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E. F. Schumacher and the search for a postmodern politics

Longmire, Linda Ann, Ph.D.

City University of New York, 1988

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E.F. SCHUMACHER AND THE SEARCH FOR A POSTMODERN POLITICS

by

LINDA LONGMIRE

**A dissertation submitted to the Graduate Faculty in
Political Science in partial fulfillment of the
requirements for the degree of Doctor of Philosophy,
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1988

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This manuscript has been read and accepted for the Graduate Faculty in Political Science in satisfaction of the dissertation requirement for the degree of Doctor of Philosophy.

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Abstract

E.F. SCHUMACHER AND THE SEARCH FOR A POSTMODERN POLITICS

by

Linda Longmire

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This dissertation explores the work of the economist E.F. Schumacher in order to assess his influence on the theory and practice of development. Schumacher's concerns about growth, scale, technology, and the direction of modernization stimulated great controversy during the period of post-colonial development. Chapter one introduces the major contributions and criticisms of Schumacher's work in the conceptual context of development literature. The second chapter examines Schumacher's own life and the progressive transformation of his world view as he moved from an understanding of economics to politics and finally to philosophy and culture. His meta-economics which articulated the values, purposes, and directions of political and economic policy is sketched in chapter three with particular focus on the notions of scale, speed, and self-sufficiency. In chapter four some of Schumacher's most important insights about energy, ecology, and technology in both developed and developing countries are further elaborated. Schumacher's vast cross-cultural experience gave him an appreciation for the role of religion, values, and epistemology in shaping thinking about policy; this is explored in chapter five on "cultural ecology". Chapter six concludes that Schumacher's critique of modernity is more adequately interpreted as "postmodern" than as anti-modern or pre-modern and that this critique intimates, in turn, a postmodern politics.

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CHAPTER ONE: INTRODUCTION AND BACKGROUND

Major Contributions

This dissertation will examine the work of the economist E.F. Schumacher, who sparked many controversies in thinking about development and modernization in the post-colonial period. In fact, his major contribution to political economy was this ability to incite dialogue about the purpose and direction of modernization, challenging as he did many of the assumptions about growth, industrialization, and technology that characterized both capitalist and socialist conceptions of development. Schumacher sketched an alternative course for modernization that included a sensitivity to nature and to cultural and spiritual values. Though as a socialist Schumacher understood the role of centralized planning, he insisted on a respect for scale in his orientation to development. He was critical of the overdevelopment that western notions about growth had engendered. To the controversies about development in the post-colonial era, he contributed a perspective which stressed the critical importance of ecology and cultural diversity. Rather than imposing western models of growth and technological development on emerging societies, Schumacher encouraged the exploration of other modes which took greater account of traditional values and institutions. He emphasized both nature and culture as guides to and limitations upon development in ways that provided a vision of economic life "as if people mattered". Economics must be understood in the larger context of human purpose and value, Schumacher claimed. Though some critics saw this orientation as diffuse, unworkable, and even romantic, Schumacher's appeal inspired many by providing a new vision of development. This

alternative course triggered not only theoretical debate, but also served as a powerful impetus for political mobilization.

Major Criticisms of Schumacher's Work

There was, and still is, criticism of Schumacher's approach to development and economics generally. It is possible to fault the vagueness of many of his ideas and the lack of practical specificity which sometimes makes it difficult to apply his insights. Because his work spanned many disciplines--economics, politics, cultural anthropology, comparative religion--it is also easy to accuse him of dilettantism. But this same tendency is seen as a strength by others who appreciate the broad socio-cultural context within which he locates economic issues. Though critics can claim that Schumacher spread himself too thin, advocates celebrate the stretch and scope of his method. By raising questions about the presuppositions, values, and implications imbedded in thinking about development and modernization, he contributed far-reaching meta-economic insights. At the same time his wide range of practical experience in grappling with concrete policies and projects gave his work a dynamic, experimental importance. Did Schumacher try to do too much and thereby dilute his contributions? Does his perspective change too dramatically from one stage of his thought to another to provide a coherent guide for economic, political, or social change? This dissertation will address these and other criticisms of Schumacher's work in order to assess its importance.

Another criticism claims that Schumacher's perspective on development is internally contradictory when examined in light of socialist theory and practice. As a socialist, Schumacher was an advocate of centralized

planning, particularly during his tenure at the British Coal Board; yet, his later approach stressed decentralized, local participation and improvisation. Though his political economy emphasized democratic participation, its ecological, technological, and philosophical concerns were sometimes seen as elitist by his critics. In India, for example, critics saw Schumacher's caution about growth and technology as ways of keeping the benefits of development from nations emerging from colonial domination. Intense, even acrimonious debate based on these fears resulted from this controversy.¹ In addition, some technocrats in the development community also saw Schumacher's plans as unworkable, while those committed to planning saw his ideas as being too improvisatory to fit into larger, predetermined megaplanes. This criticism from several perspectives is perhaps evidence of Schumacher's ability to locate crucial areas of concern and controversy, galvanizing responses along a theoretical spectrum.

Method

Previous examination of E.F. Schumacher's work has focused on the specifics of his economic thought. In this dissertation, I will examine Schumacher's work from a more holistic perspective. Unless one understands the work that both precedes and follows his popular ideas about development in the fifties and sixties, it is not possible to make an accurate assessment of his contributions. His early economic training as well as the interest in philosophy, religion, and values which characterized the last stage of his

¹ In an interview in August 1988 in New York, Erskine Childers of the United Nations Development Program claimed that though many of these fears were well-founded, they stemmed from a "post-colonial, nationalist syndrome" that influenced development. The endorsement of some of Schumacher's ideas by the World Bank and other instruments of western development rendered some of these fears valid.

work are important in interpreting the overall meaning of Schumacher's thought. The interpretation offered in this dissertation examines his work in the context of an emerging literature on modernization and modernity. Critics of Schumacher claim that his approach naively advocates a return to pre-modern, non-western, forms of life that are incompatible with modern demands for growth, technology, and western conceptions of "progress". This work will offer a qualitatively different interpretation of Schumacher, one which see his work not as anti-modern, but as "postmodern". According to this interpretation, his perspective tried to incorporate the best of both pre-modern, traditional cultures and at the same time, to include the benefits of modernization and modernity when appropriate and constructive. Schumacher's work at the British Coal Board and his early thinking about restructuring the global economy gave him a practical understanding of the problems and possibilities of developed, industrialized societies while his study of anthropology, philosophy, and religion refined his understanding of the meaning and purpose of individual and collective development. In this way, Schumacher raised questions about many of the assumptions underlying modernization and modernity. His was concerned not only about the external effects of this process, such as environmental destruction and the inappropriate use of technology, but also about the individual and cultural fragmentation, isolation, and loss of purpose that could result from rapid and unqualified modernization. He criticized many of the modernist assumptions about individualism, technological rationality, and "progress" that were part of the Enlightenment heritage. In this way, Schumacher prefigured many of the social critics who today challenge and qualify the ethos of modernity and attempt to suggest a "postmodern" alternative. This

new interpretation of Schumacher's work will be discussed more fully in later chapters.

The Development Context

In order to understand Schumacher's contribution to thinking about development, it is necessary to highlight some of the major issues and arguments that appeared in the development literature of the 1950's and 1960's. After World War II, a global economic boom ensued, and development and modernization projects spread throughout the world. But few realized until the 1960's that the environmental and economic effects of this rapid growth and industrialization could be disastrous. Schumacher was one of the early thinkers to raise questions about the need for limits to economic growth. And, as we will see, his concerns were not only economic, but ecological, ethical, and political as well.

In his 1958 pioneering study, W.W. Rostow claimed that self-sustained economic growth results from the reinvestment of earnings in technology which then decreases cost, increases productivity, and makes further capital accumulation possible.² Rostow claimed that developed nations have achieved affluence in this way, and that this should be the model for development of others. An accompanying study of politics emphasized that the economic development of the 1960's must be accompanied by political development in the 1970's.³ However, other development theorists pointed to the widening gap between the rich and poor, developed and developing

² W.W. Rostow. The Stages of Economic Growth (Cambridge: Cambridge Univ. Press, 1958).

³ W.W. Rostow. Politics and the Stages of Growth (Cambridge: Cambridge Univ. Press, 1971).

nations, the North and the South.⁴ In addition, there was a growing split between the rich and the poor within developing nations where elite minorities ruthlessly controlled the wealth and power denied to the majority. Thus a wide array of proposals about how to facilitate the development and modernization of poor people characterized the debate in international relations and comparative politics during this time⁵. These issues about how to address world poverty in the face of a widening gap between rich and poor are still central concerns of development theory. Questions also arose during this time about the environmental effects of rapid industrialization in the developing world, though some worried that such concern was simply the product of western luxury and a way of depriving the developing world of their right to western affluence. The major task was (and is) to understand how independent and diverse nations struggling with questions of economic development could at the same time be part of an increasingly interdependent world which addressed global questions of economic equity and environmental security.

In order to understand development literature more systematically, one can delineate three major approaches to international political economy in general and to development theory specifically: the classical liberal, the

⁴ See Barbara Ward et.al. (eds.) The Widening Gap: Development in the 1970's (New York: Columbia Univ. Press, 1971).

⁵ See David Apter. The Politics of Modernization (Chicago: Univ. of Chicago Press, 1965) and Frank Tachau (ed.) The Developing Nations: What Path to Modernization? (New York: Harper and Row, 1972).

liberal internationalist, and the radical, including Marxist, approaches.⁶ The first two perspectives tend to prevail in western governments as well as in the International Monetary Fund, the World Bank, and transnational corporations. Radical approaches, both neo-Marxist and non-Marxist, tend to be adopted by developing countries and in more critical circles of the west.⁷ One issue of tension between the approaches focuses on the causes of and possible solutions to poverty and development. Radicals claim that western imperialism and its accompanying slavery, exploitation, and displacement of traditional agriculture, caused, or at least contributed to, the poverty of the developing world.⁸ Conventional theorists, however, claim that colonization also brought with it advantages such as transportation systems, modern science and medicine, and western conceptions of politics and human rights. According to conventional theory, be it classical or liberal internationalist, obstacles in developing societies such as the shortage of infra-structures, leadership, and economic reserves, have been responsible for the widening gap between the rich and poor since the end of colonialism. Population

⁶ It is also possible to distinguish approaches as "realist" or "neo-realist", which usually refer to classical liberal and liberal internationalist orientations, and "idealist" which refers to more critical, alternative perspectives. The former would include state-centered approaches like Hans Morgenthau in Politics Among Nations (New York: Knopf, 1978), while the latter would include neo-Marxists like Immanuel Wallerstein in The Modern World System II (Orlando, FL: Academic, 1980); Samir Amin. Class and Nation. Historically and in the Current Crisis (New York: Monthly Review, 1980); or James Petras. Critical Perspectives on Imperialism and Social Class in the Third World (New York: Monthly Review, 1980).

⁷ For an interesting assessment of the different ways of looking at the modern history of attitudes about economic growth, see H. Arnoldt. The Rise and Fall of Economic Growth: A Study in Contemporary Thought (White Plains, N.Y.: Longman, 1978).

⁸ See Walter Goldfrank (ed.). The World System of Capitalism: Past and Present (New York: SAGE, 1979); Pierre Jalee. The Pillage of the Third World (New York: Monthly Review Press, 1968).

growth, squandering on military expenditures, corruption, and mismanagement in new nations have exacerbated these problems, according to conventional thinking, and require that the responsibility for the lack of economic development be placed on these developing nations themselves. Conventional development theorists thus suggest several types of solutions to these problems of "underdevelopment". Direct foreign aid and investments by multinational corporations provide the capital and credit necessary to create jobs, expand the tax base, and increase markets.⁹ In addition, this approach encourages the transfer of technology as well as the education of third world leaders in order to provide the skills necessary for economic development. According to conventional theory, the developed world can provide the model for the developing one if there is political stability, and a willingness to adjust to the constraints of the larger economic system.¹⁰

On the other hand, radical schools of development theory claims that it is the larger systemic forces outside a country, rather than internal structures, traditions, or policies that are responsible for poverty in the developing world.¹¹ According to these perspectives, capitalist forces in the U.S., Japan, and western Europe have made the developing world economically and politically dependent on them through foreign aid and transnational

⁹ Herman Kahn. World Economic Development; (New York: Morrow, 1979).

¹⁰ According to Leonard Binder and Joseph Lapalombara, there are sequential crises in political development--identity, legitimacy, penetration, and distribution. See Crises and Sequences in Political Development (Princeton: Princeton Univ. Press, 1974).

¹¹ Immanuel Wallerstein in Walter Goldfrank (ed.) The World System of Capitalism (New York: SAGE, 1979).

investments¹². This interference in indigenous economies requires that traditional patterns of subsistence and culture are distorted for the sake of the single commodities such as cocoa, coffee, and rubber that are valuable on the global market.¹³ Rather than enhancing developing countries, transnational investments exploit them according to the radical perspective. In a similar way, foreign aid increases the dependency of the developing nation on the donor, and tends to addict the weaker nation to patterns of need and consumption that are destructive.¹⁴ Loans to developing countries become increasingly difficult to repay because of the terms of these transactions as well as escalating economic and social difficulties. For radicals, the solution is to break with these oppressive external forces that foster economic, political, and cultural dependency. It is also necessary to oust the repressive domestic elites who have tied their own private interests to those of the developed powers.¹⁵ Revolutions such as that in China¹⁶ and in Tanzania¹⁷ which try to isolate developing economies from the global economy have struggled to provide new models of development for emerging nations. Another solution is to develop alternative common

¹² Julio Faundez and Sol Picciotto, (eds.) Nationalization of Multinationals in Peripheral Economies (Holmes and Meier, 1979).

¹³ Michael Harrington. The Vast Majority: A Journey to the World's Poor (New York: Simon and Schuster, 1978).

¹⁴ See Leopold Kohr. Development Without Aid: The Translucent Society (New York: Schocken, 1979), The Breakdown of Nations (New York: Rinehart and Co., 1957), The Overdeveloped Nations: the Diseconomies of Scale (New York: Schocken Books, 1978).

¹⁵ Sylvia Hewlett. The Cruel Dilemmas of Development: 20th Century Brazil (New York: Basic Books, 1980).

¹⁶ See Francis Lappe and Joseph Collins. Food First: Beyond the Myth of Scarcity (New York: Ballantine, 1979) where they argue that the poor in developing nations are better off the less they deal with other countries.

¹⁷ Goran Hyden. Beyond Ujamaa in Tanzania: Underdevelopment and an Uncaptured Peasantry (Berkeley: Univ. of Ca., 1980).

markets so as to not be forced to rely on the dictates of the global market. The only truly effective example of such new regional economic forces has been the Organization of Petroleum Exporting Countries (OPEC), which has worked primarily because of the west's enormous dependence on oil.¹⁸

Another important question in the debate about development concerns the relationship between economics and politics. In conventional theory, the two are separated, even though capitalist development prefers (in theory) forms of government that are democratic. But any number of forms of government are supposedly capable of encouraging economic development and modernization according to conventional or mainstream political economists. Radicals, Schumacher included, see that politics is embedded in, or grounded upon economics, and insist that the two must be understood together. Liberal economic policies such as technology transfer, education of third world leaders, and transnational investment are not in the least neutral according to this analysis, for they serve the hegemonic powers that be, thereby undercutting qualitative change.

Because of these forces which undermine progressive change, some radicals feel that it is necessary to have an elite political organization capable of discipline and commitment who will lead the masses to necessary transformation.¹⁹ They claim that revolutionary change may need to be coercive since the powers of the status quo do not easily address the

¹⁸ As will be discussed later, Schumacher was one of the few thinkers to anticipate the political power of OPEC because of his analyses of oil deposits while at the National Coal Board.

¹⁹ Robert Heilbroner. The Great Ascent: The Struggle for Economic Development in Our Time (New York: Harper and Row, 1973) and An Inquiry into the Human Prospect (New York: W.W. Norton, 1974).

inequities and dilemmas at hand and the majority of people may be incapable of knowing how to act without leadership. Heilbroner, for example, claims that authoritarian government may be better able to address the perilous militarization, population expansion, and impending ecological crises that confront the species. Democracy may be a luxury that only developed countries can afford, he claims. He also foresees the possibility of terrible "wars of redistribution" between the "haves" and "have nots" as the result of these growing conflicts over finite resources. Some conventional and Marxist theorists feel that it may be necessary to pull traditional cultures into the twentieth century using anti-democratic means if necessary. Other conventional theorists²⁰ feel that democracy requires as a pre-condition the development of an urban, industrial, literate, middle-class. Without modern science, technology, and political bureaucracy, democratic values can not arise within traditional societies, according to this argument. For Marxists, a well-organized disciplined elite is necessary to guide the historical process to the new stage of socialism.

Since the 1970's, there has been an growing emphasis on multinational, rather than bilateral, approaches to questions of development. Projects like the United Nations Development Program try to reach the "poorest of the poor" in an effort to address survival issues concerning poverty, food shortages, and population growth. A great deal of attention was initially focused on the New International Economic Order, which was proposed by developing nations as a way of restructuring the global economy in order to address escalating economic and political inequities. Additional

²⁰ David Apter. The Politics of Modernization (Chicago: Univ. of Chicago, 1965).

multinational efforts to address development include those of the International Bank for Reconstruction and Development, the UN Food and Agricultural Organization (FAO), General Agreement on Tariff and Trade (GATT), the International Monetary Fund (IMF), and the UN Conference on Trade and Development. Most of these programs have limited impact because of the complicated political bureaucracies which surround them. Some may even end up aggravating the problems that already exist in developing nations and in the global system as a whole. More currently, there is such crisis in the global economy that many efforts at development have been put off until the system is "stronger". But there is a growing realization that the problems of the developed and developing nations are inextricably entwined even when they require highly specific and autonomous solutions.

Schumacher's work provided significant contributions to this debate about the political economy of development. For there are many issues about economic and political development and modernization that are not well-addressed by either the conventional approaches (as classical or modern liberalism) or Marxist approaches.²¹ Schumacher added a unique radical perspective that took into account variables excluded from either approach. These included an understanding of the environmental impact of development, a fundamental challenge to the concept of unlimited growth and modernization, an emphasis on scale and appropriate technology, and a deeper appreciation for cultural and ethical specificity in the process of

²¹ Gunnar Myrdal is critical of both Marxist and conventional Keynesian economics and rejects any single model in his study of South Asia's economic and political development. See Asian Drama: An Inquiry into the Poverty of Nations (New York: Random, 1972).

global economic and political development. Schumacher's concern was that unqualified industrialization, the domination of nature, along with acquisitive and aggressive attitudes can lead to dangerous conflicts within and between nations. A sustainable or enduring way of life must seek a more harmonious relationship with nature and others by changing lifestyles, patterns of consumption, and even basic values. Rather than imposing a blanket formula for development on poor countries, Schumacher emphasized the uniqueness and specificity of each culture and circumstance.²² Though his book Small Is Beautiful²³ was not published until 1973 when questions about development strategy were at their peak, he had grappled with these notions since his first trip to Burma in 1955. We will discuss more of the evolution of his thinking about political economy later, but it is important to locate Schumacher within this context of post-colonial nation-building and the many issues that it raised about development.

After the post WWII economic boom peaked in the expansion of the 1960's, a concern about the limits to economic growth began to develop in the 1970's. A mounting sense of alarm about food and energy shortages, population explosion, and environmental destruction created a climate of concern which culminated in the Club of Rome study, The Limits to Growth.²⁴ The conclusion of this study in many ways echoed Malthus' much earlier

²² Robert Gamer makes a similar point in describing the diversity within the third world. See The Developing Nations: A Comparative Perspective (Rockleigh, N.J.: Allyn, 1976).

²³ E.F. Schumacher. Small Is Beautiful: Economics as if People Mattered (New York: Harper and Row, 1973).

²⁴ , Donella Meadows et.al. The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind, 2nd ed. (Seacaucus, N.J.: University Books, 1974).

forecast that population growth would outstrip food supply resulting in violent conflicts between the "haves" and "have nots".²⁵ According to the report, if these trends were to continue, population expansion and industrialization would tax the environment, food supplies and energy resources to their breaking point. Beyond a certain point of stress, it is impossible to return the biosphere to ecological balance, so this school of thought emphasized the importance of global equilibrium. A second Club of Rome report entitled Mankind at the Turning Point²⁶ claimed that this ecological crisis was world-wide and could only be addressed by ongoing, comprehensive and cooperative global action that encouraged planned and moderate growth. Environmentalists had long been concerned about ecological danger and had stressed conservation and other strategies.²⁷ But in this period, a growing awareness of the international character of environmental problems and solutions made the world seem a smaller, more interdependent, and fragile place.²⁸ There were conventional responses to the concern about finite resources by those who dismissed the limits to growth approach as panic or propaganda.²⁹ Even the third report of the Club

²⁵ Thomas Malthus. An Essay on the Principle of Population (1798), ed. by Philip Alleman (New York: Norton, 1976).

²⁶ Mihajlo Mesarovic and Eduard Pestel. Mankind at the Turning Point: The Second Report of the Club of Rome (New York: New American Library 1976).

²⁷ See Barry Commoner. The Closing Circle (New York: Bantam, 1971).

²⁸ See Barbara Ward and Rene Dubos. Only On Earth: The Care and Maintenance of a Small Planet (New York: Norton, 1972). See also Richard Falk in This Endangered Planet: Prospects and Proposals for Human Survival (New York: Vintage, 1972). Falk calls for a world political party in order to deal with the growing planetary crisis.

