege and monopoly and championing the cause of capitalism and free international commerce as the means to give the ordinary citizen freedom and prosperity. Painite radicalism helped to father a very diverse range of policies, some that aimed to curb aristocratic power by introducing a small state and low taxation, which was the line taken by Cobden and Spencer, others which began to move over to varieties of socialism. Paine himself stayed generally favourable to free markets and admired Smith's Wealth of Nations. What marked him out as

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9 'Militancy and Industrialism' in H. Spencer, The Principles of Sociology Vol I, Pt 2 (1903 ed.) See the extracts in Peel, Herbert Spencer, pp. 149-66.

10 Apart from Ruskin, Cobden was the only person Hobson thought worth writing a biography of. See his Richard Cobden: The International Man (1918)

11 Peel, Herbert Spencer, p. xix.

different from his successors and made him of interest in this context were his proposals for a welfare state in part II of the Rights of Man (1791) and, especially, in Agrarian Justice (1797).

In the latter work Paine, who like Hobson believed in universal suffrage, based his claim for a redistribution of income on two main intellectual props. Firstly, he argued that monopoly of land had taken away the 'natural' right that every man had to a share in it. He admitted that ownership by the few had increased productivity on the land so he did not propose to disturb that directly; rather he wanted to tax land and then compensate the masses for what they had lost through state payments which would include child benefits to promote education, old age pensions and support for the sick.

Secondly, and much more interesting in relation to Hobson and the New Liberalism, Paine went on to consider all accumulations of wealth not just those arising from land. Part of what was produced was, he argued, a social rather than purely individual achievement and so society, as represented by democratic government, had a right to a portion of it which could be redistributed to its poorer members. More than that, Paine believed, modern capitalist society produced very marked inequalities in wealth. An hereditary poor was being created which was dangerous to social stability. So there was a case to be made for redistribution on prudential grounds. Beyond that, Paine clearly believed that much wealth was gained without effort while the poor were often exploited, so that the distribution of wealth was unjust. So, again, he argued for progressive taxation to bring about equality of opportunity through government as the representative of democracy.13

Hobson, like the other New Liberals including the members of the progressive think-tank, the Rainbow Circle, were well aware of Paine as a revolutionary political force but none of them seem to have been familiar with the way that he had approached the question of economic welfare.14 In fact, Paine had anticipated Hobson's crucial idea of an unproductive surplus; and he also thought, as did Hobson, that had there ever existed a society so perfectly competitive that no unproductive surplus was generated, a part of what was produced would always be a social rather than an individual product and that the state, as the representative of democratic society, would have the right to take it and use it for public purposes.15 In looking back at radical predecessors such as Cobden and Spencer, who thought that the economy

14 As is evident from Hobson's essay on Paine in his The Modern Outlook (1910).
could be emancipated merely by creating Gladstone's 'nightwatchman' state and eliminating privilege in law, Hobson would have seen himself as making a mighty shift from 'negative' to 'positive' liberty in championing the idea of surplus while, in fact, he was unwittingly reviving a long-forgotten radical programme.

II

It might also be useful to peer a little more behind Ruskin's own 'Oxford' label, for what is decisively different about Ruskin was that he was looking back beyond current market society for his inspiration. What he valued was what has been called 'customary' society, one where the vast majority of people were allocated work, there was a very restricted free market in factors of production and where rewards were dispensed mainly according to status. Markets of course existed especially in urban centres, but they were carefully regulated by the authorities: production was controlled and limited, and prices and wages often fixed. This is the world of the ancient civilisations of Greece and Rome which Ruskin revered, and of its direct successor, mediaeval Christianity which, as a 19th century believer in God in an Oxford environment that was becoming increasingly agnostic, also inspired him. In justifying his own approach to the subject in his most famous piece of economic writing Unto This Last (1861) Ruskin wrote

The real gist of these papers, their central meaning and aim, is to give, as I believe for the first time in plain English - it has often been incidentally given in good Greek by Plato and Xenophon, and in good Latin by Cicero and Horace - a logical definition of WEALTH.

