

The Economic Symposium

John Ruskin and the Modern World: Art and Economics, 1860-2010
Art Workers' Guild, Bloomsbury, 6 February 2010

Symposium Report

The symposium, jointly organised by the Guild and the Ruskin Library and Research Centre, to discuss in the 150th anniversary year of *Modern Painters V* and *Unto this Last* whether there can be an ethical economics in the face of the recent crisis in capitalism, was held in the splendid home of the Art Workers' Guild. The two sessions of the day, separated by lunch, and each lasting two hours, were introduced by Stephen Wildman.

The Talks

Labour MP, Frank Field, struck a self-consciously pessimistic note in his opening words: 'I must confess that, as a politician, I am deeply depressed.' He suggested that the position of critics of the economic system today may be less hopeful than it was for Ruskin. Global capitalism is now firmly entrenched and further removed from moral considerations than ever before, whereas in Ruskin's day, capitalism may have seemed to some like a mere disruption of 'the rural ideal'. Field characterised Ruskin as a collectivist in essence, and argued that collectivism reached its peak under Attlee, but has been 'overthrown' today, with only 'the soft under-belly of welfarism' remaining.

Yet Ruskin had also argued that society will be reformed only when individuals make a personal effort to transform themselves. This Christian morality, safely re-rooted as an ethical tradition in secular thinking by a figure such as T. H. Green, has now all but disappeared from British public ideology. It helps to lead us to the vast man-made inequalities of which Ruskin was so successfully critical. Field argued that the future of the country will be determined by the bond markets, not MPs' expenses, and that we should, like Ruskin, concentrate our attention on ideas. Ruskin has shown us what one individual can do to challenge the prevailing orthodoxy and to reform it. He should be our guide not merely for one day, or one year of celebrations, but for our whole lives.

Guild master, Clive Wilmer, spoke on 'An ethical economy? *Unto this Last* then and now'. Ruskin spoke of illusory prophets, and addressed the problems of a competitive system which had resulted in the foreclosed mortgages and rising unemployment caused by the Banking Crisis originating in the US. Ruskin's understanding of economics was greater than is often acknowledged. The basis of Ruskin's rejection of the 'wages fund' idea, Mill's theory that only a finite amount of money was available for labour at any time and that, therefore, wages must be kept down in order to avoid unemployment, is now the standard theory, namely that wages are paid from anticipated profits. The influence of his idea of 'wise consumption' can be traced through the expansionist economics of Keynes. But Ruskin's purpose in *Unto this Last* was to define wealth, and to establish that wealth could only be attained and comprehended in the moral conditions and ethical values of human society.

Victorian Britain, the workshop of the world, made considerable profits, but Ruskin argued that these implied corresponding, and all-too-easily-ignored, losses. He shone a torch on 'the dark streets' occupied by the losers in 'the great game of chance'. The gap between rich and poor is not as great today as it was in the 1860s, but it is considerable, and growing. We have been complicit in the illusion through which we have been living, and it is difficult to detect an alternative to the free market.

In *Munera Pulveris*, Ruskin argued that money is not wealth, but 'a documentary claim to wealth' which mediates our relationship to it and to each other. Thus it is that social relations and ethical values are undermined by a scarcity of money during an economic slump.

When justice fails, charity must assist with the distribution of wealth, and charity should be administered politically in a complex society (this has emerged in the welfare state). Wilmer said that his guess was that, despite Ruskin's claims, Ruskin had moved to the left in writing *Unto this Last*. His discomfort with traditional Tory hierarchies emerges at several points. His ideas are relevant across the political spectrum. His attack on the economic system remained always an ethical one, and his morality was a Christian morality drawn from the Bible. The conditions which regulate our personal behaviour apply equally to the national and global economy. But can there be an ethical economics? Ruskin's critics considered the suggestion naive and sentimental, yet his relevance to the economic crisis we face today should be considered.

