

SMALL IS BEAUTIFUL

Reviewed by Peter Volz, peter.volz@agronauten.net

E.F. Schumacher (1911-1977) was born in Germany, studied in Bonn, Berlin and Oxford before then moving to the UK in order to flee from fascist Germany. He was a protégé of economist J.M. Keynes and, after World War II, worked in an influential position for the British Coal Board, then one of the largest employers in the world. After working as an economist for many years, he used his in-depth knowledge and life experience to reflect upon his discipline. In 1973 a collection of his essays was published under the title “Small is Beautiful”, which has since become an inspirational text for many interested in an alternative, sustainable paradigm; The Times voted it one of the 100 most influential books of the post war period.

Schumacher had the remarkable gift of expanding economic thinking beyond the dismal science that we witness all around us and instead linked it to common sense, empathy, humanity, spirituality, inner growth and wisdom. He states that, “the exclusion of wisdom from economics, science, and technology was something which we could perhaps get away with for a little while, as long as we were relatively unsuccessful; but now that we have become very successful, the problem of spiritual and moral truth moves into the central position.” (p. 34). Here we can see that the teachings of M.K. Gandhi and his economist J.C. Kumarappa have been a great influence on him.

In his book Schumacher takes the frank words of one of the most influential economist of the last century, J.M. Keynes, and analyses the problems that result out of this development paradigm. Keynes discussed the future of the world and sees the day when everyone would be rich – this would then allow everyone to “once more value ends above means and prefer the good to the useful”. “But beware”, Keynes goes on, “the time for all this is not yet. We must pretend to ourselves and to everyone that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into daylight.” (p. 24) For Schumacher the proposition that achieving universal prosperity as a pre-requirement to the recognition of the values of beauty cannot work and is naïve.

First of all – what is rich or rather: what is enough? When are we saturated? Where is the rich society that says we have enough? If economic growth is pursued as the highest goal there can

hardly be enough. And even worse, what does the pursuit of avarice and usury and precaution lead us to? “If human vices such as greed and envy are systematically cultivated, the inevitable result is nothing less than a collapse of intelligence. (..) If whole societies become infected by these vices, they may indeed achieve astonishing things but they become increasingly incapable of solving the most elementary problems of everyday existence.” (p. 32)

Secondly, what are the consequences if we manage to achieve universal material prosperity if “modern man does not experience himself as a part of nature but as an outside force destined to dominate and conquer it.” (p. 14) We are “estranged from reality and inclined to treat as valueless everything that we have not made ourselves”. The modern industrial system lives on irreplaceable capital which it cheerfully treats as income.” This thinking has already seriously impacted the balance of the world through exploitation and waste of natural resources. “A businessman would not consider a firm to have solved its problems of production and to have achieved viability if he saw that it was rapidly consuming its capital. How then, can we overlook this vital fact when it comes to that very big firm, the economy of Spaceship Earth and, in particular, the economies of its rich passengers.” (p. 15)

Thirdly, what sort of meaning does the method of economics actually produce in this? Economists have attained a central role in the world today and are largely shaping how Spaceship Earth is managed. Yet the dominant stream in economics has a fragmented judgement: Whether a thing yields a monetary profit to those who undertake it or not. The question is not if it yields a profit to society as a whole. It furthermore is based on a definition of cost that excludes all free (natural) goods unless they have been privatised. Economics, moreover, deals with goods in accordance with their market value and not in accordance with what they really are. The market therefore represents only the surface of society. Schumacher sees it as the institutionalisation of individualism and irresponsibility where neither buyer nor seller is responsible for anything but themselves.

Summing up Schumacher comes back to the elementary level when he states, that “the assertion that foul is useful and fair is not is the antithesis of wisdom”. (p. 33)

So where to go from this? For Schumacher, we need to first understand the problem and then evolve new life-styles with new methods of production and new patterns of consumption – a

life-style designed for permanence. “From an economic point of view, the central concept of wisdom is permanence.” (p. 34) This term - not as abused as the term sustainable – is then linked to the notion of simplicity and beauty:

“Wisdom demands a new orientation of science and technology towards the organic, the gentle, the non-violent, the elegant and beautiful.” (p. 35) Here again we see the influence of philosophical ideas from South Asia. It is thus no wonder that Schumacher, a devout catholic, visited Burma in the 1950s and reflects upon Buddhist economics in one of his essays.

But what is wisdom? For Schumacher “it can only be found inside oneself. To be able to find it, one has first to liberate oneself from such masters as greed and envy. The stillness following liberation – even if it is only momentarily – produces the insights of wisdom which are obtainable in no other way.” (p. 39) This thinking that links the self to the world and wisdom to economic is still as relevant as it was in the 1970s. It sees change starting at the personal level. Beyond that wisdom should be incorporated into the structure of technology and science - Schumacher demands for methods and equipment, which are:

- cheap enough so that they are accessible to virtually everyone
- suitable for small-scale application
- compatible with man’s need for creativity

For Schumacher, a passionate gardener by the way, this meant in the case of agriculture: Perfection of production methods, which are organic, building up soil fertility and producing health, beauty and permanence. In industry Schumacher saw the need for small-scale and thus relatively non-violently technology – technology with a human face so people could enjoy their work. Furthermore, new forms of partnership like common ownership were desirable.

All these ideas have of course found their way into new forms of living, working, producing and thinking. Yet this book cannot be called outdated as it still serves as inspiration and reflection for anyone occupying themselves with the future of our living planet.