In setting out how he would organise his ideal society in the present he quite deliberately followed the lead of Plato's Laws; and he went to the trouble, late in life, to pay for a translation into English of Xenophon's book on the management of the Greek household economy, Oeconomicus, because he believed it had much to teach his contemporaries. His religion also played a big role in his writings and he once said that all he required of businessmen was that

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19 Unto This Last introduction, p. ix. It needs emphasising however, that as the son of a successful wine merchant, who as a young man often accompanied his father on business, Ruskin knew rather more about everyday economic life than did many of the economists he attacked. See F. O'Gorman, Late Ruskin: New Contexts (Aldershot, 2001), ch. 1
they should live up to what they professed as Christians at church on Sunday during the rest of the week. 21 From his early youth, Ruskin was extremely well versed in the Christian Bible, the foundation document of the mediaeval church, and when writing to working men or to others not trained in the classics, he would use that as a major source of illustration and quotation because it was still very widely read.22

The market society into which Ruskin was born was based on the assumption that the production of wealth was an end in itself, an automatic bringer of utility in whatever form it was produced, The traditional societies he admired and wished to emulate did not despise wealth production but they thought it should be created and distributed to support non-economic ends, whether that be the Greek city-state, the Roman empire, or a Christian commonwealth whose chief aim was to save as many souls as possible for happiness in the afterlife. Because all these societies imposed a vision of the common good on their citizens they thought of goods and services in terms of use values, their capacity to further the ends of society, rather than the exchange values that are assumed in capitalist societies.23

In the ancient and mediaeval universes, pursuing wealth for its own sake was usually seen as a low and dishonourable activity; competition often frowned on as creating division and instability, luxury condemned as diverting men from the 'good life' of serving the community. In the Christian world, concentrating on wealth production was regarded even more harshly than in ancient civilisations and an ascetic ideal was frequently promoted as a means of bringing people nearer to God and to salvation - the monastic movement and priestly vows of poverty were outcomes of that approach to life. At the same time, although vast disparities in wealth between elites and the bulk of the population were regarded as inevitable in mediaeval times, something to be accepted as ordained by God, all professed Christians of whatever status had to be seen as children of God and therefore capable of salvation; and the rich were enjoined to help to save their own souls by supporting their poor brethren to live a life of basic sufficiency and to receive aid in sickness and old age.24 A rudimentary welfare system was thus part of the Christian commonwealth.

21 Crown of Wild Olive, pp. 131-3 ???
22 As in, for example, Time and Tide his letters to a workman in the shipbuilding town of Sunderland published in 1867.
23 There was no concept of exchange value among the Greek intellectual elite: Scott Meikle, Aristotle's Economic Thought (Oxford, 1995).
24 For an excellent introductory account of the ruling ideas of both ancient and mediaeval civilisations in Europe, see Roger E. Backhouse, The Penguin History of Economics (2002), chs 1 & 2.
Starting from this traditional approach to economic life, Ruskin developed a new perspective on what the good life should be which reflected his own work as an artist and art critic. Although he professed Christian values, including asceticism of a kind, he did not stress salvation in the afterlife but the creation of what he called 'happy souls' in this world. Happy souls were to be made by the leaders of society, both the traditional aristocracy and the new class of the industrial rich, embracing the creation of a community infused with the artistic ideals and practice that Ruskin had learned from Wordsworth and from Turner. In Ruskin's vision, these Romantic ideals would help transform the nature of work and of production; infuse both public and private architecture with a new Grecian grandeur in order to elevate the people; and distribute what was produced in a manner that would change the stunted and starved masses of Victorian Britain into healthy and even beautiful human beings whose own capabilities could be exercised to the full.\textsuperscript{25} It is this ideal which underlies his most famous quote '\textsc{There is no wealth but life}' where 'Life' is based on 'Love and Joy and Admiration' and devoted 'to the creation of the greatest number of noble and happy beings'. In that world a man was 'rich' not because he had a huge command over commodities or money but because he had led a good life and had done his best to help others to live the same way.\textsuperscript{26}

True to this art-based vision of community, Ruskin denied Mill's claim that wealth was whatever had exchangeable value and claimed that it was an intrinsic quality of things, including non-tradeables such as fresh air and water, and natural beauty. He argued with passion that very few people understood what real wealth was and that the pursuit of profit in modern society often led them to produce its opposite, 'illth'. In one of his most brilliant pieces of description and analysis,\textsuperscript{27} Ruskin offered a striking illustration of the above. He vividly recalled the former beauty of the rivers and streams of a part of Surrey he knew well, and condemned 'the insolent defiling of these springs' and the 'festering scum' left on the waters now by their capitalist exploiters. He then shifted his reader's attention to a set of ugly

\textsuperscript{25}It was precisely this - the emergence of the common man and woman as beautiful and creative beings - that in \textit{News from Nowhere}, William Morris hoped to see result from a socialist revolution that he believed would inspire a Ruskinian work revolution in its turn, though one based on a spontaneous order rather than led by Ruskin's upper class.

