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Fabians, guild socialists and 'democracies of producers': participation and self-government in the social theories of the Webbs and their successors

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According to Eric Hobsbawm, the best book ever written on the British trade unions was Sidney and Beatrice Webb's *Industrial Democracy*.[1] Appearing in 1897, the volume stands together with the same authors' *History of Trade Unionism*, published three years earlier, as the first attempt on such a scale to provide at once a theory and a comprehensive narrative of the world's oldest movement of organised labour. The Webbs were prolific authors, but ones with wide-ranging interests, and there were to be no further excursions of such scope into the character and legitimate expectations of the worker in industry. Theirs was nevertheless an abiding concern with what came to be referred to as the control of industry, and from the founding constitution of the Labour Party to their vast apologia for Stalin's Russia its traces can be found throughout their work. With careers that spanned from the 1880s to the 1940s, the Webbs invite reflection both as social theorists of some substance and as one of the key intellectual influences contributing to the conceptions of industrial democracy that came to prevail within the British labour movement.

In some ways these conceptions were distinctive, at least in respect of the dominant traditions of European social democracy. *Industrial Democracy* may be located within the golden age of European marxism – the phrase is Leszek Kolakowski's – and the Webbs themselves were regarded within it as figures of international standing. Famously it was the exiled Lenin who with his comrade and co-worker Krupskaya worked on the Russian translation of *Industrial Democracy*. In Germany, where the translation of their *History of Trade Unionism* appeared just a year after its publication in English, it carried an afterword

by the leading revisionist marxist Eduard Bernstein. Russian or German readers would certainly have found in these writings what Hobsbawm called 'an entire theory of democracy, the state and the transition to socialism'. What they would not have found is any engagement with the marxist social theory that from Lenin to Bernstein was otherwise such a prevalent point of reference. Nor indeed would they have found any exposition of industrial democracy such as they might have encountered in earlier socialist writers like Proudhon, who first gave currency to the term. What the Webbs produced was a doctrine of producer interests which on the one hand were limited and subordinate but which on the other hand demanded independence of the state and any other political agency, and would continue to do so even under a socialist order of society. According to the Webbs' own account, it was because of this assumption of an inalienable role for trade unions that there was opposition among German social democrats to their trade union history being translated.[2]

Though Bernstein was perhaps an anomalous case, Fabian theory did not on the whole travel well. Even within Britain, the Webbs excited strong feelings, and as often as not they had as many detractors as admirers. Nevertheleess they did for the better part of a century provide a key point of reference for debates around industrial democracy in a British context. Moreover, through the Fabian Society, with which they were for a time almost synonymous, there is clearly discernible an intellectual-cum-institutional lineage within which both admirers and detractors can be located. Predating the Labour Party by some sixteen years, the Fabian Society was (and remains) an organisation of middle-class socialists which neither sought nor obtained a wider recruitment but which did, in this field and in many others, contribute enormously to the doctrine, ethos and language of the wider labour movement. This was also, in part, a mark of the Fabians' own responsiveness to wider currents of opinion; and it is difficult now to say how far the Webbs influenced the later developments, and how far, as their biographer suggests, they were merely uniquely prescient in anticipating

them.[3] What is nevertheless traceable through these debates is an instinct and almost a dogma of voluntarism which engendered a persistent wariness of any such forms of workplace consultation or participation as seemed to compromise or bypass the monopolising of these functions by independent trade unions. This, in other words, was industrial democracy as collective bargaining; and while dominant in this British context, it also came under repeated challenge from those espousing a grassroots movement for workers' control that would be rooted in the workplace.

Commentators on these movements have identified three 'major periods of industrial democracy' broadly corresponding to the militant upsurge of 1910-21, the debates around public ownership and control in the 1940s, and the reappearance of an organised lobby for workers' control from the mid-1960s.[4] The overview that follows will be structured around these phases, and in particular the first of them, which Anthony Wright has described as a high-water mark of debate around such issues in a British context.[5] Especially in the first and third of these phases, as we shall see, the Webbs and Webbian argument were to provide one of the principal targets of younger radicals inspired by movements challenging the frontiers of control and ranging from syndicalism in France to self-management in Tito's Yugoslavia. Nevertheless, one should not overlook that there had also, at least potentially, been an earlier phase of industrial democracy stimulated by the new mass trade unionism heralded by the London dock strike of 1889. This was the moment of the Webbs' *Industrial Democracy*; and it is with this phase that we should begin.

First phase: 'man the producer'

The crucial thing about the Webbs is that there were two of them.[6] Overlooked in stock constructions of 'Fabian-Webbism', the complexities of their thinking as it developed over time owed not a little to the different roles and resources they brought to their famous partnership. Sidney's was the more conventional public life, ending up in Labour cabinets and the House of Lords. He was also, along with Bernard Shaw, the most notorious and prolific of the Fabian 'old guard' which hatched out schemes for legislative enactment, described its socialism as 'State Socialism exclusively' and adopted from the outset what *Industrial Democracy* refers to as the view of the statesman and economist. Beatrice in comparison was a latecomer to the Fabian Society, and even then took more than twenty years to join the society's executive. That she did so in 1912, as Britain entered the first of its modern phases of industrial democracy was not fortuitous. Beatrice's name was not attached to the many publications that had expounded a sort of exclusive state socialism, as classically in the seminal *Fabian Essays in Socialism* of 1889. She did, on the other hand, bring to Fabianism a precocious concern with the voluntary agencies of consumers and producers that had nowhere figured in the *Essays* or in any other Fabian text. Already under her maiden name, she had published a pioneering study of the co-operative movement as an exercise in democratic self-government. In the spring of 1891, she then initiated what became the Webbs' collaborative study of trade unionism. Sidney, cementing their courtship in the best way he knew of, abandoned his own projected treatise on political economy, and henceforth his name was joined with hers on a multitude of title pages.

