



George Bernard Shaw or the quest for a popular and scientific economics

George Bernard Shaw ou a busca por uma economia popular e científica

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Resumo

George Bernard Shaw foi um importante teatrólogo irlandês do final do século XIX. Além de sua produção literária, que lhe rendeu o Prêmio Nobel de Literatura em 1925, Bernard foi também um importante militante socialista, ligado à Sociedade Fabiana. Como militante fabiano, Shaw aprofundou seus estudos em economia, tendo se envolvido em uma polêmica com o reverendo, e também estudioso da economia, Philip Wicksteed, sobre a teoria do valor. Este artigo tem como objetivo analisar esta polêmica e está dividido em três seções: a primeira descreve a formação do pensamento econômico de George Bernard Shaw; a segunda analisa a formação do pensamento econômico de Philip Wicksteed; e a terceira analisa o conteúdo propriamente da polêmica entre os dois. A conclusão do artigo aponta para a abordagem criativa de Bernard Shaw, mas também seus limites, ao justapor elementos do pensamento econômico marxista e neoclássico, sem alcançar uma síntese precisa de ambos.

Palavras-chave: Socialismo; Sociedade Fabiana; George Bernard Shaw; Philip Wicksteed. Teoria do valor.

Abstract

George Bernard Shaw was an important Irish playwright of the late 19th century. In addition to his literary output, which won him the Nobel Prize for Literature in 1925, Bernard was also an important socialist, linked to the Fabian Society. As a Fabian activist, Shaw furthered his studies in economics and became involved in a polemic with the Reverend Philip Wicksteed, also an economics scholar, on the theory of value. This article aims to analyse this controversy and is divided into three sections: the first describes the formation of George Bernard Shaw's economic thought; the second analyses the formation of Philip Wicksteed's economic thought; and the third analyses the actual content of the controversy between the two. The article concludes by pointing out Bernard Shaw's creative approach, but also his limits, as he juxtaposed elements of Marxist and neoclassical economic thought, without achieving a precise synthesis of the two.

Keywords: Socialism; Fabian society; George Bernard Shaw; Philip Wicksteed; Theory of value.

JEL: B14, B31.



I. The formation of Bernard Shaw's economic thought

Born in Dublin in 1856, George Bernard Shaw was an important British writer, which led him to win the Nobel Prize for Literature in 1925. His plays have a clear mark of social criticism, which can be seen in the plot of *Pygmalion*, a play from 1914. This element sheds light on an aspect less known to the general public: his attachment to socialism, particularly the Fabian Society, which he joined in September 1884 (GIBBS, 2001, p. 50).

It is necessary to define what the word "socialism" meant in the Victorian society of the period. The term had begun to be used in Britain around the 1830s by the followers of Robert Owen, in a direct influence of the French Revolution. However, until the 1880s, the adjectives 'radical' and 'republican' still predominated to describe English social movements (BEVIR, 2011, p. 14). Thus, the definition of socialism was broad, allowing different political nuances to identify with it. Gregory Clayes suggests the following definition for fin-de-siècle socialism:

By the 1880s, programmatically, 'socialism broadly came to mean collective control over the means of the production of wealth, particularly land and industry, for the benefit of the whole people. More crudely expressed in terms of interests, it meant a system in which individual interest was sacrificed to that of the community, and specifically that of the capitalist class to the common good. Broadly speaking, it entailed a co-operative as opposed to a competitive approach to production (CLAYES, 2011, p. 527-528).

Although relevant, Clayes' definition does not explain the position of one of the main British socialist groups: the Fabian Society, which was largely inspired by John Stuart Mill's individualism. The definition of "socialism" we adopt in our work is the one proposed by Mark Alisson in his book *Imagining socialism*: "socialism is best understood as a goal to be imagined, rather than an ideological program to be instantiated" (ALISSON, 2021, p. 2). Alisson analyses the link between the political and cultural aspects of the different types of socialisms, which had, according to him, "an aesthetic impulse" (ALISSON, 2021, p. 3). This being so, for the socialism of the period, the boundary between the economic, political or cultural aspects of "its goal to be imagined" was porous. Having this system of communicating vessels between the different expressions of knowledge, it is normal, and even to be expected, that authors identified with the area of "culture", as was the case of Shaw, should also have studied the economic phenomena of their period.

As we have already mentioned, the formulation of a broad critique of capitalism, however, was not exclusive to the socialist movement. It is possible to perceive in Romantic authors a critique, sometimes of a conservative nature, of capitalism. For Löwy and Sayre, "Romanticism represents a critique of modernity, that is, of modern capitalist civilization, in the name of values and ideals drawn from the past (the precapitalist,



premodern past)" (LÖWY, SAYRE, 2001, p. 17)¹. Influenced by romanticism, British socialism, especially in its fin-de-siècle format, combined politics, economics and culture. However, it is important to note that socialism did not represent a simple continuation of romanticism. Mark Bevir indicates three main currents of British socialism: the ethical socialists, with a strong religious character, of whom one of the main representatives is the Unitarian Pastor Philip Wicksteed; the Marxists, influenced by the ideas of Karl Marx, and the Fabians, heirs of the radical liberal tradition and classical political economy, in particular John Stuart Mill, and of new social ideas that emerged at the end of the nineteenth century such as positivism and evolutionism (BEVIR, 2011, p. 15).

The first British movement to call itself "socialist" was the Social Democratic Federation, created in 1881 under the leadership of Henry Mayers Hyndman, whose book "England for all" is an early milestone of the movement². This group claimed to be the heir to "Marxism" in England. However, Hyndman's authoritarian behaviour caused the organisation to split in 1885, from which emerged the Socialist League (SL). Its main leaders were William Morris and Eleanor Marx, to whom Shaw was close³.

The theoretical differences between the two "Marxist" groups and the Fabian Society, created in 1884, did not initially prevent them from maintaining good relations. The difference, which became clearer as each group formalised its respective political programme, lay in the way in which they wanted to arrive at socialism. While the SDF advocated proletarian revolution and the SL, the boycott of elections, the Fabians believed that the transition would pass through long democratic reforms⁴. Far from

² Shaw's political thought is greatly influenced by romanticism, in particular by John Ruskin, considered by Shaw as one of the "three great amateur propagandists of political economy" alongside Henry George and Karl Marx (SHAW, 1916, p. 263). In *The Intelligent Woman's Guide to Socialism, Capitalism, Sovietism and Fascism*, first published in 1928, Shaw explains the relevance he attributed to the Romantics and the social criticism they formulated: "If you read Sociology, not for information but for entertainment (small blame to you!), you will find that the nineteenth-century poets and prophets who denounced the wickedness of our Capitalism exactly as the Hebrew prophets denounced the Capitalism of their time, are much more exciting to read than the economists and writers on political science who worked out the economic theory and political requirements of Socialism. Carlyle's *Past and Present* and *Shooting Niagara*, Ruskin's *Ethics of the Dust* and *Fors Clavigera*, William Morris's *News from Nowhere* (the best of all the Utopias), Dickens's *Hard Times* and *Little Dorrit* are notable examples: Ruskin in particular leaving all the professed Socialists, even Karl Marx, miles behind in force of invective. Lenin's criticisms of modern society seem like the platitudes of a rural dean in comparison. Lenin wisely reserved his most blighting invectives for his own mistakes" (SHAW, 2012b, p. 520-521).

