

Thirty Years on - Small is still Beautiful

Andrew Simm

September 2003 was the 30th anniversary of the publication of Ernst Friedrich Schumacher's classic book *Small is Beautiful*.

Alongside the Club of Rome's *Limits to Growth* and Rachel Carson's *Silent Spring*, **Small is Beautiful** is iconic and a foundation stone of the green movement.

Small is Beautiful itself was not even written as a book. It is an ad hoc collection of essays and lectures that Schumacher had produced over a period of time, shuffled together to make a publication. And, it's hardly popular stuff.



Thoughts about management practice, industrial resources and the problem of production. Somehow, though, Schumacher defined something - a new approach to economics and a set of questions that hadn't yet been put so clearly.

A message breathing through the essays is that things go wrong when they are too big, and that power when remote and centralised is oppressive and inefficient.

The observation holds for everything from the power supply industry and its technologies like nuclear power, to agriculture and biotechnology, through to the size and organisation of firms. But although Schumacher may have introduced a new economic paradigm, '*as if people mattered*', the same mistakes are still being made.

Thirty Years on - Small is still Beautiful, by Andrew Simms,

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Small is Beautiful by E.F. Schumacher, published by Vintage, price £3.5, 1973. [C.ELDOC6008662]

Since publication in 1973, across most sectors of the economy, from banks to food shops, things have got bigger and power has been increasingly centralised. Ironically this is in complete denial of the evidence of economic efficiency. For example, in fewer than one in three cases do mergers leading to ever-larger corporations actually add value for shareholders.

In other ways, though, Schumacher's concerns have moved inexorably up the political and economic agenda - his thoughts on peace and social cohesion, on technology with a human face, on the use of natural assets like land, on ownership and on systems thinking in general.

One of the most important of all Schumacher's insights is a guiding principle that may show us how to do it. 'It is an injustice and at the same time a grave evil and disturbance of right order to assign to a greater and higher association what lesser and subordinate organisation can do.' That was the papal Encyclical *Quadragesimo Anno* describing the 'principle of subsidiary function'.

Put simply, it means that things should be done at the lowest, or most vocal, level. Why is this principle so important? Because when you have problems at both the local and the global level- and all those in between - it means a non-dogmatic approach to finding solutions.

For example, if you need a global authority to control truly global firms, you have one. If local authorities need local powers to ensure the health and diversity of their high streets and prevent the take-over by chain-stores, they should have them too.

It settles the fruitless, and false, debate between people arguing for long-term, fundamental reform of big institutions like the World Trade Organisation, and others who are fighting immediate practical challengers to protect local economies.

Like many great thinkers Schumacher, it seems, died before his most important idea would suffer its most important test. The responsibility instead has fallen on us to do justice to his work. Thirty years on, are we up to it?

Small is Beautiful

E F Schumacher

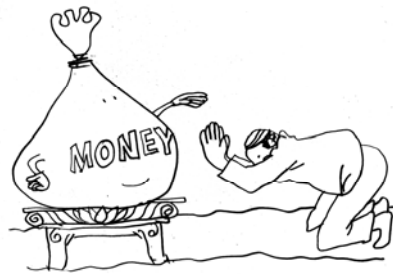


Small is Beautiful. Economics As if People Mattered by E. F. Schumacher, Vintage, 1973, pp.286, Price £3.5, . [CED Ref: B.Q0.S60]

Epilogue

In the excitement over the unfolding of his scientific and technical powers, modern man has built a system of production that ravishes nature and a type of society that mutilates man. If only there were more and more wealth, everything else, it is thought, would fall into place.

Money is considered to be all-powerful; if it could not actually buy non-material values, such as justice, harmony, beauty or even health, it could circumvent the need for them or compensate for their loss.



The development of production and the acquisition of wealth have thus become the highest goals of the modern world in relation to which all other goals, no matter how much lip-service may still be paid to them, have come to take second place.

The highest goals require nonjustification; all secondary goals have finally to justify themselves in terms of the service their attainment renders to the attainment of the highest. This is the philosophy of materialism, and it is this philosophy – or metaphysic – which is now being challenged by events.

There has never been a time, in any society in any part of the world, without its sages and teachers to challenge materialism and plead for a different order of priorities. The languages have differed, the symbols have varied, yet the message has always been the same: 'Seek ye first the kingdom of God, and all these things (the material things which you also need) shall be added unto you.' They shall be added, we are told, here on earth where we need them, not simply in an after-life beyond our imagination.

Today, however, this message reaches us not solely from the sages and saints but from the actual course of physical events. It speaks to us in the language of terrorism, genocide, breakdown, pollution, exhaustion. We live, it seems, in a unique period of convergence.

It is becoming apparent that there is not only a promise but also a threat in those astonishing words about the kingdom of God - the threat that 'unless you seek first the kingdom, these other things, which you also need, will cease to be available to you'. As a recent writer put it, without reference to economics and politics but nonetheless with direct reference to the condition of the modern world:

“If it can be said that man collectively shrinks back more and more from the Truth, it can also be said that on all sides the Truth is closing in more and more upon man. It might almost be said that, in order to receive a touch of It, which in the past required a lifetime of effort, all that is asked of him now is not to shrink back. And yet how difficult that is!”