It is easy now to underestimate the exploratory character of the project. There was certainly no researching such a volume from the reading room of the British Museum. The commitments it required were those of the ethnographer, prepared to seek out union officers in their provincial meeting places and elicit from them information, confidences and the archives which as yet had no public repository. This was the work which Beatrice, not

Sidney, undertook; and if Sidney as its primary author smuggled back into *Industrial Democracy* his notions of political economy, it was at the expense of such arguments between them as caused Beatrice to wring her hands and find something else to do. In Beatrice from the start, there was therefore a concern with issues of self-government that both anticipated later movements of revolt and explains her impatience to engage with them. According to the Fabians' secretary and historian Edward Pease, she was 'eager to start out on new lines which the almost unconscious traditions of the Society had hitherto barred', and it was in this spirit that in 1913 she would initiate the society's enquiry into the Control of Industry.[7]

What was never a matter of contention between the Webbs was the primacy to be accorded 'man the consumer'. Rejecting marxism and a class-based theory of exploitation, the Fabian political economy of the Webbs was founded instead on the 'three separate aspects of economic man' which they identified with man the consumer, man the producer and man the citizen.[8] Depending on the circumstances, the accent might fall on the complementary social agency of the consumers' co-operation, which in its fullest flowering could be envisaged – by Beatrice rather more than Sidney – as one of the surest routes to the co-operative commonwealth. However, there was also a more statist inflexion in which the consumer merged with man the citizen, and with those forms of compulsory association with which – by Sidney rather more than Beatrice – a national or community interest was identified. From the producer's point of view, what this meant in either case was a form of subordination. The Webbs as socialiists believed in production for use and not for profit, but with so profit so defined as to encompass any notion of merely satisfying man the producer. Marxists of the Second International, following Marx himself, envisaged a 'true realm of freedom' distinct from the world of toil. The seer of Victorian individualism Herbert Spencer, who was also Beatrice's earliest intellectual mentor, was on this point fully at one with the

marxists in holding that life was not for work, but the reverse. From their disquisitions on the co-operative movement to those on the modern works manager, the Webbs repeated these sentiments almost word for word. 'Man does not live in order that he may work. He works merely in order that he may be able to live.'[9]

Consumption was therefore the raison d'etre of production, and the Webbs did not believe in such forms of workers' control or prerogative that denied the consumer's ultimate authority. On the other hand, it was the producer, or that 'aspect' of the consuming individual that produced, that had the primary interest in the conditions of work through which these needs were met. Leaving aside the economically functionless, with whom a Webbian political economy never fully came to terms, citizen-consumers were also producers and this was why they combined in a complementary organisation, according to industry, so that 'heedlessness of the consuming majority' should in no case be detrimental to the interests of the minority in which any one set of producers inevitably found itself.[10] What this meant in *Industrial Democracy* was the delineation of a circumscribed but indispensable role for workers' representatives in the management of industry.[11] As presented by the Webbs, this could be broken down into three principal areas of administrative competence. The first was that of what should be produced. The second was that of how it should be produced in respect of materials, processes and 'the selection of human agents'. The third was that of the conditions on and within which these human agents should be employed, including the intensity and duration of their work and the remuneration they received for it. While the possibility was also allowed of the unions making representations in the second of these areas of competence, it was in the third of them that they exercised their own 'special function' in the administration of industry. Trade unions were thus the indispensable instrument of consent and participation in the workplace; and however intricate the interplay they envisaged between consumer and producer interests, their proper functioning depended on bargaining

procedures in which these functions were distinct and participation was effected across the two sides of a table

While this left untouched some basic managerial prerogatives, the perfomance of this special function did therefore depend on the agency of an independent workers' organisation, by which alone the method of collective bargaining could be made effective. Unlike those socialist thinkers who subsumed these functions in an overriding class interest, the Webbs held that not even socialism would overcome their differentiation and therefore stressed the necessity of independent producers' associations in any conceivable democratic order. 'For even under the most complete Collectivism', they explained in *Industrial Democracy*, 'the directors of each particular industry would, as agents of the community of consumers, remain biassed in favor of cheapening production, and could, as brainworkers, never be personally conscious of the conditions of manual labourers'. The Webbs made it clear that it was just this collectivist order that they both anticipated and desired. Nevertheless, one of the explicit corollaries of this argument, to be recalled by a later generation of revisionists, was that trade unionists simply as trade unionists had no logical reason to prefer any one form of ownership over another.

