

QUALITY BEFORE QUANTITY: JOHN RUSKIN'S INFLUENCE ON J. A. HOBSON'S PRE-1914 WELFARE ECONOMICS.

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In Britain just before the First World War those economists and thinkers interested in welfare could be divided roughly into two groups. In the first group were those for whom the quantitative aspects of the question were uppermost, including A. C. Pigou and the Fabians like Sidney Webb and G. B. Shaw. On the other side were those like John Ruskin and William Morris for whom welfare was as much about improving the qualitative side of life for the poor as increasing their incomes, a line of thought that can be traced back to Sir Thomas More's Utopia.¹ The mature work of the main subject of this paper, John Atkinson Hobson (1858-1940), had more affinities with the second group than with the first, as we shall see.²

I

Early in his career, however, Hobson was closer to the first group than the second. The original basis of Hobson's own criticism of capitalism, and of his welfare economics, involved a simple extension of the argument of the later Mill that rent of land was the 'unearned increment'. Like the Fabians, he 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.³ As Hobson and the Fabians both recognised, 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 in The Industrial System (1909), 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 to evoke growth but was also taken from other factors—principally labour—whose growth was thereby inhibited. That surplus could be redistributed to aid the growth of other factors, mainly labour. In this analysis, it is clear that the

¹ ref to More

² Essential background on Hobson can be found in M. Freedman, The New Liberalism: An Ideology of Social Reform (Oxford, 1978). See also P. J. Cain, Hobson and Imperialism: Radicalism, New Liberalism and Finance, 1887-1938 (Oxford, 2002), esp. chs 1 & 2.

³ J. A. Hobson, 'the Law of the Three Rents', Quarterly Journal of Economics, 5 (1891)

unproductive surplus was, in essence, a more sophisticated version of the theory of rent that Hobson had originally developed.⁴It is worth noting, nonetheless, that whereas the Fabians would have socialised the whole economy, Hobson's ideal economic system retained its capitalist core though, as we shall see, he had a much larger role for the state to play in it than traditional liberalism allowed.

By the time he wrote The Industrial System however, this central thread of argument was interwoven with different strands of thought which not only complicated it but also shifted its emphasis away from the simple notion- which might legitimately be inferred from it- that a redistribution of income and wealth was all that was needed to create an improved society. Much of Hobson's analysis of the social problem was, for example, 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.⁵Yet this, like the rent analysis, could simply be seen in quantitative terms whereas, from the first days of his reading of Ruskin, Hobson sought to bring the qualitative dimension into his work. Admittedly, some of Hobson's stress on the importance of intangible welfare was also a product of a liberal- evolutionary train of thought that ran through T. H. 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.⁶

Nonetheless, Ruskin was the biggest single influence shifting Hobson toward a qualitative vision of welfare, the person whose work most captured Hobson's imagination- perhaps because the former combined a keen analytical mind with passionate conviction and prophetic insight, expressed through an extraordinary command of language.⁷Yet Ruskin described himself, quite accurately, as 'a violent Tory of the old school',⁸ while Hobson was a founder member of the 'New Liberal' group which saw itself as the modern successor to the liberalism of Cobden and Mill

⁴ The best introduction to this line of reasoning is in J. A. Hobson, The Science of Wealth (1911).

⁵ J. A. Hobson, 'Marginal Productivity', Economic Review 20 (1910). See also, M. Freeden, 'Biological and Evolutionary Roots of the New Liberalism in England', Political Theory 4 (1976).

⁶ J. A. Hobson, 'Mr. Kidd's "Social Evolution"', American Journal of Sociology 2 (1895). On Hobhouse and evolution see S. Collini, Liberalism and Sociology: L. T. Hobhouse and Political Argument in England, 1880-1914 (Cambridge, 1979).

⁷ The early influence of Ruskin on Hobson is best seen by comparing the latter's 1891 article with his 'The Subjective and Objective View of Distribution', Annals of the American Academy of Political and Social Science 4 (1894). Hobson also published a detailed survey of Ruskin's analysis of capitalism in John Ruskin: Social Reformer (1st ed. 1898).