²⁹ H.S.D. Cole et al. (eds.) Models of Doom: A Critique of the Limits to Growth; New York: Universe Books, 1973. See also Melvin Grayson and Thomas Shepard, Jr. The Disaster Lobby: Prophets of Ecological Doom and Other Absurdities (Follett, 1973.)

of Rome, Restructuring the International Order minimized the ominous tone of its initial report. The assumption of such approaches (referred to as "modernist" in Hughes' typology discussed in Chapter One) is that new technologies will be discovered which will be able to address the problems of resource depletion, environmental pollution, or scarcities. But in this period, there were also creative efforts to search for alternative ways of dealing with the economic, environmental, and ethical dilemmas posed by a recognition of limits.

In this atmosphere characterized by a dawning realization of danger, scarcity, and finitude, Schumacher's work on small-scale economic organization, appropriate technology and alternative energy sources provided valuable new ways of thinking about the problems of growth and development.³⁰ Other economists raised questions about unqualified growth and development as well, positing an alternative "steady-state economy"³¹ much like Schumacher's "economics of permanence".³² For Schumacher, there were not only ecological and economic consequences of the emphasis on unqualified growth, but social and human ones as well.³³ His "economics as if people mattered" called for a redefinition of many of the

³⁰ In Environment and Development (Boston: Allen & Unwin, 1986), Peter Bartelmus refers to this area of concern "ecodevelopment".

³¹ See Herman Daly. Toward a Steady-State Economy (New York: W.H. Freeman, 1973). Daly claims that such an economy can overcome poverty, preserve the environment, and provide moral guidance if certain individual decisions are altered. See also Ecological Principles for Economic Development, ed. by Raymonnd Dasmann, et.al. (New York: Wiley, 1973) and Ecotopia by Ernest Callenbach (New York: Bantam, 1977).

³² This will be discussed in greater detail in the following chapter.

³³ See also E.J. Mishan. The Economic Growth Debate: An Assessment (Winchester, MA: Allen and Unwin, 1977).

basic priorities which had characterized western development.³⁴ In addition, his long experience with the National Coal Board gave him important insight into the dangers of heavy reliance on fossil fuels for energy. As energy "addicts", the west³⁵ needed to assume greater long-term responsibility for the ill-distribution of resources as well as the squandering of non-renewable reserves,³⁶ according to the alternative energy approaches which began to emerge about this time.³⁷ Schumacher proposed patterns of decentralization which would produce appropriately scaled economies, politics, and technologies in accord with a philosophic perspective which encouraged permanence, health, and beauty.³⁸ Without new values and attitudes Schumacher was concerned that increasing scarcities and limits would simply aggravate the Hobbesian conflict that already characterized international life. Though he was a socialist, he recognized that these nations

³⁴ See also Lincoln Gordon's Growth Politics and the International Order (New York: McGraw-Hill, 1980) which claims that shifts in attitudes and social factors, not physical constraints, effect attitudes towards growth. See also Garrett Hardin. The Limits of Altruism: An Ecologist's View of Survival (Indianapolis: Indiana Univ. Press, 1977) where he explores the ethical implications of life in an environment of finite resources.

³⁵ The U.S., which has 6% of the world's population, consumes over 30% of its natural resources each year, according to Energy We Can Live With: Approaches to Energy that are Easy on the Earth and Its People, ed. by Daniel Wallace (Emmaus, PA: Rodale Press, 1976).

³⁶ See Robert Stobaugh and Daniel Yergin. Energy Future: Report of the Harvard Business School Energy Project (New York: Random House, 1979) and Wolf Hafele et.al. Energy in a Finite World; 2 vols. (Cambridge, MA: Ballinger, 1981).

³⁷ See Hazel Henderson. Creativing Alternative Futures: The End of Economics (New York: Berkley Press, 1978).

³⁸ The details of these proposals will be explored later. See also Blueprint for Survival edited by The Ecologist (New York: Signet, 1972) which stresses many of these same points.

also suffered from many of the same problems of industrialization and environmental stress that afflicted capitalist nations.³⁹

Having recognized the need to examine the limits of growth, Schumacher saw the next obvious concern to be to locate arenas, methods, and actors for addressing this array of problems. As is appropriate, one can focus on national institutions⁴⁰, transnational institutions for global order,⁴¹ such as United Nations agencies, or on the creation of new agents to deal with these issues.⁴² For Schumacher, it was increasingly important to develop human-scaled, decentralized organizations to address these problems. He did not rule out global efforts when appropriate to the scale of economic or environmental problems and solutions. He realized that ecological interdependence requires a planetary perspective on our global "commons".⁴³ But he also realized that multifaceted approaches that were adequate to the specific situation, rather than formulaic and blanket

³⁹ See Donald Kelley, Kenneth Stunkel and Richard Wescott. The Economic Superpowers and the Environment: The United States, the Soviet Union and Japan (New York: W.H. Freeman, 1986) which finds a similar pattern of environmental deterioration in these three different types of economies.

⁴⁰ See David Kay and Eugene Skolnikoff (eds.) World Eco-Crisis: International Organization in Response (Madison: Univ. of WI Press, 1972).

⁴¹ Lynton Caldwell. In Defense of Earth: International Protection of the Biosphere (Indianapolis: Indiana Univ. Press, 1972) is just one example.

⁴² In This Endangered Planet: Prospects and proposals for Human Survival (New York: Vintage, 1972), Richard Falk proposes a world political party to address planetary crises such as potential ecocide. In Ecology and the Politics of Scarcity: Prologue to a Political Theory of the Steady State (New York: Freeman, 1977), William Ophuls calls for a world government with enough coercive power to enforce planetary interests.

⁴³ Garrett Hardin and John Baden (eds.). Managing the Commons (New York: Freeman, 1977).

solutions, were necessary. In this way, one of his most far-reaching contributions was the idea of appropriate or intermediate technology which introduced new ways of looking at both the ends and means of modernization.⁴⁴ Rather than simply adopting western goals and methods, this approach suggested that the developing world explore a middle way which would speak more directly to its values, needs, and resources.⁴⁵

To understand some of the roots of Schumacher's perspective on development, however, it is necessary to go back to the two most important influences on his mature economic thought--Gandhi and R.H. Tawney, the noted British economic historian, social critic, and reformer. Gandhi's influence will be mentioned in Chapter Five, but it is important here to note briefly the work of Tawney and its obvious influence on Schumacher. Much of Tawney's early work dealt with the England between 1558 and 1640, which came to be known as "Tawney's century". In all of his research he struggled to understand the relationship between economics, politics, and morality--a task that would also occupy Schumacher throughout his life. Tawney's classic work, Religion and the Rise of Capitalism⁴⁶, along with his earlier work The Agrarian Problem in the 16th Century⁴⁷ led him to greater understanding of the complex transitions from the pre-modern world into the modern one. In this way, we will argue, Schumacher was concerned

⁴⁴ R.J. Condon (ed.). Introduction to Appropriate Technology: Toward a Simpler Lifestyle (Emmaus, PA: Rodale Press, 1977).

⁴⁵ Ken Barrow and Rick Pam. Appropriate Technology Sourcebook (Washington, D.C.: Volunteers in Asia, 1976).

⁴⁶ R.H. Tawney. Religion and the Rise of Capitalism: An Historical Study (New York: Harcourt Brace, 1926).

⁴⁷ R.H. Tawney. Agricultural Problems in the 16th Century, intro. by Lawrence Stone (New York: Harcourt and Row, 1967).

about the emergence of a "postmodern" world which was simultaneously, pre-modern, modern, and postmodern. In addition to his scholarship, Tawney influenced Schumacher by his ongoing commitment to social reform. Probably his greatest long-term contribution in this way was the fact that he provided the British Labor Party with an alternative to traditional Marxist theory. Like Schumacher, Tawney centered his socialism on the morality of persons. Both external institutions and internal values must change if long-term betterment is to take place. For example, in The Sickness of an Acquisitive Society,⁴⁸ he argued that capitalism's encouragement of greed corrupted both rich and poor in a manner that clearly prefigured Schumacher's concerns. Tawney's best-known book, Equality,⁴⁹ examined the British class system in an attempt to devise reform policies that would address the growing inequities he saw. Another important commonality that Schumacher shared with Tawney was the role of religious beliefs. Though some socialists in the Labor Party were critical of his devout Christianity, Tawney's argument about the connection between personal acquisitiveness and social inequality was an important part of the dialogue about social reform in this period.⁵⁰ Like Schumacher, Tawney emphasized the importance of a simple and meaningful lifestyle according to which each person recognized his/her connection to the larger social body.

⁴⁸ R.H. Tawney. The Sickness of an Acquisitive Society (London: Allen & Unwin, 1920).

⁴⁹ R.H. Tawney. Equality (London: Allen, 1952).

⁵⁰ R.H. Tawney. The British Labor Movement (New York: Greenwood, 1968, c1925).

Another interesting body of work which parallels Schumacher's work on development is that of Rene Dumont. His studies on Africa⁵¹, Cuba, China, and diverse other developing countries provided valuable insights about land reform⁵², technology use, planning, and other central concerns in development and modernization theory. His Utopia or Else...⁵³, published just two years after Schumacher's Small Is Beautiful, incorporated concerns about non-renewable resources, population growth, and environmental pollution into his socialist framework. Though Dumont did not address the cultural, religious, and philosophical questions that Schumacher incorporated into his analysis of development, his approach to the political economy of development shared many of the same concerns about the economics of development.

With respect to all these issues, Schumacher raised important questions that are now central to ongoing concerns in development and modernization. He wondered about the appropriate role of expertise and specialists in generating and sharing the technical information needed to address health, agricultural, and other survival problems. As we will see, he raised questions about the environmental, social, and cultural impacts of technological innovations and held them accountable to people's long-term needs and traditions.⁵⁴ He experimented with projects of different scale and

⁵¹ Rene Dumont. False Start in Africa, trans. by Phyllis Nauts Ott, 2nd ed. revised, intro. by Thomas Balogh (New York: Frederick A. Praeger, 1969).

⁵² Rene Dumont. Lands Alive (New York: Monthly Review, 1965) and Types of Rural Economy (New York: Frederick A. Praeger, 1957).

⁵³ Rene Dumont. Utopia or Else... (New York: Universe Books, 1975).

⁵⁴ As mentioned before, people's "real needs" are not easily defined. But it is appropriate to at least raise questions about real v. false needs in a society where the problem tends to be ignored.

scope hoping to create human structures that could deal with the critical needs of both developed and developing nations. as we will see in Chapters Three and Four, many of his earliest analyses and predictions about development and modernization have been born out over the last thirty years⁵⁵. Both governments and other institutions and those disenfranchised from these structures of power have embraced his insights. In Chapters Three and Four, we will explore more fully the contours of Schumacher's political economy which recognized both the critical problems and possibilities in developed and developing nations.

⁵⁵ See for example, Mya Maung. Burma and Pakistan: A Comparative Study of Development (New York: Praeger, 1971).

CHAPTER TWO: SCHUMACHER'S LIFE

In order to understand and assess the development of Schumacher's views and values, it is necessary to briefly discuss his biographical background. For Schumacher's ideas arose from his concrete and diverse experience in the world. In this way, one of the unique characteristics of E.F.Schumacher's thought was its vitality and dynamism, for he continued to change, to grow, and to see the world in new ways. His world view underwent two major transformations based upon and triggered by in his own life experience. He continued to expand the intellectual and theoretical contours of his perspective in order to find a framework adequate to articulating the rich diversity of his personal experience.

One of the interesting characteristics of Schumacher's thought is that, at its best, its sweep and scope are accompanied by a practical, even scientific rigor. This dual emphasis on both the more abstract meaning and purpose of economics as well as on concrete applicability characterizes his best contributions. Critics might claim that Schumacher was an intellectual dilettante whose idle speculations led from interest to interest. But this may be because he was a problem-solver who tackled concrete dilemmas with his whole being.¹ He was able to continue to grow by allowing his perspective to expand on the basis of additional experience. Many resist the "paradigm

¹ Abraham Heschel in Who Is Man? (Stanford: Stanford Univ. Press, 1965) distinguishes 'questions' which merely require intellectual answers from 'problems' which are grasped by the whole being in the search for solutions.

shift"² that is necessary when a theory no longer fits the data of the world. And though Schumacher, when challenged, fought ferociously to defend his positions, he also knew how to let go of an old world view when it was no longer capable of explaining new experience or information. As previously mentioned, there are at least two major transformations in his thought which roughly correspond to his discovery of politics and to his discovery of spirituality. In order to understand these developments, it is necessary to understand something of Schumacher's background and early experience.³

Schumacher was born in Bonn, Germany, August 16, 1911, and grew up knowing the hardship of war and post-war conditions even though his father was a well-known economics professor. Precocious and irreverent, Schumacher returned to Bonn for college once he had finished high school in Berlin. His most influential teacher at the university was Joseph Schumpeter who inspired "Fritz", as he was called, to study economics. A trip to England in 1929 gave young Schumacher his first, but less than favorable, glimpse of his future homeland. While there, however, the young student had his first contact with John Maynard Keynes, an event which reaffirmed his decision to become an economist. He was soon after selected for a Rhodes scholarship to Oxford University where he chose to study at New College. As a German, he was thrown into the uncomfortable situation of having to explain the

² In The Structure of Scientific Revolutions Thomas Kuhn uses the concept 'paradigm shifts' to describe qualitative changes in scientific world views.

³ Much of the background material is drawn from the biography of Schumacher written by his daughter, Barbara Wood in Alias Papa (London: Jonathan Cape, 1984.) The writings of Geroge McRobie, Kirkpatrick Sale, Theofore Roszak, Peter Gillingham, and Christian Schumacher were also very helpful. Background material was also obtained and corroborated in interviews with McRobie and Sale.

development of Nazism, which was then on the rise in his homeland. According to Schumacher, Germany's afflictions were primarily the result of the unfair settlements imposed upon it by Britain, France, and the United States after World War I, and he continued to locate Germany's problems in this historical context and interpretation.

A summer internship in 1931 at a bank in Hamburg gave Schumacher an appreciation for practical learning and hard work that would remain with him. According to his daughter,

He discovered there is no substitute for practical experience. Gradually this unshakable opinion hardened into a degree of contempt for academics. Fritz believed that academic training without practical experience was generally valueless. To him, 'knowledge' incorporated experience of the real world.⁴

As we will see, much of this predisposition toward practical learning over "hollow" theory, stayed with Schumacher throughout his life. Much of what things that he found lacking in Oxford intellectual life, however, he discovered in the commotion of New York where in 1932, as part of his Oxford program, he went to study the money market. The energy, informality, and practicality of America appealed to Schumacher's appreciation for the useful and the appropriate. At Columbia University, he studied the banking system with Prof. Parker Willis who later offered his gifted student a prestigious lectureship in the Department of Banking.

Schumacher's approach to economics at this time was still highly theoretical. He was critical of excessively empirical approaches which relied too extensively on gathered data. But ironically, he was equally critical of

⁴ Wood, Barbara. Alias Papa: A Life of E.F. Schumacher (London: Jonathan Cape, 1984), 36.

theories from other fields, such as history and politics, which he felt obscured the conceptual clarity of 'pure' economic analysis. It was just such an approach, his renowned "economics as if people mattered"⁵, which later became one of his most important contributions to contemporary thought. But in this early stage in the development of his thought, he wrote:

the economist should not be bothered with politics and psychology or such hybrid and pseudo-science as sociology- which of course does not mean that there are not other considerations to be made than economic ones.⁶

In this early formulation, Schumacher seemed to endorse the very method that he later criticized so thoroughly. At this time, he argued for a clean distillation of economics from other disciplines such as politics, sociology, and psychology. But his mature life was to be spent trying precisely to do just this--to expand the parameters of pure economic theory beyond its narrow boundaries in order to understand its connections to other fields and more inclusive purposes. Such a transformation in Schumacher's perspective reveals both the strength and weakness of his work. It is, on the one hand, a testimony to the dialectical power of his capacity to learn and his ability to change his approach when its limitations or contradictions were exposed. On the other hand, critics can see such change as inconsistency in his thought or at best a lapse from the rigor of theoretical economics to more diffuse levels of analysis. But one of the compelling features of Schumacher's work is the continuous transformation of his perspective from an initial focus on

⁵ This is the subtitle of Schumacher's book, Small is Beautiful (New York: Harper and Row, 1973).

⁶ E.F. Schumacher. Draft for chapter "Inflation and the Structure of Production" for Prof. H. Parker Willis and John M. Chapman, The Economics of Inflation (New York: Columbia Univ. Press, 1935) quoted in Wood, 1984, 53.

classical economic theory to progressively vaster and more complex concerns in which he endeavors to take into account the roles that history, politics, values, and culture all play in shaping our human reality. There can be no pure, disembodied, rarified theory, he declared in his later work,⁷ and his analysis revealed the credibility of someone who once believed it could be so.

As Hitler ascended to power in Germany, history increasingly pressed in on the simple clarity of economic theory and practice as Schumacher had understood it in his early life. Before 1933, Schumacher's interpretation of Germany's dilemmas rested on the failure of Europe to deal appropriately and fairly with post-war Germany, a situation which Hitler exploited through propaganda. Schumacher's family in Germany, like many others, did not foresee the terrible consequences of Hitler's climb to power, and thus ignored many of the warning signs which gnawed at him.

Schumacher attempted to be a patriotic German citizen while studying in England and New York, but it became increasingly difficult to defend his homeland from the mounting criticism. In the meantime, Schumacher's family, like most of his generation, ignored and accepted the reality around them, having been taught to acquiesce to established authority. Since Hitler had come to power legally, the elder Schumacher felt it was more constructive to look for the positive aspects of a difficult situation. The storm had to be weathered, he thought, and in the meantime, it was necessary to survive. Schumacher's younger brother and sister even joined

⁷ E.F.Schumacher. Small Is Beautiful: Economics as if People Mattered (New York: Harper, 1973.)

Nazi Youth Groups, which was a growing source of anguish for him as the situation worsened. Though America was joyful, liberating, and full of promise for Schumacher, he returned to Germany on April 1, 1934 with a heavy heart to face the impending crisis. News of the growing tension made him anxious to find out what was really transpiring and what could be done.

Things in Germany were ominous, and Schumacher found that eminent academicians had already been hounded out of the country. Physicist Werner Heisenberg, who later became Schumacher's brother-in-law, was one of the few who tried to defend Albert Einstein against harassment. It upset Schumacher profoundly that academicians in their supposed pursuit of and commitment to truth did not fight more vigorously when it was threatened by brute power. Street violence, executions, and paralyzing fear abounded in Germany during this period from 1934-1935, and the haunting question for Schumacher became, "How is it possible to live a moral life within an immoral system?"⁸ The pressure to compromise moral values for the sake of privilege or survival pressed in on him and those around him, and he was tormented at what he saw happening to Germany. He never forgot what he learned during this first-hand insight into the horrors of nationalism, militarism, and racism. The growing estrangement that he felt from what had once been his homeland, made him realize that he had no choice but to leave Germany. After his marriage, the opportunity arose to go to England, and he decided that he would choose self-exile. The decision was more difficult for his wife, to whom he wrote from London:

Political theories, lessons, methods, successes or failures do not interest us[,] do they? Instead we are interested solely and exclusively in moral obligations, unfettered by boundaries, whether

⁸ Wood, 1984, 65.

national, racial, occupational, religious or anything else. The development of a person towards good consists largely in a continuous broadening of the boundaries of moral responsibility,[so] that he conquers the moral indifference by which prejudice limits his boundaries until he realizes what appears to be a higher purpose in his living and thinking, namely that he regards all men 'as equal before God'. Whoever imposes a moral 'charter' on other nations, races, groups, or individuals will find their inner life eroded and will go to the dogs.⁹

The moral responsibility of the person which is affirmed in this letter continued to be the abiding center of Schumacher's social philosophy even as his political, economic, and cultural parameters changed or expanded. This fundamental commitment to moral integrity and individual "liberty" was later complemented by an equally fervent commitment to "equality" when he discovered socialism. Still later when he recognized the fundamental importance of culture and spirituality, this commitment was progressively expanded to include all three values of "Liberty", "equality", and "solidarity".¹⁰

Another continuous strand in Schumacher's personality as he encountered the many crises and uncertainties that the world presented, was an abiding optimism. At times, this optimism was romantic, but it was usually accompanied by great efforts to be pragmatic, useful. He always seemed to find within himself a buoyant hopefulness, one not based on naivety or indifference to suffering, but on experience and energetic work. At his best, Schumacher combined "pessimism of the mind" with "optimism of the will"

⁹ Schumacher in a letter to his wife, 1936; quoted in Wood, 1982, p. 87.