Second phase: 'self-government in industry'

Even at the level of theory, phases of industrial democracy did not just represent changes in intellectual fashion but were the counterpart in each case to reviving union activism and self-assertion. The Webbs, after all – or at least Beatrice Webb – had themselves been acting on a similar impulse. When Beatrice in 1891 embarked upon her trade union studies, it was in the immediate aftermath of the so-called New Unionism and its posing through collective action of larger issues of what and whom the unions stood for. Beatrice, like so many Londoners, was a first-hand witness of the dock strike, and on the day in 1890 that she declared herself a socialist, the same diary entry salutes 'the new trade unionism with its magnificent conquest of the docks'.[12] It was on this great wave of activity that four years later the Webbs concluded their historical survey, ascribing to the New Unionism the 'spiritual rebirth' of organisations which had been slipping towards decrepitude.[13] Nevertheless, in the same early diary entry Beatrice also refers to the able young men of the Fabian Society 'ready at the first check-mate of trade unionism to voice growing desire for state action'. By the time *Industrial Democracy* itself appeared, the bolder hopes of a few years earlier had indeed been forestalled. It was thus that paradoxically Britain's first treatise on *Industrial Democracy* ushered in a turn to state action in which efficiency seemed the highest goal and the idea of participatory democracy the very least of its concerns.

What shook things up once more was the 'great unrest' which immediately predated the First World War and combined strike action on a scale never before seen in Britain with the inspiration and motive-force which a radicalised minority derived from syndicalism. Syndicalism's appearance in Britain is sometimes dated with slightly misleading precision from the return from a spell abroad in 1910 of Tom Mann, whom Beatrice had known as a leading personality in the New Unionism. Mann has entered into labour folklore as the personification of the figure of the labour agitator. When communism later arrived as an

alternative focus for such activities, that seemed to do him just as well, and syndicalists of this type were not overly concerned with the exposition of the general principles which moved them. Nevertheless, the period did see a number of compelling restatements of democratic principle, the best known of these being *The Miners' Next Step* co-authored by a group of South Wales coalfield activists and published in 1912.

The Webbs in their discussion of trade union structure had first of all cleared the ground by dismissing the hankerings for rank-and-file initiative and control which they described as primitive democracy.[14] In identifying the miners' grievances with a ruling caste of officials that had become separated from them, *The Miners' Next Step* advocated just these forms of delegacy and accountability, and when one of the authors attended Beatrice's Control of Industry enquiry he roundly attacked its underlying Fabian assumptions. What the pamphlet's authors did nevertheless have in common with the Webbs was acceptance of the centrality of the union – theirs was after all a scheme for its reorganisation – and the principle of collective bargaining as long as this was extended to the whole of the working class. Syndicalism in essence was a doctrine of the class war, and it was not therefore from this source that the demand would come for entangling schemes of incorporation into present managerial structures. Shop stewards in the engineering industry did later see in collective bargaining itself, as now the object rather than the instrument of trade unionism, the basis on which an incorporated union oligarchy depended. In the works and workers' committees in which they found their main field of activity, they established for the time being a sort of dual power within the union; and with the further inspiration of the soviets that emerged in Russia, they also envisaged these committees taking on wider social functions in the context of the anticipated breakdown of established institutions and forms of authority. Nevertheless, the principal object of all these movements was the expropriation of the employing class. They did not much trouble with the organisation of industry except inasmuch as it corresponded to

this object, and to have done so ran the risk of entrapment into the ways of cross-class partnership.[15]

Within the world of Fabianism itself, the challenging of established structures of authority had its echo in the body of ideas that became known as guild socialism. In the collective memory of the British left, these are usually taken as a form of counter-argument and repudiation of Fabian collectivism, and guild socialists themselves expressed the strongest disapproval of the Webbs. Nevertheless, both its advocates and to some extent its arguments both clearly derived from the same restricted Fabian milieu. Certainly this was true of the movement's two key personalities. The first of them, S.G. Hobson, was the author of the first important exposition of guild socialist doctrine in 1914, and also a veteran socialist propagandist well-connected with labour movement activists in industry and the unions. Though a prominent Fabian in his time, it was consequently Hobson whose name became associated with the attempts in several industries to realise guild ideas in practice. In particular, he was one of the moving forces behind the National Building Guild which sought to displace the capitalist employer and briefly flourished around 1920.

The other key figure was the young Oxford Fabian G.D.H. Cole, who first registered the international lessons of the labour unrest in his *World of Labour* (1913) before taking up Hobson's guild socialist lead in works like *Self-Government in Industry* (1917) and *Guild Socialism Restated* (1920). Though lacking the wider connection of Hobson or even the Webbs, it was Cole whose more considerable writings became synonymous with guild socialism in a pluralist version that was profoundly shaped by the zeitgeist of revolt against the state. Observing that already the New Unionism had heralded the dawn of a new trade union spirit, Cole's contention was that socialists of the Webbs' generation had failed to engage with it. He was a brilliantly gifted thinker, and in seeking to make good this deficiency he set out what he held to be a new socialist synthesis, and one which had a

resonance internationally and over time which was certainly comparable with the Webbs' own work.