⁸ 'Praeterita' (1885) in E. T. Cook and A. Wedderburn (eds), The Works of John Ruskin (39 vols, 1903-1912), vol. XXXV, p. 13.

as well as Green and Herbert Spencer - figures whom Ruskin despised or ignored.⁹ So just as Morris had to produce a Marxist version of Ruskin's ideas in order to write News from Nowhere, his anarcho-socialist novel, one of Hobson's tasks was to interpret Ruskin in such a way as to convince his New Liberal audience that the latter's main insights were translatable into the language of liberalism. But to find out whether he achieved that it is necessary to begin by looking at Ruskin's own economic and social philosophy.

II

To understand Ruskin's widespread influence as a social and economic critic¹⁰ it is important to emphasise that his attack on industrial capitalism, and on the economic theories that supported it, questioned not just specific abuses and weaknesses in the system but attacked both its intellectual and its moral foundations. In the first place, Ruskin argued that both businessmen and economists treated labour as a mere commodity and so dehumanised it instead of seeing it as an important part of life as a whole.¹¹ Secondly he denied the orthodox assumption that whatever is produced and exchangeable was wealth, an idea he found in Mill's Principles and which was widely accepted as true. In Ruskin's view, which was derived largely from Greek and Roman civilisation and from mediaeval Christian thinking¹² and infused with his own experience as an artist, wealth was an intrinsic quality of things, including non-tradeables such as fresh air and natural beauty. He was sure that most people, rich and poor, had a very limited idea of what real wealth was or any understanding of the fact that much of what they produced and called wealth was, in his terms, 'illth' that reduced the quality of life of the community rather than enhanced it.¹³ In Ruskin's eyes, unchecked markets full of ignorant people and driven solely by the profit motive, produced vast quantities of 'illth' in the form of cheap and nasty commodities, ugly and polluted towns and brutal, poverty-stricken, lives for the mass of the people. Industrial capitalism also thrived on the steady mechanisation of work and on an ever-extending division of labour which demanded effort that was both joyless and exhausting for the majority. And, rather than producing social harmony, as its advocates claimed, the free market was actively breeding class war.

⁹ The seminal book here is L. T. Hobhouse, Liberalism (1911).

¹⁰ On Ruskin's influence, see Stuart Eagles, After Ruskin: the Social and Political Legacies of a Victorian Prophet, 1870-1920 (Oxford, 2011). The best short introduction to Ruskin's thought from my perspective is still G. P. Landow, Ruskin (Oxford, 1985), though it can be supplemented by Robert Hewison's excellent account of his life in The Oxford Dictionary of National Biography (Oxford, 2004).

¹¹ Unto This Last

¹² Xenophon. 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

¹³ In Munera Pulveris he gave a vivid example of what he meant, contrasting his vain efforts to get help to save some Tintoretto paintings in Venice - outstanding items of real wealth - from being destroyed by damp with the fact that 'illth', in the form of cheap dolls representing can-can dancers, was selling well in the streets at the same time.

In one of his most brilliant pieces of description and analysis,¹⁴ 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 human exploiters. He then shifted his reader's attention to a set of ugly 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?*¹⁵

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 hostelrys 'more conspicuous to drunkards'. And thus, for such foolish 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 and reckless people to indulge their follies, capitalists robbed society of its wealth as effectively as had the barons of old, only 'one comes as an open robber, the other as a cheating pedlar'. But in the latter case the plunder was hidden from view and the seller of useless iron was 'thanked as a public benefactor, and promoter of commercial prosperity'.¹⁶

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, continued to believe 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'.¹⁷

Ruskin also diverged strongly from orthodox views of capitalism and markets because he saw economic society not as a mere compound formed by competing individuals but as a complex organism; and he was adamant that economic life was fundamentally a communal activity and was about co-operation much more than competition. Profit should not be that economic community's guiding principle: the rich had a natural responsibility to the poor that went much further than merely employing them or discarding them when not needed. In fact his aim, in

¹⁴The Crown of Wild Olive!(1873 ed.), in Works of John Ruskin XVIII, paras 1-8, pp. 385-91.