¹⁰ Stephen Marks in "Emerging Human Rights: A New Generation for the 1980's" (Rutgers Law Review, Vol. 33, 1981, 441) makes an interesting connection between historical stages in the development of human rights and the progressive incorporation of the principles of "Liberty, Equality, and Fraternity."

as Gramsci had advocated. An early formulation of this attitude thus advised,

This is not the time for lamenting but for becoming active . . . Let never the height of an ideal or the magnitude of a task be a deterrent to anybody to do his share of it, be it small or large. There is plenty of work for all of us, work on ourselves and work for others. There is need for help everywhere. We can make life worth living for the unfortunate, sometimes by very little things but these little things need all our heart and all the human understanding we are capable of. And when we can tell the good from the bad, let us work for the good wherever we can find it. Let us develop it, treasure it and fight an evil force with all our determination. A long and difficult path leads up to the ideals which shall give direction to our life; nobody will reach the top, but no man will refuse to walk upon it because of that.¹¹

As this passage suggests, Schumacher became someone who sought the ideal in practice rather than in pure theory. This is the idealism of the pragmatist who is able to suspend judgement about ultimate truths for the sake of concrete goals. According to this sensibility, it is out of actual work, out of activity, that wisdom and insight emerge. Arm-chair theorizing and hollow intellectualizing did not solve real problems, according to Schumacher. He was harsh with those academics who lived in this fashion without understanding the consequences, the embodiments of their ideas. Some of this concern about the dangers of disembodied theory came undoubtedly from his anguish and anger about the moral and political impotence of intellectuals in Germany who allowed Hitler to come to power.¹² His experience in Hitler's Germany vividly reminded him of what can happen

¹¹ E.F. Schumacher. Unpublished letter to the Spectator, August 8, 1937, quoted in Wood, 1984, 92.

¹² See Wood, 1984, Chapter 5, "Hitler", 54-70.

when the commitment to truth is compromised because of incremental accommodations to power.

When Schumacher finally left Germany for England in 1937, he was forced to give up on the hope of things soon improving in his homeland. He felt that the most he could do was to prepare himself to assist in the eventual reconstruction of Germany and Europe that would follow the war. Life in England was filled with new vicissitudes and challenges. The birth of a first child, frustration in his work as a financial consultant to a German businessman, and his abiding concern about events back in Germany all added to his burdens. Yet he maintained a hopeful attitude. According to his daughter, Barbara,

Such optimism and positive attitude towards all mishaps never left Fritz throughout the trials that were to come his way during his life. He was more aware of the evil and dangerous influences about in the world than most of his contemporaries and he considered that most people were less well equipped to combat them than he was, but he was still an idealist and believed that practical action, however small, was significant. His attempts to change the world through his world improvement plans did not rule out his own small gestures of compassion.¹³

Since his days at New College, Schumacher's great preoccupation had been a plan for improvement of the world economy. In England he began his explorations in earnest and developed the first of several versions of a plan for a new international monetary system. At work he had already begun to extrapolate beyond the nuts and bolts of finance and investment in order to assess the financial system as a whole. His later meetings with John

¹³ Wood, 1984, 91.

Maynard Keynes, who was grappling simultaneously with the same issues, corroborated his insights about the global economic system.¹⁴

In London at this time, there were other Germans who had fled and who struggled with the same anxieties about what was occurring at home and how best to help address the horror of the situation. Some like Schumacher's friend, Adam von Trott, felt that one must struggle underground in Germany until it was possible to dismantle Hitler's regime from within. After working his way up through the regime, Von Trott was eventually executed for his part in the plot to assassinate Hitler. Others, like Werner Heisenberg, felt that it was necessary to stay in Germany and struggle in quiet ways against the moral compromise, the "banality of evil"¹⁵ that was enervating the country. But Schumacher felt that neither type of struggle from within could be effective; the problem in Germany went deeper than merely a question of leadership by an aberrant evil individual. As would always be the case in his analysis of social problems, Schumacher intuited the complex connections between politics, economics, culture, and history. He felt the process of reconstruction would involve much more than simply wresting power from the Nazis. According to his daughter, he felt that "Germany... was like a glass of water with a sediment of dirt; the Nazis had stirred up the mud and the whole glass had become cloudy".¹⁶ The process of recuperating, cleansing, and clarifying would be a long and complex one, Schumacher predicted. After the war, this long process of

¹⁴ See Wood, 1984, Chapters 9, 10 and George McRobie's introduction to Schumacher's Good Work (New York: Harper and Row, 1979.)

¹⁵ Hannah Arent's term for the incremental, everyday accommodations to evil. See The Origins of Totalitarianism (New York: Harcourt, Brace, Jovanovich, 1951).

¹⁶ Wood, 1984, 96.

reconstruction was made more difficult because of the lack of leadership in Germany. Those like Schumacher who had left were therefore seen as cowards or traitors in Germany, while those who stayed were tainted by their association with the Nazis.¹⁷ The dilemma was extremely personal and painful because Schumacher's own family and that of his wife were, like many, tragically divided. It was uncomfortable for Schumacher to be in England on the edge of war; as a German, he was increasingly subjected to hostility, when, in fact, he was himself passionately opposed to and anguished about what was happening in Germany. When the war broke out, he and his wife, Muschi, found themselves facing their own families as enemies, yet they knew that they would not return to Germany until the Nazis were defeated. As the war dragged on, it was more and more obvious to Schumacher that Hitler was only part of the problem, and that the cancer which had invaded his homeland was aided by a morally debilitated body politic. This realization of the underlying connections between the moral values of a culture and the economic and political realities of a nation continued to inform Schumacher's analysis of social problems.¹⁸

The next profound change in Schumacher's world view came when he was presented with several new crises. In London, Schumacher worked as a financial consultant for George Schict, the director of Unilever, a European trading company. After a conflict with his employer, Schumacher found himself without a job or home.¹⁹ As an enemy alien, and with a second child on the way, things looked quite bleak. Schumacher's unfailing

¹⁷ Ibid., 97.

¹⁸ We see in this attitude some of his indebtedness to Tawney who emphasized these same connections.

¹⁹ See Wood, 1984, Chapter 8.

optimism and the help of David Astor, a loyal and well-placed friend from his Oxford days, came to the rescue. Astor arranged for the Schumachers to move to Northamptonshire where Astor's uncle, Robert Brand had an estate and working farm. The Schumachers were given a modest cottage and a new lifestyle that they quickly grew to love. Though the physical farm labor was difficult, Schumacher adapted and began to thrive in this environment where his practical wisdom could be expressed in concrete projects. Soon, however, British authorities summoned Schumacher, as a resident enemy alien, to an internment camp on the borders of Shropshire and Wales. Ironically, this experience, with all its attendant difficulties, was to be one of the most fruitful learning experiences of Schumacher's life, a further testimony to his resiliency and optimism.

Schumacher had never been healthy, and the deplorable conditions of the camp eroded his already taxed reservoir of strength. He was also worried about his wife, who with little financial support, lived alone in the country with two children and two Jewish refugee girls, one of whom was seriously ill. His worst fear was that he would be deported and separated from his family and from England which he saw as the hope of the future.²⁰ But after the first difficult weeks in the camp, he regained his traditional optimism and his physical strength began to return. The sustenance that he had always drawn from Nietzsche, Schopenhauer, and Goethe came to his aid again in the midst of these hardships. In a letter to his wife, he encouraged her by saying,

²⁰ Wood, 1984, Chapter 8.

One day the nightmare will have dreamed itself out. For most of that small minority of highly strung people to which I belong, internment means unbelievable and unimaginable hardship. But I have established with satisfaction that I, on the other hand, have reserves of strength to which others do not have access. My inner holding is such that most people assume that I am completely untouched by everything, so far as it concerns me. . . . even if you live like a dog, nevertheless you still don't live like a dog. This time will be useful to us later on. What does not kill us makes us stronger ²¹

His own Nietzschean will was connected to an abiding sense of compassion for and awareness of responsibility to others. This innate ability to discover and to create a real experience of community also became an enduring dimension of his thought. He continued thus in his letter to his wife:

I am trying to uphold peace and unity in the camp. I think I am succeeding well which represents quite a service to the community. I have the reputation here of having the motto: I have never met a man I didn't like.²²

This capacity to extract the human out of inhumane conditions, to draw out the best in others by discovering their shared concerns, was finely honed in the internment camp which, in his eyes, was a microcosm of the entire human condition. The ideological, cultural, economic, and professional diversity that characterized its 1400 prisoners demanded that Schumacher comprehend both the specificity and universality of each life.

It was in these conditions that Schumacher underwent another major transformation in the development of his thought. His tent mate, Kurt Naumann, was a Communist journalist who escaped from Germany to Czechoslovakia, where his disillusionment with the hard line of orthodox communism encouraged him to become a Socialist instead. He fled to

²¹ Schumacher in letter to wife Muschi quoted in Wood, 1984, 110.

²² Ibid.

England after Germany's invasion of Czechoslovakia and, fortunately for both, was interned with Schumacher. They formed a strong bond and became leaders in addressing the miserable conditions of the camp and organizing a more humane society. Naumann also deepened Schumacher's understanding of Marxism, and their exchange in such conditions could hardly be an exercise in idle abstraction. The camp itself was a laboratory of socialist theory, and for Schumacher, it constituted the ideal learning situation. The intimate and concrete connection between theory and practice could be clearly seen, partially because of the scale of this little social system. According to this daughter,

he felt that at last he was being educated. This was his real university. Instead of feeling hopeless and powerless in the situation in which he found himself, he rose with new strength. Marx made sense of it all. Marx explained the political and the social upheavals in terms of economic status and economic activity. . . . Suddenly Fritz could see how he had failed to take proper account of the political dimension of the economic issues which had concerned him. Poverty and plenty, oppression and justice, were put into a new perspective by Marx's penetrating analysis.²³

Though Schumacher had, of course, been exposed to left-wing theory at Oxford, he had perserved in his traditional liberal world view which abstracted economic questions from the lived complexities of politics, culture, and values. His sudden, lived awareness of injustice after a life of relative privilege dramatically expanded his comprehension and compassion. All that he had assumed was called into question by this concentrated insight into the theory and practice of suffering. Many of Schumacher's later ideas about political economy, including notions about scale, appropriate technology, planning, and work, originated during this powerful experience.

²³ Wood, 1984, 113.

His later insights into human psychology, culture, and epistemology were also affected by the revelations of this time. The importance of creative work, individual initiative and empowerment, and collective solidarity became clear and precious to Schumacher during his internment. As we will see in Chapter Six where Schumacher's vision of politics is examined, these insights have great relevance for democratic theory and political participation. In this connection, Barbara Wood concluded:

When he was released, . . . he came out not as a man emerging from the hard conditions and pressures that go with the deprivation of liberty, but as though he was returning from a stimulating seminar, on fire with new ideas and new visions. He left . . . invigorated, released from a torpor which had gripped him in the years leading up to the war when the plight of his country descending ever deeper into madness had robbed him of real creativity.²⁴

This "awakening" constituted a major transformation of Schumacher's world view. Hitting up against the constraints of life in the camp gave him a clear vision of both the limits and the possibilities of the human condition. Often, of course, do-or-die situations bring out the best and the worst in people; and moral choices which may otherwise be too diffuse or abstract to be seen clearly, can be precipitated by such crises. Perhaps Schumacher's later insight into the destructive consequences of unlimited growth stems from the heightened awareness he obtained in internment of finality, reality, limits, and scarcity. His concern about adequacy and sufficiency, along with his criticism of waste, may also have originated or been accentuated in this period. Schumacher's sensitivity to the difference between real needs and false desires probably also resulted from this crisis learning. Such intensely lived experience can jolt people into a heightened consciousness of their own responsibility and power in the immediacy of a critical situation. The

²⁴ Wood, 1984, 113.

everyday disjuncture between self and context cannot be preserved so easily when a painful reality imposes itself. People in such circumstances may flee into fantasy and fail to cope, or, like Schumacher, they may rise to the occasion and push themselves onto a new stage of development.²⁵

Though such an analysis is speculative, it could be that Schumacher's internment in England, his own experience of marginality and fear, was the appropriate penance that enabled him to comprehend more fully, and thereby to free himself of guilt about what his countrymen were doing in Germany. Schumacher asserted his freedom by choosing to be, in Camus' terms, "neither victim nor executioner"²⁶, yet understanding the experience of both. In a Nietzschean transvaluation of values, he was able to transcend the situation into which he had been thrown and to struggle to articulate an alternative. By leaving Germany, his homeland, even his family, he refused to be an executioner. By refusing to capitulate to despair or paralysis when interned, he resisted becoming a victim. The time Schumacher spent in the camp gave him a concentrated, microcosmic view of what it means to discover power in the midst of powerlessness, to discover community and compassion in the midst of isolation from the world and loved ones, and to create meaning and hope out of the incomprehensibility of human cruelty. We see in this intense deprived and circumscribed experience the roots of much of Schumacher's later ideas.

²⁵ See, for example, Victor Frankl's Man's Search for Meaning: An Introduction to Logotherapy; Boston: Beacon, 1963 where he discusses the experience of a concentration camp and how people respond.

²⁶ Camus, Albert. Neither Victims nor Executioners, intro. by Scott Kennedy & Peter Klotz-Chamberlin (Philadelphia: New Society Publishers, 1986.)

Through the help of important friends like Harold Scott, Alexander Paterson, and Lord and Lady Astor, Schumacher was released after three months and returned to country life at Eydon. But, as enemy aliens, he and his family were still constrained, both legally and socially. This experience of alienation and hostility, painful as it was, perhaps instilled in Schumacher deepened perceptions of the dangers of provincialism and prejudice. Those critics who later worried about the destructive consequences of smallness and therefore criticized Schumacher's advocacy of small-scale communities, need to acknowledge that his own experience of village hostility provided him with abundant awareness of this danger. He did not romanticize smallness or ignore its potential for intolerance and self-enclosure, but he clearly saw that its problems existed on a manageable scale and thereby had the possibility of being resolved. By "minimizing vice", smaller social systems could isolate problems thereby facilitating greater accountability, flexibility, and personal empowerment. This direct experience of a community with both its constraints and opportunities pushed, perhaps even forced, Schumacher to explore the implications of scale.

Another formative and dynamic experience for Schumacher in these war years was his life on the farm. Even his name was changed by his co-workers who were concerned that "Fritz" sounded too German. As "James", he delighted in the strenuous physical work that characterized his days and the solitary but stimulating study that filled his evenings. He applied himself to the improvement of the farm, trying methods gleaned from his research, his own experience and that of others. From this small microsystem that he knew through the intimate contribution of his own

labor, he was able to explore many important hypotheses about agriculture. Increasingly he came to realize as he would verify later, that many problems arose not so much as a result of limited physical resources but as the result of routinized ways of thinking, in this case, the habits and perceptions of the farmers themselves. The youngest, most talented people were attracted away from rural areas and into the urban centers leaving behind those who were less innovative, less able to address the demanding problems that agriculture faced²⁷. It was often considered just too expensive to stay in farming, and the best and the brightest quickly gravitated elsewhere. Many of these concerns abide throughout Schumacher's work, and later are reworked when he tackled the agricultural problems of developing nations. In his later projects, he would approach these challenges very differently by proposing that appropriate technology and scaling down of systems could make resources accessible to all. At this time, however, his solution was still traditionally leftist: the state must intervene and nationalize a portion of the land. He wrote:

Many excellent arguments have been adduced for some measure of land nationalisation. They all point to the improvements which could be realized by a more centralized control. But the decisive argument . . . is the human argument. The state and only the state, could make agriculture into a career. . . . rather than tying the rural population to the land, governments should aim at bringing townspeople into the country. Agriculture needs fresh blood.²⁸

Later Schumacher came to realize that a large and clumsy state may be as much a part of the problem as it is the solution; but during this period on the farm, Schumacher again seemed to learn a great deal because of the close

²⁷ Wood, 1984, 118.

²⁸ This is an extract from Schumacher's letter to Brand, the owner of the farm, which was quoted in Wood, 1984, 119.

proximity of theory and concrete practice. As was the case in the internment camp, life on the farm expressed a scale and a speed of development that maximized Schumacher's learning about the land and its systems. This sensitivity to appropriate configurations of time and space continued to play an important role in his evolving world views.

Perhaps Schumacher's formative experiences in internment camp and on the farm at Eydon provided him with important prototypic understandings of the question of scale which would later be so central to his work. Both contexts were defined by their clear limits or severe constraints within which one had to work. One was able, even forced, to envisage and directly encounter a whole system. When the boundaries of a system are obvious, it is easier to see and to understand the consequences of one's own decisions. Feedback about the results of action is quicker and more coherent in a situation where one can glimpse the "bigger picture" of which individual actions are parts. It is easier to see how changes in the trees affect the forest which circumscribes them. Individuals can feel both more responsible and more empowered in a context in which intentions and their implications are more clearly united. This experience of small-scale social structure, even in situations of adversity, obviously contributed to Schumacher's mature understanding of autonomous, holistic human communities. As we will see later, these experiences, and Schumacher's extrapolations from them, will be important in his thinking about democratic participation and political community.

What made this period so productive for Schumacher was the fact that while he was working on the farm, he was also thinking about the world. He

returned to his earlier concerns about the design for a new global system based on the rights of all to having basic economic needs fulfilled. He looked ahead to the end of the war and was determined to discover some wisdom that would make it less likely another would occur. His simultaneous concern about the specificity of place--the land, the farm, the local community--and the universality of a global system, characterized his perspective from this point on. "Thinking globally and acting locally" became an instinctive part of his approach to social problems. In all of his subsequent work, the world would call him forth, expanding his horizons, while the pull of the earth would ground him²⁹. Perhaps the creative tension between these two poles provides a key to the uniqueness of the legacy of his work. He recognized on the farm that large scale, global issues are addressed at the level of concrete and practical immediacy, and that the immediate is, in turn, the varied expression of more universal forces. Later his meta-theoretical questions about human nature, purpose, and meaning also express the macrocosmic dimension of his thought, complemented by the concrete, pragmatic details which give substance to this vision.

As Barbara Wood points out, Schumacher's major concern at this time was to understand some of the economic causes of war.³⁰ Both his newly found Marxism and his long-standing respect for Keynes contributed to his perspective. He never came to advocate rigid Marxist determinism, but he did feel that economic factors were crucial in understanding global war and

²⁹ In Heidegger's "On the Origin of the Work of Art" in Poetry Language and Thought, he uses the struggle between the "earth" and the "world" to describe the relationship between the grounding, centripetal force of a work and its expansive, centrifugal character.

³⁰ Wood, 1984, 122.

peace. He pointed, for example, to the problem in the international trade and exchange system that caused depressions to move from one part of the world to another. Again he combined in readings and writings Marxist economic theory with specific examples in different countries. Studying unemployment, he understood more clearly the importance of the right to survival and the primacy of basic needs for food, work, and other necessities. At this time he also developed the incipient forms of his ideas about work which will be explored later. According to Schumacher, a "dynamic minority" needed to find creative expression in work, and if denied these channels, will become frustrated.³¹ The stability of a social system depended on the extent to which these energies could be constructively applied. When work is meaningful and empowering, he claimed, there is less likelihood of war resulting from these frustrations; possibilities must be adequate and appropriate to human energies. He was convinced that

politics and economics march together, and that once order has superseded chaos in the economic relations between nations, the day will not be far off when mankind will rid itself of the scourge of war.³²

Schumacher struggled to work out a multilateral vision of how international order might be encouraged. He became increasingly aware of the need for international cooperation in order to produce long-term stability in economic trade.

Let every country . . . pursue any such internal policies as it sees fit, let it distribute its national income according to its own principles or lack of principles, let it pursue any employment policy it likes--*insist* only that every country should keep its foreign trade in balance, that

³¹ Wood, 1984, 123.

³² Wood, 1984, 126.

it should currently spend on foreign goods and services as much as it earns by providing goods and services to other countries.³³

Rather than endorsing the accumulation of surplus, such an approach would encourage the spending of those surpluses and the financing of deficit nations. What was necessary for all this to happen was the formation of a centralized banking and clearing system to orchestrate these elements. He felt it was also necessary for a new system of values to emerge in order to reinforce this image of global justice. Even in these technical and detailed economic formulations, Schumacher's awareness of the interconnectedness of economics, politics, and culture can be seen.

This vision of a new global financial system at the same time preoccupied the well-known British economist, John Maynard Keynes. Schumacher had great admiration for Keynes and had let him know this in early correspondences. When Schumacher sent to Robert Brand, his employer and David Astor's uncle, his long-labored-and-loved paper on an international clearing house entitled, "Free Access to Trade", the latter forwarded it to Keynes. Keynes acknowledged that he was himself working on similar issues but claimed that his own arguments went further and were more detailed. Keynes also persuaded Schumacher not to publish his own piece, perhaps as a way of protecting his own version. Schumacher, still an enemy alien working as a farm laborer, was exhilarated by an unexpectedly egalitarian dialogue with Keynes. In a letter to Keynes following the visit, Schumacher claimed that his own work went beyond Keynes' in basic thinking about the international system even though he agreed that Keynes

³³ E.F. Schumacher. "The Economic Treatment of Post-war Germany", in Wood, 1984, 124-5.

had elaborated more of the technical details. He also felt that Keynes' approach was still too focused on bilateralism between nations rather than on the multilateral perspective that Schumacher adamantly supported.³⁴

Not long after this dramatic encounter between Schumacher and Keynes, Schumacher was offered a job as an economist at the Oxford Institute of Statistics through contacts that he made while interned. He left the countryside and his life as a farm laborer and became again an official economist. After he rented a room in London and assumed his new responsibilities, his memo on the international financial system became widely circulated and was much discussed as the Schumacher Plan. But by the time he finally decided to publish it in Economica, it was too late--Keynes had published his own version, "Proposals for an International Clearing Union", one month earlier. Amazingly, Schumacher, despite his disappointment, did not express anger towards Keynes, about the upstaging; and despite a very general acknowledgement to others with similar ideas, Keynes did not specifically credit Schumacher. However, according to Barbara Wood,

... later Fritz always referred to the Keynes plan as his own plan, giving the impression that Keynes derived his ideas from Fritz's papers, ideas which are now enshrined in history books as the 'Keynes Plan' put forward at the historic Bretton Wood conference.³⁵

Wood offers several possible interpretations for the fact that Schumacher did not express indignation that Keynes had used some of his ideas at the time of the latter's publication, even though later he did express these feelings.