Summing up the principle which set him apart him from state collectivists, Cole maintained that the primary social evil that needed abolishing was not poverty but slavery. On the surface, this was just another of his many swipes at the Webbs, whose campaigning had latterly been directed precisely at the abolition of the Poor Law. More fundamentally, it was the repudiation in an epigram of the whole consumer-centred world-view of the Webbs. If poverty, in other words, signified constraint and restriction in the sphere of consumption, slavery meant subjection in the world of work which for Cole was the basic locus of social being and identity. Cole, as his longer career would demonstrate, was not only a Fabian but the quintessential Fabian. Nevertheless, it was not through Fabian writings that he had first encountered socialism but through William Morris, and it was Morris whom he described as the writer who more than any other was of the same blood as the guild socialists.

The inspiration behind the arts-and-crafts movement as well as a revolutionary socialist, Morris's writings were not of the sort that set out schemes for workplace organisation, even in the socialist future he so often pictured. In imagining 'a factory as it might be', he thus described its appearance, location and amenities with great vividness, but this contrasted markedly with the absence of any discussion of its provision for participation or collective deliberation.[16] If Cole nevertheless found inspiration in Morris's writings it was because they conveyed the centrality of labour to any present or future conception of social well-being. Deriving from the great Victorian social critics like Ruskin and Carlyle, Morris's socialism was founded on the out-and-out repudiation of orthodox political economy and the alienation of the worker which production for the capitalist market inevitably involved. Where Morris had focused on process and product, Cole extended the same basic rationale to the organisation of production and the collective assumption by the workers of responsibility,

control and the freedom to express their personality in their work. As he put it in *Self-Government in Industry*, that community was most free that allowed its members the 'greatest share in the government of their common life', and their common life was above all that in which they joined together in mutual labour.[17] More than any previous socialist writer, at least in Britain, Cole's achievement was to make the connection between a pluralist tradition of participatory democracy and the work environments in which so many of his fellow citizens spent the bulk of their waking lives.

Where Cole's guild socialism owed more to Webbian theory than to syndicalism was in its recognition of the separate agencies of producer and consumer, and of the legitimate claims of the latter to settle what should be produced and how it should be distributed. The key difference with *Industrial Democracy*, whose pretensions to continuing relevance he roundly scorned, was the vision of the workers themselves controlling production as their unions assumed the larger responsibilities of the anticipated national guilds. 'The Trade Union', he wrote, 'which has been until now a bargaining force, disputing with the employer about the conditions of labour, must become a controlling force, an industrial republic'.[18] The conception was a national one and embodied in a national guild. Nevertheless, Cole drew his inspiration from the strength of workshop organisation which had become so conspicuous a feature of the decade's industrial struggles. In this respect, both Cole's exposition, as previously the Webbs', were like extrapolations from the wider world of labour, and possibly at no other time in British history could what he called the 'progressive invasion of capitalist autocracy in the workshops' have seemed so plausible a scenario.[19]

Expressed in the notion of encroaching control, or the wresting from capitalism of its managerial functions, this clearly signified acceptance of a phase of joint control, which in unfavourable circumstances could be represented as the compromising of the unions' independence. Cole, however, saw no reason for a pessimistic view, and with a Fabian's

sense of confidence in the future urged that a taste of control would engender a taste for more control.[20] For a time, guild socialist ideas enjoyed a remarkable currency in Britain, and their influence is discernible in the programmes of almost every section of the British left. The Building Guilds, moreover, reached a much wider working-class public than Cole with his middle-class Fabian associations, and until their collapse in 1922 appealed to the practical idealism of significant numbers of union officers and activists. As one of their publications put it, they were awakening to a 'new conception of their functions' that was no longer defensive and restrictive but sought to realise a' new vision of creative service'.[21]

The Webbs' response included the reissuing in new editions of their *History of Trade Unionism* and *Industrial Democracy*. They also produced a much fuller sequel to Beatrice's original study of the co-operative movement which offered an alternative form of encroachment on the profit motive through the democratic agency of the organised consumer.[22] There was finally their so-called *Constitution for the Socialist Commonwealth of Great Britain* explaining in elaborate detail how citizen, producer and consumer might interact in the multiform democracy of the future. In respect of workplace democracy, what this represented in essentials was simply a further vindication of the traditional role of trade unions. Already, the Webbs argued, these had done more for the living standards and personal freedom of Britain's workers than any other agency, notably including state legislation. Through the familiar instruments of mutual insurance and collective bargaining they had thus achieved an 'acknowledged but strictly limited participation' in the management and control of production, and to safeguard this the Webbs far more than Cole were jealous of the unions' independence. Cole, for example, had had a hand in the idea of joint industrial councils, or Whitley Councils, which at the government's urging had been set up in a number of industries as a form of institutionalised consultation. Beatrice, on the other hand, had been the one member of the government committee which discussed these

proposals to subject them to what the prime minister Lloyd George called a 'torrent of destructive criticism'. Looking to the socialised industries of the future, the Webbs did acknowledge the important role of works' committees as long as the precedence of national agreements was recognised. Nevertheless, the Webbs once more stressed the need for such committees being independently constituted and retained their suspicion of composite bodies that would also include management and consumers' representatives.