¹⁵Ibid., para 3.

¹⁶Ibid., paras 6, 7.

¹⁷Ibid., para 8.

works like Unto This Last(1861) was to persuade businessmen that their main purpose in life should not be to make as much money as possible but to provide for the community's economic needs, and to pay the level of wages and find the kind of work that would produce as many 'happy souls' as possible.¹⁸

So, in Ruskin's vision, society needed to be run by a reformed, re-moralised, traditional elite - the current one had sold its soul for money- who must incorporate into their body the industrial capitalists who had as yet no sense of social purpose. That reformed elite's main aim should be to produce more wealth and much less 'illth', helping the poor to do worthwhile work 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 and had taken the creativity out of work.¹⁹ Rather than *multiplying* wants, as capitalism encouraged them to do, Ruskin's elite was exhorted to *extinguish* them and, in so doing, remove a large part of the demand for machinery that caused such havoc.²⁰

Besides that, Ruskin directly challenged current free market assumptions in arguing 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 architecture, 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 as much creative work as possible ²¹ and they should extend opportunities to learn skilled work by setting up workshops on the lines of mediaeval guilds, run by the state if necessary. Ruskin envisioned a world where far more work would be creative, and thus offer what the economists called utility; one where the painful costs of labour to the poorer, unskilled part of the population were reduced as far as possible; and one where the latter had security of employment at fixed wages - wages which should reflect the 'just wage' ideals of mediaeval Christian society. Besides, although Ruskin did not speak directly in these terms, he was also suggesting an organic economic analysis of society, one that paid as much attention to consumption as production and to the costs as well as the benefits of both, rather than concentrating on production alone as classical economists had done.

Ruskin's approach deliberately promoted pre-Enlightenment thinking. He argued that the truly noble life, lived by ancient and Christian principles, was an ascetic one and it was the only life

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¹⁹'The Crown of Wild Olive', in Works of John Ruskin, XVIII paras 153-4, 157, pp. 509. 511-12.

²⁰'Time and Tide by Wear and Tyne', in Works of John Ruskin, XVI, paras 127-30. pp. 423-5. The italics are mine.

²¹As described by Ruskin in 'The Nature of Gothic', the most famous chapter of his famous book, The Stones of Venice.

which allowed for the full stimulus of artistic creation to be felt at every level of society. What Ruskin wanted was a community run by an aristocracy that combined 'a Spartan simplicity of manners with Athenian sensibility and imagination'²² rather than one run by businessmen who claimed to be Christians, but never let their religious beliefs influence their economic behaviour.²³

Judged in terms of the prevailing capitalist accountancy in which anything produced and exchanged was called wealth, and where the appalling social costs of the system were not considered, Ruskin's elite-led economy, with its stress on agriculture, would most probably have had a lower GDP than did industrial Britain. But he was 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. Ruskin once argued 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': but this would take place at the expense of heavy cuts in the incomes of the privileged.²⁴

Nonetheless, it needs to be stressed that, despite the power of his assault on current orthodoxy, Ruskin's vision was backward looking. Although he expressed a deep admiration for Thomas More, any reader of the latter's Utopia would soon have realised that More's prescription for the ills of society was far more radical than Ruskin's even though it was written 350 years before. Ruskin wanted his elites to sacrifice their own immediate interests for the sake of the community: More wanted to abolish elites altogether and bring in a communist society, as did Morris. In fact, Ruskin had no sympathy with communism or even with democracy. In his opinion, society should be run by the 'wise and the kind' with the 'unwise and unkind' rigorously controlled.²⁵ Inequality should be reduced but through the beneficent actions of those in authority. The social costs of labour should also be lowered and its utility increased where possible: but in Ruskin's universe there would always be many relatively poor people and much of the work they had to do would still be unskilled, hard and lacking in dignity.²⁶ 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 in terms of leadership and anti-libertarian: his notion of intrinsic value was ancient in origin and had authoritarian implications, since only those who understood what true value was would be allowed to organise the economy. Ruskin's world

²²'A Joy for Ever' (1880) in Works of John Ruskin XVI, para 147, p. 134.