²In reality, it was created only as Democratic Federation, passing the name Social Democratic Federation in 1883.

³ In a preface to his biography of William Morris, Shaw writes the following description of the author: "Going straight to the root of Communism he held that people who do not do their fair share of social work are 'damned thieves,' and that neither a stable society, a happy life, nor a healthy art can come from honoring such thieving as the main-spring of industrial activity. To him the notion that a British workman cannot arrive at this very simple fundamental conclusion except through the strait gate of the Marxian dialectic, or that the dialectic can be anything to such a one but a most superfluous botheration, was folly" (SHAW, 2012a, p. IX).

⁴ The following quote from Graham Wallas, one of the founders of the Fabian Society, from which he eventually withdrew in 1904, makes explicit his group's belief in the slow evolution of societies and their improvement through gradual reform: "The growing recognition, due in part to Darwin, of



seeing the working class as a 'revolutionary agent', the Fabians interpreted it as the 'conservative element in society'. For Shaw, this perception was confirmed by the sociology of the formulators of socialism: "Lassalle, Marx, Liebknecht, Morris, Hyndman [add Lenin, Trotsky, and Stalin]: all, like myself, bourgeois, who painted the flag red" (SHAW, 1949, p. 50).

On the Fabian Society falls the supposed merit of having overpowered Marxism in Britain. The claim, however, lacks foundation, because Marxism as well as Marx himself were very little known in the country (HOBBSAWM, 1967, p. 296-297). Hyndman himself attests to this in his autobiography: "[...] in 1880 it is no exaggeration to say that Marx was practically unknown to the English public, except as a dangerous and even desperate advocate of revolution, whose organization of the 'International' had been one of the causes of the horrible Paris Commune, which all decent and respectable people saw and thought of with horror" (HYNDMAN, 1911, p. 272).

The publishing history of "Capital" exemplifies the limitation of Marxism in Britain. With the first volume of Marx's work being translated only in 1887, so-called "Marxism" initially had a weak thread of historical continuity with the thought of Karl Marx and Friedrich Engels. Socialists who were interested in Marx appealed mainly to his works in French.

George Bernard Shaw moved between Marxism and Fabianism. In reality, being an attentive reader of the Romantic authors, Shaw appears as the embodiment of the different theoretical influences that mark fin-de-siècle socialism. Beginning his attachment to socialism through Marxism, he moved away from it as he deepened his attachment to the Fabian Society. However, Shaw never abandoned Marxism, maintaining extensive political and personal contact with exponents of the group, such as William Morris.

It was in this climate of developing socialist ideas, which, as already mentioned, combined economics, politics and culture, that Bernard Shaw arrived in London and joined some debating societies. The first of these was the Zethetic Society, in October 1880, where he met Sidney Webb. The following year he joined the Dialectical Society of London (GIBBS, 2001, p. 67).

To improve his performance as a public speaker, the young Shaw attended several public lectures. In one of them, which took place in September 1882, Shaw had the opportunity to attend the American economist Henry George, who had recently released his book "Progress and Poverty". According to Shaw: "His speech sent me to political economy, with which I had never concerned myself, as fundamental in any social criticism. I devoured Progress and Poverty and sought out the Socialist meetings of the Democratic Federation [...]" (SHAW, 2012a, p. XII).

causation in the development of individuals and societies; the struggles and disappointments of half century of agitation; the steady introduction of Socialistic institutions by men who reject Socialist ideas, all incline us to give up any expectation of a final and perfect reform. We are more apt to regard the slow and often unconscious progress of the Time spirit as the only adequate cause of social progress, and to attempt rather to discover and proclaim what the future MUST be, than to form an organization of men determined to make the future what it should be (WALLAS, 1948, p. 172).



Henry George, an admirer of Herbert Spencer, was far from being a socialist, but his critique of the social problems linked to the development of capitalism marked the discussions of fin-de-siècle socialism (DE VIVO, 1987, p. 37). George's *Progress and Poverty*, published in 1879, analysed how poverty could still exist in the midst of steadily increasing wealth. Its land reform message evoked a strong response during the 1880s. The sales of his were about 100,000 copies by the end of 1883 (NEWTON, 1971, p. 179).

Starting from Ricardo's theory of land rent, George maintains that increases in society's productive ability simultaneously lower the margin of cultivation; thus, increases in production are accompanied by increases in rent. Societal progress is also accompanied by a fall in the separate relative shares remaining for labor and capital. Thus, the level of wages and of interest remains depressed (NEWTON, 1971, p. 181). He advocated the elimination of private property in land, not by taking away land titles, but by absorbing rents through taxation. In consequence, equal rights to land will be made available to all, and the evils of landlordism would be abolished.

George had a not negligible influence on the vulgarisation of economics among progressive sectors in England and even elsewhere⁵. Interestingly, like Shaw, Wicksteed was also introduced to economic science from George's work (White 2018: 6). In suggesting that the SDF should read George's book, Shaw was accused of not really knowing the workings of economics as he had not yet read 'The Capital'. Provoked by Marxist militants, Shaw read volume I of Marx's book in French in 1883⁶.

I promptly read it, and returned to announce my complete conversion by it. Immediately contempt changed to awe; for Hyndman's disciples had not read the books themselves, it being then accessible only in Deville's French version in the British Museum reading room, my daily resort. From that hour I was a speaker with a gospel, no longer an apprentice trying to master the art of public speaking (SHAW, 1949, p. 58).

By adhering to Marxism, Shaw abandoned the idea of nationalization of the land, as advocated by George and, above all, the religious moral aspect that underlies the work. However, the link that George had established between land rent and workers'

⁵ Bernard Shaw mentions the relevance that Henry George had, for example, for Tolstoy: "Between Karl Marx and the Webbs came Henry George with his *Progress and Poverty*, which converted many to Land Nationalization. It was the work of a man who had seen that the conversion of an American village to a city of millionaires was also the conversion of a place where people could live and let live in tolerable comfort to an inferno of seething poverty and misery. Tolstoy was one of his notable converts" (SHAW, 2012b, p. 519). In several letters, Tolstoy discusses the relevance of the American economist: "The service rendered by Henry George is that he has not only mastered the sophistries with which religion and science try to justify private ownership of land, and simplified the question to the uttermost, so that it is impossible not to admit the wrongfulness of landownership - unless one simply stops one's ears - but he was also the first to show how the question can be practically solved" (TOLSTOY, 2009, p. 88). For an example of how Tolstoy used Henry George's formulations at his books, we suggest Pousson's article (2021).