³⁴ Wood, 1984, 130 and McRobie in Schumacher, 1979, viii.

³⁵ Wood, 1984, 133.

Perhaps at the time it was reward enough that the visions of an alien farm laborer and those of the greatest living economist should be so convergent. Perhaps it was only later that Schumacher came to realize how much in fact Keynes had been influenced by his paper, having by then heard that he was capable of such appropriations.³⁶ Finally, Wood suggests that it was enough for Schumacher that his ideas were circulating in the public sphere, being addressed, and being used as tools for solving critical human problems. Despite or because of these convergences, the two economists continued to respect one another.³⁷ Before his death, Keynes acknowledged the general contribution that Schumacher had made to economic thought in revelations like the following:

If my mantle is to fall on anyone, it could only be [on] Otto Clarke or Fritz Schumacher. Otto Clarke can do anything with figures, but Schumacher can make them sing.³⁸

Schumacher's special capacity to make statistics "sing" which was noted by Keynes and other economists, continued to evolve. Though Schumacher's economic method was empirically rigorous, it was also "melodic" in its ability to understand the longer term meaning, development, and consequences of statistical data.

³⁶ After Schumacher's death, it became known that the Polish economist Michal Kalecki had a similar experience with Keynes. Kalecki had been working on ideas remarkably close to Keynes' "General Theory", which, when published derailed Kalecki's efforts. Though disappointed, he, like Schumacher, was glad that Keynes' reputation would encourage rapid circulation of the ideas. This affair is recounted in Wood, 1984, 151.

³⁷ Schumacher, in fact, wrote Keynes' obituary for the London Times. See Wood, 1984, 135.

³⁸ Schumacher quoted this from Keynes in a letter to his parents. It is quoted in Wood, 1984, 135.

Schumacher had a bountiful confidence in his own ability to think creatively and clearly about economic problems, and this gave him the courage to take calculated risks based on his own best judgement. He exhibited an optimistic certainty and faith in rationality and progress. Yet, even in these early days, Schumacher's approach contained some intimations of what would later be another change in his thinking. Schumacher early recognized the dangers of an emphasis on unlimited growth in questions of development and modernization. But it wasn't until later that his critique of the "modernist"³⁹ perspective would fully emerge. He moved from a classical liberal interpretation of modern economic life to a socialist perspective, but he still remained very much within a Western, materialist frame of reference.

One feature of this orientation was its adamant rejection of religion, particularly Christianity, which he felt was antithetical to reason.⁴⁰ His commitment to scientific truth required an understanding of facts, causes, and the rules of logic, whereas he considered religious truth to reflect merely "sentiment, morality faith or some vague assertions of good or evil."⁴¹ He felt the assertions of religion were even dangerous because they were easily severed from any observational or factual grounding. The emphasis in religion on moral absolutism ran counter to Schumacher's understanding of morality as a function of other systems. In addition, according to Barbara Wood,

³⁹ See Chapter One for the distinction between "modernist" and "neotraditional" attitudes.

⁴⁰ Wood, 1984, 144.

⁴¹ Ibid., 145.

He considered Christian morality not only to be ambiguous and full of contradictions, but to be anti-life, encouraging brutal revenge, war and a concern for the individual at the expense of society as a whole.⁴²

Rather than helping to cure the ails of the world, religious ideology, for Schumacher, created or aggravated them with its capacity for distortion, contradiction, violence, and self-involvement. He could express his views in rather blunt terms:

My criticism of Christianity . . . is not merely that its doctrines include the most terrible and savage superstitions of a barbarous age, (the whole doctrine of Atonement, the slaying of a God, the eating of a God), but that as a moral code, it is totally insufficient, self-contradictory, and out of date . . . You can read anything out of the Bible and into it. And that, in my opinion, condemns it as a moral code.⁴³

Christianity for Schumacher had to be judged by its ability to address real human problems, and not just those of one's neighbor or those governed by contractual agreements. Rather than "helping the poor and the sick"⁴⁴, Schumacher felt that morality of the future must "fight disease and poverty" in much more fundamental ways. Religion, moreover, too easily substituted ideological absolutism for individual responsibility, making it all too easy for unspeakable crimes to be committed in its hollow name. Christianity had exhausted its moral power, and according to this early Schumacher, it represented not a critique of power but rather an obfuscation of it. In the modern world great moral leaders were more likely to be critical thinkers

⁴² Ibid., 146.

⁴³ Ibid.

⁴⁴ Ibid., 147.

like Nietzsche rather than the herd-like purveyors of the status quo. In discussing the war against Nazism, he wrote:

Christianity, in the minds of all the majority of people in all important countries, stands for 'vested interests', for the 'old order' and 'against the new order' or the 'free order'. Those who call this war a Christian crusade are not only voicing a minority opinion of proved falsehood; they are committing a political blunder. This war is more than just another Christian crusade. We are aiming higher in our peace aims than just the re-establishment of the Christian concept of man.⁴⁵

In this stage of the development of his thought, Schumacher felt that traditional, institutional religion could no longer be deemed the locus of morality and that a new moral "transvaluation of values" was required, composed of "scientific rationalism, humanitarian behavior, justice, and compassion."⁴⁶ Schumacher's image of the future was based on the possibility of human evolution according to which the species might be transmuted onto a higher level of moral and civil development. Rather than a religion based on higher powers, Schumacher advocated a "religion of humanity" which would be devoted to the alleviation of suffering. This project of "humanizing" the species involved both the development of logic in order to overcome human irrationality and also a commitment to social justice and collective betterment.

I personally should feel that the 'religion of humanity' can give these non-thinkers far more valuable and truthful assurances, viz. that every good man considers it his sacred duty to fight poverty and disease wherever he [sic] can, relentlessly, determinedly, without the thought of personal gain; that he will devote his best energies to

⁴⁵ Ibid.

⁴⁶ Ibid., 148.

improving the social and political system, to render justice more complete, security of life and limb more perfect.⁴⁷

At this point in time, Schumacher defined himself as the "anti-metaphysician par excellence"⁴⁸, arguing instead for public service based on duty, common interest, and rational reform. This humanist paradigm will eventually also be transformed, and we will see in Schumacher's mature work a clear and abiding sensitivity to the relationship between moral and metaphysical truth. This agnostic Schumacher of the war years would have trouble recognizing the metaphysical complexities of A Guide to the Perplexed, which was to be the culmination of his thought some forty years later.⁴⁹

A new phase in Schumacher's life began when he took up his new job at the Oxford Institute of Statistics. There he encountered an interesting covey of economists and statisticians, most of whom were foreigners.⁵⁰ Despite what should have been a stimulating and collegial context, Schumacher was bored, frustrated, and in his letters to his wife, treated his colleagues quite impatiently and condescendingly.⁵¹ With his family still in the country, London was a difficult adjustment for Schumacher, who became increasingly

⁴⁷ Ibid.

⁴⁸ Wood, 1984.

⁴⁹ In this same way, many would later wonder at Schumacher's conversion to Catholicism in 1971. George McRobie and Kirkpatrick Sale, both of whom knew Schumacher well, claimed that this was one of the most difficult events of his life to understand. It could be that Schumacher converted to make his second wife and family happy. Schumacher's eldest son, Christian maintained that his father remained a Buddhist until his death, according to an interview with George McRobie, Univ. of Pa., December 1987.

⁵⁰ These included the Polish economist Michal Kalecki whom many considered the equal of Keynes; Frank Burchardt, the Director of the Institute from Germany; and Tommy Balogh, a Hungarian former student of Schumacher's father. See Wood, 1984, 150-152.

⁵¹ See Wood, 1984, 153-156.

critical of intellectuals and what he considered their theoretical babble. He was impatient with the knit-picking approach to problems which he felt required scope, common sense, and most of all, experience. His frustration at being stymied in his efforts to address the pressing problems of post-war reconstruction, made him harsh in his judgments of his contemporaries. He complained:

Ignorance and optimistic complacency are dancing on top of a volcano. None of Keynes or Marx has really go across and sunk in. The Left is as stupid as the Right. No line, no philosophy, no comprehension--only party politics. Little children playing with dynamite.⁵²

As a problem-solver, he felt impatient with the structures and rituals of power and large-scale organization that undercut efficient action. During this time, Schumacher began another of his several mini-careers when he began writing as a journalist. He started writing for the Observer where David Astor had assembled a group of foreign intellectuals, including Isaac Deutscher, the noted biographer of Stalin.⁵³ Though Schumacher did a great deal of writing under his own name and others⁵⁴, journalism remained a secondary activity rather than the main focus of his efforts. He wanted to transform things in direct, concrete, and immediate ways, rather than merely write about them. As Schumacher's reputation grew as a result of his writing, he became a prominent and often provocative speaker in British public life, despite his status as an enemy alien. For example, in a 1944 speech to a Fabian conference on how war reparations might avoid further

⁵² Ibid., 154.

⁵³ Ibid., 159.

⁵⁴ Schumacher used the pseudonyms Ivor Moresby and Ernest F. Sutor occasionally during the war period when there was still sensitivity to his German roots.

conflict, Schumacher outraged the audience by suggesting that America might need to pay reparations to a devastated Germany in order to facilitate long-term economic stability in Europe. Four years later the Marshall Plan made Schumacher's comments prescient rather than sensational.⁵⁵ Schumacher's other work at this time on such problems such as employment and public ownership was explored in Chapter Three. But his association with Lord Beveridge's study of full employment is worth mentioning here.

David Astor recommended Schumacher to Frank Pakenham, who was in 1944 the secretary to Lord Beveridge, to help with a report on employment policy which was to follow Beveridge's acclaimed report on the Social Services. Schumacher quickly put together an entire draft which was presented to Beveridge, whose own views at this time were diametrically opposed to those of Schumacher. According to Wood,

Pakenham knew he was in for an interesting spectacle as Fritz and Beveridge, whom he told Astor must be 'the two most arrogant men in England', faced each other across the table with Fritz's report between them. Point by point Beveridge challenged Fritz and point by point Fritz argued and explained until Beveridge was won over to his way of thinking and accepted Fritz's draft as the basis for his report.⁵⁶

To Schumacher's surprise and Beveridge's credit, Beveridge eventually did change his mind on several important economic points. But Schumacher was also influenced by Beveridge's compassion and political insight. For it was at this time, that Schumacher began to see that economics, be it liberal or Marxist, cannot be isolated from moral ends. For Beveridge, economics must be seen as a means to addressing real human suffering rather than an end in itself. According to Barbara Wood,

⁵⁵ Ibid., p. 160.

⁵⁶ Wood, 1984, 162.

Beveridge approached the problem from a completely different angle from Fritz. He was not interested in a proper functioning of the economic system as an end in itself nor in arguments about what society could afford. He was a champion of the poor and in his fight against what he called the five 'giants'--of poverty, ignorance, squalor, idleness and disease--he insisted society had to afford certain social services if it was to be caring and humane.⁵⁷

Schumacher began to understand and to stress the importance of morality and compassion; he began to see that economics is primarily a tool to use for humane purposes that are proscribed by our chosen values. His world view thus began to undergo another important transformation as it became clear that people, not economic profit or ideological principle, must be the priority. As previously mentioned, Schumacher had initially dismissed morality as either mired in relativism or in superstitious absolutism. Later, as a socialist, he saw morality, like religion and other belief systems, as superstructural obfuscations of underlying economic arrangements. Suddenly Schumacher recognized that not only is economics intimately connected to politics, as he had discovered when he was exposed to Marx, but that it is also influenced by culture, morality, and values. In any event, Beveridge's report was criticized for being too socialistic in its call for state intervention to maintain full employment. It also engendered a vicious personal attack on Schumacher for his "national socialism"⁵⁸.

Questions of morality continued to preoccupy Schumacher during his next important project--his return to Germany after the war as the Economic Adviser to the Economic Sub-Commission of the British Control Commission. A painful reunion with his family and a deepened understanding of the

⁵⁷ Wood, 1984, 164.

⁵⁸ Wood, 1984, 166-7.

brutalizing effect that years of propaganda had had on the German people, made him confront the chasms that separated him from the past. Caught between two nationalities, he did not fully belong anywhere; yet he was one of the few who could see, and could therefore address, the misunderstandings on both sides. The devastation of the country, both physical and psychic, was terrible; there was a scarcity of resources as well as of leadership. The infrastructure of the country had been destroyed, and services were non-existent or chaotic. Even his family did not seem to realize the full extent of what had happened and the importance of reconstruction.

Schumacher had hopes of a new beginning for Germany and for Europe that would deal with many of the injustices that had been embedded in the economic and political system long before Hitler came to power. Now that the traditional power structure was gone and the things were in the hands of the Allies, he wanted to build a socialist Germany based on a qualitatively new organization of industry. In a paper on this topic, "Socialization in Germany",⁵⁹ Schumacher sketched many of the important ideas--size, forms of ownership and organization--that would later configure his contributions to development literature. As he would later in his work with developing countries, he sought the combinations of forms and levels of organization for Germany that would maximize not just efficiency but participation and creativity. Private ownership of any industry which significantly affected many people should be restructured. Schumacher proposed a wide range of alternatives ranging from local cooperatives to centralized state ownership

⁵⁹ E.F. Schumacher. "Socialization in Germany", June 6, 1946, quoted in Wood, 1984.

depending on the size and need of the industry. In this way, for example, any business with more than twenty-five employees could be socialized and any with more than two hundred should be so.⁶⁰ Yet he knew that these changes had to be appropriate to the practices that had historically existed if they were to be successful. Schumacher understood that it was necessary to have popular support for policies if past mistakes were to be avoided. He allowed for diverse hybrids of ownership options depending on the need, size, and history of each industry. He fruitlessly struggled with Konrad Adenauer and others of the majority German CDU party to persuade them of the importance of socializing basic industries such as steel, iron, and coal.⁶¹ Ultimately such changes were rejected, and the old patterns of private ownership were reasserted. Later Schumacher claimed that had the Korean War not broken out, his fears about the refusal of the government to implement these changes would have been disastrous for Germany's economy.⁶²

In addition to Schumacher's reconstruction work within Germany, he was also heavily involved in the Organization for European Economic Cooperation (O.E.E.C.) after the Marshall Plan was introduced in 1948. His comprehensive sixteen country European Payments Plan was based on the framework that he had worked out a decade earlier in his multilateral world improvement proposal.⁶³ Schumacher's plan, besides adjusting the chaotic currency exchange, would also use this sweeping action to redistribute wealth. In the past, proposals for reform had tended to benefit

⁶⁰ Wood, 1984, 196.

⁶¹ Wood, 1984, 197.

⁶² Ibid., 208.

⁶³ Ibid., 205-6.

the rich rather than the poor, and Schumacher feared that the post-war reforms of the Control Commission would have the same effect in Europe. He worried that leaders had resigned themselves to "structural" unemployment in Germany, thereby abandoning the country to future dangers. To Schumacher's great disappointment, his plan was rejected, according to several because it was too sweeping and original for most of the governments of Europe at that time⁶⁴. Despite his fears, another plan for currency reform was adopted and went on to be considered the "economic miracle" leading to Germany's enshrinement as one of the most powerful economic forces in the contemporary world. For Schumacher, this was the beginning of the end of his focus on large-scale organizational transformation. At an earlier stage, he felt that the narrow bilateralism that characterized the trading patterns of most economic systems needed to be expanded into a multilateral whole in order to function more efficiently and justly. But he realized that multilateralism did not guarantee greater market freedom and indeterminacy; in fact, he came to realize that the grossly unequal economic power inherent in such an integrated system made it even less possible for progressive change to take place. Indeed, the modern global economy which was supposed to solve many of these problems generated a new and more entrenched set of its own.

These realizations during the reconstruction era led to deeper speculation about the complications engendered by modern industrial development. Increasing reliance on large-scale organization and technical expertise made it difficult to sort out the essential from the insignificant, he felt. It was

⁶⁴ Kingman Brewster, the American who was later Ambassador to Great Britain, made this claim, according to Wood, 1984, 210.

necessary to distill the relevant and critical meanings and purposes of human life and activity from the clutter of unqualified growth and speed. In this period Schumacher turned to diverse sources--Epictetus, Nietzsche, Ortega y Gasset, and Schopenhauer--to find some insight into the pervasive and troubling questions about human purpose and morality that he reencountered in Germany. His deeply entrenched faith in science began to be shaken as he realized that our whole way of thinking about the direction of human development was in dire need of reformulation. While still in Germany, Schumacher began a book exploring the implications of these ideas about the crisis of modern thought for education, moral understanding, and communication. But it was not until much later when he wrote A Guide for the Perplexed that these concerns and quests were fully articulated.

After his stay in Germany with the British Control Commission, Schumacher decided to take an impressive job as the Economic Advisor to the National Coal Board in Britain. He turned down two United Nations job offers because he was anxious to return to England. The British Minister of Power, Hugh Gaitskell, had recommended Schumacher for the position because of the high regard for his work in Germany with the Commission. This challenging post at the NCB appealed to Schumacher because it put him at the center of economic life in Britain. According to his daughter, Schumacher felt this job

contained all the elements of his thinking on industrial development, peace and socialism. It was an opportunity to match his skills as an economist, businessman and creative thinker, in an industry which he knew was unrivalled in its importance for the economy.⁶⁵

Schumacher had already recognized the centrality of energy to economic, political, and social theory, and was eager to apply his insights to the crafting

⁶⁵ Ibid., 217.

of concrete policy. As the first industry to be nationalized in Britain, coal was the prototype of the great socialist experiment Schumacher had envisioned since the war. Though it had been impossible to socialize German industry as he had hoped, there was the opportunity to play a major role in doing so in Britain. We have already discussed many of Schumacher's ideas about political economy as they evolved over the twenty years of his tenure at the NCB. It is also important in this period to mention his long-standing involvement with the Soil Association and the Scott Bader Company.

It is possible to trace Schumacher's considerable influence on contemporary environmental movements back to his long participation in the Soil Association. This organization emphasized new (or rather old) forms of organic gardening which kept in mind the long-term impact on the soil. This was not simply a set of techniques, but rather a school of thought whose adherents in the nineteenth century included Rudolf Steiner. Schumacher was impressed by the work of Lady Eve Balfour who was the pioneer in organic gardening in Britain and whose work led to the founding of the Soil Association in 1947. Schumacher began using her methods in earnest in his own garden after his move to London in 1950 to join the National Coal Board. His life in this period was focused on fuel at the NCB and on food in his work on his own garden and at the Soil Association, and these two vital issues remained important concerns throughout his life.

At the Coal Board there were numerous struggles over policy and Schumacher took up his task with combative relish. Schumacher was discouraged, however, when the NCB's Deputy Chairman Sir Arthur Street

died, because Street was someone who appreciated Schumacher's input and who had much to contribute. When the Labor party lost power in 1951 to the Conservatives, a time of confusion and uncertainty ensued concerning the coal industry. Schumacher was clear about his loyalties and his responsibilities, however. According to George McRobie, who later joined Schumacher at the Board, he was always mindful that it was his job to think for the miners whose lives would be directly effected by the decisions of the Board.⁶⁶

During the early years at the Coal Board, Schumacher immersed himself in reading about other civilizations and their religions and philosophies. He discovered that these traditions spoke to many of Schumacher's concerns about the role of reason, values, and power that had preoccupied him in trying to understand Germany's moral disintegration. Reading Eastern philosophy forced Schumacher to question one of the basic assumptions of his life--that the intellect was the most important vehicle for seeing clearly and understanding the world. Through his readings and later through more direct contact with other cultures, Schumacher came to question the rationalism that had so consistently oriented his life until this time. As we will see in a later chapter, he was approaching another major expansion of his world view, one that gave him a deepened comprehension of the influence of consciousness and culture on economics and politics. His first "discovery" of politics led to his second major transformation--a deepened insight into culture, particularly spirituality. This awareness gave Schumacher a growing appreciation of the need for a "meta-economics" to evaluate the larger purposes and directions of social policy.

⁶⁶ Interview with George McRobie, Univ. of Pa., Dec. 1987.

In the next chapter we will examine the broader meta-economical context which Schumacher claimed was essential to understanding economic and political practice.

CHAPTER THREE: META-ECONOMICS: SCALE, SPEED, AND SELF-SUFFICIENCY

Throughout Schumacher's work, it is possible to recognize three different types of thought--the practical/technical, the cultural/ethical, and the anarcho/socialist. The first reflected his scientific and pragmatic concerns with concrete problem-solving. The second dimension of his work was preoccupied with values, culture, and consciousness and will be discussed in greater detail in Chapter Five. The third aspect focused on the problems of contemporary socialism and its attendant questions about planning, scale, democratic participation, and production. What makes Schumacher's contribution to political economy both valuable and problematic is the confluence of these three strands in his thought. At his best, these dimensions complement one another to provide a visionary and practical guide to human betterment. At other times, however, the very stretch and diversity of these component interests undermines the coherence of his overall project. In the next two chapters, we will evaluate Schumacher's major contributions to political economy as well as assess some of the criticisms and consequences of his work.

