

# Fabianism and the nature of Monopoly power

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Peter Green

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THE LIFE AND TIMES OF SIDNEY & BEATRICE WEBB  
1858-1905: The Formative Years

Royden J. Harrison  
Macmillan, £25

**T**HIS first volume of a joint biography of the Webbs is a substantial, well-researched and scholarly work written with refreshing objectivity and will surely be of great interest to students of social history. Yet to students of political economy it has relatively little to offer bearing in mind the period and personalities that it covers.

To anyone with an interest in land reform it is a matter of regret that such a brilliant, industrious and efficient partnership as Sidney and Beatrice Webb should have been diverted from the real causes of poverty and social division into putting all their energies into Fabianism, the Trade Union Movement and the establishment of the Labour Party.

It is questionable whether the Webbs had ever really understood the Law of Rent. There is an account of a lecture given by Sidney Webb in 1884 in which he praises Henry George's *Progress and Poverty* acknowledging that differences in land did exist, and rent existed, but George could not abolish it. It was not rent which caused poverty but the rise in population thus showing himself to be a Malthusian. He also spoke of nationalizing land – not collecting the ground rent; he seems to have missed the point that the merit of collecting the ground rent in whatever way and to whatever degree is not merely for the revenue. Far more important is to emancipate the unlanded man or woman so that, having the alternative of access to marginal or even sub-marginal land free of burdensome taxation, where they can at least make a living and enjoy the natural wages of their efforts, they can enter into a contract of employment on equal terms with their employer free of the iron law of wages – the least a man or woman will accept, whatever that may be according to qualifications and abilities.

Henry George was lucidly clear on this point, but it was missed by so many of those that followed him. The waters were muddied by the acceptance of the idea that there were

three monopolies, not one, operating against the working population: those of land, capital and ability. Bernard Shaw is shown to have been a great influence on the Webbs in advocating this argument and there is of course something in it or it would never have taken root.

What is missed is the fundamentally different nature of these three factors said to be the subject of monopoly. Land, including all the natural resources of the planet, provides the environment for human existence. It can be modified and improvements made, but the underlying land, together with its resources, is anterior to mankind and cannot naturally or morally be considered as anyone's private property. Capital is the accumulation of unconsumed wealth in the form of buildings, tools and machinery to extend the productivity of human labour. It can be argued that it is a proper subject for private ownership once the authenticity of its original production is accepted. Ability, or human talents, can only be attributed to the one who exercises it, even if perceived as God-given, except in a Golden Age where no private property exists in anything – a situation almost inconceivable today and which would make economists redundant. Lumping these three factors together leads to the move to nationalise the means of production by route of the now notorious Clause Four for which the Webbs had so much responsibility. The failed experiment in nationalisation of industry in the second half of the 20th Century has shown the fallacy of the attempt to appropriate the 'rent of ability' for the State. It is bad enough when human talents are stunted by the assembly line and inept management, how much worse when political restraints are added on top. If proof of the failure of nationalisation of production were needed, look how much consumer prices have fallen in real terms since privatisation, despite the cries of accusation against greedy shareholders exploiting their monopoly.

Not only did the efforts of the Webbs lead to Clause Four, but also they strove to establish a fourth monopoly, that of organised labour to counter the other three. The Trade Union Movement strove to ameliorate many unacceptable conditions, but strikes could only give short-term advantage and that in a few special situations. In the long run it has inevitably failed to break the Iron Law. After a hundred years so little has fundamentally changed, the differences between rich and poor are greater than ever.

There is a fascinating account of the circumstance in which the London School of Economics was founded out of a bequest to be applied to the promotion of the Fabian Society and its Socialism. The author heads this chapter: "Heroic Opportunism", which it undoubtedly was. There was also much work to encourage the universal spread of education: primary, secondary and especially tertiary, which was indeed of great value.

Very significant throughout, for both of the Webbs, were the writings of John Stuart Mill. Although they may have had their failings, throughout their lives they sought the improvement of mankind rather than their own immediate happiness.

A good and instructive read if you have a few days to spare from more pressing needs. Then you will need a few more days when the second volume appears.

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## Women of the World Unite!

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Julia Bastian

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WOMEN, LAND AND AGRICULTURE

Edited by Caroline Sweetman  
Oxfam Focus on Gender Series, £7.95

**R**EADING of the trials and tribulations of women in the Third World puts one in mind of women down the centuries who have heaved coal up from the mines or toiled 15 hours a day in the cotton mills, struggling to keep family life together and pull their weight to put food on the table. "A woman's work is truly never done." Her double role as breadwinner, mother and partner today is well documented in this collection of articles which will be of special interest to development professionals working at the grass roots of poverty around the world.

Clearly our sisters are up against intolerable obstacles to gaining their full potential while their huge contribution to global agri-

culture is largely unacknowledged and much undervalued. All too often opportunities to farm and produce are constrained by lack of land, or lack of credit or essential resources.