⁶ The second and third volumes of *Capital* did not appear in English until after Engels's death (1895) in 1907 and 1909, respectively (AMINI, 2016, p. 335).



exploitation is one of the points that Shaw kept in his formulation on capitalist economy for “of the law of rent, which is fundamental in Socialism, Marx was simply ignorant, as his footnote on Ricardo shews” (SHAW, 1949, p. 82). The relevance of the “rent” category appears developed more clearly in the “Fabian Essays”, edited by Shaw, of 1889, text that consolidates the formulations of the Fabian Society, at the end of the 19th century, on various topics such as capitalism, socialism and democracy.

Analysing his period of “conversion” to Marxism, Shaw mentions some elements that made up this current of socialism: “in 1885 we used to prate about Marx's theory of value and Lassalle's Iron Law of Wages as if it were still 1870” (SHAW, 1895, p. 15). In view of this quotation it is possible to raise the following question: if Shaw apparently shared the same theoretical foundation of Marxism as the SDF, why did he not join this group? Shaw even assumes that he applied for SDF membership, but soon gave up on the idea: “Hyndman's congregation of manual-working pseudo-Marxists could for me be only hindrances” (SHAW, 1949, p. 59). The answer to this question must be sought elsewhere than that of theoretical convergence. Shaw's main reason for joining the Fabian Society was its sociological composition: a progressive section of the British middle class. According to him.

Now the Fabian Society was nominally open to all classes; but as it met in middle class drawing rooms where a laborer would have been out of place and unbearably uncomfortable, the Society was a genuine society of equals, whose minds worked at the same speed, by the same methods, on the same common stock of acquired ideas. [...] I joined them because I knew that I could work with them and that I could not work with untrained colleagues (SHAW, 2012a, p. XVII - XVIII).

Shaw's link with the Fabians symbolized the confluence of two traditions that were sometimes opposed: the renewed utilitarianism of John Stuart Mill, of which Sidney Webb was the main heir, and the romanticism of Carlyle and John Ruskin⁷. These two theoretical sources help explain the scientific, under Mill's influence, and popular, under the influence of the Romantics, mode that the Fabians developed. As summarised by Raymond Williams (1960, p. 195): “In attaching himself to Fabianism, Shaw was, in effect, telling Carlyle and Ruskin to go to school with Bentham, telling Arnold to get together with Mill”. Shaw's interpretation of Marxism, therefore, was not marked by a revolutionary romantic foundation. As Williams points out as a basis for Shaw's politics, the feeling is rational. The hatefulness of men, his period had taught him to believe, is not final; it is merely the stamp of their incomplete evolution. The agency of this evolution is still, however, in question. Socialism which promises regeneration by the coming to power of the working class will obviously not be acceptable: the odious can hardly negotiate the noble. In one way or another, regeneration is something that will have to be done for mankind; but then by whom? Marxist revolution is merely an old-fashioned liberal romanticism. Owenite revolution, the belief that man will accept the new moral world as soon as he is clearly told about it, is also incredible. Yet, despite the facts of human continuity, the odious need not at all ‘be replaced by people like

⁷ Commenting on the importance of Sidney Webb in his political formation, Shaw states that “Without him I might have been a mere literary wisecracker, like Carlyle and Ruskin” (SHAW, 1949, p. 82).



themselves'. A revolutionary discontinuity has to be achieved in the context of a disbelief in revolutions. In the end, Shaw never got out of this dilemma, but for a time, and especially in the 'eighties and 'nineties, he went along with a particular English tradition, which culminated in Fabianism. If the existing classes were odious, there was always, in Arnold's term, the 'remnant': men moved by general feelings of humanity. If the appeals of Carlyle and Ruskin for the aristocracy to resume its functions had failed, there was always the other aristocracy, the aristocracy of intellect. Shaw, determined on socialism, chose these means of its attainment (WILLIAMS, 1960, p. 194-195).

Thus, maintaining aspects of liberalism, Shaw states that individual interest leads people to specialize in order to produce more, thus linking the functioning of the market to human nature (BEVIR, 2011, p. 157). The defense of competition is not to be confused with a naive adherence to "free trade", since the author pointed out that the state could also act in the production of goods and services. However, this action should be guided by competition, as we read in the Fabian Tract n. 2, the so-called "Fabian manifesto", written by Shaw and published in 1884: "that since Competition among producers admittedly secures to the public the most satisfactory products, the State would compete with all its might in every department of production" (SHAW, 1884, p. 2).

Disruptions in the normal functioning of a market create problems for collective welfare. The main distortion in the markets was generated, according to Shaw, by monopolies. In this way, the idea of class struggle appears updated in Shaw's Marxist period work as taking place between workers and monopolists. The origin of the exploitation of workers was found in the existence of monopolies: by destroying them, free competition would again generate benefits for all people (BEVIR, 2011, p. 159).

Shaw did indeed share a number of assumptions with classical economics, as did all the other early British Marxists and Marx himself. But Shaw did not accept George's economic theory, let alone his ethics. On the contrary, we have seen that as soon as Shaw read *Capital*, he left the land nationalizers and joined the fringes of the Marxist movement. His economic theory implied that monopolists obtained surplus value because they possessed a monopoly. Like many contemporary Marxists, his only important ethical claim was that this state of affairs was wrong because people should get the value they themselves create.

Shaw's Marxism superseded his Georgism. His economic theory was that of contemporary British Marxists, and it coincided with that of George only where theirs did so. His ethics similarly echoed ideas common among contemporary Marxists. He had no time for the overt Christianity of George. On the contrary, Shaw relied on a labor theory of value with its implicit idea that people should get the fruits of their own labor. He presented socialism as an economic theory rooted in assumptions about self-interested behavior, competition, and the market (BEVIR, 2011, p. 157).

Having not pursued higher education, Shaw's education came through participation in debating societies (GIBBS, 2001, p. 41). One of these, devoted mainly to debating economics, was the Hampstead Historic Club, initially known as the Karl Marx Club, set



up by Charlotte Wilson, an anarchist activist who was part of the Fabian Society⁸. The meetings attracted mainly Fabians at first. Sidney Webb, one of the main names of this current, attended the first meetings of the Club, in which the first chapter of "Capital" was discussed, and soon sent letters to Shaw suggesting that the group should devote themselves to reading some other work such as "the gospel of David Ricardo" (HARRISSON, 2000, p. 28)⁹. Having done higher studies in German, Sidney began, together with Bernard Shaw, in 1885, to read volume 2 of "Capital". According to Harrison (2000, p. 29): "While Shaw still hoped to convert Sidney to Marx, Sidney hoped to convert Marx into a means of teaching Shaw some German. They read two pages in two hours, Sidney accompanying each word with a philosophical dissertation". Over time, discussions began to take place at the home of Henry Beeton, a stock market investor. From this moment on, the Hampstead Historic Club became known as the Economic Circle and its meetings were attended by other economists such as Alfred Marshall.