²³ Crown of Wild Olive, pp. 131-3 ???

²⁴ 'Time and Tide', in Works of John Ruskin, XVII, para 108, p. 406

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²⁶'Time and Tide', in Works of John Ruskin, XVII para 109, pp. 406-7.

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 - was at its centre and machinery would be limited in use rather than extended.²⁷ 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.

III

True to his liberal origins, Hobson rejected some of Ruskin's most basic ideas. Despite his belief that the good life would be enhanced if more people worked on the land, he knew that Britain could never again become a predominantly agricultural society nor was it desirable that it should do so.²⁸ He had no truck with leadership by elites, whether aristocratic or otherwise, frankly embraced democracy and championed the idea of social mobility, especially through education. Nor, since he was a liberal in the Spencer-Green evolutionary mould, could he accept wholesale Ruskin's ideas about intrinsic value. He agreed with Ruskin that much of what was produced and consumed was illth but he accepted Mill's point about exchange determining value in the market and also believed that what was deemed valuable would change over time.²⁹ But the differences between them on this issue were not as 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 was the good life. That would lead them to produce and consume only those goods and services which they had learned to appreciate had the intrinsic values that would sustain their common life. Exchange value ruled in the present; but, in the future, use value would take its place.

Hobson was much impressed by Ruskin's organic view of society. The latter's argument that economic life was essentially a cooperative activity rather than a competitive one, and that men should see themselves as working for the good of society as much as for themselves, had a deep

²⁷ One of Ruskin's reasons for wishing to send many migrants to Britain's white colonies was his hope that some of Britain's industry would follow them and that agriculture would become relatively stronger in the mother country. (Inaugural Lecture as Professor of Art, Oxford University, 1870)

²⁸J. A. Hobson, 'The Decay of English Agriculture', *Commonwealth*, 1 (1896).

²⁹*ibid.*, pp. 101-06.

influence upon him. In fact, he was so taken by these ideas that he came to believe that, even if there 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.³⁰

It was clear to him also that Ruskin was right to separate wealth and welfare and that the process of money-making in the modern world was often diametrically opposed to the good life which, like Ruskin, Hobson saw in terms of the ability to express oneself as creatively as possible in work and leisure. In his detailed analyses of the meaning of welfare, Hobson offered an analysis of 'cost' and 'utility' which incorporated Ruskinian insights into the economic process and critiqued the orthodox economic approach to them. For example, he recognised that cost as measured by money failed to account for the non-monetary costs of brutal, back-breaking labour which made the lives of so many unfulfilling in the extreme. On the other hand, the conventional notion of utility confined it to consumption and completely missed the creative aspect of work and the way in which this could transform the lives of those lucky enough to practice it. Mixing together Ruskin with Spencer, 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, following 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.³¹ Unnecessary or excessive consumption inexorably begat degrading production and the reverse was also true. There was 'a necessary relation between getting and spending'.³²

³⁰J. A. Hobson, The Industrial System: An Inquiry into Earned and Unearned Income (2nd ed. 1910), esp. p. 81; Allett, ch 3;

³¹Work and Wealth: A Human Valuation (1914), p, 158.

³²*Ibid.*, p. 294.

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, in some cases, its role in abridging wearisome labour. He knew that machinery had come to dominate in the production of many of the necessities 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.³³ In the longer term, however, as excessive incomes were eliminated by progressive 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 artistic and imaginative powers he was convinced had hitherto been squeezed out of the people's 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 resourcesto 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 work³⁴

True to his liberal origins, Hobson was here envisaging a small-firm economy beloved by one of his own favourite liberal predecessors, Richard Cobden, though one infused with Ruskinian creativity; and this is a reminder that Hobson was always a proponent of a mixed economy, rather than one thoroughly socialised as the Fabians proposed.

Like Morris, 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 labour³⁵- 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. And, like both Ruskin and Morris, Hobson had a very strong sense

³³ J. A. Hobson, The Social Problem: Life and Work (2nd ed.1902), pp, 141-54, 174-86.