It is difficult to be sure at times whether they were more concerned about the unions being undermined or by their possibility of their joining together in a conspiracy of producer interests against the public. Perhaps this was only a seeming contradiction, for the essence of the Webbs' understanding of the unions' role was that it could only be performed effectively if it were delimited and distinct. They did not, like those in the Morris tradition, believe that this was the sphere in which one's full humanity was realised. Fundamentally, they regarded social labour as what they called 'the price ... to pay' for the privilege of living, and for the hours released from labour in which they envisaged the freedom and human flourishing of a future order of society. Co-operators, who like trade unionists were enjoying a halcyon period, drew inspiration from this vision of the potentialities of their movement. But ironically it was also this ideal that the Webbs later projected onto Soviet Russia after it had passed through the doomed experiment of workers' control. For as they put it in their book on Soviet communism: 'In any highly evolved industrial society, whatever its economic or political constitution, the citizen as a producer … in his hours of work, must do what he is, in one or other form, *told* to do; for the very purpose of being able to receive, along with all the other producers, in the rest of the day – the consuming hours – that which in order to live they all need and severally desire.'[23]

Third phase: a new approach?

Cole in the same period had also retreated from the headier days of guild socialism. By 1942, he had indeed metamorphosed from the angry young man of the self-governing workshop into the sagaciously responsible chairman of the Fabian Society whose veering away from democratic agencies even the Webbs thought excessive. Posing the question of why a second phase of total war had produced no revival of the movement for workers' control, he now argued that it demanded too much of its advocates to become a genuine mass movement. As the aspiration of a small minority of 'skilled, intelligent workmen', it had gained considerable traction for as long as they had been able to marry its concerns with the day-to-day grievances of a wider population. However, when this connection was destroyed by deteriorating economic conditions, even the minority turned its attention to the larger questions of political and economic power which Cole now saw as fundamental. Outlining these views as early as 1928, as the depression rendered fantastical the notion of encroaching control, Cole had correctly described them as a substantial recantation.[24]

What he might also have mentioned by 1942 was the very different political context. Exactly as during the First World War, mobilisation for an all-out war economy encouraged a revival of shopfloor activism, and in both cases this was above all a feature of the metalworking industries. A generation earlier, the radicalisation of Cole's intelligent minority had had the sequel in some prominent cases of their joining the ranks of the early communist party. Founded in 1920, as the first militant upsurge was passing, by 1939 the communist party was well-established. There was consequently a clear political character to the shop stewards' revival of the Second World War, as communist party membership swelled to a figure three times that ever previously achieved, with engineering workers providing by far the largest occupational component.

Where the parallel breaks down is in respect of the programmes and practices with which this revival may be identified; for whereas the stewards of the First World War sought to resist the demands of intensified war production, and exploit their advantages in a situation of labour scarcity, communist policy in the war against fascism was, from the time that the USSR was invaded, to relinquish or at least relax such hard-won practices as seemed to detract from the maximum productive efficiency. Most controversially, communists emphatically discountenanced strike activity, which in conditions of full employment remained at remarkably low levels. In this sense, Cole was undoubtedly right that the larger issues which he mentioned were being given priority.

The paradox nevertheless is that it is at just this moment that James Hinton has located a sustained campaign for industrial democracy which for the time being found expression in a whole range of procedures and institutions for the engagement of workers' representatives in matters hitherto regarded as the preserve of management.[25] Debate has sometimes raged on how far communist policy in any particular country was simply imposed from abroad, and how far it had to be adapted to different environments and cultural practices. Hinton's contention, in this connection, is that it was precisely because the communists were prepared to depart from Britain's prevailing voluntarist traditions that they saw the possibility of institutional reforms that might have laid the foundation for a 'productionist culture of shop floor citizenship'.[26] Among managers, advisers and civil servants there were also some who saw the potentialities of the situation. In Hinton's account, it is nevertheless the shop stewards who have the central role. Perhaps it was even the sparseness of material compensations in the private sphere that encouraged the centring of an ideal of active citizenship on the workplace.

One wonders what Morris would have made of the steps taken in this period towards his vision of factory libraries, plays and concerts. More to the point in the present context

were the Joint Production Committees (JPCs) established in significant numbers by 1942-3 and allowing sufficient a semblance of co-partnership to provoke the opposition of managements wishing to retain traditional boundary lines. Cole, coming forward once more as 'an unrepentant Guild Socialist', did believe that the JPCs might prove to be the 'thin end of the wedge' of industrial democracy.[27] At the same time, a contemporary study produced for the International Labour Office suggested that their effectiveness could only be fully realised by going beyond plant-level consultations to link up in a triangular relationship with the new economic apparatus of the state.[28] What might have resulted, according to Hinton, was a modern developmental state which reconciled the demands of planning and participation and offered the possibility of a more thoroughgoing modernisation of the British economy in the post-war decades.

