



Small Is Beautiful

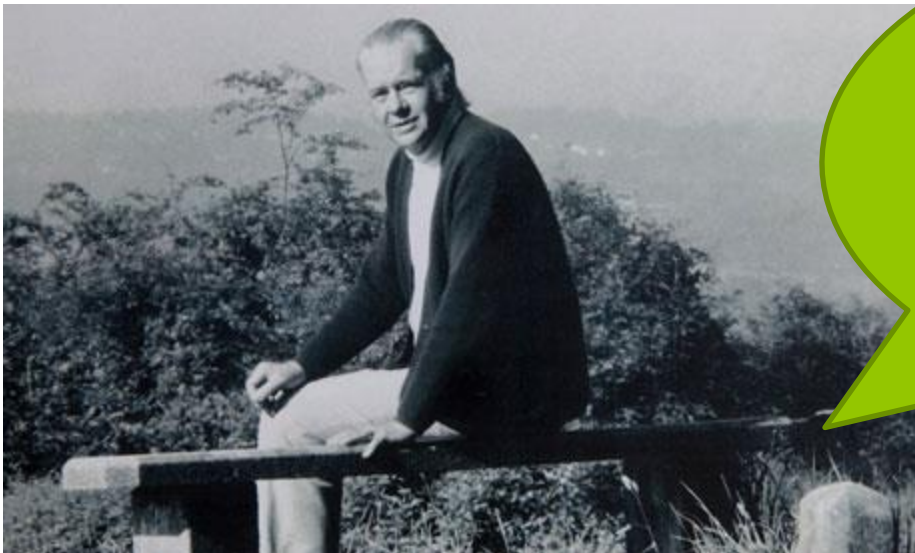
Economics as if People Mattered

Group 3



E.F. Schumacher

- German (1911-1977)
- Economic Adviser to UK Coal Board
- Economic Consultant to Burma



"Any intelligent fool can make things bigger, more complex, and more violent. It takes a touch of genius - and a lot of courage - to move in the opposite direction."


Small is Beautiful

- Originally published in 1973
 - What was going on at this time?
 - Limits to Growth published 1972
 - OPEC and embargo on oil imports
 - Rising gas prices
 - Energy shortage?
 - Sound familiar?
 - Newly Independent Countries






Gods of Modern World

- The Problem of Production
 - Peace and Permanence
 - The Role of Economics
 - Buddhist Economics
 - A Question of Size
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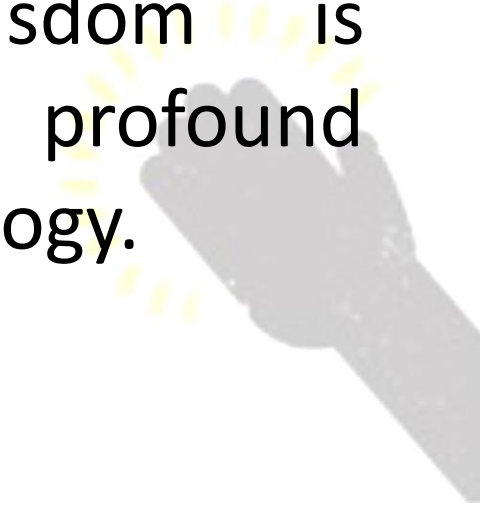


THE PROBLEM OF PRODUCTION

- ❖ The biggest misconception of our age is the belief that 'the problem of production' has been solved.
 - ❖ The illusion of unlimited powers, based on the failure to distinguish between income and capital.
 - ❖ If we squander our fossil fuels, we threaten civilisation; but if we squander the natural capital, we threaten life itself.
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PEACE AND PERMANENCE

- ❖ The dominant modern belief is the foundation of peace would be universal prosperity.
 - ❖ The modern economy is propelled by a frenzy of greed and indulges in an orgy of envy, which result in a collapse of intelligence.
 - ❖ The central concept of wisdom is permanence, which implies a profound reorientation of science and technology.
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THE ROLE OF ECONOMICS