³⁴Ibid., pp. 110-11.

³⁵

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 commodities³⁶ and where everyone would be able to express themselves in craft or similar kinds of work where the division of labour and its alienating effects were not experienced.³⁷ Hobson admitted that this could mean that there would be a smaller physical product in the new moral world compared with the old, but that this was an acceptable price to pay for the increase in human welfare in the new world of work.³⁸ Like Morris, More and Ruskin himself, Hobson believed passionately that a good life for humankind was only attainable in those circumstances where the desire for merely material possessions was limited, for it was only then that society would have the leisure and the freedom to live well rather than simply produce and consume endlessly.

Nonetheless, as seen above, he was worried (as were both Ruskin and Morris) by the possibility that progress would take a purely 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 slave labour, but social development 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'.³⁹ 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'. He continued:

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

³⁶Work and Wealth, p. 314.

³⁷The Social Problem, pp. 224-37, 181-3

³⁸Ibid., pp. 288, 301.

³⁹Ibid., p. 241.

varied types of life, we must manage to check the lust for competitive materialism which Industrialism has implanted in our hearts'.⁴⁰

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'.⁴¹ 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 politics'. Other forms of voluntary social interaction would also be hindered and the growth of social consciousness retarded.⁴²

IV

For his part, however, Hobson had to accept that there were problems in a liberal and democratic system in meshing the needs of the individual and of society. Hours of work and the conditions of work and pay in socialized industries would be much improved in the new liberal welfare state, but he believed it would still be the case, as Ruskin had argued, that large numbers of people would be condemned to work which could offer little direct satisfaction. Also, since Hobson admitted, again in line with Ruskin, that human beings varied greatly in natural abilities, equality was impossible. He was a supporter of a reformed capitalism and a believer in equality of opportunity rather than a socialist, and that involved accepting that factors of production could receive differential payments depending on circumstance.⁴³ Equality of opportunity, encouraged by better education, would make it possible for many more people to attain qualifications for skilled and professional work. Hobson thought that would reduce differentials in pay dramatically and he once claimed that, given equal opportunities, there was no reason why the pay of a bricklayer should be less than a doctor's.⁴⁴ But usually he admitted the need for differential pay and also confessed that if people with rare, socially-useful skills 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

⁴⁰Ibid., p. 242.

⁴¹Ibid., pp. 290, 315-6.

⁴²Ibid., pp. 248, 249.

⁴³J. A. Hobson, *John Ruskin: Social Reformer* (3rd ed 1904), pp. 176-209..

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needs than manual workers and so had to be paid more to bring the best out of them.⁴⁵ Morris's equality was not possible in a New Liberal world.

However, given that the desire for material things was so strong, and that the need for differential pay and for a degree of unfulfilling work remained, how would people become reconciled to participating in Hobson's new society? Ruskin had assumed a return to a hierarchical world in which status differences and unequal life chances were naturally accepted and unchanging, but this was clearly out of date and conflicted with the liberal-democratic tradition Hobson had inherited. Morris-as Hobson rather sharply observed⁴⁶- had wished the problem away rather than solved it, assuming a spontaneous egalitarianism and the abolition of non-creative work in his post-revolutionary utopia.

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 both Mill and Spencer, Hobson's most influential predecessors, had hoped to see was a natural growth of what was 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.⁴⁷ Hobson took this line of thinking much further by claiming 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 and act in accordance with it. Hobson took this idea of an evolving 'Society' much further than other New Liberals. There is 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 feebler personalities'. He then continued in the

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⁴⁶John Ruskin, pp. 306-7

⁴⁷Collini, Public Minds

following manner, 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:

But if our organic conception of society has any validity, the social will means more than this addition of separately stimulated individual wills. The individual soldier may have a patriotic feeling expressing his individual love of his country, which has a certain fighting value. But, as his attachment to his profession grows, another feeling of wider origin and more enduring force fuses with the narrower feeling, enhancing greatly its effectiveness. That feeling is esprit de corps, a corporate spirit of service, capable of overcoming personal defects, the cowardice, apathy or greed of the individual, and of evoking an enormous volume of united effort. I have no intention of suggesting that the routine of ordinary industry can yield scope for displays of this esprit de corps comparable in intensity with the dramatic examples of great military achievements. But I do affirm that every conscious corporate life is accompanied and nourished by some common consciousness of will and purpose which feeds and fortifies the personal centres, stimulating those that are weaker and raising them to a decent level of effort, reducing dissension, and imparting conscious unity of action into complex processes of co-operation.⁴⁸

Hobson applied this reasoning directly to the mechanised industries which would be socialized in the new commonwealth.