In the Economic Circle, Shaw met Philip Wicksteed, a character we will analyze in more detail in the next section. Having come within the scope of William Stanley Jevons' formulations, Wicksteed was instrumental in Shaw's distancing himself from Marxism. The polemics between the two in the pages of the Social-Democratic newspaper Today in 1884 and 1885 was an important milestone for Shaw, who ended up abandoning the labour theory of value and adopting the Jevonian theory of utility value.

2. Philip Wicksteed: in search of the bond between religion and economics

In an article published in 1930 in honour of Philip Wicksteed, Lionel Robbins claimed that the Unitarian Shepherd's reputation among professional economists had always been high¹⁰. Today, more than ninety years later, Wicksteed's name is, however, hardly remembered in the pantheon of English economists. Robbins continues his analysis by asserting Wicksteed's link with William Stanley Jevons. Handling the copy of the second edition of "Theory of Political Economy" that had belonged to the Pastor, Robbins mentions that "on almost every page show how profoundly and how extensively he had meditated on its doctrines" (ROBBINS, 1933, p. 86).

Two aspects of Robbins' text do not fail to draw attention. The first is its title: "The Economic Works of Philip Wicksteed". Secondly, the first sentence of the article, which

⁸For a rescue of elements of Wilson's life and work, we suggest the article by Hinely (2011).

⁹ Many years later, Bernard Shaw, probably referring to their critique of the revolutionary formulations of the Marxists, wrote that the couple Sidney and Beatrice Webb had "[...] cured Fabianism of the romantic amateurism which had rendered the older socialist agitations insignificant and ridiculous, and contributed most of the practical proposals of the Fabian Society to the solution of pressing problems" (SHAW, 2012b, p. 465).

¹⁰The article had been requested by Charles Harold Herford, Professor of English Literature at the University of Manchester, to compose the biography of Wicksteed, of which the Unitarian Pastor's family had commissioned him in 1927. In an intellectual biography of Robbins, there is an indication that Wicksteed's family was quite pleased with the text (HOWSON, 2011, p. 173).



appears almost as a corollary of the title: "to the general public, it is probable that Wicksteed is known chiefly for his work as a classical and mediaeval scholar" (ROBBINS, 1933, p. 86). Robbins' analysis moves in the direction of compartmentalizing Wicksteed's economic thought from other areas of his life and theoretical reflection.

In 1923, during his third year of economics graduation at the London School of Economics (LSE), Robbins had read "Common Sense of Political Economy", initially published in 1910. According to notes in his study notebook, the author comments that, in this text. There are certain chapters in it from which I feel I have learnt as much as from any other chapters in the whole of economic literature. I shall never forget the thrill with which as a student I first read the masterly chapter on the universal applicability of the rent analysis (HOWSON, 2011, p. 98).

The LSE bachelor's degree in economics had been established in 1901, two years before the Economics Tripos at Cambridge (HOWSON, 2011, p. 69). Although it did not come close to the current format of economics teaching, it was an important step in shaping it. Robbins' systematic training in economic theory had, therefore, very little to do with Wicksteed's self-taught learning. Lionel Robbins was an economist, whereas Wicksteed combined his study of economics with a myriad of other intellectual pursuits. The years separating the intellectual training of each of them demarcates an important difference in the link they established with economics. For Robbins, economics was his object of study and training, while, for Wicksteed, it was one of several subjects of intellectual interest¹¹.

In organizing Wicksteed's selected work in the 1990s, Ian Steedman proposed another approach: "Wicksteed never made a sharp distinction between economic and other aspects of life; on the contrary, he was very insistent that no distinction could be adequately made" (STEEDMAN, 1999, p. X). In analysing the texts that the Unitarian Church pastor published in the Unitarian-linked newspaper "The Inquirer", Steedman hypothesises that, if we bear in mind throughout the interrelatedness of the spiritual and the material, the idea of "the kingdom of God on earth" and that of a "religion of humanity," this may help us to understand the detailed interconnections between Wicksteed's religious and economic thinking (STEEDMAN, 1994, p. 81).

Picking up Mark Bevir's proposed classification of the different groups in British socialism, Wicksteed can be seen as close to so-called 'ethical socialism'. His protégé, John Trevor, was the founder in 1891 of the Labour Church, with which he collaborated heavily until 1900 (STEEDMAN, 1994, p. 78-79).

¹¹ "It was during his twenty-three years in London that Wicksteed became heavily involved in the new University Extension movement - although he never held a university post. Between 1887 and 1918 he gave nearly three hundred Extension courses under the auspices of Cambridge, London manchester and Oxford Universities, ranging as far afield as Canterbury, Exeter, Southport and Newcastle. The subject matter ranged equally widely, including Greek Drama, Aristotle, Dante, Wordsworth, economics and sociology [...] It was perhaps as a lecturer on Dante that Wicksteed was best known, his lectures being appreciated by newcomers and by the already knowledgeable" (STEEDMAN, 1999, p. VI).



As with George Bernard Shaw, Wicksteed's first contact with economics was through Henry George's *Progress and Poverty* in 1882. The economic aspect, however, was not the only aspect of George's work that caught Wicksteed's attention: its religious foundation was also relevant in securing the Unitarian Pastor's initial sympathy. According to Bryson (2011): It was this religious conviction that provided his great concern about the poverty of his fellowmen in an economic system that generated progress. He pursued his writings with a commitment and perhaps even a zeal, products of his belief that God had called him, as it were, to reveal fundamental economic truths to his fellowmen. [...] George seems to have sensed that he was a part of the Lord's plan to bring harmony and justice to the social order (27-28).

Wicksteed was extremely enthusiastic, explaining that *Progress and Poverty* made a "new heaven and a new earth" for him; and he vowed to join the "new crusade". He explained that he had long sensed a fundamental fallacy in classical economics, and that George had crystallized his thinking for him, particularly by pointing out that capital does not put labor to work (NEWTON, 1971, p. 184). At the time, Wicksteed was also an advocate of George's proposals for the nationalisation of land.

If, on the one hand, the work of the American economist caught Wicksteed's attention, on the other, it made his ignorance of economics explicit. Thus, Wicksteed felt the need to broaden his studies in Political Economy. Michael White mapped out various correspondences sent by the Unitarian Pastor to professors of Economics at some English universities, in which he requests suggestions for texts on the subject. Through Herbet Foxwell, the Cambridge economist who was also professor of political economy at University College London, Wicksteed came to know the work of William Stanley Jevons, to whose vision of economic science he eventually became linked (WHITE, 2018, p. 10, FLATAU, 2004, p. 70).