As things turned out, neither planning nor participation were conspicuous features of Britain's age of welfare democracy. One factor was the onset of the Cold War, which meant both the curtailment of the communists' wider influence and its redirection into more traditional forms of trade union action. More important was the general retreat from the wartime vision of an 'active democracy'. Compared with the First World War, there had been no real attempt to theorise a possible break with voluntarism or think through its implications in respect of trade union function. Cole himself dealt with such issues only incidentally, even in such obvious contexts as that of the building industry.[29] The JPCs themselves had not much sustained enthusiasm where increasingly they were given over to welfare and disciplinary matters.[30] Britain's new nationalised industries might have shown the way to new forms of governance and participation and they were indeed described by the Labour Party as 'models of industrial democracy'.[31] But while this claim was founded on the provisions for consultative machinery made at every level of the industries, the general

verdict was that this failed, and that one of the most important contributory factors was the ambivalence of trade unions themselves.

Cole was one of those exercised by this deficiency. As the Webbs' youthful challenger in an earlier phase, he had urged them to have the courage of their obsolescence. It must have been chastening experience as he now spoke as if a voice from the past. Exactly as one following in their footsteps, he had acted in his capacity as chairman of the Fabian Society to set up a research group on industrial democracy that linked up with Britain's main engineering union.[32] For the drafting of its interim report he turned, as the Webbs might have, to a youthful Oxford protégé, Hugh Clegg, then on the rebound from his six-year membership of the British communist party. Clegg may not have had Cole's abrasive manner, but they did hold some very different views. As recalled them in an interview, Cole specifically took exception to his 'pressing this idea that proper industrial democracy was the development of trade unionism and collective bargaining in other directions, and he was a workers' control chap'.[33]

A plausible verdict is that this in effect meant a return to the Webbs.[34] Clegg set out his positions in a series of writings beginning with his interim report for the Fabians and culminating in 1960 in his *New Approach to Industrial Democracy*. Their general trend was one of diminishing belief in the consultation procedures established even within Britain's nationalised sector. It was Cole whose guild socialism had rested upon what Wright describes as a 'deceptively minimal account of inter-group conflict'.[35] For the Webbs, on the other hand, it was precisely the tensions between producer and consumer interests, even as embodied in the same individual, that necessitated the continuing independence of the unions whatever the forms of ownership. The Webbs themselves had not been prepared to recognise how comprehensively this principle had been compromised in the supposedly multiform democracy they so admired in the USSR. Ironically, it was therefore critics of the Soviet

system, most notably the secretary of the Trades Union Congress (TUC) Walter Citrine, who proved more faithful to the Webbs' formative teachings in roundly denouncing the unions' assimilation even to a workers' state.[36]

For a Fabian like Clegg in a Cold War environment, these lessons were reinforced by the turn against what was now described as totalitarianism. By the time he formulated his *New Approach*, Clegg was working in close association with Labour's foremost revisionist and Cole's successor as chairman of the Fabian Society, Anthony Crosland. The volume itself was a commission arising from the 1958 conference on workers' participation convened by the Congress for Cultural Freedom, one of the chief international agencies of the cultural Cold War. Referring particularly to the guild socialists, Clegg's position was that socialists had been too much concerned with how capitalist democracy could be improved upon and too little concerned with how it could be defended. Seeking to identify what both distinguished and protected such societies from totalitarianism, Clegg's basic answer was the principle of opposition, which extending from the narrow sphere of politics he equated with the interplay of free-standing pressure groups.[37] He did not, like the Webbs, refer to this as a multiform democracy. But in many ways the implications were rather similar.

Ranging more widely than Britain itself, Clegg did not believe that this principle automatically implied what he called the fetish of voluntarism. Instead he set out the three basic principles of trade-union independence, the exclusive right of unions to represent workers' industial interests, and the irrelevance in this context whether industries were publicly or privately owned. The result was what Clegg described as industrial democracy by consent, or pressure group industrial democracy, or democracy through collective bargaining. It was clear, he admitted, that both Germany's co-determination and Yugoslavia's workers' councils departed from his three basic principles; the new approach was not perhaps just a British approach, but it was one he identified principally with the 'Americans, Britons and

Scandinavians'. With his cautionary tales of both fascism and communism, Clegg urged that seeking to improve upon existing democracies was likeliest to end up in something worse. The Webbs' reputation had by this time been badly tarnished by their vindicating Soviet communism on the basis of Webbian theory. It is not surprising that Clegg thought better than to invoke them. Crosland indeed, despite some obvious affinities, sought to identify himself with Morris as against the Webbs, though at the level of relative superficialities. Perhaps there was a tacit acknowledgement in Clegg's referring to his new approach as 'the return to tradition'. The cultural theorist Raymond Williams referred to post-war Britain as a 'Webb world', and this was as true of its ideas of industrial democracy as of the welfare bureaucracies that Williams had in mind.[38]

Final phase: over and out?

Hobsbawm commented that few writers of such scope have so often been represented through the same few selective citations as the Webbs. This is certainly true of their assumed identification with a simple state collectivism, and the Webbs themselves observed that they had actually written rather little about the central state. 'We started at the opposite end', they wrote in 1921:

> because the other manifestations of Democracy ... seemed actually of greater importance than the Political State itself. For we have always held that it is in the spontaneous undergrowth of social tissue, rather than in a further hypertrophy of the national government, that will be found, for the most part, the institutions destined increasingly to supersede the Capitalist System.[39]

The weakness of this conception was not too much reliance on the state. It was that the unforced inexorability of spontaneous undergrowth depended on that certainty of future progress that the Webbs carried forward from the Victorian era. It was as late as 1923 that Sidney first referred to the 'inevitability of gradualness' that so perfectly summed up the Webbs' philosophy. Already, with Europe's descent into the atavistic carnage of the trenches, this has suffered a first rending body-blow that Beatrice at least felt profoundly. When subsequently they were confronted with the slump, mass unemployment and the political incapacity of Britain's inter-war Labour governments, the Webbs simply gave up on gradualism and found their new civilisation elsewhere.