\textsuperscript{26}\textit{Unto This Last}, para 77. I am extremely grateful to Professor Shionoya for the chance to read a draft version of his remarkable essay 'Ruskin's Triangle' which is crucial to this paragraph and to which, I fear, I have done very inadequate justice.

iron railings around a public house in nearby Croydon, which had cost far more than cleaning the river would have done and served no useful purpose, and asked

*How does it come to pass that this work was done instead of the other; that the strength and life of the English operative were spent in defiling ground, instead of redeeming it; and in producing an entirely (in that place) valueless, piece of metal….instead of fresh air and pure water?* 28

The answer he gave was that there was no profit to be gained by cleaning rivers because there was no understanding of their importance as wealth; and so some of that wealth was being extinguished. However, there was plenty to be gained by persuading Croydon publicans to buy iron railings which were ‘illth’ intended to make their hostelries ‘more conspicuous to drunkards’. For such reasons men were put to work in hard and dangerous conditions, dangers Ruskin underlined by reprinting a newspaper account of a horrific accident in an iron foundry. So, by inciting ignorant people to indulge their follies, capitalists robbed society of its real wealth and replaced it with illth. The river was silently polluted; and the seller of useless iron was ‘thanked as a public benefactor, and promoter of commercial prosperity’. 29

Having offered this riveting contrast, Ruskin then concluded that ‘the real good of all work, and of all commerce, depends on the final intrinsic worth of the thing you make, or get by it’. Yet the public, supported by economic orthodoxy, believed that ‘business is always good, whether it be busy in mischief or benefit; and that buying and selling are always salutary, whatever the intrinsic worth of what you buy or sell’. 30

Ruskin's central concerns are all here: that wealth was about life as a whole and not just what was produced by business; that much of what was produced was illth and destructive of existing wealth as well; that producing illth sometimes involved horrific and dangerous work practices for the employees; and that such work encouraged consumption patterns that were harmful. Generalised, vivid examples like this summed up to Ruskin's picture of industrial capitalism creating an ugly, polluted world filled with workers being exploited to produce cheap commodities in nasty conditions consumed in harmful ways. Worst of all, their employers treated the human beings they employed as just another commodity, labour, accepted no other responsibility for their welfare than to pay their wages and could dismiss them at will. Ruskin saw this as an abdication of responsibility on the part of elites whose main aim should be to produce more wealth and less ‘illth’, helping as much as possible the

28Ibid., para 3.
29Ibid., paras 6, 7.
30Ibid., para 8.
poor to do work of real value in decent conditions and to realise as much of their potential as they could. To do that, elites would have to economise drastically on the use of machinery. Ruskin was not entirely opposed to machine technology: but he argued that it had increased inequality, created awful working conditions for the poor, had taken the creativity out of work and debased consumption.\textsuperscript{31} Rather than \textit{multiplying} wants, as capitalism encouraged them to do, Ruskin's elite was exhorted to \textit{extinguish} them where possible and, in so doing, remove a large part of the demand for machinery.\textsuperscript{32} It was the elite's duty not only to create good work for the poor but to cut down on the production of anything that created degrading forms of labour and encouraged harmful consumption.

Besides that, as controllers of the state, elites were to be generous in the patronage and encouragement of good work and in the provision of public goods, from parks to great architectural monuments, spending on the community before they spent on themselves. As a part of that commitment to public service, Ruskin also expected his elite to provide the kind of employment for the poor that would help the latter to do their own creative work\textsuperscript{33} and they should provide opportunities to learn skills through setting up workshops on the lines of mediaeval guilds, run by the state if necessary. They should also do for their workforces what was done for those in the army and navy, and pay them fixed wages. Ruskin summed up his attitudes to elites when, in a striking phrase, he asked them to combine 'a Spartan simplicity of manners with Athenian sensibility and imagination'\textsuperscript{34} But he added to that a mediaeval dimension, for a noble life, lived by Christian principles, was not just an ascetic one but the one which, because it saw the poor as children of God, allowed for the full stimulus of artistic creation to be felt at every level of society.