Face-to-face Economics

Schumacher's political economy was based on socialist values, but he was critical of both capitalism and orthodox socialism because of their entrenchment in certain "modern" assumptions about growth, progress, planning, and technology. In many respects, Schumacher's political

economy is best situated within an anarchist tradition¹ because of its emphasis on the small, organic, and decentralist organization necessary for personal involvement and expression. Personal responsibility, which was the core of Schumacher's philosophy, is best expressed in human-scaled environments. According to Schumacher, most modern problems can be reduced to a lack of communication, but "the only really effective kind of communication is from man [sic] to man [sic], face to face."² Thus, the "small" was important, not for its own sake, but to the extent that it represented the "free, efficient, creative, enjoyable, enduring".³ Both economies and politics needed to be structured according to human size, needs, and priorities. Rather than advocating a "pure" economic type, Schumacher's perspective allowed for diverse hybrids of socialism and private ownership. For him, the major problem with socialism and capitalism was their size, which tended to undermine both personal fulfillment and collective productivity. An economy must be appropriately scaled in order to encourage both efficient production and a coherent and intimate sense of the whole. An economic or political structure must be accessible enough to allow for dynamic interaction between people and organization. If it becomes disassociated from the people that create and are affected by it, it is

¹ This tradition includes non-Marxist socialists as diverse as Robert Owen, Francois Fourier, William Morris, Kropotkin, Gustav Landauer, Tolstoy, Gandhi, Lewis Mumford, and others. See, for example, Martin Buber. Paths in Utopia (Boston: Beacon, 1958), Max Beer. Fifty Years of International Socialism (London: 1935), G.D.H. Cole. A History of Socialist Thought, 1789-1939 (New York: 1953-1960), Beatrice and Sidney Webb. The Decay of Capitalist Civilization, 3rd ed. (London: 1923).

² E.F. Schumacher. Small Is Beautiful: Economics as if People Mattered (New York: Harper and Row, 1973), 242.

³ E.F. Schumacher. Small Is Beautiful: Economics as if People Mattered (New York: Harper and Row, 1973), 4.

in danger of becoming unwieldy, inefficient, and unjust, according to Schumacher. A centralized and top-heavy system which is disembodied from the lives of its participants threatens accountability and flexibility. Though Schumacher challenged unqualified large-scale industrialization, urbanization, and mechanization, he did not propose a blanket endorsement of smallness. He accepted the modern inevitability of largeness and saw that the "fundamental task is to achieve smallness *within* large organization."⁴ This emphasis on both/and rather than either/or thinking characterized Schumacher's mature thought.

Schumacher's mature political economy evoked the Jeffersonian tradition of agrarian democracy with its emphasis on decentralization, local government, and economic self-reliance. Like Jefferson, he also stressed the importance of individual development through reason, education, and experience as well as enlightened cooperation for the common good. But Schumacher brought to this vision an ecological perspective which recognized both the possibilities and dangers of technology, growth, and modernization. We need to explore his political economy in order to understand some of these lines of continuity as well as his unique contributions to this tradition.

Schumacher's ideas about political economy grew out of the diverse and vivid experiences that characterized his professional and personal life. His theoretical work, even when very abstract, sprang from and was grounded in concrete example and practical experimentation rather than just in speculation. He repeatedly insisted that an ounce of practice was worth a

⁴ Ibid., 242.

ton of theory,⁵ though he recognized that many such ounces were necessary to effect the kind of changes that he felt were necessary.⁶ Throughout his diverse experiences, Schumacher attempted to integrate empirical research, common sense, and traditional experience with historical, cultural and political theory. His analysis of economic problems usually proceeded from painstaking data gathering to the formulation of grand patterns and generalizations. He was able to understand and use quantitative information in order to "make [statistics] sing"⁷, rather than simply employ these methods for their own sake. Schumacher tried to see relationships between the parts and the whole without doing violence to the uniqueness of each particular. Understanding the specificity of each tree, he intuited the contours of the larger forest. Seeing both, he tried to put into practice what had been learned in order to respond more effectively to actual situations. In his focus on effective practice and technical problem-solving Schumacher is, in some ways, reminiscent of thinkers like Thorstein Veblen, who claimed that a new industrial order of engineers and workers was needed to replace the ineptitude of business and financial managers. Rather than asking theoretical questions and speculating about them apart from actual problems, Schumacher based his work on the experience of his whole

⁵ In this connection, Dewey emphasized the exact same point in his classic work in philosophy of education. He wrote: "An ounce of experience is better than a ton of theory simply because it is only in experience that any theory has vital and verifiable significance". See John Dewey, Democracy and Education (New York: MacMillan, 1916), 144.

⁶ E.F. Schumacher. Small is Beautiful (New York: Harper and Row, 1973), 39.

⁷ John Maynard Keynes, quoted in Barbara Wood. Alias Papa: A Life of Fritz Schumacher (London: Jonathan Cape, 1984), 135.

being⁸. His growth as an economist stemmed in large part from his attempt to develop connections between his lived experience and a wide range of social and cultural contexts.

The trajectory of Schumacher's thought moves from his early interest in traditional economic topics, like the international financial system, employment, energy, and public ownership, to concerns about development, growth, scale, and technology, and finally to a concentration on values, culture, and consciousness. His interests moved from economics to politics and then to culture with a deepening realization of their interconnectedness. As we have seen, his orthodox training as a classical economist was superceded by an increasing appreciation of the relationship between economics and history when he "discovered" socialism and politics. After trying to understand the world from the perspective of both capitalist and socialist materialism, he came to recognize the centrality of cultural and spiritual values and the ways in which they influence economics and politics.

Despite the significant innovations in economic thought that Schumacher eventually introduced into public policy debate, his background was quite orthodox, perhaps even narrow. His university experience as a Rhodes scholar in economics was certainly appropriate training for the traditional economic questions he tackled in his early life. As previously mentioned, Schumacher drew up a long-labored-upon plan for the international

⁸ Abraham Heschel in What Is Man? distinguishes between a "question" which requires an intellectual answer, and a "problem" which can only be "solved" with one's whole being. Schumacher makes a similar distinction between convergent and divergent problems which will be discussed later.

monetary clearing system which was simultaneously developed by John Maynard Keynes. Several years afterwards, he developed a plan for the monetary payments system, and he wrote another important report on full employment.⁹ Later, as the head of planning at the British Coal Board from 1951-1971, Schumacher grappled with other traditional economic problems. His less orthodox activities included service as the President of the Soil Association, a longstanding British organic farming organization. With George McRobie and Julia Porter, Schumacher founded and chaired the Intermediate Technology Development Group, which played a critical role in planning and producing appropriately-scaled technology for the developing world. He was also a sponsor of the Fourth World Movement in Britain, an organization committed to political decentralization and regionalism which prefigured the contemporary bioregional movement. Another important project was his directorship of the Scott Bader Commonwealth¹⁰, the pioneering common ownership firm in Great Britain. After WW II, Ernest Bader, a wealthy Swiss industrialist, handed his company over to the workers in a great experiment in collective ownership. In addition, Schumacher supported and contributed to a wide range of other innovative projects which were informed by the principles of democratic participation, non-violence, and ecology. This wide range of activities involved a dynamic mixture of both theory and practice, both the grand overview and

⁹ This was the Beveridge report which will be discussed later. See George McRobie's preface to Schumacher's Good Work (New York: Harper and Row, 1979).

¹⁰ Schumacher studied the Scott Bader Commonwealth in a 1963 paper entitled "Socialisation in Great Britain". The company was a leading producer of polyester resins as well as alkyds, polymers, and plasticisers. See E.F. Schumacher. Small Is Beautiful (New York: Harper and Row, 1973), 274-282.

modest experimentation. Throughout his life, he was not only interested in long-term planning and purpose, but in the concrete strategy and "hands-on" improvisation out of which theory grew. There are, of course, some disadvantages to such an approach, and Schumacher's perspective is vulnerable to criticism on several counts, as we will see in our subsequent examination of his work.

Before focusing on Schumacher's mature contributions to political economy, in which he stressed the importance of small-scale, local, and autonomous economic activity, it is important to highlight his earlier experience in thinking about large-scale designs for the global economy. For one of the unique aspects of his approach was its ability to address vital issues at both global and local levels. Schumacher's long-standing interest in developing a new multilateral clearing house for the international financial system went back to his pre-WW II days as a graduate student in New York. Even then, he recognized the growing need for international cooperation in the global economy for the sake of long-term stability. The challenge was how appropriately to coordinate global economic activity without interfering with the economic freedom of individual countries. This question of how to assure both the autonomy and the specificity of separate nations as well as the overall harmony of the world economic system, remained a challenge for Schumacher throughout his work.¹¹

¹¹ See Frances Stewart (ed.), Macro-policies for Appropriate Technology in Developing Countries (Boulder: Westview, 1987) where she claims that specific AT projects are undermined by the more general macro-policies that run counter to their objectives.

According to Schumacher's "Free Access to Trade"¹², which he finished in 1942, the global economic system tended to undermine the economic endeavors of individual countries. This situation led to a destabilizing discrepancy between different areas of the world or between classes within a given area. In the global economy, depressions were transmitted from one corner of the world to another because of the inability of the whole system to respond appropriately. According to Schumacher, it was necessary to posit a new framework which would restructure post-war currency arrangements, and emphasize both internal and external equilibrium.¹³ All of this was critical for Schumacher, for he saw in an unbalanced global economy the eventual roots of war. Rather than simply shifting economic problems from one area to another, he proposed various multilateral plans to tackle these problems at a structural level. He claimed:

We cannot have a peaceful international economic system as long as one or several countries have a permanent excess of exports . . . over imports, because they will always get the rest of the world into unpayable debt.¹⁴

Schumacher's solution to this instability allowed individual countries to pursue whatever internal economic policy they chose, but insisted that they keep their foreign trade in balance. This single tenet of international cooperation--that each country must balance what it spends on foreign goods and services with what it earns by selling its own--would significantly

¹² E.F. Schumacher. "Free Access to Trade", Feb. 2, 1942.

¹³ There were other British economists such as Keynes as well as American ones like Harry White who were simultaneously struggling with this same dilemma. See Edward S. Mason and Robert E. Asher. The World Bank Since Bretton Woods (Washington, D.C.: The Brookings Institute, 1973), ch. 2.

¹⁴ E.F. Schumacher. "The Economic Treatment of Post-war Germany", written in the early 1940's.

increase global economic stability over time, Schumacher claimed.¹⁵ It would also address the destructive effects of short-term imbalances, particularly on developing countries whose economies were vulnerable to dramatic changes. What was necessary, according to Schumacher, was not only a transformation of institutions and policies, but of attitudes. Rather than extolling those who acquired surpluses by earning more than they spent, it was necessary to encourage spending by those who had amassed excess resources. The burden of responsibility would thus be shifted from the weak with large deficits to the strong whose surpluses actually threaten the overall balance of the global system. This reversal of the conventional wisdom about the virtues of surpluses required a multilateral perspective on the global economy, one which recognized the interdependence of developed and developing, surplus and debtor, nations rather than simply their opposing interests. In this way, the surplus nations would be encouraged to finance the deficits of the weaker countries in order protect the long-term interests of the whole system. In many ways, these ideas prefigure some of the controversies surrounding debate about the New International Economic Order, which emerged in development literature in the 1960's and 1970's calling for a redistribution of resources and responsibilities in the global economy.¹⁶

¹⁵ Ibid.

¹⁶ See, for example, Jagdish Bhagwati, (ed.). The New International Economic Order: The North-South Debate (Boston: MIT, 1977) and Jyoti Singh. A New International Economic Order: Toward a Fair Redistribution of the World's Resources (New York: Praeger, 1977).

Schumacher's memo, "Free Access to Trade"¹⁷, was sent to John Maynard Keynes, who praised his work but encouraged him not to publish the plan, partially because it was so close to his own. As a result, Schumacher did not publish his version until a month after Keynes' report, "Proposals for an International Clearing Union" came out in April of 1943.¹⁸ Though it remains unclear just how much each took from the other's plan, there is no doubt that there was mutual influence. Much of Keynes' plan later provided the basis for the structure of the International Monetary Fund and the World Bank in the historic Bretton Woods conference.¹⁹ Though Schumacher criticized Keynes' plan for not being multilateral enough, he was even more critical of the White Plan which was proposed by Harry White, the U.S. representative at the gathering²⁰. He felt that the American plan, which was the one eventually adopted, was even less multilateral than that of Keynes, and would therefore eventually be vulnerable to destabilizing global inequities. An examination of the current situation of the global currency system since the breakdown of the Bretton Woods agreements gives an indication of Schumacher's prescience.²¹

¹⁷ E.F. Schumacher. "Free Access to Trade", Feb. 2, 1942.

¹⁸ See John Maynard Keynes. "Proposals for an International Clearing Union" in The Collected Writings of John Maynard Keynes I-XXX (London: MacMillan for the Royal Economic Society).

¹⁹ Keynes' plan was actually superceded by the White Plan which eventually was adopted. See John Williamson. "Keynes and the International Economic Order" in Political Economy and International Money: Selected Essays of John Williamson, ed. by Chris Milner (New York: New York Univ. Press, 1987).

²⁰ See Edward S. Mason and Robert E. Asher. The World Bank Since Bretton Woods (Washington, D.C.: The Brookings Institute, 1973).

²¹ See John Williamson. Political Economy and International Money: Selected Essays of John Williamson, edited by Chris Milner (New York: New York Univ. Press, 1987).

Despite his long and diverse history of political and economic concerns, most people were introduced to Schumacher's political economy through his best-selling book, Small Is Beautiful.²² which raised fundamental questions about growth and development in the modern world. One of the central issues of his political economy expressed in the book centered around the notion of scale. It is important to note that Schumacher did not advocate smallness as an absolute value. He claimed that

today we suffer from an almost universal idolatry of giantism. It is therefore necessary to insist on the virtues of smallness--where this applies. (If there were a prevailing idolatry of smallness, irrespective of subject or purpose, one would have to try and exercise influence in the opposite direction.)²³

Despite the book's title and the misinterpretations of many "disciples", Schumacher obviously did not believe that small was always and necessarily beautiful. A clear understanding of the context and the purpose of human practices must determine if smallness applies. But he claimed that smallness in some contexts may need to be "privileged", in order to compensate for the idolatry of the great and grand that characterizes this historical moment. In situations where smallness is itself part of the problem, it may be necessary to encourage largeness in order to arrive at an appropriate scale. "Scale" provides a dynamic plumbline for determining size, structure, or form, and it is a relative, not static, concept; things are large or small, relative to particular variables, needs or activities. We will see that this notion reflects Schumacher's fundamental principle of *adaequatio*, or adequateness, which emphasized the basic idea of correspondence or appropriateness. In

²² E.F. Schumacher. Small Is Beautiful: Economics as if People Mattered (New York: Harper and Row, 1973).

²³ Ibid., 66.

this connection, scale must be dynamically related to the activity or need with which it is connected. For Schumacher, this adjustment of needs, values, and activities did not provide fixed or formulaic answers to problems of technology, scale, or growth, but rather sought dynamic and flexible solutions which took into account many variables changing over time. The notion of adequateness that runs throughout Schumacher's work suggests the concept of homeostasis²⁴, an equilibrium or balance which is nonetheless evolving and open-ended. Schumacher's notion of scale (as well as other expressions of *adaequatio*) conveys this same sense of dynamic balance.²⁵ The centrality of scale in dealing with human needs consistently recurs throughout Schumacher's political economy after his trip to Burma in 1955. A later trip to India in 1962 further congealed his precipitating notions about development, scale, and modernization. The notion of scale has, of course, a long history in western philosophy and social science²⁶, but Schumacher came to his deeper understanding of its importance through his exposure to eastern thought.

Schumacher clearly recognized that "small was not enough" and that it was also necessary to focus also on other variables which influence policy. But the popularity of his book made his ideas vulnerable to reductive interpretations, according to which smallness became an absolute virtue in

²⁴ Webster's New Collegiate Dictionary defines homeostasis as "a relatively stable state of equilibrium or a tendency toward such a state between the different but interdependent elements or groups of elements of an organism or group".

²⁵ Herman Daly. Toward a Steady-State Economy (New York: W.H. Freeman, 1973) argues for the necessity and morality of a steady-state or homeostatic economy.

²⁶ See Kirkpatrick Sale's Human Scale (New York: Coward, McCann & McGeoghegan, 1980).

itself. Schumacher himself, however, emphasized that scale must be understood in the context of other needs, values, and priorities. Small scale organization may be valuable for some activities, such as certain forms of economic production, and at the same time, destructive for others, such as cultural freedom. The ideal was to utilize both effectively and dynamically by being able to centralizing and consolidate when appropriate and then decentralize into smaller units when that was the most effective form of organization.

Once a large organization has come into being, it normally goes through alternating phases of *centralising* and *decentralising*, like swings of a pendulum. Whenever one encounters such *opposites*, each of them with persuasive arguments in its favour, it is worth looking into the depth of the problem for something more than compromise, more than a half-and-half solution. Maybe what we really need is not *either-or* but *the-one-and-the-other-at-the-same-time*.²⁷

This both/and rather than either/or method characterized Schumacher's mature work and provides an insight into both the strengths and weaknesses of his approach. Unlike those who would romanticize smallness and assume that size was the answer to all organizational problems Schumacher recognized the need for a more flexible and yet coherent method. The right balance between "orderliness" and "freedom" was actually the key to finding the appropriate scale according to his perspective. The problem with large, centralized organization is its tendency to favor order thereby suffocating the innovation and creativity which decentralization

²⁷ E.F. Schumacher. Small Is Beautiful (New York: Harper and Row, 1973), 242.

encourages.²⁸ Just as order and freedom need to be harmonized so too do intelligence and intuition which are their respective human expressions.²⁹

Kirkpatrick Sale³⁰ expanded this study of scale in his exhaustive analysis entitled Human Scale, which examined the concept in social, economic and political contexts. Sale points to the relevance of this longstanding ideal in the following:

In the search for the proper order of things and societies, a search that has inspired humankind since its earliest sentient days, no better guide has been found than the human form, no better measure than the human scale.³¹

There is no fixed standard for size according to this perspective, but rather a need to understand the "human" as the measure of things, the general plumbline by which we evaluate the appropriateness or adequateness of our creations. Porritt elaborates this notion further in noting that "there is no single appropriate size for organizations, institutions, or groups of people: . . . what matters is a sense of balance."³² This approach to size suggests that a balanced, proportionate, human-scaled society is ideal. But Schumacher often failed to fully elaborate the conditions and qualifications about scale which would connect it with other issues and values. He did not always specify why, and under what circumstances, balance was preferable to change in an economy or polity. His insights about scale and development must be seen in their historical context as reactions to an unqualified

²⁸ Ibid., 243.

²⁹ Ibid.

³⁰ Kirkpatrick Sale. Human Scale (New York: Coward, McCann & Geoghegan, 1980).

³¹ Ibid., 37.

³² Jonathan Porritt. Seeing Green (New York: Basil Blackwell, 1985), 164.

emphasis on growth and modernization that characterized economic thought in the post-colonial era. Though there is a long tradition of such criticism of growth, technology, and modernization, Schumacher's formulations spoke to many of the specific dilemmas of this period and contributed new ecological insights to these ongoing questions. At his best, Schumacher exhibited an awareness of the need to qualify his insights about scale, technology, and other issues rather than blindly or blanketly romanticize smallness, nature, or non-western, pre-modern cultures.

One of the important features of Schumacher's emphasis on scale was that it explored ways to overcome the alienation and fragmentation that often separate people in depersonalized, ill-scaled environments. There can be isolation in small communities as well, and there may also be desirable aspects of larger contexts which allow for greater autonomy, even anonymity. But, in general, Schumacher felt that more human-scaled environments would encourage participation in the life of a community and give people in both developed and developing countries the possibility of greater control over their own lives. Problems could be seen as having manageable dimensions, thereby encouraging people to take initiative and tackle them creatively. In this vein, Schumacher anticipated Porritt, when he claims that an appropriate scale is found by "matching institutions, technology and social structures to our human scale."³³ Although some have criticized Schumacher for not sufficiently clarifying the concept of "smallness"³⁴, a careful reading of his work shows that scale had to be

³³ Ibid., 165.

³⁴ See Theodore Roszak. Person/Planet. (Garden City: Doubleday, 1978) and Brian Tokar. The Green Alternative (San Pedro: R & E Miles, 1987).

understood in dynamic relationship with other values. For example, at the National Coal Board, attempts were made to reconcile the centralized planning necessary for the one of largest organizations in Europe, with the smaller-scale, semi-autonomous organization that Schumacher felt was also necessary to encourage maximal productivity, efficiency, and human sensitivity.³⁵ In such cases in the developed world, the challenge was to try to extract the best of both by recognizing the possibilities inherent in each form.

Schumacher was increasingly concerned about the many ways that contemporary economics failed to address fundamental modern problems. Schumacher's faith in Western science, rational reform, and modern culture was increasingly shaken as he saw the suffering that could accompany modernization. As he became more aware of some of the ethnocentrism of Western models of development, he sought a political economy that could take into account different values, traditions, and needs. More and more, he discovered that many of these new ways of thinking could be applied constructively to developed as well as developing countries. As with other issues, his approach attempted to combine the best of eastern and western, pre-modern and modern, models, rather than simply embrace one or the other. In this way, in numerous experiments in both the developed and developing worlds, he attempted to discover hybrid forms of production, participation, and consciousness that were appropriate to particular places and traditions. Critics may argue that in this process, Schumacher (or at least his followers) favored, even romanticized non-western and pre-modern

³⁵ E.F. Schumacher, Small Is Beautiful (New York: Harper and Row, 1973), 64-5.

cultures, but in fact more of his time and energy was spent in focusing upon the process of transforming the institutions of the developed world.