There was, as yet, no comparable setback to their notions of trade union government. Though union membership in Britain dipped sharply in the depression years, in the 1940s it recovered to its historical high point, and in 1946 the new Labour government restored the legal immunities which the unions had enjoyed prior to the 1926 General Strike. In his revisionist magnum opus *The Future of Socialism*, Crosland in the 1950s emphasised the new status enjoyed by the unions, and described the desire not to give offence to them as 'positively ostentatious'.[40] Though these attitudes did not survive the onset of more difficult economic circumstances, it was not until the 1970s that union membership peaked at over thirteen million. This was also the third major period of industrial democracy, with rising shopfloor activism accompanied, as the first had been, by a wide current of intellectual revolt. This was exemplified by the establishment in 1964 of the Institute for Workers' Control, and Cole once more was a key point of reference, and the Webbs the bureaucratic counterfoil whose 'worship of the given division of labour' contained the seeds of totalitarianism.[41]

With the greater receptiveness of important trade unions, the issue got as far as a Committee of Inquiry on Industrial Democracy appointed by the Labour government of 1974-9. Chaired by the historian Alan Bullock, the commission's principal recommendation

was for the appointment of worker directors to unitary boards in concerns employing more than two thousand workers. The position of the unions was safeguarded in respect of the envisaged appointments process. This, however, merely compounded the anxiety of some of them regarding the compromising of their independence. The TUC itself was simultaneously urging the case for planning agreements of a tripartite character that might have represented an extension of the principle of collective bargaining while at the same time going beyond the simple expedient of the workers director to allow the discussion of policy alternatives at different levels of the organisation. Employers' organisations, in any case, were definitely opposed to the findings of the Bullock commission, and this, like Hinton's 1940s, was another of Britain's might-have-beens of democratic planning. When the Labour government fell in 1979, the 'fetish' of collective bargaining for almost all essential purposes remained intact.

The Webbs were not the architects but the exponents of this voluntarist culture of industrial relations. R.H. Tawney, their socialist contemporary, commented on the profoundly inductive character of their thinking, not designing factories as they might be, but revealing features of the transformation under way about them and thus eliciting general conclusions from the 'mass of raw experience' which this provided.[42] Even so, there is no doubt that with these 'conclusions of general application' the Webbs set out an ideal of the independent producers' democracy that more than any visionary blueprint helped inform the attitudes of successive generations both of trade unionists and of industrial relations specialists. In an age which Hobsbawm characterised as one of extremes, this was a foundation stone of social democracy in its British variants, and it was a cliché to contrast it with experiments in codetermination and workers' participation in other European countries.

Voluntarism, however, was conditional on vigorous and unimpeded trade unions. It was a form of participation, or surrogate for it, whose viability was dependent on one of

Europe's best-established labour movements operating within the framework of the liberal state. Even within Britain, whenever there was a faltering of the forward march on which the Webbs had counted, there was a tendency to revert to more statist alternatives. In 1978, it was Hobsbawm, again who posed the question of whether the forward march had actually halted.[43] As subsequently the Thatcher governments attacked the principles on which credible collective bargaining depended, and industries were decimated in which labour had been most strongly organised, it was clear that this did indeed mark the end of an era in British industrial relations. As usual, there was a reversion to the state; but this time by conversion to the statutory provisions for participation enacted, not by the British parliament, but by the European Union. One verdict on the British experience was that it had very little to contribute to this development because of its overwhelmingly voluntarist character.[44] Strong trade unions did not require parallel structures of participation, and could even be undermined by them. But as Britain teeters on the verge of Brexit, and unions grapple with the challenges of global capital, it is difficult to know at which of the Webbs' opposite ends they ought to start.

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[1] E.J. Hobsbawm, 'The Fabians reconsidered' in idem, *Labouring Men* (London: Weidenfeld & Nicolson, 1968 edn), p. 255.

[2] Kevin Morgan, *The Webbs and Soviet Communism: Bolshevism and the British Left part 2* (London: Lawrence & Wishart, 2006), pp. 100-1.

[3] Royden J. Harrison, *The Life and Times of Sidney and Beatrice Webb: 1898-1905: the formative years* (Basingstoke: Palgrave Macmillan, 2000), ch. 6.

[4] Derek Fatchett, *Industrial Democracy. Prospects after Bullock* (Universities of Leeds and Nottingham, 1977).

[5] A.W. Wright, *G.D.H. Cole and Socialist Democracy*, (Oxford: Oxford University Press, 1979), pp. 51-2.

[6] The discussion that follows draws on Morgan, *Webbs and Soviet Communism*, chs 4-5.