So Ruskin envisioned a world where far more work would be creative and cost less in terms of painful effort. Rather than discuss production in the context of a world of individuals, he was also suggesting an organic economic analysis of society, in which the lives of rich and poor were intimately related, one that paid as much attention to consumption as production, and where work was recognised as an integral element in shaping lives. Judged in terms of the prevailing capitalist accountancy in which anything produced and exchanged was called

\textsuperscript{33}As described by Ruskin in ‘The Nature of Gothic’, the most famous chapter of his famous book, \textit{The Stones of Venice}. 
\textsuperscript{34} ‘A Joy for Ever’ (1880) in \textit{Works of John Ruskin} XVI, para 147, p. 134. This work was originally published as ‘The Political Economy of Art’ in 1857.
wealth, and where the appalling social costs of the system were ignored, Ruskin's elite-led economy would undoubtedly have had a lower GDP than did the industrial Britain of his day. But he was implicitly arguing that in terms of welfare - in quality of life for the mass of the population - it would be a far better society than the one he could see through his window. Indeed, Ruskin once claimed that, if his regime was applied, 'in a few generations a beautiful type of face and form and a high intelligence would become all but universal, in a climate like that of England' though at the expense of heavy cuts in the incomes of the privileged.

Consistent with the pre-modern origins of his thought, Ruskin had no sympathy with democracy and little with liberty. In his opinion, society should be run by the 'wise and the kind' with the 'unwise and unkind' rigorously controlled. Inequality should be reduced but through the beneficent actions of those in authority. The social costs of labour should also be reduced and its utility increased where possible: but in Ruskin's universe there would always be many poor people and much of the work they had to do would be unskilled, hard and lacking in dignity. The rich could mitigate that by regulating their demands for goods and services that required degrading labour but they could not remove it. Social mobility was not encouraged: the lower orders should be helped to live in a more fulfilling manner but advised not to move out of the station in life in which they were born.

In sum, Ruskin's world was aristocratic at its economic base, backward-looking in terms of leadership and anti-libertarian: his notion of intrinsic value was ancient in origin and had authoritarian implications, since only those who accepted his version of what true value was would be allowed to organise the economy. Ruskin's world would have been equally backward-looking in economic structure since agriculture - which he saw as the foundation of a good life, and reflective of the natural beauty which was not only God's work but the font of artistic creation - would remain at its centre. As he grew older, Ruskin's conservatism hardened: he changed his mind about the taking of interest on loans, which he had originally thought fair, reverting to the classical and mediaeval idea that it was usury and therefore unjust.

However, though scorned when first written, Ruskin's ideas were proving very influential by
the late 1890s when Hobson wrote his intellectual biography.\footnote{On Ruskin's influence, see Stuart Eagles, After Ruskin: the Social and Political Legacies of a Victorian Prophet, 1870-1920 (Oxford, 2011).} Given the origins of his own thinking there is a deep irony in the fact that Ruskin's popularity was strongest amongst skilled workers and trades unionists: when a survey was taken of the 37 Labour MPs elected to the 1906 Parliament Ruskin proved to be their leading intellectual inspiration with William Morris, who translated Ruskin's ideas into an anarchic form of socialism, also prominent. Ruskin's condemnation of a system that treated workers as 'labour' and his support for well-paid employment provided by the state could easily be translated into a vision of socialism, and the backward-looking elements in his thinking put aside or forgotten. In that context, Ruskin's ideas appeared no longer archaic, as they had in the 1860s, but revolutionary. In fact, despite his revival of a Painite style of radicalism, Hobson's position looked quite conservative in comparison because of its acceptance of the market system as the basis of economic life.\footnote{H. G. C, Matthew 'Hobson, Ruskin and Cobden' in Michael Freeden (ed.), Reappraising J. A. Hobson: Humanism and Welfare (1989). p. 16.}

In writing the biography, Hobson was trying to show that Ruskin's critique of political economy was compatible with New Liberal welfare policies: but in doing so he was also trying to destroy the dangerously socialist Ruskin that Morris had helped to create.