- ❖ The increasing affluence of economics which includes its performance, growth, expansion etc; have become the abiding interest of all modern societies.
 - ❖ Meta-Economics, as economics deals with man in his environment.
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BUDDHIST ECONOMICS






BUDDHIST ECONOMICS

Buddhist economics

- Work & leisure are complementary
- Focus on liberation
- Scale-small is better
- Creatures & land are inherently valued

Modern economics

- Work is a necessary evil
 - Focus on goods
 - Scale-Bigger is better
 - Creatures & land are factors of production
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Resources



Education

The Idea of evolution

The Idea of competition, natural selection and survival of the fittest

The idea of supplements of the material life process like religion, philosophy, art etc.

The idea of subconscious mind

The idea of relativism

The idea of positivism



Metaphysical ideas

Levels of being


Acceptance of opposites

Ethics






Proper Use of Land

- Metaphysical nature of land
 - Man as part of nature
 - Land as not means but as end
 - Agriculture must not be treated as Industry
 - Need for harmony
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Resources for Industry

- Modern industries require so much and accomplishes so little
 - There are inefficiencies in highly industrialized economies
 - High growth with limited earth's resources is not feasible
 - Energy is non recyclable resource
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Resource for Industry Contd...

- Nuclear energy is not a substitute for current technology used for energy demand
- Technology should be in sync with the natural environment
- Technology without human face is violent and destructive
- Technology should be simple to handle




Third World

- Emergence of Dual economy in developing countries-
 - modern urban sector and the rural areas leading to
 - mass migration from rural to urban creating more unemployment
 - Modern Sector with advanced technology
 - Alienation
 - Low labour intensity
 - decentralized approach to development
 - This approach will succeed only if **appropriate technology** employed-**intermediate technology** which is labour intensive and suitable to small scale establishments
 - Intermediate technology is appropriate for labour surplus economy
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Principles of Organization



- The fundamental task is to achieve smallness within large organisation.
 - In large organisations
 - Suppressed creativity
 - alienation
 - Ideal Organisation
 - orderliness of order and
 - the disorderliness of creative freedom.
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Ownership

- Private ownership
- Public ownership
- Nationalization of enterprises
- New forms of ownership



Small was Ugly

- Solar panels came on line with the budget for R&D (Gagan)
- No limits to growth (Obama)
- Larry Summers

“There are no...limits to the carrying capacity of the earth that are likely bind any time in the foreseeable future. There isn't any risk of an apocalypse due to global warming or anything else. The idea that we should put limits on growth because of some natural limit is a profound error”



Small is Beautiful (again?)

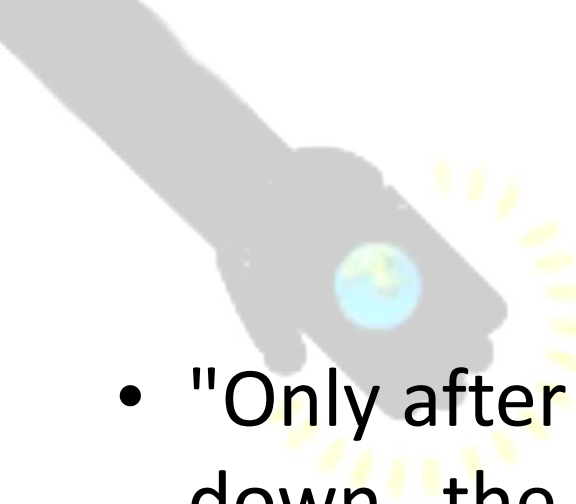
- Financial
- Peak Oil
- Global



Small is Beautiful

- Lead to:
 - Local Agriculture Movement
 - Main Street not Wall Street
 - Fair Trade
 - Miniature technology



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- "Only after the last tree has been cut down...the last river has been poisoned...the last fish caught, only then will you find that money cannot be eaten."

- Cree Indian Prophecy