In his unpublished letters to *The Times* of 1852, Ruskin had argued for universal suffrage, graduated income tax and a system of national education. All three would address inequalities, and the taxation proposal would have

helped practically to redistribute wealth more widely through the community. Where competition conspires to reduce or fragment common-wealth, co-operation increases and strengthens it. Societies become wealthier even as certain individuals, selfishly pursuing personal gain, become less rich. Wealth necessarily implies welfare and well-being, and is not synonymous with riches, concerned with money alone. Britain is richer than Sweden, but Sweden is wealthier than Britain: 'its social provisions are of a higher order'.

Capitalism has its virtues, but it is also flawed. For anything to be valuable it must 'avail to life'; for someone to be wealthy, they must be able to use what useful articles they own. And the opposite of wealth is 'illth', the concept which explains how some individuals can become very rich (short-selling hedge-fund managers, for instance), whilst the common-wealth is insufficient to fund the health and welfare of the community, including properly equipping our armed forces going into battle. Riches must be directed towards wise consumption, since 'there is no wealth but life'. It is a materialist argument, but one always rooted in ethical considerations.

Less palatable for many is Ruskin's fundamental insistence that competition necessarily harms society. Ruskin's 'Law of Help' was written around 1859 when Darwin wrote of competition in nature as 'the struggle for life'. Yet many scientists now emphasise the crucial role of co-operation in nature. Ruskin's concept is not confined to the market-place. Orthodox economists may see the opposite to competition as monopoly and not co-operation, but Ruskin's belief in medieval Gothic is based on an admiration of the collaboration of creative individuals, especially craftsmen, so successfully symbolised in the great Cathedrals. No doubt it is utopian, but no more so than the idea of a society based on individuals competing for personal gain. *Unto this Last* transformed Gandhi's life. It can transform ours.

Christopher May, Professor of Political Economy, University of Lancaster, keenly emphasised one point which neatly echoed the words of Frank Field's introduction: that political economy for Ruskin is personal, that is to say, not in an individualistic sense, but that we have responsibility for the behaviour and actions underlying it.

Presenting a tongue-in-cheek 'Bluffer's Guide to *Unto this Last*' he drew out seven key messages (presented as seven links in Ruskin's chain of argument): the model of economic man ignores the incentive of personal responsibility and relationships; how wealth is accumulated is more important than how *much* is accumulated (productive activity which benefits all Vs. exchange which implies a loser as well as a winner: not all wealth is socially valuable); craft and the artisan stand as a model for (socially-useful and personally-valuable) work and economic relations (work is not simply about pay); personal choice directs the market (the benefits of responsible consumption are best and most easily seen locally); price should be an index of just market/economic relations (economics is ethical); markets are socially embedded (markets should benefit society as widely as possible); social and market interests may be aligned by state-regulated economic activity.

A description of political economy for Ruskin is a prescription for its development. The fact that his ethical considerations are less easy to model than the orthodox focus on the rational does not mean that we should not attempt to model them, nor that we should reject everything orthodox economics tells us. To understand these moral considerations and personal motivations is more fully to appreciate the (social) basis of political economy. May suggested that Ruskin implicitly praises the virtues of a mixed economy.

It is not that Ruskin has (necessarily) been influential, but key developments parallel his ideas. Wealth today is not simply measured in terms of GDP and GNP. Corporate social responsibility echoes Ruskin's concern with personal responsibility. The recent banking crisis, Ruskin would tell us, is not an accident, and we should ask what has driven bankers to act the way they have acted and how the banking system has reinforced that activity? The plusses of exchange and the monetary value of wealth have been over-emphasised. The substance of Ruskin's message speaks to us today, partly because he faced a capitalist system similar to ours. His main message, that political economy is personal, means that we are responsible: we are to blame; and the answers start with us.

Panel Discussion

After a most enjoyable lunch, the panel discussion, with contributions from the floor, mediated by Andrew Hill, City Editor of the *Financial Times*, attempted to unfold some of those answers. The panel consisted of David Barrie (former Director, The Art Fund), Howard Hull (Director, Brantwood/Ruskin Foundation), Stephen Wildman (Director, Ruskin Library and Research Centre), and Robin Holt (Reader in Business Ethics, Management School, Liverpool University) plus Wilmer and May.