\section*{III}

Ruskin was a key figure in the evolution of Hobson's own welfare economics, as the latter noted very clearly in his autobiography.\footnote{Confessions of An Economic Heretic (1938), pp. 41-2} It was the former, rather than his liberal predecessors and contemporaries, who convinced him most strongly that welfare could only be understood fully from a qualitative rather than a purely quantitative perspective. It was Ruskin, too, who first convinced him that society was an organic entity and that work could only be fully appreciated as part of life in general; welfare was not just about redistributing income and accepting the public's choices but also involved questions about how people ought to live, an approach that distanced him from the Cambridge school. Besides, Ruskin's stress on the fact that economic life was fundamentally about co-operation rather than competition led him to believe that, even in a society that was perfectly competitive, some of what was produced would be a social product.\footnote{See p. ??? infra. This conviction underlay his opposition to marginal analysis.} From then on, Hobson stood by the argument that, if economics was more than merely a branch of ethics, it was nevertheless incomplete.
unless it was understood as part of a much broader sociology. Hobson aspired to present society with an idea of the good life which he saw, like Ruskin, in terms of the ability of people to express themselves creatively to the limit of their capabilities.

As Roger Backhouse has shown, within that qualitative framework Hobson was a utilitarian and the latter saw it as his main task as an economists to translate Ruskin's insights, which were scattered throughout his works, into a thorough study of 'costs' and 'utility', where the main aim of policy was to reduce the first and raise the second as much as possible. Following Ruskin, he recognised, for example, that cost as measured by money failed to account for the non-monetary costs of brutal, back-breaking and monotonous labour which made the lives of so many unfulfilling in the extreme. On the other hand, the orthodox economists' notion of utility as confined to consumption completely missed the creative aspect of work and the way in which it could transform the lives of those lucky enough to practice it. At the same time, he had to show that Ruskin's ideas could be adapted to fit in with his New Liberal agenda, the Painite welfare system that he espoused.

Hobson had to reject some of Ruskin's most basic ideas. He had no truck with leadership by elites, whether aristocratic or otherwise, frankly embraced democracy and championed the idea of social mobility through education. At the same time, as a supporter of a reformed capitalism rather than a socialist, he was not, like his fellow Ruskinian, William Morris, an egalitarian but, as we shall see, a believer in equality of opportunity, a stance that involved accepting that factors of production could receive differential payments depending on circumstance. True to that approach, Hobson also argued that the payment of interest was legitimate in so far as it aided growth. Despite his belief that the good life would be enhanced if more people worked on the land, Hobson knew that Britain could never again become an agricultural society nor was it desirable that it should do so.

Since he was a Darwinian and liberal in the Spencer-Green evolutionary mould he could not accept wholesale Ruskin's ideas about intrinsic value. He agreed with Ruskin that much of

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44 The clearest statement of this is in his later work, Wealth and Life: A Human Valuation (1929), ch. ???, though it is in his pre-1914 output too.
45 Backhouse in No Wealth but Life. Hobson thought it reasonable to think of Ruskin as a utilitarian in this sense. John Ruskin: Social Reformer (1904 ed.), p.
46 Hobson complained about the unsystematic nature of Ruskin's economic writings and claimed that the latter had particularly neglected to delve deeply enough into the question of costs (ibid., pp.??).
48 ibid.
what was produced and consumed was illth; but he accepted Mill's - and later Pigou's - point about exchange determining value in the market and also believed that what was deemed valuable would change over time. But the differences between them on this issue were not so great as they seemed on the surface. Ruskin accepted that, in a world ignorant of what wealth really was, exchange value ruled in practice. Hobson thought that, once the people were free of poverty and sufficiently educated, they would develop a common view on what the good life was. That would lead them to produce and consume only those goods and services which they had learned to appreciate had the value that would sustain that common life. Exchange value ruled in the present; but, in the future, use value would take its place.

Mixing together Ruskin with Spencer, Green and Hobhouse, Hobson believed that society was evolving in a direction which allowed for greater creative freedom, a greater use of the powers of mind and imagination. The role of the social reformer was to hasten on this transformation by urging the adoption of policies which would reduce the unproductive surplus and transfer it to those members of society who needed it for growth both in material, and in mental and moral, terms. For, like Ruskin, Hobson was convinced that the expenditure of the owners of the unproductive surplus was a key factor in maintaining the degrading conditions of work and life endured by the working majority. Unnecessary or excessive consumption inexorably begat degrading production and the reverse was also true. There was 'a necessary relation between getting and spending'.