[7] Edward Pease, *The History of the Fabian Society* (London: A.C. Fifield, 1916), p. 220

[8] The distinction is most fully elaborated in Sidney and Beatrice Webb, *A Constitution for the Socialist Commonwealth of Great Britain* (London: Longmans, 1920). Nevertheless, the functional interdependence of consumer and producer is clearly indicated as early as Beatrice's paper 'The relationship between co-operation and trade unionism' (1892) in Sidney and Beatrice Webb, *Problems of Modern Industry* (London: Longmans, 1898), pp. 192-208.

[9] See Morgan, *Webbs*, pp. 97-9.

[10] Beatrice Webb, 'Relationship between co-operation and trade unionism', p. 201.

[11] The following discussion draws on Sidney and Beatrice Webb, *Industrial Democracy* (Longmans, 1920 edn), pp. 818-26 and 832.

[12] Norman and Jeanne MacKenzie (eds), *The Diary of Beatrice Webb. Volume one: 1873-1892. Glitter around and darkness within* (London: Virago, 1986), p. 321 (entry for 1 Feb. 1890).

[13] Sidney and Beatrice Webb, *The History of Trade Unionism* (Longman, 1894), p. 407

[14] Webb and Webb, *Industrial Democracy*, ch. 1.

[15] The above discussion draws in particular on James Hinton, *The First Shop Stewards' Movement* (London: Allen & Unwin, 1973), ch. 12.

[16] The articles were first published in *Justice* in 1884 and may be found in Nicholas Salmon (ed.), *William Morris. Political writings: contributions to Justice and Commonweal 1883-1890* (Bristol: Thoemmes Press, 1994), pp. 32-5, 39-46.

[17] G.D.H. Cole, *Self-Government in Industry* (London: Bell, 1917), ch. 2.

[18] Cole, *Self-Government*, p. 47.

[19] Cole, *Self-Government*, p. 103.

[20] Cole, *Self-Government*, pp. 99-100.

[21] *An Industry Cleared for Action. The preliminary prospectus of the Guild of Builders (London) Limited* (London: National Federation of Building Trades Operatuives, London District Council, n.d, c. 1920); see also Frank Matthews, 'The building guilds' in Asa Briggs and John Saville (eds), *Essays in Labour History 1889-1923* (London: Macmillan, 1971), pp. 284-331.

[22] Sidney and Beatrice Webb, *The Consumers' Co-operative Movement* (London: Longmans, 1921).

[23] Sidney and Beatrice Webb, *Soviet Communism. A new civilisation?* (London: Longmans, 1935), p. 608.

[24] Cole papers (Nuffield College, Oxford), article for *Observer*, 21 Aug. 1942; also Morgan, *Webbs*, ch. 8.

[25] James Hinton, *Shop Floor Citizens. Engineering democracy in 1940s Britain* (Aldershot: Edward Elgar, 1994).

[26] Hinton, *Shop Floor Citizens*, p. 204.

[27] Cited Hinton, *Shop Floor Citizens*, p. 106.

[28] Carol Reigelman, *British Joint Production Machinery* (1944), cited Hinton, *Shop Floor Citizens*, pp. 88-9.

[29] See G.D.H. Cole, *Building and Planning* (London: Cassell, 1945). The book deals with the building guilds in two pages, without offering much hope of their revival, and otherwise has almost nothing to say from the perspective of building labour.

[30] Geoffrey Field, *Blood, Sweat, and Toil: remaking the British working class, 1939-1945* (Oxford: Oxford University Press, 2011), pp. 92-4.

[31] *Labour and the New Society: a statement of the policy and principles of British democratic socialism* (London: Labour Party, 1950), pp. 35-6.

[32] The discussion here draws on Peter Ackers, 'Collective bargaining as industrial democracy: Hugh Clegg and the political foundations of British industrial relations pluralism', *British Journal of Industrial Relations*, 45, 1 (2007), 77-101.

[33] Cited Ackers, 'Collective bargaining', p. 81.

[34] Michael Poole, *Workers' Participation in Industry* (London: Routledge and Kegan Paul, 1978 edn), pp. 31-3.

[35] Wright, *G.D.H. Cole and Socialist Democracy*, pp. 57-9.

[36] Morgan, *Webbs and Soviet Communism*, pp. 223-4.

[37] H.A. Clegg, *A New Approach to Industrial Democracy* (Oxford: Blackwell, 1960), ch. 3.

[38] Raymond Williams, *Culture and Society 1780-1950* (Harmondsworth: Penguin edn, 1961), p. 187

[39] Webb and Webb, *Consumers' Co-operative Movement*, p. v.

[40] C.A.R. Crosland, *The Future of Socialism* (London: Cape, 1956).

[41] Ken Coates and Tony Topham (eds), *Industrial Democracy in Britain* (London: MacGibbon & Kee, 1968).

[42] R.H. Tawney, *The Webbs and their Work* (London: Fabian Society, 1945), pp. 9-10.

[43] Martin Jacques and Francis Mulhern, eds, *The Forward March of Labour Halted?* (London: Verso, 1981).

[44] Herman Knudsen, *Employee Participation in Europe* (London: Sage, 1995), ch. 3.