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TITLE

Small Is Beautiful by E.F. Schumacher (1973)

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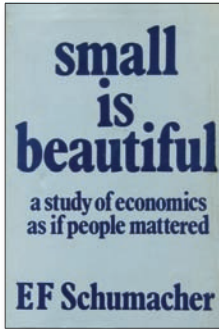
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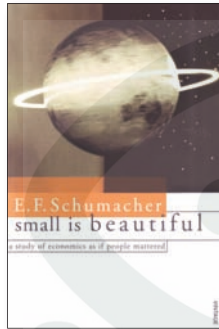
Small Is Beautiful

E.F. Schumacher



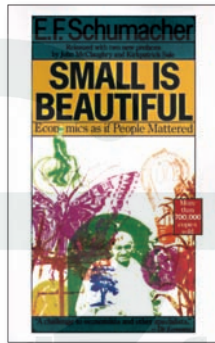
1st edn

**Small Is Beautiful:
A Study of Economics
as if People Mattered**
Blond & Briggs, 1973
288pp, hbk;
978-0856340123



Current UK edn

**Small Is Beautiful:
A Study of Economics
as if People Mattered**
Vintage, 1993; 272pp,
pbk; 978-0099225614



Current US edn

**Small Is Beautiful:
A Study of Economics
as if People Mattered**
Harper Perennial, 1989;
352pp, pbk;
978-0060916305

Key ideas

- ▶ An economy founded on the growth paradigm and the pursuit of wealth is unsustainable, by definition.
- ▶ Using economics as the yardstick to measure performance will lead to inefficiencies and societal breakdown.
- ▶ Big is not automatically good or better, and local production leads to the best social and environmental outcomes.
- ▶ Labour is to be valued as it enriches the human existence and provides for our daily needs; therefore, labour avoidance will lead to inefficiencies.
- ▶ Human-scale technology in the service of humans is preferable to large-scale technology at the service of the economic growth.

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Synopsis

Small Is Beautiful is a collection of essays outlining economist E.F. Schumacher's philosophy on modern economic, ecological and spiritual thinking. Its strength lies in Schumacher's ability to elegantly and intelligently question many assumptions of modern economics, highlighting some of the fallacies. What made his work all the more remarkable is that his starting point was indeed economics, rather than environmentalism or social activism.

Schumacher begins by pointing out that an economy is unsustainable when economic growth is seen as the measure of societal progress, most crudely in the form of 'GDP growth is good'. As a result, finite resources are treated as income rather than capital, and therefore society acts as if they are infinite. This is driven by the idea that people are separate from nature and can and should therefore control nature. However, the environment's capacity to resist or assimilate pollution is limited.

Behind this growth mentality is the Keynesian assumption of universal prosperity through enrichment, which Schumacher disputes: 'An attitude to life which seeks fulfilment in the single-minded pursuit of wealth – in short, materialism – does not fit into this world, because it contains within itself no limiting principle, while the environment in which it places itself is strictly limited.' Furthermore, such prosperity 'is attainable only by cultivating such drives of human nature as greed and envy, which destroy intelligence, happiness, serenity and thereby the peacefulness of man'.

Linked to the growth question is the seduction of large-scale technology. Schumacher

argues that 'scientific or technological "solutions" which poison the environment or degrade the social structure and man himself are of no benefit, no matter how brilliantly conceived or how great their superficial attraction'. Instead, he argues for technologies that are cheap enough so that they are accessible to virtually everyone; suitable for small-scale application; and compatible with humans' need for creativity.

Part of his thinking about technology comes from Schumacher's vision of what he calls 'Buddhist economics'. Here, he is calling for a new philosophy, which values people above production and values labour above outputs. Work, he claims, should be a dignified and creative process to be encouraged, not a factor of production to be minimised or replaced through mechanisation. He also emphasises the Buddhist values of non-attachment to material goods and respect for all living things.

Finally, Schumacher tackles the issue of size, or what he calls 'the idolatry of gigantism' in modern economics. The main thrust of his argument is that 'people can be themselves only in small comprehensible groups. Therefore we must learn to think in terms of an articulated structure that can cope with the multiplicity of small-scale units. If economic thinking cannot grasp this it is useless. If it cannot go beyond its vast abstractions . . . and make contact with the human realities of poverty, frustration, alienation, despair, breakdown, crime, escapism, stress, congestion, ugliness, and spiritual death, then let us scrap economics and start afresh.'

From the book

- Economic growth, economic expansion and so forth have become the abiding interest, if not the obsession, of all modern societies. If an activity has been branded as uneconomic, its right to existence is not merely questioned but energetically denied.
- Production from local resources for local needs is the most rational way of economic life, while dependence on imports from afar and the consequent need to produce for export to unknown and distant peoples is highly uneconomic and justifiable only in exceptional cases.
- I have no doubt that a callous attitude to the land and to the animals thereon is connected with, and symptomatic of, a great many other attitudes, such as those producing a fanaticism of rapid change and a fascination with novelties – technical, organisational, chemical, biological, and so forth – which insists on their application long before their long-term consequences are even remotely understood.
- Since consumption is merely a means to human well-being, the aim should be to obtain the maximum of well-being with the minimum of consumption. Modern economics, on the other hand, considers consumption to be the sole end and purpose of all economic activity.
- Ever bigger machines, entailing ever bigger concentrations of economic power and exerting ever greater violence against the environment, do not represent progress: they are a denial of wisdom. Wisdom demands a new orientation of science and technology towards the organic, the gentle, the non-violent, the elegant and beautiful.

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About the author

Ernst Friedrich ‘Fritz’ Schumacher (1911–1977) was an internationally influential economic thinker, with a professional background as a statistician and economist in Britain.

Schumacher was born in Germany in 1911. In the 1930s he went to England as a Rhodes Scholar and was detained there as an enemy alien during World War II. He spent the

war working on a farm in the north of England, an experience of common productive labour that played an important role in the formation of his ideas. From 1950 to 1970 he was Chief Economic Advisor to the British Coal Board, one of the world’s largest organisations with 800,000 employees. His farsighted planning (he predicted the rise of OPEC and the problems of nuclear power) aided Britain in its economic recovery.

In 1955, while on secondment as Economic Adviser to the Government of Burma, Schumacher first became interested in the problems of developing countries and developed his vision of 'Buddhist Economics', based on simplicity and non-violence, the importance of community, and the necessity and dignity of work.

Schumacher wrote three books, of which *Small Is Beautiful* was the flagship, as well as being a featured writer for *Resurgence* magazine. He founded the Intermediate Technology Development Group, now called Practical Action, in 1966 to demonstrate and advocate the sustainable use of technology to reduce poverty in developing countries.



Courtesy of Barbara Wood

OTHER BOOKS

A Guide for the Perplexed (Harper & Row, 1977)

Good Work (HarperCollins, 1979)

Schumacher on Energy (Jonathan Cape, 1982)

This I Believe and Other Essays (Resurgence, 1997)

MORE INFORMATION

E.F. Schumacher Society UK:
www.schumacher.org.uk

E.F. Schumacher Society US:
www.smallisbeautiful.org

Schumacher College, UK:
www.schumachercollege.org.uk

Resurgence magazine:
www.resurgence.org

Practical Action:
practicalaction.org