Hill explained in his introduction that he discovered 'Ruskin the social reformer' on a visit to Brantwood. This led him to *Unto this Last* from which he has become a 'partial convert' to Ruskin, appreciative of his value as 'an ethical counter-weight' to contemporary economic discourse, leading to the raised eyebrows of some of his colleagues who equate Ruskin with 'lefty' politics! Hill led the discussion to pursue the issue of the 'practical application of what Ruskin taught', to the 'real world' circumstances of modern business and economies.

The first part of the discussion revolved around Ruskin's notion of the usefulness of work. Hull reminded us that Ruskin saw 'the things that we do' – 'service' to each other and ourselves – as the expression of our humanity. Modern preoccupations with work-life balance contrast with Ruskin's sense of wholeness (that work is life, in the best sense): to reconcile that contradiction, through greater worker participation in working organisations, would be one means of practically applying Ruskin.

Barrie, who worked briefly in an investment bank 30 years ago, characterised the banks' unending demand to make money as Ruskinian 'illth': many of the investment bankers pay a heavy price to get rich. Hill rejoined that on leaving the 'rat-race' many spoke of 'giving something back' which begs the question of why and what they had taken in the first place?

Holt explained that Business Schools are focused on training their students to make money, to the detriment of ethical considerations, which are usually considered a luxurious if not an irrelevant 'bolt-on'. His work points out to students the etymological and ethical link between 'goods' and 'the [wider] good' – encouraging critical thinking. It is the lack of any face-to-face relationship in large banking institutions which, in Ruskinian terms, is the key to the cause of the recent credit crisis: there can be no 'trust' or human relationship when what all isolated individuals see are numbers on a screen.

May agreed, highlighting the problems caused by the distancing of management from ownership. When the reverse is true good things happen, as exemplified by the co-operative/mutual structure of John Lewis. Dissent is allowed within the management structure, as well as healthy competition between branches. There is 'real world' interaction, and it is not necessary (even healthy) to acquiesce: the critical engagement encouraged by Holt among his students is useful (even crucial) in the workplace.

Hill then moved the discussion on to Ruskin's antipathy to competition, and how this could be reconciled with the realities of the modern economy.

Barrie urged us to recognise a shift in economic thinking towards Ruskin's intuitions: the power of co-operation has been demonstrated in many (scientific) experiments and is at the core of human experience and identity. If this fact were recognised in business, what effect might it have? This notion was picked up later by members of the audience, one person urging the necessity to co-operate with one's environment, and a farmer emphasising the difference between his work, where the mistake of putting too many cows in a field would become immediately obvious, and that of a banker isolated from the consequences of his decisions.

Holt said that recent thinking emphasised the 'brand' qualities of competition as a 'perpetuation of contrasts' as opposed to something rooted necessarily in combat and conflict. Wilmer took up this point. Human beings are moral animals, and Holt's evidence was that business education, in emphasising technical administration and the theory of money-making, alienates people from moral considerations. Ruskin intuited that Gothic architecture was an expression of the society which produced it, a society which he characterised as very different from his own. The implication is that we do not have to live the way we do.

Wildman and May agreed that Ruskin saw the evaporation of personal responsibility, sponsored by the utilitarian 'science' of political economy, as undermining society and human life. Barrie argued that early twentieth-century political economy recognised no value in the muddying complications of moral considerations, but added that he believes that this has improved more recently.

On the point of considering the issue of how to encourage ethical considerations in the working of modern economies, the discussion was opened to the floor.

One speaker spoke of the marginalisation of the artisan in western cultures. We have over-valued the intellect, lost the confidence to be tactile, and our 'inner life' has suffered. Hull agreed that much artisanal activity was confined to the 'ghetto' and lamented that the arts and crafts movement became too elitist (creating 'lovely goods' only the rich could afford to enjoy). For Ruskin, more important than the product was the nature of its production. Subsequent speakers spoke more broadly about artistic activity. Barrie argued that more people than ever were engaged in 'artisanal activity' (in which, he said, one ought to include the creativity of computer programmers). May spoke of the productivity of the music industry, using technology democratically (viz. Lewis Mumford) to cut out the middle men. Later, from the floor, a speaker emphasised that 'handiness' was still much prized in China, and is a key to much of their economic potential.