Hobson's attitude to machinery and its place in life was rather more cautious than Ruskin's since he recognised its importance in enhancing productivity and its role in abridging wearisome labour. He knew that machinery had come to dominate in the production of many of the necessaries of life but, since these businesses often had monopolistic tendencies, it was right that the state should intervene to regulate prices and ensure decent minimum wages for the workforce. In the longer term, however, as excessive incomes were eliminated by taxation, average living standards rose and leisure time increased, Hobson expected that the bulk of people would spend relatively less of their income on the standardized products of the machine process and more upon individually produced commodities which would reflect the emancipation of the imaginative and moral powers he was convinced had hitherto been

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50 ibid., pp. 101-06.
52 ibid., p. 294.
squeezed out of peoples' lives by the pressures of poverty and excessive physical toil. As he put the essence of the matter in 1901:

*If social progress be interpreted in purely quantitative terms and taken to consist in the multiplication of human life at a low level of character, using an increased control over natural resources ......to supply larger quantities of common routine goods for the fuller satisfaction of the lower grades of animal wants, under these conditions an increased quantity of work will be void of intrinsic worth, the rights of individual property will continually grow, and the instincts of personal greed hold unabated sway. But if social progress implies higher individuation of tastes and a growing demand for qualitative satisfaction, measuring the greatness of a man or a nation by refinement of wants and growing complexity of character, such life will react as a demand for finer and more 'artistic' qualities of work, restructuring the rights of individual property in products and continually educating worthier motives of work*  

It is worth noting that this picture of the good life melded together Ruskin's stress on the importance of art with the small scale capitalist economy that radicals since Paine had hoped to see. It is a reminder, too, that Hobson was always a believer in a mixed economy rather than the thoroughly socialised one that the Fabians proposed.  

Hobson's vision of the gradual unfolding of the good life in a purified market system modified by government was alien to Ruskin's static and elite-led society and also removed from Morris's anarchic world of plenty brought to fruition by proletarian revolution. But there is no denying the affinities between Hobson's utopian vision and theirs, or their mutual conviction that the uninhibited pursuit of profit under capitalism was incompatible with the welfare of society. Like them, Hobson was convinced that the role of machinery and of division of labour—in which, as Ruskin said, said, the man was often divided as well as the labour—had to be limited and far more time devoted to creative occupations, reducing the costs of work in terms of painful human effort and enhancing its utility. Like both Ruskin and Morris, Hobson had a very strong sense of the inhibiting effects of overspecialization, both mental and physical, and his work betrays a deep longing for a society in which all would participate in the production of its routine commodities and where everyone will be able to express themselves in craft or similar kinds of work where the division of labour and its

54 Ibid., pp. 110-11.
55 Thompson
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alienating effects were not experienced. Hobson readily accepted that this could mean that there would be a smaller physical product in the new moral world compared with the old, but felt that this was a necessary and acceptable price to pay for the increase in human welfare in the new world of work. 

IV

Nonetheless, as seen above, he was worried, as were both Ruskin and Morris, by the possibility that progress would actually take a quantitative path and that could spell disaster. 'We have,' he claimed in 1914, 'grown so accustomed to regard business as the absorbing occupation of man...that a society based on any other scale of values seems inconceivable.'

Previous high civilizations which had valued the good life above material possession had rested on a basis of unfree labour, but civilisation had now reached the point when, 'for the first time in history two conditions are substantially attained which make it technically possible for a whole people to throw off the dominion of toil. Machinery and Democracy are these two conditions'. Together, these forces could make industry 'the servant of all men' but only if, 'after the wholesome organic needs are satisfied, the stimulation of new material wants should be kept in check' and he continued:

\[\text{for if every class continues constantly to develop new complicated demands, which strain the sinews of industry even under a socially-ordered machine economy, taking the whole of its increased control of Nature in new demands upon Nature for economic satisfaction, the total burden of Industry on Man is nowise lightened. If we are to secure adequate leisure for all men, and so displace the tyranny of the business life by the due assertion of other higher and more varied types of life, we must manage to check the lust for competitive materialism which Industrialism has implanted in our hearts}\].