He argued that what was merely routine, or dull or distasteful from the standpoint of the individual may be full of 'interest and variety' once Society was conceived as a entity in itself.

'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'.⁴⁹

Insofar as individuals became aware of this overarching Society- and they would become aware increasingly through the process of growth itself aided by social reform even though they could never fully grasp its overall significance- they could participate in it, seeing their work in this new context and responding accordingly. Individuals were to Society as individual cells were to the human body: the whole was greater than the parts though, as Hobson pointed out, it was only at his stage of evolution, when mind was becoming conscious of itself, that it was possible to grasp the true significance of that. Hobson believed that it was because people now had an inkling of this wider social force that they would be willing to accept limitations on their own activities in the interests of the wider community. 'Once we realize that Society has a unity and a

⁴⁸Work and Wealth, pp.302-3

⁴⁹Ibid., p. 306.

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 was 'the spirit of social reform'. 'We cannot, if we wish to reform, go on thinking of Society 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 will not be able to perform great works'.⁵⁰

How does this square with Hobson's repeated insistence, derived from Ruskin, on the need for individuality of imaginative and artistic expression in the new world and 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; 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 beyond a certain point. On the other hand, there can be no doubt that Hobson promoted the idea of individuality of expression and enterprise not for their own sake but because they were conducive to the healthy growth of his ideal 'Society'.

In his own words the

....conditions of organic welfare.....do not imply a conception of industrial society in which the individual and his personal desires and ends are impaired or sacrificed to the ends of the community.....the unity of this social-industrial life is not a unity of mere fusion in which the individual virtually disappears, but a federal unity in which the rights and interests of the individual shall be conserved for him by the federation. The federal government, however, conserves these individual rights not, as the individualist maintains, because it exists for no other means than to do so. It conserves them because it recognises that an area of individual liberty is conducive to the health of the collective life.....Society, in its economic as in its other relations, is a federal state not a federation of states. The rights and interests of society are paramount: they override all claims of individuals to liberties which contravene them. ⁵¹

This kind of Hegelian reasoning may seem very remote from Ruskin's own view of organic society: but the 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

⁵⁰Ibid., p. 309.

⁵¹ Ibid., pp. 303-4

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. For example, Ruskin emphasised that in the reformed world of his imaginings, there would still be a great deal of 'servile' work to be done. 'And yet', he insisted, 'if undertaken in a certain spirit, such work might be the holiest of all'. So he called on men and women to live by the Christianity they professed and to 'adopt some disagreeable and despised, but thoroughly useful, trade'; and, in saying that, he was addressing the privileged as well as the poor.⁵² 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 will simply emerge, 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 for a while especially through imperialism, in the longer run progress of the kind he had outlined was inevitable. He was frank and unapologetic about the teleological bent of his work⁵³ and was convinced that he was marching in step with the evolving common-sense of the common man.⁵⁴

As suggested at the beginning of this paper, a rough understanding of the basis of Hobson's welfare economics can be derived simply from looking at his development of previous liberal thinking. But, as I have tried to show, Hobson thought it vital to add to that liberal heritage a Ruskinian dimension, one that painted a picture of the good life for the community rather than simply worried itself about how to increase the incomes of the poor. That qualitative element derived from Ruskin was one of the distinguishing marks of his writings on welfare economics, and was as important to his thinking as were the ideas he inherited from his predecessors in the liberal tradition.

⁵²'Time and Tide', paras 108-9.

⁵³The Social Problem, pp. 66, 282-3.

⁵⁴Work and Wealth, pp. 319-22