We read that the rôle of women in food production is expanding: in South-East Asia they provide up to 90% of labour for rice cultivation. In Africa they produce about 80% of basic foodstuffs for home consumption and sale. But family farms are being bought up by the multi-national companies, leading to growing pressure on natural resources.

The book explores the lives of women in sub-Saharan Africa, in India, Brazil, Ghana, Nepal and Cameroon. One contribution addresses the issue of rural development and "lazy men" in Zambia! But many men folk have been obliged to leave the land to the women and go to the towns to seek more highly paid employment. And, although one writer discusses the aims of various land reform pro-

grammes set up during the colonial era, the problems of land hunger remain. In many areas there has been a shift away from farming to manufacturing and the service industries.

But today women mean business and they are organising! It is vital that they educate themselves and this is happening, as the section on organisations, web sites, resources, books and papers shows. The Third International Conference for Women in Agriculture is due to be held in Spain in 2002. It is good that women are able to work together to bring a better understanding of the enormous workload they carry, and the terrible poverty that is their lot. Oxfam's contribution has been to bring compelling evidence of the economic, legal and social aspects of poverty, and especially the lack of women's rights to land, to a wide public.

Further information on the Conference from: <http://www.wia.usda.gov/index.htm>

# Indian land reform champion

Robin Raynham

VICTORY TO VINOBA

Bryan Osborne

Ajanta Books, £8.95

**T**HIS book is of potential interest to all concerned with the history of attempts to find a solution to the land tenure problem.

It tells the story of a spiritual leader who, without any training in either economics or politics, through force of circumstances found himself dealing with the problem of landlessness in India.

The subject of the biography, Vinoba Bhave, is little known in Britain and the author has put considerable effort and research into bringing his life to us, including making a return visit to India specially for this purpose. A former disciple of the late Mahatma Gandhi, Vinoba died in 1982 at the age of 87.

It was in 1951 that he was first confronted in an urgent way with the acute distress caused by landlessness. His immediate, off-the-cuff, response was to ask if anyone would donate land to the persons in need of it. Quite surprisingly, a donation was forthcoming, thus initiating what was called the Bhoodan Land Reform Movement. The following year a variation of it, called Gramdan, in which ownership of whole villages was passed over to those resident there, was started.

For a time both these movements had official Indian Government support, and by about 1965 a total of some 4.4 million acres had been transferred to persons needing it, all voluntarily. Although your reviewer doubts that these reform arrangements will have too much permanence because of their lack of flexibility, he understands that many of the transfers remain to this day.

That Vinoba Bhave achieved so much in this very difficult field, in the existing circumstances, is a tribute to both his high character and the immense amount of hard work he put in over the years, during which he travelled on foot tens of thousands of miles over much of India. That all that was done was achieved by voluntary methods is remarkable, and perhaps a signpost for others to seek to follow where circumstances permit. Mr. Osborne has written of him in a clear and unpretentious style and with a diligence and enthusiasm evidently born of the esteem which his life and works must surely merit.

# Visionary Statesman of the Enlightenment

Geoffrey Lee

THE FORMATION AND DISTRIBUTION OF WEALTH

Anne-Robert Turgot

Translated & edited by Kenneth Jupp

Othila Press, £15

**T**URGOT, who was born in 1727, was appointed Comptroller-General by the twenty-one year old Louis XVI in 1774 and began a comprehensive reform of the financial structure of France. He sought to increase revenue without imposing new taxes. He proposed to remove the immunity from taxation enjoyed by the privileged classes and abolish the unfair advantages that had been granted to certain trade corporations. He also tackled the corruption that was rife in the bureaucratic governance of Paris. The consequence was an uproar from the ruling classes making the weak king give way to pressure and dismiss Turgot after only twenty months in office. This failure to deal with France's serious economic problems led inevitably to the revolution of 1789.

Turgot retired to devote the rest of his life until his death in 1781 to literature and science. He had written *Réflexions sur la Formation et la Distribution des Richesses*, now ably translated by Sir Kenneth Jupp, in 1766 when he had been Intendant of Limoges. It is a masterful analysis of the basics of economics – of the roots of a subject that is fundamental to the prosperity of nations.

Turgot believed that the source of all taxation should be the revenue from land. Interest, he said, should be fixed only by the

market without interference from any government. His views on money were clouded by the fact that in his day gold and silver were accepted and used as the common currency. He did not foresee that paper money without any intrinsic value would one day replace bullion. He was aware of paper money and had written about it but does not seem to have considered its importance in his *Réflexions*. In the same way he did not foresee the effects of the banking system's ability to create credit almost out of nothing so making it unnecessary that a fund of money capital be made available by lenders before borrowing can take place.

Turgot's analysis does make it possible to understand problems created in the modern world by high taxation on the productive part of the economy – and the consequent necessity of inventing the welfare state.

His visionary ideas fell out of favour in France and after the Revolution ceased to make much impact. Adam Smith's *The Wealth of Nations*, a title that was probably borrowed from paragraph 90 of *Réflexions*, overshadowed Turgot's work when it was published in 1776. But now seems an appropriate moment to revisit this masterpiece of political thought and this translation provides us with a timely opportunity to do so.