The major components of his emerging world view can be seen in his emphasis on "health, beauty, and permanence".³⁶ Schumacher's "economy of permanence" did not, however, extol a rigid conservatism according to which nothing changed. It recognized that modern political economies emphasized that which was continually changing. Change, whether good or bad, often became a value, a need in itself. As Schumacher became increasingly aware of the possible dangers of an unqualified ethos of change for both developing and developed economic systems, he counterposed an economy that respected the abiding, the enduring, or what he perhaps misleadingly labeled the "permanent".³⁷ Not all that endures over time is of course constructive or inherently valuable; but the abiding, he claimed, provided a sense of continuity and reference and can help to distill constructive from destructive change. Certainly there can be regressive patterns that endure perpetuating injustice, suffering, and entrenched biases. But Schumacher's emphasis on "permanence" did not preclude all change and did not consider that "permanence" was the only value to be observed. Though Schumacher often emphasized the value of slow rather than rapid change, non-western rather than western culture, pre-modern rather than modern life, he did so in order to discipline, not deny, the tendencies of the present. His vision was not to return to an earlier time or

³⁶ E.F. Schumacher. Small Is Beautiful (New York: Harper and Row, 1973), 7.

³⁷ After his trip to Burma, Schumacher formulated this economics in numerous places including "Buddhist Economics", "An Economy of Permanence", "Economics in a Buddhist Country", and finally in Small Is Beautiful. (New York: Harper and Row, 1973).

place, but to extract what might be valuable from other times and places in order to address more appropriately present and future problems in both the developed and developing worlds.

According to Schumacher, western economics has tended to misunderstand nature in fundamental ways. Both capitalist and socialist economics are based on the erroneous assumptions that it is only human beings that endow objects with value through their labor.³⁸ We do not fully recognize and appreciate the "natural capital" that nature provides, Schumacher warned. This "natural capital" includes such resources as fossil fuels which are provided by nature, not by man, and constitute the greater portion of our total capital. Such natural capital is not income that humans have earned through their labor, but is a non-renewable asset which should be conserved and protected. We have failed to acknowledge the terrible costs to the environment caused by human squandering of these limited resources. Instead, the modern world "lives on irreplaceable capital which it cheerfully treats as income"³⁹, Schumacher claimed. In this way, many of our modern "successes" have actually produced the crises which now tax the tolerance margins of nature. He elaborated thus:

... the changes of the last twenty-five years, both in the quantity and in the quality of man's [sic] industrial processes, have produced an entirely new situation--a situation resulting not from our failures but from what we thought were our greatest successes. And this has come so suddenly that we hardly noticed the fact that we were very rapidly using up a certain kind of irreplaceable capital asset, namely the tolerance margins which benign nature always provides.⁴⁰

³⁸ Ibid., 15. Marx obviously makes this idea central to his economics as do Locke and other classical liberal economists.

³⁹ Ibid., 20.

⁴⁰ Ibid., 18-19.

The human costs of this short-sightedness are also devastating, Schumacher added, for what he called "human substance" was another form of "natural capital". Again, the very accomplishments of modernization are often accompanied by dramatically new problems. In this way, both scarcity and overabundance may have their respective forms of suffering, Schumacher claimed. Wealth, leisure, and power do not necessarily produce happiness as Schumacher noted by pointing to the addiction, violence, and self-destruction that are part of modern life⁴¹. This does not mean that the material poverty of developing nations should be romanticized. A materially rich society may be spiritually or culturally poor or rich just as a materially deprived society. Both Burma and India were poor, but Schumacher recognized the differences in culture that distinguished their spiritual or cultural wealth. He made similar distinctions between developed nations when he recognized the cultural, moral or social psychological differences between Germany and Britain before and during World War II. Thus, for Schumacher, both material abundance or scarcity may be "inadequate" conditions for addressing human fulfillment. If people do need both "bread and roses" as Schumacher felt they did, then the challenge is how to address both (or many) types of needs. Many of the desires which accompany modernization are manufactured by contemporary capitalism's need for markets and profits rather than from a free and enlightened awareness on the part of people defining their own desires and needs.⁴² Thus society may

⁴¹ Ibid., 20.

⁴² The Marxist concept of "false consciousness" is no less objectionable because it implies a condescending attitude towards people's awareness of their own needs. Yet it is hard to avoid something of this tone in trying to determine what it is that people need in modern capitalist society when needs are so mediated by advertising, etc. See, e.g. M. Ignatieff. The Needs of Strangers, (New York: Viking, 1984), 125-7.

have an overabundance of things that people do not "need" while lacking things that are vital necessities. Often, for example, in developing countries, traditional agricultural patterns are disrupted for the sake of producing exportable goods for the global market. Schumacher was repeatedly appalled by such situations where a dual economy existed--i.e., "a small sector of opulence surrounded by an ocean of misery"⁴³, forcing people to produce what most people could not use or afford. For Schumacher, it was critically important that human needs be the central priority of an economics in which people mattered, even though these needs are not easy to define, let alone address. People "mattered" not because they have eternal, absolute or essential needs (though there are times when Schumacher does convey something of this Platonic tone), but because they have the capacity to define their needs for themselves, to assume responsibility for the fulfillment of those needs, and to transform themselves and their worlds in the process of this journey.

The failure of modern economics to understand nature correctly has also skewed our view of the world, Schumacher repeatedly claimed. He wanted to develop an economics conducted as if people and nature mattered.⁴⁴ He felt that the narrow and fragmentary vision of modern economics was the result of its failure to understand the meta-economic principles from which it was derived. In order to understand economics properly, we must study

⁴³ E.F. Schumacher. "How To Help Them Help Themselves" in George McRobie. Small Is Possible (New York: Harper and Row, 1981), 27.

⁴⁴ See Susan Meeker-Lowry. Economics as If the Earth Really Mattered (Philadelphia, New Society Publishers, 1988), and John Todd. "An Ecological Economic Order", Fifth Annual E.F. Schumacher Lecture, Oct. 5, 1985, JF Kennedy School of Government, Harvard University, Cambridge, MA.

both the human being and the environment in which he/she lives. Schumacher specified the nature of the problem to be addressed in the following:

What, then, is meta-economics? As economics deals with man [sic] in his environment, we may expect that meta-economics consists of two parts—one dealing with man [sic] and the other dealing with the environment. In other words, we may expect that economics derives its aims and objectives from a study of man [sic], and that it must derive at least a large part of its methodology from a study of nature.⁴⁵

Schumacher's study of the human being and nature culminated in A Guide for the Perplexed,⁴⁶ whose themes will be explored more fully later in Chapter Five.

Classical economic thought has misunderstood the nature of growth, Schumacher claimed, by assuming that it is automatically healthy and should therefore be maximized.⁴⁷ Even more, he suggested that "infinite growth in a finite environment"⁴⁸ would eventually lead to disaster. It is important to emphasize that Schumacher is not, as we will repeatedly argue, advocating stagnation or a reactionary and romantic return to an earlier simplicity. He insisted that there were other options that clearly rejected such either/or thinking. He claimed that

⁴⁵ E.F. Schumacher. Small Is Beautiful (New York: Harper and Row, 1973), 47.

⁴⁶ E.F. Schumacher. A Guide for the Perplexed (New York: Harper and Row, 1977).

⁴⁷ Kirkpatrick Sale calls this "growthmania" in Human Scale (New York: Coward, McCann & Geoghegan, 1980).

⁴⁸ E.F. Schumacher. Small Is Beautiful (New York: Harper and Row, 1973), 48.

it is not a question of choosing between 'modern growth' and 'traditional stagnation'. It is a question of finding the right path of development, the Middle Way between materialist heedlessness and traditionalist immobility, in short, of finding 'Right Livelihood'.⁴⁹

This Middle Way between modern materialism and pre-modern stasis suggests important questions about different approaches to development, progress, and to western and eastern forms of life. Schumacher lamented what he called the "disappearing middle"--those intermediate technologies, levels of organization, and regions of history which lie between the "too little" and "too much", between the "too small" and the "too large", between the ancient and the immediate. By seeing the problems and possibilities of both poles, Schumacher wanted to sketch a political economy full of rich alternatives and combinations. He claimed that he did not want to stop history, but to make people more self-conscious about the forces which forge it.⁵⁰

Schumacher claimed that besides failing to understand and qualify growth, modern economic thought has also failed to distinguish between different kinds of "goods". The first distinction, according to Schumacher, is between the primary goods provided by nature and the secondary goods made by human beings. Primary goods can be further divided into non-renewable and renewable energy sources, while secondary ones further sub-divide into and manufacturing and services. Even though the market tries to make these four types of goods equal, they are not, according to Schumacher. Thus he

⁴⁹ E.F. Schumacher. Small Is Beautiful (New York: Harper and Row, 1973), 62.

⁵⁰ E.F. Schumacher. "Technology for a Democratic Society", Sept. 3, 1977, Caux, Switzerland in George McRobie. Small Is Possible, New York: Harper and Row, 1981.

delineated the need to create a two-part meta-economics honoring the role of both nature and human beings and endorsing the significance of these distinctions between kinds of goods.

In this way, the mature Schumacher challenged some of the major assumptions of modern economics according to which rational self-interest is the motor of progress. After his earlier work with Keynes, Schumacher's critique of classical liberal economics was particularly passionate. He was ardently critical of the perspective which maintained that self-interest, even envy and greed, are necessary for economic development. For eventually, he claimed, these very states will undermine, not enhance, such a system⁵¹. Over time, a structure rooted only in self-interest loses its "intelligence" and its balance because of its increasing obsession with short-term "success".⁵² Means have been substituted for common ends, Schumacher claimed, and our collective human priorities have been privatized. Like Rousseau, Jefferson, and others in this tradition, Schumacher felt that rational cooperation as well as individual initiative needed to be cultivated. The methods to be employed to fulfill human needs must be inexpensive, appropriately scaled, as well as be nurturing of human creativity⁵³. This emphasis on "meaningful work" connected and integrated both his political economy and cultural ecology, as we will explore later.

Another advantage of small scale economies, according to Schumacher, is their resistance to sudden shifts in economic cycles. Without clumsy

⁵¹ E.F. Schumacher. Small Is Beautiful (New York: Harper and Row, 1973), 31.

⁵² Ibid.

⁵³ Ibid., 35.

institutions to encumber them, sparser economies, guided by creative planners, may have the flexibility to counteract dramatic upheavals. This ideal combination of planning and improvisation is what Schumacher sought in his economic proposals for both developed and developing nations. Disruptive movements in the economy can be adjusted or fine-tuned responses in ways that are difficult to maneuver in more complex and centralized systems. Like an organism whose parts compensate for one another, a smaller scale economy, like the community it supports, has the resilience necessary to respond dynamically and creatively to sudden changes in the environment. A diverse and decentralized economy makes it possible to contain and isolate disturbances rather than allow them to escalate to the point of jeopardizing the whole structure. Thus Schumacher suggested that one of the virtues of the small is its "minimization of vice"⁵⁴ which keeps problems at manageable proportions rather than allowing them to escalate. Simplification, proportion, and self-reliance were thus the keys to development and efficiency for Schumacher. He repeatedly encouraged developing nations to chart their own paths and to avoid the addictive and dependent relationships that tend to characterize modernization and its attendant traumas.

In this way, Schumacher suggested that there may be a natural limit beyond which systems should not grow if they want to maintain their maximal health and efficiency. When this boundary is reached, contracting mechanisms should be triggered and devolution of the system begun in

⁵⁴ E.F. Schumacher. "Clean Air and Future Energy--Economics and Conservation", Des Voeux Memorial lecture to National Society for Clean Air, Blackpool, Oct. 19, 1967 in Kirk, 1982.

order to restore the proper scale and balance. A community must be able to envision its purposes, its basic needs and ends if it is to choose the appropriate means for realizing those goals. It is important for each citizen to have some glimpse of the whole, to intuit the "big picture", in order to be able to comprehend his/her individual part in it. An active community can facilitate meaningful participation because it makes possible for each person to envision his relationship to the others and to the larger entity. Seen in these terms, the diffuse and awkward size of highly developed economies makes it difficult to visualize a clear image of the whole structure. Like a hologram whose constituent parts all reflect the fundamental structure of the whole, the essential structure of a healthy nation is contained in each of its diverse communities.⁵⁵

From Modernization to Transformation

As previously mentioned, Schumacher offered a critique of the sudden modernization that characterized post-colonial nation building. In this period, an infusion of aid to developing nations threatened to make them increasingly dependent on the developed world. With the advanced technology of modernization came dramatic changes that characteristically tended to disrupt indigenous cultures and introduce a vicious cycle of dependence. In the rush to develop, traditional values were often degraded and ancient societies disoriented. Even though developing nations adopted these new ways, the disintegration of the original culture usually, and understandably, produced hatred towards the aiding nation. Meglomaniacal

⁵⁵ In a hologram each part, no matter what its size, contains all of the information of the whole. With the addition of each part, the image is not structurally changed but intensified.

leaders often fueled these feelings as a way of consolidating not only national identity but their own power. Often this anger towards the developed nation led to the severance of aid leaving the developing society in worse shape than ever. Schumacher reflected these concerns in pointing to the fact that

poor countries slip, and are pushed, into the adoption of production methods and consumption standards which destroy the possibilities of self-reliance and self-help. The results are unintentional neocolonialism and hopelessness.⁵⁶

Schumacher sought alternatives that could foster proportionate development without dependence. He felt that this self-sufficiency represented a more natural form of development since most modern nation states themselves evolved without aid from outside sources. He also thought that a national identity could be forged by struggling from within and overcoming collective problems that presented themselves. Artificial infusions of aid from the outside may only interfere with the more autonomous formation of national identity. A country matures best, though more slowly, by tackling obstacles that arise and then accumulating this collective experience, he claimed.

Some critics could find such an appeal to collective development dangerously hostile to individuality, autonomy, and other more western and modern values. But such an emphasis on collective unity may be necessary in the early stages of development. Later in the development process, it may be easier to afford greater diversity and improvisation. Just as a child matures to adulthood by overcoming problems in each stage of its development, so a nation or a community must follow a more natural, and usually arduous,

⁵⁵ E.F. Schumacher Small Is Beautiful (New York: Harper and Row, 1973), 6.

course in its evolution, Schumacher claimed. Parents wanting their children to be spared their own mistakes, may overprotect them. But in doing so, they cripple them by also removing their opportunity to struggle and transcend. By buffering their children from the harsh realities of the world, parents may in fact undermine their long term ability to survive on their own. In like fashion, protective, paternalistic attitudes can jeopardize the long-term autonomy of developing nations. Such an attitude, institutionalized in policy and practice, may retard rather than nurture growth, despite what may be the good intentions of developed powers.⁵⁷ Just as with children who are encouraged to grow up too fast, nations whose development is artificially sudden may short-circuit their natural evolution. They may lose sight of the primary goals of liberation in the face of overwhelming new problems. Critics may find this attitude towards growth extreme, even reactionary, but Schumacher would prefer to rely on the safer, slower standard of nature as a model for development. Rushing the process may result in both rapid development and a correspondingly dramatic increase in problems. Though there are problems with extrapolating from child rearing to nation building, the analogy does shed light on some of the important problems of development. Schumacher was concerned that developing nations would be spoiled by quick and easy aid from the developed world rather than have the opportunity to learn from and value their own experience. Such nations may miss the chance to forge their own identities through the cultivation of new skills in response to the pressures that are imposed from the outside. Schumacher noted that income which is the result of a gift, as opposed to earned income, tends to be

⁵⁷ Ibid., p. 12.

wasted on frivolous consumption rather than accumulated for capital ⁵⁸ in developing economies. The ideal of self-sufficiency was ever-present for him, even though he also recognized the interdependence of the global dimensions of political economy. He did not suggest that there should be no relationship between developed and developing countries, both of whom can learn much from each other. But he was interested in "deconstructing" the western model of development in order to explore other ways of thinking about and acting on the need for economic, political, and social transformation. Once again, development must be appropriate to, adequate to, the traditions, conditions, and values of each place. The specificity of each community, like the uniqueness of each child, must be affirmed and nurtured. The process of gestation in the formation of a child or a people must be respected, not simply because the small is beautiful, but also because the slow tends to be more stable and enduring. In this way, it is also important respect the specificity of each process according to Schumacher's vision of transformation. By emphasizing the small, the slow, and the specific, he tried to challenge some fundamental western assumptions about growth, social change, and the role of values in the development of economic, social, and political policy.

There are many other development problems that Schumacher confronted. For example, transportation costs that are added to products made for long-distance consumption make such forms highly inefficient overall, even though they may be profitable for owners. The concentration of power and authority that accompany such production patterns removes control further and further from the workers in developing (or developed) nations. The lives

⁵⁸ Ibid.,76.

of consumers are not bettered by the specialization that occurs insofar as their economies exist primarily to serve the needs and priorities of the developed nations. According to Schumacher, only an insistence on self-sufficiency will genuinely enhance the quality of life for ordinary citizens in the developing world. Through self-reliance, which tends to focus on distribution rather than just on production, it is possible to increase the per-capita consumption in developing nations by actually lowering gross production. Simply put, it is not enough to know how much is produced; one must understand what is produced, for whom, and at what costs -- monetary, cultural, psychological. Well-being, in other words, cannot be measured merely quantitatively as gross national product; its bearing upon long-term, multi-dimensional, and qualitative interests of all people in developing societies must be taken into account.⁵⁹

In traditional economic theory, moreover, specialization is encouraged because of the comparative advantage that it introduces. But this approach does not facilitate all kinds or all phases of development⁶⁰, according to Schumacher. Such a model already assumes that there are mature, economically autonomous entities that will benefit from the efficiency that specialization brings. But developing countries may not yet have put in place the infrastructure that would enable them to process or appreciate

⁵⁹ These ideas about economic development are found throughout Schumacher's political economy. They are also reminiscent of Gandhian economics which greatly influenced Schumacher's thinking about development. In addition, Gandhi contributed to Schumacher a deep understanding of the role of values, culture, and consciousness in the discourse and practice of any political economy.

⁶⁰ E.F. Schumacher. Small Is Beautiful (New York: Harper and Row, 1973), 36.

disruptive inputs from more developed regions. Schumacher further recognized that conditions have changed since the era in which the developed nations modernized.

More and more of the poor countries are beginning to realise that the highly sophisticated, immensely capital-intensive mass-production technology of the rich societies, *which has been developed during the century of cheap and plentiful fossil fuels*, is extremely ill-suited for the development of poor societies. It *presupposes*, among other things, the existence of a highly elaborated infrastructure, of a ready availability of huge amounts of capital, and of large, wealthy, highly organised, markets.⁶¹

In Schumacher's view, the steadiest way to prosper was to start with the domestic resources and possibilities that exist rather than becoming dependent on external and inappropriate sources. Rather than benefiting from accelerated development, new nations are usually undermined by premature overspecialization. For example, abandoning their traditional agricultural base in order to grow cash crops can prove to be disastrous for most emerging economies. According to Schumacher, it is counterproductive to cultivate pure and unconstrained free enterprise in an undeveloped nation because it probably lacks the underlying economic base to sustain such randomness⁶². Many of Schumacher's insights along these lines are now widely accepted in understanding development.

Obsessive specialization based on comparative advantage is also counterproductive, Schumacher claimed. Again, one can compare the evolution of individuals with that of nations in calling for well-rounded,

⁶¹ E.F. Schumacher "Energy and Poverty", Coal and Energy Quarterly, (Winter, 1974).

⁶² Leopold Kohr makes a similar point in Development Without Aid: The Translucent Society (1973).

diverse, and autonomous entities. Schumacher pointed out that specific talents are often enhanced by a more universal, holistic perspective which integrates and contextualizes these particulars. Rather than the idiot savant who exhibits a narrow band of genius, Schumacher extolled the ideal of the Renaissance person who cultivated a broad spectrum of interests.⁶³ Specificity and universality must accompany one another rather than substitute for one another, according to Schumacher.

In discussing self-sufficiency, Schumacher made it clear that he was not rigidly against industrialization or rich interactions among self-reliant communities. Schumacher did not advocate isolationism or chauvinism at the expense of a global vision. But healthy relationships presuppose clear self-definition and independence. In short, one must have an identity in order to be able to share or transcend it, either as an individual or as a community. The key for Schumacher was proportionate industrialization and modernization used in the service of abiding values and real human needs.

We see many of these same points reformulated in discussions about the agricultural policies of developing nations. In lieu of endorsing the complete dislocation of local agriculture, Schumacher supported a diversification of crops and other products. If a developing nation too readily adjusts its own priorities and needs in order to cater to the international market, it will subvert the stability and viability of its future economy and culture, according to this analysis. A case in point is Brazil, where production of black beans, a traditional food staple, was curtailed in favor of coffee, a more

⁶³ Schumacher's ideas about the purposes of education and of work also highlight the importance of this well-roundedness.

lucrative cash crop. As previously mentioned, the production of such luxury goods for the international market may stimulate the economy overall in terms of the GNP, but relatively few people may ultimately benefit from this reallocation of resources. In fact, the long-term situation for the majority of people is usually worsened by any such abrupt attempt at modernization, and traditional patterns of sustenance and support are eroded. A country may cater to the tourist industry, or even produce high-tech luxury goods with a correspondingly greater increase in its overall Gross National Product, but find that most of its citizens remain in second-class positions⁶⁴. Participation in the complicated mega-patterns of the transnational economy can be very costly in agricultural terms despite the fact that on the surface dazzling modernization looks impressive.⁶⁵

Traditional agricultural methods found in developing nations are often insufficient to meet the needs of rapidly increasing populations. And yet modern agricultural methods are much too expensive because of their heavy reliance on oil. Schumacher described this situation as follows:

Modern agricultural technology, as practised in the United States, in Western Europe, in the areas affected by the 'green revolution', and in many other parts of the world, is essentially oil-based. Its tremendous success in raising productivity-per-man was achieved by the introduction of an intensely oil-based technology--intensive mechanisation and, even more importantly, intensive chemicalisation.