Although he was a progressive pastor and kept close to socialism, he pointed out his differences with Marxist groups, especially the SDF. Having read the first volume of "Capital", Wicksteed decided to publish, in 1884, a critical review of Marx's work in the "To-day" newspaper linked to the Marxists. This is the first of his texts dealing with more directly economic aspects. The core of the critique was the inconsistencies of Marx's labour theory of value and the correctness of Jevons's theory.

3. The scientific critique of “scientific socialism”

The spread of Marxism in England was particularly slow. It is noteworthy that it took so long to publish an English translation of *Capital*. The "To-day" magazine began to publish in April 1883 a series of translations of chapters X and XXIII and of volume I of Marx's work. Only in October 1885 were the first ten chapters of that volume translated directly from German, marking the beginning of the most systematic effort to translate Marx into English.

Although they were of similar length and were published at close intervals, *Capital* did not receive the same reception from the English public as Henry George's *Progress and*



Poverty. Moreover, no major English economist of the period ever wrote a detailed and systematic review of the work. The criticism by Philip Wicksteed, John Rae and Robert Flint only analyzes points in Marx's work, which was not subjected to a detailed analysis as was usually the case with the works of, for example, John Stuart Mill, William Stanley Jevons and Alfred Marshall. Thus it fell to authors from other areas of knowledge, such as the biologist T. H. Huxley and the mathematician and philosopher Bertrand Russell, to begin the revision of the texts by Marx that had just been translated and published in England.

Wicksteed's review, published in October 1884 in the *To-day* magazine, and the polemic it generated with George Bernard Shaw indicate the cold reception with which Marx's work was received by the English. At that time, these were two little-known authors in the field of economics who were venturing for the first time into a discussion on the subject. Nevertheless, it is a polemic relevant to the future of English Marxism. As Willis points out: Even though debate over Marxist thought was waged throughout the latter half of the century, it was most heated in the final two decades and may properly be said to have been completed by 1900. To be sure, discussion continued well into this century, but the fate of Marxist thought in Britain had been determined by the end of the nineteenth century (WILLIS, 1977, p. 419).

Wicksteed's "Das Kapital: a criticism" polemical character is made explicit from the opening of the text, in which Wicksteed states that: "The sense of obligation will be more than doubled if any student of Marx should think my criticisms deserving of a reply" (WICKSTEED, 1933, p. 705). It was written with sympathy and courtesy, and with full appreciation of "that great work", "that remarkable section" in which Marx discusses value, "that great logician" and even of the "contributions of extreme importance" which Wicksteed believed Marx to have made in the latter part of volume I (HOBSBAWM, 1967, p. 293).

The author's analysis focuses on two main points: how the value of a commodity is determined and whether labour power would have its value determined like that of any other commodity. As to the first question, the depth of Wicksteed's philosophical analysis is perceptible as he follows Marx's argumentation on the question of value. For the German thinker, before getting to the quantitative scope of exchange relations, it was necessary to understand what qualitative aspect in common would allow the equivalence of commodities. As is well known, for Marx the qualitative aspect in common, which makes it possible to compare commodities, is the labour time contained in them.

However, by describing the functioning of commodity production in this way, Marx implicitly assumes that labour can only count in the economy if, first of all, it is useful. This is a theoretical deviation barely perceptible in the opening pages of "Capital", but one that completely alters the outcome of his formulations (WICKSTEED, 1933, p. 712). The important question posed by Wicksteed is "what if the commodity is not useful?" What good is all the speculation about abstract labour time if the commodity does not satisfy a human desire? In this way, the author inverts Marx's proposition: the qualitative aspect in common to all commodities is what he calls "abstract utility." Wicksteed



exemplifies this concept with a case of equivalence between Bibles and brandy: If I am willing to give the same sum of money for a family Bible and for a dozen of brandy, it is because I have reduced the respective satisfactions their possession will afford me to a common measure, and have found them equivalent. In economic phrase, the two things have equal abstract utility for me. In popular (and highly significant) phrase, each of the two things is worth as much to me as the other (WICKSTEED, 1933, p. 713).

The other issue is the determination of the value of labour power. For Wicksteed, the claim that this value is maintained at the subsistence level, as postulated by classical economics and reproduced by Marx, is based on the asymmetry of power between capitalists and workers. The development of labour-saving capitalism would cause an intensification of competition between the working class, keeping the wage at the subsistence level of the labour force.

Wicksteed points out an inconsistency in Marx's formulation. The value of labour power is independent of the relationship between capitalists and workers. The Unitarian Shepherd even admits the hypothesis that value may coincide with the cost of labour power, however "[...] that coincidence depended on labour being 'freely directed' to move between the production of different commodities until equilibrium was reached" (WHITE, 2018, p. 26). This eventual coincidence does not occur because value converges with labor time, but because labor will be allocated to produce the quantities of goods that generate marginal utilities that, at some point, may coincide with the cost of labor. Note that the free mobility of labor and capital is an important aspect for the coincidence of the results obtained by Marx's and Jevons' formulations.

As a corollary to this conclusion, Wicksteed indicates that only in a slave economy, in which labor power would be a commodity produced like any other, would it be possible to make this approximation between the cost of labor power and its value. In this way, Wicksteed would have invalidated not only the theory of classical economics, of which Marx is a tributary, that the value of labor power is equivalent to its subsistence, but also the idea that it would be possible to extract a surplus from labor power, the so-called "surplus value".

On these two points, it is less a criticism of Marx's work than an attempt to establish the validity of the theory of utility value. By evoking the possibility that the practical outcome of both formulations coincide, he ends up hypothesising that there would not be an inconsistency between the two theories. The question would arise, above all, at the level of generality that each of them could explain. In being able to explain the production and exchange even of non-reproducible goods, Jevonian marginalism would be broader than the labour theory of value as developed from Ricardo to Marx, which only applied to reproducible goods¹².

¹² In fact, the limits of the labour theory of value are a question that plagued, for example, David Ricardo who in the first lines of his "On The Principles of Political Economy and Taxation" already argued that: "Possessing utility, commodities derive their exchangeable value from two sources: from their scarcity, and from the quantity of labour required to obtain them. There are some commodities, the value of which is determined by their scarcity alone. No labour can increase the quantity of such goods, and therefore their value cannot be lowered by an increased supply. Some



Taking the example of Bibles and brnady, Wicksteed asserts that in addition to these evidently reproducible goods, marginalist economics could also be applied to others that existed in “strictly limited in quantity, like the ‘Raphaels,’ one of which has just been purchased for the nation” (WICKSTEED, 1933, p. 714).