Lord Frank Judd argued that now is the time proactively to engage society with Ruskin's ideas. He said that higher education had been 'subverted into a utilitarian culture' where people are trained as technicians instead of being encouraged to be independent thinkers: creative individuals with imagination. May later responded that one difficulty is that students are now encouraged to think of themselves as consumers, which he personally counters

with the gym club metaphor: you don't join a gym for a year, do nothing, and complain when you haven't got a body like Arnold Schwarzenegger! Personalities and characters do still get 'rounded', he said, but despite and not because of imposed priorities (crude targets, performance indicators and educational outcomes).

Judd detailed how his attempts to amend legislation on pensions funds so that the trustees should be bound by law to act ethically and with social responsibility, were frustrated by opponents who often conceded that it was a 'nice' idea but maintained that it was unrealistic. Such attitudes were at the core of the banking crisis, he felt. That capitalism has recently been rescued provides an opportunity for us to create a Ruskinian response.

Hill asked whether legislation was the best means to this end? One pensions trustee responded that the existing legislation, in privileging the 'best interest' of the pension fund, restricted the scope for ethical consideration by effectively confining activity to the maximisation of profit. She also argued that dialogue between pension-holders and trustees should be encouraged. May spoke about the dashing of past hopes that pension funds would help bring about the 'socialisation of capitalism'. Barrie saw merit in enshrining moral considerations in the regulatory or legislative framework for pension funds, and although Hill questioned whether Ruskin would have agreed with this, he admitted that such frameworks are part of the modern world. Judd concluded that endemic short-termism, and the ignorance of moral considerations, fails pension-holders and society more generally. Barrie cautioned us all against being the victims of the 'cult of expertise': we should all become involved in these decisions.

The issue of economic growth was raised. Hill suggested that growth has incontestably raised standards of living. Barrie responded that since the collapse of the socialist project following the fall of the Berlin Wall, our only remaining ideology is ethically-vacuous managerialism. To do anything we need a political framework imbued with [Ruskinian] ideals [implying that growth must be measured as something greater than the sum of money]. Holt's argument was that for Ruskin, decay was as important as growth [in the economic/life cycle]: it is crucial to work with the environment and not against it. Growth should be seen as an experience not as an aggregation.

Various other issues were touched upon but not fully explored. One speaker from the floor reminded us that 'Capitalism with a heart' was a feature of turn-of-the-century thinking, with employers providing model villages on the basis that a happy workforce is a productive workforce. Wildman raised the issue of Cadbury's, contrasting the modern company with its past family ownership, and Hill replied with the example of Ferrero, but there was no time to pursue the issue of forms of ownership.

Hill concluded by asking the panel to consider one practical step we might take as a result of our discussion of Ruskin's contribution to the issues at stake.

Hull argued that what we really need is a cultural shift, where wealth and vision go hand-in-hand. It is what we do when things are good, even more than when things are bad, which defines us, he argued. Holt urged us to engage critically with the notion of possessiveness and practicality, but pointed out that the 'Law of Help' can be seen at the base of Muhammed Yunus's highly successful practice of micro-finance.

May agreed with Hull that cultural change is key: genuine freedom of information might lead us to better understanding, but we must look unto ourselves to begin that process of change. Barrie agreed, pointing to proportional representation as a potential means of promoting greater political engagement, and arguing that we should harness the power of the internet if we wish to disseminate the Ruskinian message more widely. Wrapping up, Stephen Wildman (half?-)joked that we might send copies of *Unto this Last* to members of the Cabinet.

Inevitably, the day asked more questions than it answered, but the explorations were genuinely engaging and stimulating, and demonstrated by their breadth and variety that Ruskin continues to speak to us today. The strongest of all the messages was that we must ourselves take responsibility for the society in which we live mindful, as we are, of the wisdom Ruskin bequeathed us.



Stuart Eagles Clive Wilmer addressing the symposium (photo: Gabriel Wilmer)