⁶⁴ E.F.Schumacher, 1973, 7.

⁶⁵ There are countless examples of this modernization "at the top" such as Iran under the Shah or Brazil

In terms of physics and chemistry, modern man eats a variety of food-stuffs; but in terms of economics, he eats oil.⁶⁶

This oil-heavy agricultural productivity has in turn made increased urbanization possible and so on in a continual cycle of increased energy consumption. For Schumacher, in the absence of conservation and planning, these patterns lead inevitably to a growing crisis of resources. Broad changes in patterns and directions of production, distribution, and consumption, are all necessary to address these precarious tendencies. These same insights were reflected on a smaller scale in Schumacher's work with the Soil Association, where he was concerned about the appropriate relationship between soil, plants, animals, and people. We again see the guiding principle of *adaequatio* underlying his efforts to find the ecological balance necessary for long-term environmental health.

Schumacher was concerned with the reorganization of both rural and urban life. Ideal cities would be human scaled, "dense, close, exciting, sophisticated, elegant, economical, time-saving, pedestrian"⁶⁷. One important improvement would group work closer to home; in order to avoid wasteful transportation, people must live where they work or work where they live, according to Schumacher. Their local gathering places should be aesthetically pleasing and conducive to social intercourse so that people will not be as motivated to seek choking urban centers. Rather than interpret these suggestions as strictly anti-urban, one can see them as indicating directions for urban reform. If areas or neighborhoods were more self-reliant, the suffocating

⁶⁶ E.F. Schumacher. "Facing the Change in the Energy Situation", address to a conference organised by the Royal Institute of British Architects, Univ. of Durham, July 18, 1974, in Kirk, 1982, 53.

⁶⁷ Ibid., 48.

traffic and the general chaos of overcrowded downtowns might be avoided, Schumacher claimed. With diverse local ambits to address people's fundamental needs, there would be less reason for people to move around, and fewer of the problems that accompany excessive expansion and centralization would threaten health and happiness.

Schumacher continually emphasized the importance of the single individual and his/her capacity to produce and transform. He also recognized the ways in which individuals working together are capable of accomplishing extraordinary feats by uniting their social labor. But the organization of this social labor must be appropriate, adequate to the goals of the group. Small, competing communities tend to thrive according to this perspective, while cumbersome and concentrated systems have already surpassed the threshold of maximal efficiency. The latter also constitute a much greater threat to individuality, though such dangers are hardly precluded by smallness alone. As previously mentioned, Schumacher recognized that small, organic, tightly controlled communities could be as threatening to individuality, diversity, and creativity as large-scale repressive ones⁶⁸.

Schumacher was also concerned that wasteful expenditures of energy, resources, and time, which often characterize rapid modernization, are commonly accompanied by coercion. In order to restructure indigenous patterns of life so as to better serve the demands of the international market, leaders of developing nations tend to use both the carrot and the stick. Systems of repression emerge as "growth industries" in developing

⁶⁸ See also Nikolai Berdyaev. Slavery and Freedom (New York: Scribners, 1944), 102-106.

nations whose leaders come to rely heavily on arms, equipment, and training from the developed world in order to preserve their control.

All of these questions about political economy lead one to ask about the role of the state in Schumacher's political economy. In his earlier days, he felt that only a centralized state had the power to intervene in ways that could make the economic conversions necessary for socialism and greater equality to prevail. His experience at the Coal Board certainly expressed this perspective. In his later work, however, he felt much more strongly about the dangers of centralized intervention, coming to believe that it created as many problems as it solved. Many contemporary theorists of the state would insist that in order to release the power of social labor, capital must be accumulated, and only the state is powerful enough to orchestrate this development.⁶⁹ Schumacher, however, is less formulaic about stages in the development and withering away of the state. He continually emphasized the importance of individual value systems and beliefs in facilitating economic and political transformations. In his writings on public ownership, Schumacher explored the relationship between individual initiative and the effectiveness of large-scale state planning, and this remained a question at the forefront of his diverse concerns.

Schumacher's vision of a well-functioning political economy adequate to people's real needs intimated the reorganization of political space at several levels. He realized that transformation of agricultural, manufacturing, and technological systems must be interrelated. Transformation of agricultural systems was needed to address the most basic of survival needs for food and fuel. Schumacher recognized that all other wealth and development

had to be built upon this solid base. Productivity then must be increased through the improved use of land, labor, cultivation methods, and some specialization. Accumulated energy and capital could then go into agricultural resources like dams, canals, roads, barns, warehouses, etc., which would further boost productivity. In developing countries, this transformation probably tended to be located at a village level. At a second stage, the manufacturing system must be transformed, and this process also required an appropriate political space, probably at the level of the city-state. Thirdly, it was necessary to make the technological systems adequate to the levels of organization that corresponded to their basic functions and possibilities. Though he did not fully elaborate this point, Schumacher recognized that many of these decisions needed to be located within the framework of the nation-state. At the level of the city-state, problems and possibilities are greater and require more education and expertise. National problems should require minimal attention and are usually best dealt with at lower levels despite the tendency to do the opposite. In the same way, he intimated the need for a global political space which would be created by the transformation of communication systems.

In short, Schumacher felt that a sensitivity to scale and to measured development was the key to the preservation of a society's identity. A society that is too small does not have the critical mass to precipitate into an whole and healthy system; but, when it becomes too large, it also lacks coherence and identity. He did not suggest that there should not be progress, modernization, or advancement; but he emphasized the importance of equilibrated, harmonious growth. Solutions must be adequate to the

69 Many Marxists are less formulaic on this point than they once were.

problems of each stage of development if they are to provide genuine, long-term responses to the dilemmas of developing countries. Global problems may require correspondingly global solutions, just as local ones will need to be located in their appropriate ambit.

Schumacher repeatedly claimed that beyond our human need to survive and to flourish in material and physical ways, there are other transformative needs and possibilities. He felt that affluence was not enough and that material progress was not necessarily conducive to a more a peaceful or fulfilling world. As previously mentioned, Schumacher felt that unlimited material growth was probably destructive for those who already have too much as well as for those who have too little and are struggling to survive in subsistence economies. In addition, taxing the physical resources of nature without respect for their long-term availability and viability leads to an eventual exhaustion of these materials and the possible collapse of the whole ecosystem. In this situation, both the rich and the poor, the winners and the losers are endangered. Such stresses also produce or exacerbate the gross inequalities between powerful and powerless, leading to a progressively divided society.⁷⁰ Without much regard for the long-term consequences of their policies, such a society continues to grow, heedless to the injustice or precariousness it engenders. In time, moreover,

even the Gross National Product refuses to rise any further, not because of scientific or technological failure, but because of a creeping paralysis of non-cooperation, as expressed in various types of

⁷⁰ Schumacher explored some of these issues by comparing the consumption of fuel in rich and poor countries. He claimed that the poor consume only one-fourteenth of the fuel that the rich consume, and that this rising demand on the whole system can only bring disaster.

escapism, such as soaring crime, alcoholism, drug addiction, mental breakdown, and open rebellion on the part, not only of the oppressed and exploited, but even of highly privileged groups.⁷¹

Such noncooperation, escapism, and rebellion are all signs of crises that are not simply material in nature, Schumacher warned. Human freedom, responsibility, and solidarity must be summoned to transform these problems insofar as they are both internal and external, both ethical and economic in their dimensions. What is needed, said Schumacher, is not just greater productivity or more effective planning, but a moral and cultural awakening. Economics can no more be isolated from ethics than it can be from politics; and the need for such an interdisciplinary perspective is warranted not only on the grounds that it brings us closer to more comprehensive truth, but also because it points the way to a future world whose structure is more likely to support survival of the planet and life itself in all its forms and directions. In Chapter Five, we will explore and discuss in more detail these cultural, ethical, and epistemological views that Schumacher ultimately arrived at and attempted to formulate more explicitly before his death.⁷²

⁷¹ Schumacher, "Economics of Permanence", in Sources, ed. by Roszak, 1972, 362-3.

⁷² E.F. Schumacher. A Guide for the Perplexed (New York: Harper and Row, 1978).

CHAPTER FOUR: SCHUMACHER ON ENERGY, ECOLOGY, AND TECHNOLOGY

Valuable insight into Schumacher's views about political economy can be found in his writings on energy. His twenty year tenure at the National Coal Board in Britain, first as Economic Advisor and Director of Statistics, and later as the Head of Planning, provided him with unique opportunity to ground his ideas in concrete practice and policy. The coal industry was the first major industry in Britain to be nationalized and thus provided important prototypic insight into general questions about energy policy and public ownership. Schumacher's papers, speeches, and other records from this era offer rich glimpses into the ways in which his values and theories were brought to bear on specific energy problems.¹ To those who have wondered at Schumacher's abiding interest in coal, in the face of so many other career opportunities, Kirk offered the following explanation:

First, energy is indispensable to society -- not a luxury: coal is one major means of providing it. Furthermore, his work involved him in long-term planning commitments. Nothing worthwhile could have been accomplished quickly. Then there was the attraction of a socialist helping to make public ownership work. Public enterprise was preferable, offering choices of action and purpose, to private industry, where the pursuit of profit was the only objective. Finally, he strongly believed that the intellectual was indebted to the community which, in effect, enabled him to be what he was. There was fulfillment for him contributing to society's well being.²

¹ In Schumacher on Energy (London: Jonathan Cape, 1982), Geoffrey Kirk has culled these papers, speeches, and letters thoroughly in order to shed light on Schumacher's ideas about energy, public ownership and management.

² Geoffrey Kirk (ed.). Schumacher on Energy: Speeches and Writings of E.F. Schumacher (London: Jonathan Cape, 1982), xii.

All three of Schumacher's perspectives--the technical, ethical and socialist--were expressed in his involvement with the Coal Board. He was challenged by the vital and practical task of addressing energy needs. At the same time, he recognized the larger implications for socialism and the attendant questions about public ownership, planning, and participation. He also emphasized the importance of ethical considerations, public service, and the appropriate role for intellectuals--concerns about values which increasingly preoccupied him. Schumacher's writings while at the National Coal Board were as unorthodox and as critical as always. As was often the case, he understood both the institutions of power--their limitations and possibilities--as well as larger and longer term problems that had to be addressed. This ability both to see from within and to critique from beyond taught him a great deal about planning while at the Coal Board. Schumacher was quick to connect concrete means with the visionary ends which can be easily lost in the everyday details of public policy. He realized that there must be a "fit", a match between means and ends, and public policy tools must be appropriate to the human needs they serve, he claimed. Bigger and better instruments which are inappropriately used are not only unhelpful, but may create a whole new set of problems. His work at the Coal Board gave him abundant "hands-on" experience in adjusting and fine-tuning means and ends. He repeatedly had to search for the long-term goals that needed to serve as the criteria by which to evaluate energy policy. These goals themselves were also to be continuously reevaluated, for Schumacher realized that what we think we need may not be what is best for us in terms of energy policy. "Instead of forecasting what we 'need', some people at least might attempt to work out what it would be wise and

prudent to need,"³ he suggested. This deeper recognition of the importance of values, lifestyle choices, and human needs introduced another set of considerations into his policy framework. "Alternative patterns of living"⁴ were necessary, he argued if energy demands were to be addressed in the long run. He characterized some of these impending life-style changes in the following way:

Some calculations can be made to show that each of us in this so-called affluent society has 30 energy slaves working for him. Living with higher energy costs means living with fewer energy slaves. The energy slaves are going to go the same ways as the domestic servants have gone before them. The people who were able to afford domestic servants did not rejoice in their departure. They found it necessary to adjust themselves to reconsider their life-style, to redesign their houses or move into other houses.⁵

Changes in patterns of energy consumption would require concomittant changes in values, perception of needs, and beliefs. Schumacher recognized that such transformations required a new ethose, a new cultural ecology adequate to the external changes in resource utilization that were taking place.

One of Schumacher's most critical and controversial talks on energy dealt with nuclear power at a time when Britain was grappling with the choice between coal and nuclear energy in its fuel policy. His fears about the safety of nuclear power had been voiced by other authorities, but Schumacher's

³ E.F. Schumacher. "Long-term Demands for Fuel", paper to a study group of the Royal Statistical Society, May 21, 1958 in Geoffrey Kirk (ed.) Schumacher on Energy (London: Jonathan Cape, 1982), 5.

⁴ Ibid., p. 6.

⁵ E.F. Schumacher. "Living with the Energy Shortage", an address to Combustion Engineering Association Conference, Eastbourne, Nov. 27, 1974, in Geoffrey Kirk, (ed.). Schumacher on Energy (London: Jonathan Cape, 1982), 111.

incisive formulation of the dangers enraged government energy officials.⁶ But he quickly recognized the qualitatively new threat that nuclear power represented and the dangerous consequences of this scientific Frankenstein.

The continuation of scientific advance in the direction of ever-increasing violence, culminating in nuclear fission and moving on to nuclear fusion, is a prospect of terror threatening the abolition of man.⁷

Though he was realistic about the momentum of these developments, he emphasized the human ability to make responsible choices in order to reverse or modify these ominous trends. He noted that

it is not written in the stars that this must be the direction. There is also a life-giving and life-enhancing possibility, the conscious exploration and cultivation of all relatively non-violent, harmonious, organic methods of co-operating with that enormous, wonderful, incomprehensible system of God-given nature, of which we are a part and which we certainly have not made ourselves.⁸

The choice that the energy planners were presented with in Britain in the 1950's was typical of many modern policy dilemmas. Should resources be mobilized towards high-technology in ways that dominate nature, or are there other more cooperative and less violent alternatives that could help to redefine this relationship to nature? For Schumacher, it became increasingly important to take into account this most intimate and dependent relationship upon nature, for he saw the consequences of doing otherwise.

Another of Schumacher's prescient warnings, dating as early as 1952, concerned the West's growing dependence on Middle Eastern oil. Again, his

⁶ Ibid., xii-xiii.

⁷ Ibid., xiii.

⁸ Ibid.

insights into the future of energy, and his understanding of the implications of the formation of OPEC in 1960, were for the most part unheeded by those in charge of policy.⁹ Schumacher was able to see the growing dependency on oil and the absence of alternative policies that made it possible to fall back on coal and other traditional energy sources. In fact, Kirk claims that because steps to address the dramatic changes in the energy situation were not taken, Britain still suffers unemployment from the severe contraction of the labor-intensive coal industry.¹⁰ Had the coal industry been given the attention for which Schumacher pleaded, Britain and other developed countries might not have been in such desperate straits when imported oil became unavailable in 1974, Kirk claims.¹¹

Schumacher continually worried about the tendency to favor new, modern energy sources such as nuclear power over investment in more traditional sources or renewable sources involving solar technologies. The latter are not as readily updated and technologized as are manufacturing and other secondary production. The result, not just in Britain, but throughout the world, of this infatuation with the new, the bigger, and supposedly better, entails the subversion of traditional sources of wealth and of indigneous cultural customs and arrangements. Long before the full consequences of disrupting the traditional economies of developing nations could be fully seen, Schumacher worried about the shortsightedness of rapid change, however well-intended.

⁹ Ibid. p. xvi.

¹⁰ Ibid., p. xvii.

¹¹ Ibid.

Energy policy requires an ability to envision needs, projects, and resources over extended periods of time, and political economies with an antipathy for planning may have difficulty seeing beyond the next election. In democracies, there is a problem because of the contradiction between the need for long-term planning and the shorter-term political preoccupation of elected officials. The limitations of this perspective which ignores past and future undermined coherent and consistent energy policy in western democracies, according to Schumacher¹².

Schumacher was equally critical, however, of careless long-term forecasting which generated a plethora of data based on uncertain assumptions about the future. He expressed these concerns as follows:

It is fashionable today to assume that any figures about the future are better than none. To produce figures about the unknown, the current method is to make a guess about something or other--called an 'assumption' -- and to derive an estimate from it by subtle calculation. The estimate is then presented as the result of scientific reasoning, something far superior to mere guesswork. This is a pernicious practice which can only lead to the most colossal planning errors, because it offers a bogus answer where, in fact, an entrepreneurial judgement is required.¹³

Schumacher repeatedly stressed the exploratory nature of his own calculations and projections and tried to be as explicit as possible about the assumptions, values, politics upon which they were grounded. He wrote:

¹² E.F. Schumacher. "The New Energy Pattern in Europe: An Analysis of the Robinson Report" in The Manager, Vol. 28, Sept., 1960., in Geoffrey Kirk (ed.) Schumacher on Energy (London: Jonathan Cape, 1982), 84.

¹³ E.F. Schumacher. Review of Etude sur Les Perspectives Energetiques a Long Terme de la Communitete Europeenne in the Economic Journal, Cambridge Univ. Press, March 1964, quoted in Geoffrey Kirk, Schumacher on Energy (London: Jonathan Cape, 1982), 57.

Doubtful as I am about the legitimacy of long-term forecasting, I have no doubts about the legitimacy of 'exploratory calculations'. To take a number of assumed factors--rates of growth, estimates of total reserves, and such like -- and to test simply 'where it would take us', may be a highly instructive exercise . . . But people are so avid for forecasts that they almost invariably fail to notice the difference between a forecast and an exploratory calculation.¹⁴

This epistemological rigor and modesty gave Schumacher's calculations a solidity that many lacked; and, not surprisingly, there were very few major developments concerning energy that he did not correctly anticipate during his tenure at the NCB.

For Schumacher, the most critical feature about energy was that it is not just like any other commodity, but rather "the precondition of all commodities, a basic factor equally with air, water, and earth".¹⁵ He often repeated that "There are only two basic items in the world economy -- food and fuel. All the rest are secondary."¹⁶ Energy is also largely a non-renewable resource which means that flagrant waste today will hasten the exhaustion of limited reserves.

Much of Schumacher's writing about energy policy sheds light on his general ideas about socialism and public ownership. To understand this aspect of his work it is necessary to focus briefly on some of the issues that preoccupied British politics during this period. After the election of 1945, the Atlee government came to power and began to carry out its program of

¹⁴ E.F. Schumacher. "Long-term Demands for Fuel", paper to a study group of the Royal Statistical Society, May 21, 1958, in Kirk, 1982, 61.

¹⁵ E.F. Schumacher "Energy Supplies --the Need for Conservation" from Energy International, Sept., 1964. See Kirk, 1982, 2.

¹⁶ E.F. Schumacher. "From 1966 and all that", Talk to the NCB Headquarters staff, London, Dec. 6, 1950. See Kirk, 1982, 5.

nationalizing specific industries and services. There was little disagreement about nationalizing "natural monopolies" like gas and light, water, telephones, etc. Because the coal industry had been in trouble for several decades, there was also a general consensus that it needed extensive public investments and reorganization to be revived. After World War II, the Coal Industry Nationalization Act of 1946 was passed, and in 1947 the National Coal Board was established. The Labor government orchestrated the nationalization of coal and even expanded nationalization to other industries such as steel. Within a few years, however, the Conservatives won the general election and reprivatized the steel industry. When Labor again resumed power in 1967 under Harold Wilson, the state was once again given control over steel. Because of the losses in the general elections of 1951, 1955, and 1959, the Labor Party increasingly moved away from a program of nationalization and instead emphasized economic growth. Instead of common ownership of the means of production, distribution, and exchange which had been the official mandate of the party since 1918, British socialism began to question the wisdom and feasibility of nationalization. Hugh Gaitskell was one of the most important people in bringing about this change of perspective, and it was he who, as Minister of Fuel and Power under Atlee, recommended Schumacher for the appointment to the Coal Board in 1950. An active Fabian, Gaitskell suggested that nationalization was not necessarily the most realistic or desirable method of bringing about socialist ideals. He felt that it did not necessarily encourage greater equality since it left the existing patterns of property and income distribution unchanged.¹⁷ Nor did he see that nationalization necessarily promoted full

¹⁷ Hugh Gaitskell. Socialism and Nationalization (London: Fabian Society, 1956).

employment, particularly since Britain's reliance on foreign trade made planning for full employment so difficult. Additionally, Gaitskell felt that nationalization did little to eliminate the power of big business and to encourage the small-scale, decentralized economic activity that he felt was necessary. He also worried that the large-scale organization which nationalization required undermined the entrepreneurial individualist who could not fit into the confines of such a system. In addition, such centralization eroded worker morale by substituting large, impersonal, and mechanized forms of management, Gaitskell claimed. The coordination of such large organizations, leaves fewer decisions to be determined at the lower levels of management, thereby inhibiting creative problem-solving. The problem of the distribution of power and authority in nationalized industry was also a crucial one for Gaitskell and for Schumacher. Because the management was ultimately responsible to Parliament, questions of control and accountability were problematic. If the Coal Board was too independent, it was difficult to coordinate and hold responsible; yet if it was not, power became too centralized in the hands of the state. Both Schumacher and Gaitskell felt that the attitudes in large-scale public and private industries were not so different as one might imagine. Nationalized industries were compelled to make profits despite their service to the collective good, while private companies were motivated by factors other than simply profit. The public/private distinction was not as pronounced as that between large and small scale economic activity, both came to realize. With large-scale organizations, one had to choose between coordination and standardization or creative local improvisation. Rather than nationalization, Gaitskell proposed an expansion of the welfare state as an instrument for encouraging the social and economic equality that socialism seeks.