Wicksteed then develops an analysis that should “immortalise the name of Stanley Jevons”. The author gives the example of a watch manufacturer that adopts an innovation that allows it to reduce by 25% the working time previously required. If a watch previously took 12 days to produce, it will now be made in 9. In his formulation, the value of the watch will not change, since its utility does not change with productive transformations. The new watches, however, will have less value because, maintaining the same work day, there will be a 25% increase in the supply of watches. Thus, “[i]f they are all to be bought (or indeed used) they must, some of them, be bought (or used) by persons to whom (in comparison with other things) they are less useful than the watches formerly sold were to their purchasers” (WICKSTEED, 1933, p. 719). If previously, the watch was bought for, say, £10, after the increase in supply, it will sell for £9. In this way, for Wicksteed, the reduction in the value of clocks, and in their price, is explained not because there has been a reduction in the labour required, “[...] but because the recent increments have been less useful, and by the ‘law of indifference’¹³ the utility of the last increment determines the value of the whole” (WICKSTEED, 1933, p. 720).

Although, as Eric Hobsbawm indicates, few criticisms have been more effective on Marx's work, Wicksteed's comments also lack theoretical problems, even with regard to his interpretation of Jevons (HOBBSAWM, 1967, p. 292). On the validity of marginalism for irreproducible goods, contrary to Wicksteed's claim, in TPE, Jevons expresses the limits of his formulations for this type of good. As White indicates: “[...] the problem with irreproducibles was that they were simultaneously indivisible and heterogeneous because unique. In discussing indivisibility, Jevons turned to the “much more difficult problem” of exchange, between two transactors, of an indivisible commodity for a divisible one, such as money (WHITE, 2018, p. 24).

Marx's formulations on the determination of wages are not correctly represented by Wicksteed. This is the case, for example, with his comment linking the extraction of surplus from labour to the wage being at its subsistence level. Above all, Wicksteed ignored Marx's formulation that the basket of goods that make up the subsistence of

rare statues and pictures, scarce books and coins, wines of a peculiar quality, which can be made only from grapes grown on a particular soil, of which there is a very limited quantity, are all of this description. Their value is wholly independent of the quantity of labour originally necessary to produce them, and varies with the varying wealth and inclinations of those who are desirous to possess them. These commodities, however, form a very small part of the mass of commodities daily exchanged in the market. By far the greatest part of those goods which are the objects of desire, are procured by labour, and they may be multiplied, not in one country alone, but in many, almost without any assignable limit, if we are disposed to bestow the labour necessary to obtain them.” (RICARDO, 1911, p. 5).

¹³The law of indifference was enunciated by William Stanley Jevons in *Theory of Political Economy*: “[...] in the same open market, at a given time, there cannot be two prices for the same kind of article” (JEVONS, 1911, p. 91).



labour power is historically and morally conditioned (MARX, 1982, p. 275). As White indicates:

[...] to derive his specific argument that Marx had made a logical blunder, Wicksteed assumed that the value of labour-force should be explained, like that of any other commodity, in marginalist terms. That simply dismissed, without any acknowledgement, the non-marginalist terms of Marx's analysis, thereby erasing the complexity and analytical lineage of his discussion. It also erased Marx's clear statement that, whereas the (exchange) value of labour power in a long period was explained in terms of labour embodied, the bundle of commodities that made up a minimum "subsistence" were historically conditioned. By contrast with "other commodities, the determination of the value of labour-power contains a historical and moral element" (Marx 1990, 275). The general point about "a historical and moral element" was, of course, hardly new, as Marx's own references indicate. But, Wicksteed's critique conflated the explanation for the value of labour-power with the explanation of the commodity bundle whose value had to be determined. The argument was thus constructed wholly within the terms of Wicksteed's marginalist framework, erroneously attributing an important assumption to Capital (WHITE, 2018, p. 26-27).

One point where Wicksteed's critique proved to be right is the question of the common substance of commodities. This is, in fact, an obvious weakness in Marx's analysis, which, as Wicksteed has rightly noted, ended up implicitly assuming that such common substance is utility. It is relevant, however, to mention that after setting out this set of comments on Marx's work, Wicksteed does not shy away from noting, unlike most bourgeois critics, that "In latter part of the published volume Marx appears to me to have made contributions of extreme importance to the solution of the great problem" (WICKSTEED, 1933, p. 724).

4. Shaw's rebuttal

The publication of Wicksteed's criticism in a socialist newspaper created some embarrassment in the socialist movement. The response to Wicksteed's criticism was late in being formulated. The self-styled "Marxists" were expected to respond to the text, which would fall mainly to Henry Mayers Hyndman, editor of the magazine "To-Day". As White points out:

Although Engels had attributed the publication of Wicksteed's critique to Hyndman's "direction" of To-Day, Hyndman apparently had less control over the contents of the magazine. A note in Justice, the "organ" of the SDF edited by Hyndman, mockingly referred to "the generosity of Socialist editors" in publishing Wicksteed, commenting that "the late Stanley Jevons is a queer champion indeed for the Rev. P.H. Wicksteed to set up against such a thinker as Karl Marx." A further note on the following month's issue of To-Day praised the contents but asked: "Why is not Mr. Wicksteed's weak article answered?" (WHITE, 2018, p. 29).



Finally, the answer fell to Bernard Shaw, in his "Marxist" phase¹⁴. We have already seen, however, the particularities of what Shaw called Marxism. It is important to note, by way of factual accuracy, a letter sent by the author to the Social-Democratic newspaper "Justice" in March 1884, that is, before the publication of Wicksteed's text, entitled "Who's the thief?"¹⁵, in which he raises doubts about the validity of the labour theory of value. According to Shaw:

I need hardly point out the preposterous absurdity of a theory which assumes that the labourer is helplessly dependent on the capitalist in the face of the axiom that labour is the source of all wealth, an axiom which no political economist has ever denied, and which Marx himself insisted on as the foundation of Socialism.

In focusing its attention on the dependence of the working class on the bourgeoisie, Marxism ignored that the bourgeoisie was also dependent on the working class to guarantee the production of commodities. Thus one could not speak of a political asymmetry between the two social groups in favour of the elites. Both groups collaborated for the functioning of the economy, only assuming distinct roles, which did not necessarily involve a hierarchization between them.

Shaw describes a model in which competition between capitalists by means of price reduction leads to a reduction in profits, but generates an increase in consumer welfare, by allowing the cheapening of consumption. Faced with this socially positive result, how could one say that capitalists were thieves? In reality, the great thieves would be the buyers. Shaw continues his questioning: But who are the buyers? Editors of Justice, we are the buyers, we and our parents, our sisters and brothers, our wives and children. Do these dear ones commit theft whenever they enter a shop? Do you dare to assert that the many men of whose probity England is justly proud are systematic thieves? For this is what your theory of surplus value comes to.