Or, as he put it elsewhere, 'Absorbed in earning a livelihood, we have no time or energy to live.' So it was important 'to keep life simple in regard to material consumption'. One casualty of an unchecked desire for material progress would, he thought, inevitably be democracy itself. 'More leisure is a prime essential of democratic government. There can be no really operative system of popular self-government as long as the bulk of the people do not possess the spare time and energy to equip themselves for effective participation in

58The Social Problem, pp. 224-37, 181-3
59Ibid., pp. 288, 301.
60Ibid., p. 241.
61Ibid., p. 242.
politics’. Other forms of voluntary social interaction would also be hindered and the growth of social consciousness retarded.\textsuperscript{63}

Hobson had to accept that there were problems in meshing the needs of the individual and of society in what would remain in large measure a capitalist system. Machinery might lighten toil, and the conditions of work and pay in socialized industries would be much improved in the new liberal welfare state, but it would still be the case that large numbers of people would be condemned to work which could offer little direct satisfaction. Also, since Hobson admitted that human beings varied greatly in natural abilities, equality was impossible. Equality of opportunity, encouraged by better education, would make it possible for many more people to attain qualifications for skilled and professional work. This would reduce differentials in pay dramatically and Hobson once claimed that, given equal opportunities, there was no reason why the pay of a bricklayer should be less than a doctor’s.\textsuperscript{64} But usually he admitted the need for differential pay and also confessed that if people with rare skills in high demand insisted on demanding what the Fabians called `rents of ability' then society would have to pay them. It was also the case, Hobson believed, that `brainworkers' had greater consumption needs than mere manual workers and had to be paid more.\textsuperscript{65} Shavian equality was not possible in a New Liberal world.\textsuperscript{66}

So, given that the lust for material things was so strong, how would people become reconciled to participating in this new society in which inequalities were reduced but not removed and much work was still unpleasant? Ruskin had assumed a return to a more hierarchical and deferential society in which status differences and unequal life chances were naturally accepted, but this was clearly hopelessly out of date and conflicted with the liberal tradition Hobson inherited. Morris- as Hobson rather sharply observed \textsuperscript{67}- had wished the problem away rather than solved it by assuming an anarchic equality and a community from which machinery had largely removed. The problems of inequality and the class divisions and conflicts to which it gave rise had, of course, exercised liberal thinkers long before Hobson. What Green, Mill and Spencer, had hoped to see was the spontaneous growth of what was

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\textsuperscript{63}Ibid., pp. 248, 249.  
\textsuperscript{64}  
\textsuperscript{65}  
\textsuperscript{66}Shaw's socialist attack on Hobhouse's arguments for differential pay are interesting in this context. Collini  
\textsuperscript{67}John Ruskin, pp. 306-7
called `altruism', an increasing consciousness of the interdependence of society which, it was assumed, would induce people to behave with greater awareness of the social benefits and consequences of their actions and modify their behaviour accordingly.68 Hobson took this line of thinking much further by postulating that society was an organism with a life of its own, independent of the individuals who composed it, and that the individuals within society would lead fulfilling lives the more they could recognise that. At this juncture Hobson developed the notion that society was an organism to a point where few of his liberal colleagues could follow him.69 There is also a strong possibility that, in moving so far in this direction, he was, whether consciously or not, still under Ruskin's influence.

Hobson admitted that the `growing recognition on the part of individual workers, that the structure of society establishes a strong community of interests, will no doubt supply some incentive to each to do his fair share to the necessary work' but that it might not be sufficient to rouse `the selfishness or sluggishness of feeble personalities'. Then in a passage which shows the influence of both Ruskin's argument that the prestige of different occupations is measured by the extent to which they serve a social cause rather than pursue gain and of Hobson's own brand of evolutionary Idealism, he claimed that `the social will means more than the addition of separately stimulated individual wills' and went on to claim that it would in future inspire an 'esprit de corps, a corporate spirit of service capable... of evoking an enormous volume of united effort' and 'stimulating those that are weaker and raising them to a decent level of effort, reducing dissension, and importing conscious unity of action into the complex processes of co-operation'.70 Hobson applied this reasoning directly to the mechanised industries which would be socialized in the new commonwealth. Here he was thinking along the same lines as Ruskin when the latter argued that, to be regarded as honourable men, capitalists would have to show the same devotion to the public good as the military and other professions were capable of.71 Hobson went further, claiming that what was merely routine or dull or distasteful from the standpoint of the mere individual might be full of 'interest and variety' to Society conceived as an entity in itself.