We shrink back from the truth if we believe that the destructive forces of the modern world can be 'brought under control' simply by mobilizing more resources – of wealth, education, and research – to fight pollution, to preserve wildlife, to discover new sources of energy, and to arrive at more effective agreements on peaceful coexistence.

Needless to say, wealth, education, research, and many other things are needed for any civilization, but what is most needed today is a revision of the ends which these means are meant to serve. And this implies, above all else, the development of a life-style, which accords to material things their proper, legitimate place, which is secondary and not primary.

The 'logic of production' is neither the logic of life nor that of society. It is a small and subservient part of both. The destructive forces unleashed by it cannot be brought under control, unless the 'logic of production' itself is brought under control - so that destructive forces cease to be unleashed.

It is of little use trying to suppress terrorism if the production of deadly devices continues to be deemed a legitimate employment of man's creative powers.

Nor can the fight against pollution be successful if the patterns of



production and consumption continue to be of a scale, a complexity, and a degree of violence which, as is becoming more and more apparent, do not fit into the laws of the universe, to which man is just as much subject as the rest of creation.

Equally, as long as there is no idea anywhere of enough being good and more-than-enough being of evil, the chance of mitigating the rate of resource depletion or of bringing harmony into the relationships between those in possession of wealth and power and those without is non-existent.

It is a hopeful sign that some awareness of these deeper issues is gradually – if exceedingly cautiously – finding expression even in some official and semi-official utterances. A report, written by a committee at the request of the Secretary of State for the Environment, talks about buying time during which technologically developed societies have an opportunity **“to revise their values and to change their political objectives.”**

It is a matter of ‘moral choices’, says the report; “no amount of calculation can alone provide the answers... The fundamental questioning of conventional values by young people all over the world is a symptom of the widespread unease with which our industrial civilization is increasingly regarded.”

Pollution must be brought under control and mankind’s population and consumption of resources must be steered towards a permanent and sustainable equilibrium. **“Unless this is done, sooner or later – and some believe that there is little time left – the downfall of civilization will not be a matter of science fiction. It will be the experience of our children and grandchildren.”**

But how is it to be done? What are the ‘moral choices’? Is it just a matter, as the report also suggests, of deciding **“how much we are willing to pay for clean surroundings?”** Mankind has indeed a certain freedom of choice: it is not bound by trends, by the ‘logic of production’, or by any other fragmentary logic. But is bound by truth. Only in the service of truth is perfect freedom, and even those who today ask us **“to free our imagination from bondage to the existing system”** fail to point the way to the recognition of truth.

It is hardly likely that twentieth-century man is called upon to discover truth that had never been discovered before. In the Christian tradition, as in all genuine traditions of mankind, the truth has been stated in religious terms, a language which has become well-nigh incomprehensible to the majority of modern men.

The language can be revised, and there are contemporary writers who have done so, while leaving the truth inviolate. Out of the whole Christian tradition, there is perhaps no body of teaching which is more relevant and appropriate to the modern predicament than the marvelously subtle and realistic doctrines of the Four Cardinal Virtues – *prudentia, justitia, fortitudo, and temperantia*.

The meaning of *prudentia*, significantly called the ‘*mother*’ of all other virtues – *prudentia dicitur genitrix virtutum* – is not conveyed by the word prudence, as currently used. It signifies the opposite of a small, mean, calculating attitude to life, which refuses to see and value anything that fails to promise an immediate utilitarian advantage.

“The pre-eminence of prudence means that realization of the good presupposes knowledge of reality. He alone can do good who knows what things are like and what their situation is. *The pre-eminence of prudence means that so-called ‘good intentions’ and so-called ‘meaning well’ by no means suffice.* Realization of the good presupposes that our actions are appropriate to the real situation, that is to the concrete realities which form the ‘environment’ of a concrete human action; and that we therefore take this concrete reality seriously, with clear-eyed objectivity.”

This clear-eyed objectivity, however, cannot be achieved and prudence cannot be perfected except by an attitude of ‘silent contemplation’ of reality, during which the egocentric interests of man are at least temporarily silent.

Only on the basis of this magnanimous kind of prudence can we achieve justice, fortitude, and *temperantia*, which means knowing when enough is enough. “*Prudence implies a transformation of the knowledge of truth into decisions corresponding to reality.*” What, therefore, could be of greater

importance today than the study and cultivation of prudence, which would almost inevitably lead to a real understanding of the three other cardinal virtues, all of which are indispensable for the survival of civilization?

Justice relates to truth, fortitude to goodness, and *temperantia* to beauty; while prudence, in a sense, comprises all three. The type of realism which behaves as if the good, the true, and the beautiful were too vague and subjective to be adopted as the highest aims of social or individual life, or were the automatic spin-off of the successful pursuit of wealth and power, has been aptly called 'crackpot-realism'.

Everywhere people ask: 'What can I actually do?' The answer is as simple as it is disconcerting: we can, each of us, work to put our own inner house in order.

The guidance we need for this work cannot be found in science or technology, the value of which utterly depends on the ends they serve; but it can still be found in the traditional wisdom of mankind.