¹⁴ Many years later, Shaw described the context in which he agreed to write the reply to Wicksteed: "When the controversy arose, I, a helpless novice in economics, was thrust upon the Jevonian bayonets with no better defence than my mother wit and such literary adroitness as I had picked up professionally. I protested that I knew nothing about it, and that Hyndman, who was then at the head of the Socialist movement in London, was the proper person to undertake it. For he, professing himself an adept at the differential calculus, heaped scorn on Jevons' equations (which were perfectly unintelligible to me) and denounced him as a silly person who had announced the speedy exhaustion of our coal supply and referred commercial crises to the action of the sunspots. Clearly the hour and the man had come; and the man was Hyndman. But no: he would not waste time in squelching the presumptuous insect Wicksteed; and finally R. P. B. Frost, then one of the proprietors of this magazine, assured me as we stood among the tombs within the consecrated precinct of St. Paul's Cathedral, that if I did not do it he (Frost) must do it himself. The threat prevailed; and I undertook to write 'a comment' on Wicksteed's article on condition that he was to be offered fair space for a rejoinder if he survived to make one. All of which, including the survival of Wicksteed in robust health, came to pass in due course". Excerpted from: <https://www.marxists.org/history/international/social-democracy/today/1889/05/gbs-value-theory.htm>. Viewed on 12/03/2023.

¹⁵ All quotations relating to this text have been taken, unless expressly mentioned, from the website: <https://www.marxists.org/subject/economy/authors/fabians/earlyenglishvalue/gbs-justice-18840315.htm>



Explaining his economic basis, taxed from classical economics, the author concludes that the result of free competition is positive for society as a whole. The cheapening of goods could even contribute to the cultural elevation of the worker, "a few pence he can taste the delights of Shakespeare's page, and unlock the treasures of our noble literature". Therefore, nothing would be more unjust than to link this cheapening to the theft of part of the value that should be paid to workers, being the consumers, ultimately, the worst thieves, whose pressure to increase their consumption with lower price, end up generating the mechanism called "exploitation".

In September 1884, already as a member of the recently created Fabian Society, Shaw published the Society's Manifesto, in which the influence that classical political economy had in the formulation of his economic thought can be seen. As we have already mentioned, the defense of free competition, as an element that generates collective benefits, is reiterated several times throughout the text. In the following month, Shaw began attending the Hampstead Historic Club, where he was able to deepen his readings on economic science and discuss with important economists of the period. It was also in October that Wicksteed's text was published in *To-day* magazine.

Shaw's reply to Wicksteed's article was published in January 1885. It is important to quote Shaw's appreciation of the character of the Unitarian Pastor's text: "The October number of 'To-day' is memorable for containing an attack by a Socialist on the theory of value held by the late Karl Marx" (SHAW, 1933, p. 724). Being a Socialist, Wicksteed's "attack" on the theory of value as developed by Marx in "Capital" would be less an attempt to delegitimize the work of the German thinker, but a repair carried out in the light of scientific advances, such as the theory of utility value. In this way, Shaw recovers the ironic character of his text "Who's the thief", which has as its object less Karl Marx than the Marxists. The latter, according to Shaw,

[...] often dogmatize intolerably on the subject of what Marx taught, or what they suppose him to have taught, on the subject of value; and Mr. Wicksteed, being a sworn enemy of dogma, has in my opinion acted wisely as well as written ably in leading the assault which must have been made sooner or later upon the economic citadel of Collectivism (SHAW, 1933, p. 724).

In this way, he does not set out to 'defend' Karl Marx, but because he believes that the question of the theory of value is a subject on which socialists would sooner or later have to dwell and to express their questions about the theory of utility value (SHAW, 1933, p. 725). Before even going into the analysis of Wicksteed's content, Shaw makes a brief consideration of the methodological aspect of the theory of utility value, which is relevant of the transformations that occurred in economic science, in its long transition from Political Economy to Economics: "Even were I economist enough to do that myself, I am not mathematician enough to confute Mr. Wicksteed by the Jevonian method. I somewhat mistrust mathematical symbols" (SHAW, 1933, p. 725). Although we are not yet in the field of economics, the impacts of the marginalist revolution on economic theory can already be noted, especially at the methodological level: "the successful penetration of mathematical discourse into theory" (MIROWSKI, 1984, p. 362). Without



the full mastery of the infinitesimal calculus, Shaw feels obliged to justify his limits in the treatment of the economic questions raised by Wicksteed.

Shaw begins his argument by analyzing aspects of the theory of exchange, in particular, the "law of indifference" and the "law of variation of utility". The author develops the example of a hungry person, who, as he feeds himself, reduces the utility of each new forkful. If the law of indifference were completely applicable to this case, Shaw argues [...] the last mouthful of beef costs just as much as the first. Consequently the man has not to pay more for the first mouthful than for the twentieth, though it is infinitely more useful to him, nor, when he has eaten so much that he can eat no more, could he buy another mouthful more cheaply than the first, useless as the beef has become to him. Once satiated, the utility of an additional forkful will be zero. At this point, consumption ceases. After a few hours, the subject of the example will feel hungry again, making that piece of food, until then useless, useful again. In the words of Shaw: "In that space Nature produces 'negative utilities' in the form of appetite - the universal discommodity" (SHAW, 1933, p. 727). Faced with this change in the appreciation of the consumption of steak, Shaw wonders whether the exchange value of food changes.

By no means: it will rise to the cost of catching, killing, and cooking a cow: not a farthing higher. If a man demand a greater price from another, obviously that other will, in the last resort, catch, kill and cook for himself, and so save the excess demanded from him. If the labour necessary to produce the beef be halved or doubled, neither the mass nor the final degree of utility in the beef will be altered one jot; and yet the value will be halved or doubled. Evidently, then, the utility does not determine the value (SHAW, 1933, p. 727).

Thus Shaw reaffirms Marx's labour theory of value. Shaw's formulation, however, is noticeably marked by inaccuracies. As we shall see later on, in this example Shaw confuses diminishing marginal utility, linked to the behaviour of the individual consumer, with the law of indifference, which concerns the pricing of a given commodity in a market. The inaccuracy reappears when Shaw compares the utility that a thirsty person in the Sahara desert would have by drinking a glass of water with that of another person standing next to a natural water well. For him, the utility would be exactly the same, even if the prices that each of them would be willing to pay were different. It is clear that the author does not take into account in his explanation scarcity as a central parameter of the theory of utility value (SHAW, 1933, p. 727).

Shaw's perception of the theory of utility value is marked by a moral appreciation of its possible harmful social consequences. How precisely could one discover the marginal utility of a good? Without an objective means of doing so, Wicksteed's formulation, based on Jevons, "directly illustrates the ordinary economist's habit of regarding the value of a thing as the maximum of blackmail which its possessor can extort from the person who desires to consume it" (SHAW, 1933, p. 727).