68 Collini, Public Minds
69 See, for example, Hobhouse, Liberalism.
70 Work and Wealth, pp.302-3
71 'Unto This Last', Works of John Ruskin XVII, paras 17-20.
Once accept the view of Society not as a mere set of social institutions, or a network of relations, but as a collective personality, the great routine industrial processes become the vital functions of a collective being, interesting to that being alike in their performance and their product.\footnote{Work and Wealth, p. 306.}

Individuals were to Society as individual cells were to the human body. The whole was greater than the parts: but, Hobson pointed out, it was only at this stage of evolution, when mind was becoming conscious of itself, that it was possible to grasp the significance of that. He believed that it was because people now had an inkling of this wider social will that they were willing to accept limitations on their own activities when they recognised that they were motivated by selfishness. Once it was realized that Society has a unity and a life of its own ... the so-called sacrifices we are called upon to make for the larger life will be considered no longer encroachments on but enlargements of our personality. And it was vital that people should come to recognise Society in this way because this is `the spirit of social reform'. Reform would be an impossibility if Society were thought of as merely an abstraction:

`For an abstraction is incapable of calling forth our reverence, regard and love. And until we attribute to Society such a form and degree of `personality' as can evoke in us those interests and emotions which personality alone can win, the social will not be able to perform great works'.\footnote{Ibid., p. 309.}

How does this square with Hobson’s repeated insistence, derived from both Ruskin and his liberal predecessors, on the need for individuality of imaginative and artistic expression in the new world and indeed of the vital need for this development in the unfolding social drama? There is no doubt that Hobson thought that free expression was a necessary part of social progress and he frequently worried for example that the municipal provision of Libraries and other amenities, however generally desirable, might inhibit individual effort. He was also concerned to argue that, as social reform took place, the share of publicly-directed enterprise in total output would not increase. However there can be no doubt either that Hobson promoted the idea of individuality of expression and enterprise not for its own sake but because it was conducive to the healthy growth of his ideal society. He remained adamant that the 'rights and interests of society are paramount: they override all claims of individuals to liberties which contravene them'.\footnote{Ibid., pp. 303-4}
Hobson's liberal Hegelianism may at this point seem very remote from Ruskin's own view of organic society: but the kind of super-entity that Hobson described here may actually have been influenced by Ruskin's vision of the elite-run state which, ultimately, owed its moral authority to the fact that its source of power and inspiration was a Christian God who, while granting mankind a high degree of creative freedom, also demanded worship, obedience and humility as the price of that freedom. It is in that context that Ruskin considered how society might view the low-grade, even humiliating, tasks that had to be done even in his new moral world. For, if undertaken in a certain spirit, 'such work might be the holiest of all' And he called on men and women to live by the Christianity they professed and to 'adopt some disagreeable and despised, but thoroughly useful, trade' for the sake of the community.  

From that perspective, Hobson's 'Society' is the secular and evolutionary equivalent of Ruskin's Christian commonwealth.

V

As is so often the case in reading Hobson, it is difficult to be sure whether the good society would simply emerge inevitably with Hobson acting as a humble intellectual midwife, and to what extent its development would depend upon the accidents of politics. But it is reasonably certain that Hobson believed that, although the vested propertied interests could stave off reform especially through imperialism for a while, in the long run progress of the kind he had outlined was inevitable. He was frank and unapologetic about the teleological bent of his work and was convinced that he was marching in step with the evolving common-sense of the common man.  

As suggested at the beginning of this paper, a good understanding of the basis of Hobson's welfare economics can be derived simply from looking at what he took from his liberal and radical predecessors. But, as I have tried to show, Hobson thought it vital to add to that a Ruskinian dimension, a qualitative element, one that painted a picture of the good life for the community inspired by art and creativity rather than simply worried itself about how to increase incomes and reduce working hours, or to encourage equality of opportunity. It is arguable, however, that Hobson veered towards a view of 'Society' as an organism which,

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76 The Social Problem, pp. 66, 282-3.
77 Work and Wealth, pp. 319-22
partly under Ruskin's influence, took him from a truly liberal path. If so, his failure to read Paine takes on a new dimension.  

78 See here John Allett, 'The Conservative Aspect of Hobson's New Liberalism', in Freeden, Reappraising J. A. Hobson