

Small is Beautiful: Economics as if People Mattered by E. F. Schumacher;

New York, Harper & Row, 1973; xxiii, 324 pp.

Reviewed by David W. Gill www.ethixbiz.com

E. F. Schumacher was a British economist who was suddenly thrust into a modest celebrity by the publication of this book in 1973 (he died in 1977). It has sold nearly a million copies and is deservedly a classic. Perhaps the most famous chapter in the book is “Buddhist Economics” in which Schumacher carries out a thought experiment: what would our economic thinking be like if it was guided by the values embedded in a great philosophy or theology? It is a masterpiece, not as scholarship on Buddhism but as a challenge to our conventional ways of thinking.

Schumacher opposed neither technology nor global development nor entrepreneurship. What he famously promoted was “technology with a human face,” “appropriate technology,” and “intermediate technology.” He advocated development programs that distributed intermediate technologies to help people do better what they already knew how to do and needed to do. He opposed exporting huge advanced technological enterprises that would scar landscapes and require a new workforce divided into drones and highly trained experts.

Schumacher believed in corporations with employee profit-sharing plans and with programmatic good works in the surrounding community with some of the profits. He not only taught these ideas, he helped start and run businesses that practiced these principles. Reading Schumacher is a bit like reading Max DePree — very wise, insightful counsel, delivered with charm, warmth, and a positive attitude.