Taking the example that Wicksteed presents several times in his article, about the consumption of bibles and alcoholic beverages, Shaw refutes the argument that it would



be possible to reduce the two elements to a common denominator of exchange, in the case of Wicksteed's example, a bible for twelve doses of alcohol. For the author: This may be so; but it does not at all follow that Mr. Wicksteed will find Bibles and brandy exchanging in that ratio. The price of neither would be raised or lowered by one farthing if Mr. Wicksteed suddenly got tired of the Bible and became a dipsomaniac. [...] But as the rain falls alike on the just and the unjust, so is the price of Bibles and brandy the same to Mr. Wicksteed and his neighbours, though the utility differs in each of their cases (SHAW, 1933, p. 728).

Another example of Wicksteed taken up in Shaw's reply is that of the manufacture of watches. In the latter's explanation, the fact that the watch is worth £15 does not mean that this will be the amount paid. The final price may be £5. Should the price rise beyond £15, the consumer will not buy it, but that does not mean that the utility of the product has fallen to zero. According to Shaw: It simply means that though the utility remains the same, he will not be able to afford the price, or will think that he might spend fifteen guineas to better advantage on a writing-table than on a watch. The comparison of utility which he has made between them does not change the value of either (SHAW, 1933, p. 729).

At this moment, utility appears as a constant in the consumer's analysis. The change of parameters, such as the increase in supply and the consequent fall in price, are independent elements of utility and do not influence it.

In his short rejoinder, published in April 1885, Wicksteed made brief comments on Shaw's text, in particular on the points where the theatrist reinforces the link between value and the quantity of labour, without, however, explaining it¹⁶. However, his argument basically repeats that which had already been set out in his first article of October 1884. What is most interesting is the comment on Jevons' mathematical method. Wicksteed shares the idea that the mathematical method is the most correct one to express "the truth" about economic theory, whereas the literary exposition of facts "enables a clever man to follow equally fallacious arguments to equally absurd conclusions without seeing that they are absurd" (WICKSTEED, 1933, p. 733).

The question of the theory of value was even discussed face-to-face by Shaw and Wicksteed at one of the meetings of the "Economic Circle", probably occurring in April 1885. Wicksteed and Shaw continued to hold each other in high regard in later years, and when Shaw released his "Common Sense of Municipal Trading" in 1904, he sent Wicksteed a copy inscribed "To my father in economics" (GIBBS, 2001, p. 43).

¹⁶ "I am quite at a loss to know what Mr. Shaw means by saying that 'If the labour necessary to produce the beef be halved or doubled, neither the mass nor the final degree of utility in the beef will be altered one jot; and yet the value will be halved or doubled.' Unless and until both the total and the final utilities are altered the exchange value will remain exactly the same. It is only by producing more beef, and thus at the same time increasing its total and lowering its final utility, that the increased facilities of beef-making can produce any effect on the price whatever" (WICKSTEED, 1933, p. 731).



Conclusion

The polemic on the theory of value between Bernard Shaw and Wicksteed, led by two authors who had recently entered the economic debate, did not go so far as to develop problems with Karl Marx's economic formulations. However, it does provide elements for understanding the transformations that have taken place in the scope of economic science since the end of the 19th century.

Firstly, one can see that Shaw's argumentation fits within the popular model of economics that we described in the introduction of this paper. While Wicksteed's text uses several of Karl Marx's concepts in German, Shaw's short answer is filled with examples and illustrations that are quick to understand and appeal to moral aspects, as when he analyses the determination of the value of a piece of meat for a hungry person. However, Shaw cannot simply ignore more refined elements of Wicksteed's argument. This brings us to the second aspect that the polemic reveals of economic science: the scientific model gains in relevance and the popular model begins to respond increasingly to parameters dictated by the former. This is particularly the case with the quantitative foundation of marginalism. Shaw needs to justify himself for not developing an analysis based on the infinitesimal calculation, as marginalist economics did. Even if the main objective of popular economics was to disseminate analysis to a wider public and that, therefore, theoretical methodological rigor was not fundamental for this, it was no longer possible to simply ignore this methodological difference between the two models (SHAW, 1933, p. 725).

From the point of view of the content of the polemic, Shaw's text does not represent a coherent response to Wicksteed's poorly worded critique. A few weeks after the publication of Shaw's response, the social democratic newspaper Justice, published an editorial stating.

We are not satisfied with Mr. Shaw's answer to Mr. Wicksteed; it seems to us that Mr. Jevons' metaphysical vagaries filtered through Mr. Wicksteed should have been met with a plain statement of the economic theory worked out by Marx. Surely this is necessary if a naturally clever man like Mr. Wicksteed can thus miss the whole point of Marx's exposition (WHITE, 2018, p. 20).

The fact that Shaw concentrated on an internal critique of Wicksteed's comments without making broader reference to the contents of Capital did not please Marxists and, in particular, the editor of Justice, Hyndman. In April 1889, when Hyndman decided to write a synthesis of Marx's theory of value, simply no mention is made of Wicksteed's critique¹⁷.

The main response to this text was a retort by Shaw, already converted to marginalism, stating that "he does not understand, never has understood and probably never will understand either Marx's or Jevons' theory of value". At the end of the whole affair, as

¹⁷ Excerpted from: <https://www.marxists.org/history/international/social-democracy/today/1889/04/hyndman.htm>. Viewed on 02/04/2023.



De Vivo points out, "the result was that the Marxists seemed totally unable to defend themselves, and Jevons' theory got the better of them" (DE VIVO, 1987, p. 43). Or again, as Hobsbawm states: "Wicksteed's article did more to create the mistaken feeling among socialists that Marx's theory of value was somehow irrelevant to the economic justification of socialism than the emotional diatribes of Foxwell or Flint" (HOBSBAWM, 1967, p. 293).

There is, however, a relevant issue in Shaw's response that deserves a separate comment. At the end of his text, Shaw indicates that Jevons may have contributed to socialist planning "when he turned away from economics and into psychology, and that the comparative utilities of things are of far greater importance to the community than their exchange ratio, to which our social system has given a factitious importance" (SHAW, 1933, p. 730). Socialist administration could find in the Jevonian system a way to plan the economy, preserving "the catalactic atomicity of markets by adjusting supply to demand" (SHAW, 1933, p. 730). Was Shaw giving a wink to a further rapprochement of socialists with Jevons and marginalism?

The answer is probably yes, and this can be seen in the radical theoretical shift in Shaw's thinking. A few weeks after the publication of the translation of the first volume of "Capital" in English, in 1887, Shaw published a set of three articles reviewing the work of Karl Marx in which he adheres to Wicksteed's marginalism. Although the brief polemic between the two thinkers newly integrated into economic science did not go beyond a superficial discussion on the theory of value, it undoubtedly converted Shaw from Marxism to marginalism (STEEDMAN, 1999, p.viii).

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