Increasingly, the expansion of the welfare state has come to be the primary means by which socialism is advanced.

Schumacher's long and influential tenure at the coal board thus provided him with vast experience in understanding both the policies and purposes of this great experiment in public ownership. Schumacher's insights drew on the solidity of his hands-on managerial experience as well as the scope and depth of socialist theory. According to Kirk, Schumacher

thought deeply about the purposes and responsibilities of a nationalised industry; there were technical and economic arguments for public ownership, but social and humanitarian reasons too. Conventional policies, particularly in the case of the coal industry, made nationalisation a necessity since private ownership could not give the necessary freedom of choice and decision.¹⁸

Again the three strands of Schumacher's thought--the technical, ethical, and socialist--are reflected in this description. It is interesting to note that at the time of his death in 1977, Schumacher was working on a comprehensive work on public ownership which was based on an earlier essay, "Die Sozialisierung in Grossbritannien"¹⁹. According to Kirk, Schumacher had plans to add more material on the theoretical issues concerning public ownership, including questions of ideology and politics²⁰. Schumacher's theoretical overview, coupled with his wealth of experience in the nationalized coal industry, could have made a significant contribution to an

¹⁸ Geoffrey Kirk(ed.). Schumacher on Energy: Writings and Speeches of E.F. Schumacher (London: Jonathan Cape, 1982).

¹⁹ Wilhelm Weber (ed.). Gemeinwirtschaft in Westeuropa (Gottingen: Vandenhoeck and Ruprecht, 1962).

²⁰ Kirk, 1982, 113.

understanding of public ownership, Kirk claims.²¹ Nonetheless, it is still possible to glean much from Schumacher's diverse writings on this question.

One of the major concerns that guided energy policy for Schumacher during his tenure at the National Coal Board was the question of resource conservation. He was one of the first policy makers to realize the dangers that would be engendered by squandering non-renewable resources.²² Energy must be conserved, he claimed, because it is the "whole edifice of modern life"²³ and like air, water and earth, it is a "precondition of all commodities".²⁴ Market forces which emphasize profitability are not sufficient to protect energy supplies, and it is necessary to develop self-conscious, long-term national policy to safeguard these resources. But Schumacher failed to explain why there is an inevitable conflict between profitability and Unlike manufactured, secondary goods, natural and agricultural resources, must be conserved at any cost, since they provide the primary conditions for all other production. "The need for conservation must take precedence over any requirements of the market if the real public interest is to be served", ²⁵ Schumacher stated. He went so far as to suggest that energy production policy must be as fully insulated from the market of

²¹ Ibid., 114.

²² This realization, to a great extent, grew out of Schumacher's understanding of Eastern thought and its differing perspective on time. Rather than squander scarce resources and live for the present or immediate result, such a realization understands the importance of a longer time frame. Schumacher's socialism also encouraged a more expanded, long-term view of history.

²³ Schumacher, R.F. "Energy Supplies--the Need for Conservation" from Energy International, September 1964; quoted in Kirk, 1982, 1.

²⁴ Ibid., 2.

²⁵ R.F. Schumacher. "Some Problems of Coal Economics"; a paper at Univ. of Birmingham, Jan. 18, 1962; in Kirk, 1982, 10.

short-term profitability.²⁶ A totally different time frame is necessary to understand the necessity for and strategy of primary resource conservation; all too often modern time focuses on the temporary, the immediate, and the incremental rather than on the longer, slower trajectory of nature he claimed. The concept of irretrievability, of irreversibility, continues to be a difficult one for the contemporary world to grasp, and Schumacher realized how deeply embedded were the resistances of traditional economic thought to this notion. In discussing the dire and unheeded prospects for future shortages by the year 2000, Schumacher wrote:

The failure of economic theory to distinguish non-renewable from renewable products may be one of the causes of the total unconcern with which such prospects are being treated.²⁷

Schumacher's coal policies, like his approach to other social planning, were designed to address longer-term collective needs rather than to react to the immediate pressures of commercial and competitive interests.

Schumacher on Ecology

As early as 1962, Schumacher predicted the dangerous consequences of the oil-addicted West's growing dependence on Middle Eastern oil. He warned:

The dominant question therefore is: on whom will the West European economy be dependent? So long as we do not wish to depend on fuel imports from the Soviet bloc, they must come from the oil-rich states that have recently joined together to form the Organisation of Petroleum Exporting Countries, OPEC, which controls 85 to 90 per cent of the world's oil exports.²⁸

²⁶ Ibid.

²⁷ Ibid., 12.

²⁸ B.F. Schumacher. "European Coal in the Year 2000" from Schlagel und Eisen, February 1963, in Kirk, 1982, 13.

His warnings were ignored at the time, and many would argue that we still have not faced up to the eventual impact of these shortages. And Schumacher was fully aware of the political and social consequences of such resource scarcity, clearly expressed in the following:

It is clear that not only . . . [its] position in the world, but also the very existence of Western Europe would be seriously endangered if she were to be faced with an unfillable energy gap. Such a situation does not need to last long before it shakes political and economic institutions to their foundations.²⁹

Conservation avoids rapid change, and it is acutely sensitive to timing, Schumacher claimed. With coal, for example, it is important to use those mines already open since once closed, they become effectively unuseable without inordinate cost. Schumacher advised that

it is simply a matter of proper timing: take the indigenous product first and the imported product later, because, if you take the imported product now the indigenous industry will die and there will be no indigenous product later.³⁰

This kind of long-term perspective, which is needed to understand and appreciate ecological rhythms, is often absent in classical economics. According to Schumacher,

Modern economic thinking . . . is peculiarly unable to consider the long term and to appreciate man's dependence on the natural world. It is therefore peculiarly defenceless against forces which produce a gradual and cumulative deterioration in the environment.³¹

From this perspective, people, particularly economists, tend to focus on immediate economic interests, and thus have difficulty seeing the longer-

²⁹ Ibid., 14.

³⁰ Ibid., 16.

³¹ Ibid., 19.

term interests of human beings as natural creatures. Though socialism obviously takes a much more historical view of economic and political development, Schumacher was also concerned about its lack of ecological insight. He lamented the widespread failure of vision by which humans separate themselves from nature, treating it as an enemy. In this way, nature is seen as something alien to them that must be dominated and exploited. He wrote:

now that the religion of economics lends respectability to man's inborn envy and greed[,] and Nature is looked upon as man's quarry to be used and abused without let or hindrance, what could be more important than an explicit theory of conservation? We teach our children that science and technology are the instruments for man's battle with Nature, but forget to warn them that, being himself a part of Nature, man could easily be on the losing side.³²

Our narrow, short-term definitions of what is "economic" turn on what is immediately profitable, and do not adequately take into account the full costs and benefits of our decisions, Schumacher suggested in his energy statements at the Coal Board and later elaborated in Small Is Beautiful.³³ Indeed, traditional economic thought usually failed to measure at all the long-term costs to the environment which result from our energy policies. Thus decisions that may prove to be dangerously expensive in the long-run are deemed viable because the environment tolls are simply not included in the calculations.

³² Ibid.

³³ Small Is Beautiful was published in 1973, but many of its ideas were expressed in Schumacher's earlier speeches and writings on energy, development, and public ownership.

From the time of his appointment to the Coal Board, Schumacher grew increasingly concerned about an attitude which emphasized domination over rather than harmony with nature. He began to question the immediate and risky "progress" which often came at the expense of long-term stability. In this connection, he asserted:

In blind pursuit of monetary gains modern man has not only divorced himself from nature by an excessive and hurtful degree of urbanisation, he has also abandoned the idea of living in harmony with myriad forms of plant and animal life on which his own survival depends; he has developed chemical substances which are unknown to nature and do not fit into her immensely complex system of checks and balances; many of them are extremely toxic, but he nonetheless applies them or discharges them into the environment, as if they would be out of action when they had fulfilled their specific purpose or could no longer be seen.³⁴

In this passage, Schumacher is reminiscent of Rousseau and others who challenged our notions of "civilization" and "progress" and called for a renewed understanding of nature. Such an attitude expresses the romantic, organic, and anti-technological impulse which has always challenged the modern temperment. Part of Schumacher does appeal to a romantic and idealistic sensibility evoking an idyllic relationship with nature. But Schumacher also argued from the point of view of realism, common sense, and empirical evidence about the eventual consequences of actions against or indifferent to nature. The debate between ecologists who would argue for slow, careful, small-scale change and those who emphasize the immediate economic necessity of development, rages today in both the developed and developing world. As Schumacher correctly envisioned, and as we will explore in Chapter Five, it is also an argument about fundamental cultural values, including attitudes towards time, space, and nature.

³⁴ Schumacher, quoted in Kirk, 1982, 20-21.

Schumacher on Development

During the post-colonial era, newly liberated nations had to confront the myriad problems of development. The tendency of many leaders was to adopt the Western model of modernization including large scale industrialization, technology, and urbanization. These new nations found in Schumacher someone who understood the nature of their need for intermediate technology and who could also transplant technology and expertise to the diverse and specific conditions in which they were needed. As Schumacher questioned the nature of the economic growth and modernization which had, after the war, become orthodox solutions to problems of development, he began to question also the policy implications for developing nations. He recognized that

The development policies of the last twenty years have been virtually exclusively based on the assumption that 'development' can be most speedily achieved by transferring the high technology of the rich countries to the Third World. Where this transfer has been effected, the result has been a concentration of development upon big cities; a massive migration of rural populations into these cities which consequently have become infested with enormous slums; mass unemployment; stagnation of life in the rural areas; and sharply increasing energy requirements.³⁵

Schumacher raised questions about both the speed and scale of development, and he insisted upon acknowledgement of the importance of proportion, size, and timing. This new approach to political economy also tried to take into account the history, culture, and traditional values of these diverse societies, in order to address their specific needs more effectively. Again, the key

³⁵ R.F. Schumacher. "Western Europe's Energy Crisis--A Problem of Life-styles", in Ambio, (Royal Swedish Academy of Sciences, 1973), quoted in Kirk, 1982, 23.

concept that Schumacher articulated was "appropriateness" or "adequateness", reinforcing the insight that there must be a harmony between need, context, and resources. Technology and organization must be appropriate to the problems and possibilities that exist if they are to be most effective. Though it is not easy to define exactly what constitutes "appropriateness", it is clear that the concept itself requires taking greater account of indigenous human contexts instead of ignoring them and attempting to impose a westernized, liberal vision of what constitutes progress. Since traditional communities and markets were small, Schumacher noted that one general guideline, as we have discussed, was that of scale. Though he was not the only one who recognized the great importance of size in the political economy of development, his well-timed insights were enormously valuable to many emerging post-colonial nations who called upon his services.

A second general contribution of Schumacher's political economy dealt with his conception of technology, and his hope was that it could have a "human face".³⁶ First of all, he claimed, technology, like scale, must be appropriate to people's basic needs, resources, and traditions; more and bigger technology is not better if it does not "fit" the task at hand.³⁷ A crucial project for Schumacher was thus to try to define what needs and what traditions are valuable and therefore appropriately conserved as guides for collective decisions. In this endeavor, Schumacher was clearly not opposed to technology; in fact, he had a profound respect for the appropriately used tool. But the key for him lay in the concept of appropriateness, which was

³⁶ Ibid., 146.

³⁷ Ibid., 154.

the expression of the principle of *adaequatio* at another level. How technology was used, towards what ends, and with what consequences, were all fundamental components in evaluating its problems and possibilities. Schumacher, like others before him,³⁸ worried that the unqualified development of technology could take on its own momentum and become an end in itself. The danger was that instead of controlling it, humans will be controlled by it. But the power of technology to do good and to serve as a means of eliminating suffering was also great, Schumacher felt. Though the appropriate use of technology called for a radical rethinking of these dangers and possibilities, it did not imply an anti-technological position. He believed that our thinking about technology needed to be adequate in the same way that tools themselves required dynamic adjustment and fine-tuning.

Schumacher had four major concerns about technology which were, in many ways, representative of the problems confronted by other modern bureaucratic structures. He felt that technology tended to become too big, too complex, too costly, and too violent to serve many human needs adequately. It was necessary to explore these standards of size, complexity, cost, and violence in order to define human needs and objectives. Schumacher was at his best when he provided the details, examples, and conditions that help to specify these criteria. Because technology has developed to the point that it can either liberate human beings or enslave them, it is critical to elaborate the standards by which it can and ought to be evaluated. This question about the dangers of technology has become one of the most fundamental in modern culture, and is reflected in many

³⁸ See, for example, Lewis Mumford. "Technics and the Nature of Man" in Knowledge Among Men (New York: Simon and Schuster, 1966).

metaphors in which machines designed to serve human needs come to rule-- e.g., the many variations on the Frankenstein story and the computer HAL in the film 2001. The task, according to Schumacher, is to

redirect technology so that it serves man [sic] instead of destroying him. . . [and this] requires primarily an effort of the imagination and an abandonment of fear.³⁹

Part of this danger of out-of-control technology also exists because human beings have become so removed from nature, Schumacher claimed. They seem to have lost their intuitive sense of how much is enough. An inherent sense of sufficiency and limit often has been undermined by a galloping modern momentum towards moreness and bigness. Schumacher elaborated this notion as follows:

Nature always . . . knows where and when to stop. Greater even than the mystery of natural growth is the mystery of the natural cessation of growth. There is measure in all natural things--in size, speed, or violence. As a result, the system of nature, of which man is a part, tends to be self-balancing, self-adjusting, and self-cleaning. Not so with technology, or perhaps, I should say: not so with man dominated by technology and specialization.⁴⁰

This passage reveals some of the strengths and weaknesses of Schumacher's arguments about technology, growth, scale, and nature. We see his tendency towards tautology according to which he glorified nature by assuming that whatever it does is good because it is "natural". Though nature does tend towards long-term balance and adjustment, its short-term effects can be of course devastating. Most people would not claim that the excesses of floods, earthquakes, or other disasters are constructive simply because they are

³⁹ Schumacher, 1973, 159.

⁴⁰ E.F. Schumacher. Small Is Beautiful (New York: Harper and Row, 1973), 147.

natural. Even "deep ecologists" who stress the primacy of nature would not unqualifiedly rejoice in all that nature does. For just what constitutes "nature" is itself problematic. Appeals to a natural state, like appeals to human nature, assume a primordial condition which has not existed for a long time, if it ever did. For human life has acted upon nature in ways that make it impossible to look back to an untouched referential situation. Yet there is much of value in Schumacher's distinction between natural and mechanical systems, and in his appeal to nature as an important model or plumbline for human systems. Natural organisms are qualitatively different from machines, he claimed, and rather than modelling our human institutions on mechanical instruments, we should look to living systems for guidance. He was concerned that unqualified development of technology undermined this natural sense of equilibrium and purpose. He was not, of course, the first person to entertain such concerns about the increasing mechanization of modern life. Much earlier, Lewis Mumford and others raised fears about the "Megamachine", the depersonalized and mechanical totality that in the modern world has been substituted for a more organic and personalized sense of community.⁴¹ Many modern social critics have been concerned that humans have enchained themselves to increasingly uncontrollable mechanisms in the name of greater control over nature. Yet there are also great dangers in reifying nature as do excessively organicist theories of society. Abdicating individual responsibility to either a mechanical or natural authority indicates a tendency to lose the critical thought necessary to democratic participation and a healthy sense of community.

⁴¹ Lewis Mumford. "Technics and the Nature of Man", in Knowledge Among Men (New York: Simon and Schuster, 1966).

Increasingly specialized technology can also generate unnecessary complexity, Schumacher warned. Such complications require people to be more and more dependent upon "experts" who allegedly are the only ones capable of contending with the complicated machinery. Rather than helping people gain a sense of self-reliance and empowerment, this process may enslave them to mediating and mystifying systems. Hope for Schumacher lay in the fact that while experts tend to focus on the details of a complex technology, ordinary people may be able to see the wider picture concerning questions about the appropriate and humane use of this technology. Yet Schumacher did not sufficiently recognize that there is also the danger that the opposite can occur, for ordinary people may express a narrower, more partial, and ignorant view rather than one which is expansive and creative. Though ordinary people may be able, in some circumstances, to see a more general picture while experts are bogged down in narrow details, it can also happen that people exhibit the dangerous provinciality and short-sightedness that de Tocqueville⁴² and many other social critics feared about democratic processes. Schumacher realized that the skills of ordinary citizens could be invaluable to the extent that they represented concrete experience and practical knowledge. But, like de Tocqueville, Schumacher was ambivalent about the question of expertise and how it could be democratically distributed. He sought the best combination of technical know-how and democratic participation, a way to combine appropriate technology with equity and personal freedom. Ideally the best of each--effective knowledge and creative, decentralized citizen involvement--could

⁴² Alexi de Tocqueville. Democracy in America ed. by J.P. Mayer and Max Lerner, trans. by George Lawrence (New York: 1966).

be integrated, and the worst forms of each--fragmented and rarified information along with a dangerous and provincial "tyranny of the majority"--avoided.

The increasing complexity of technology also escalates its cost, Schumacher warned, and this may be particularly hard on the poor who generally are in most desperate need and have least access to expensive tools. Developing nations are dependent upon those who do have control over the costly technology which may, in any case, be inappropriate for their needs. Cost, however, like the other variables which concerned Schumacher, must be dynamically related to other needs, resources, and priorities. His calculations of cost included additional factors such as the toll on nature and the costs in terms of the effects of technology on human beings. The health and beauty of both people and nature mattered to Schumacher and must be taken into account in assessing the long-term costs and benefits of forms of economic development. Costs were not only financial but also needed to be calculated in terms of other concerns such as health, beauty, or stability. Just as the most expensive technology is not necessarily the most efficient, so too the least expensive does not always provide the most appropriate or cost-efficient solution. Schumacher realized that developing societies desperately needed relatively cheap intermediate technology that was more productive than traditional technology, but more available than the expensive large-scale technology of the developed countries. This intermediate technology would give economic access and control to many more people, thereby stimulating and decentralizing economic activity. In 1961, in a paper written for the Gandhian Institute of Studies, Schumacher presented the concept of "cost per workplace" as a way of measuring and

comparing technology costs. He experimented with different methods for arriving at appropriate tools and costs to address the problems of rural poverty which were estimated to afflict roughly 80% of the population in developing nations⁴³. For unless these problems are addressed at their roots in the countryside where most of the people in developing countries live, people eventually leave the land and migrate to already sprawling cities. In his first public address about intermediate technology for developing countries, Schumacher proposed economic development projects whose technology would cost per workplace approximately one-tenth that which was usual for rich countries.⁴⁴ In India, for example, where Schumacher first studied this problem thoroughly, this intermediate technology would put such workplaces within the reach of enough people to begin to deal with the interconnected problems of production, unemployment, and massive migration to the urban centers. To those who were skeptical about the cost-effectiveness of such methods compared to more capital-intensive ones, Schumacher replied:

... the questions of what level of technology in fact produces the most favourable [output-capital] ratio is not a question of economic theory but of applied engineering. Dogmatic pronouncements on this point are worthless: let us have design studies, and we shall see.⁴⁵

Over the next twelve years, such projects demonstrated Schumacher's point that a wide spectrum of options for intermediate technology could address

⁴³ E.F. Schumacher. "How to Help Them Help Themselves" in George McRobie. Small Is Possible (New York: Harper and Row, 1981), 29.

⁴⁴ See George McRobie. Small Is Possible (New York: Harper and Row, 1981), 29, 34.

⁴⁵ E.F. Schumacher. "How to Help Them Help Themselves" in George McRobie. Small Is Possible (New York: Harper and Row, 1981), 29-30.

the needs of developing countries in imaginative, accessible, and inexpensive ways.

A fourth fear of Schumacher's about modern technology was that it had become too violent. Such violence is not only the result of the modern world's enormous investment in weapons of war, the most horrible example of which is the nuclear bomb. Indeed, this violence took on many forms, according to Schumacher. He became increasingly aware, for example, of the violence of our modern technologies towards nature through many forms of pollution and ecological destruction. Toxic chemicals, undegradable wastes, and other unforeseen environmental externalities were becoming more dangerous all the time, he realized. Medical breakthroughs or technical discoveries seemed to be accompanied by a host of new and more unmanageable problems, Schumacher claimed. He continually wondered if the cures that had been generated by modern science and technology were, more often than not, worse than the diseases they were designed to treat. For Schumacher, this violence towards nature included also the incremental and unintended forms of violence that erode the harmonious relationship between human beings and their environment.⁴⁶ For example, the incremental erosion of the South American rainforest has not only made hundreds of species extinct, but has also led to the rise in carbon dioxide that has in part been responsible for the temperature increase around the world. This insensitivity towards nature, he claimed, in turn produces other kinds

⁴⁶ This theme is not, of course, new with Schumacher. He follows in the long tradition of those who have been concerned about the dehumanizing effects of technology and its hostility towards nature. Much of Mumford's work was concerned with this topic. See also C.S. Lewis. The Abolition of Man (New York: MacMillan, 1947).

of violence, for the relationship between human beings and nature is in many ways the prototype of all relationships.⁴⁷ Again, like Jefferson, Schumacher stressed both the self-reliance and interdependence that result from a relationship to the land and to natural systems. Violence towards nature is violence towards oneself and others as parts of nature, he felt. Thus, an attitude which glorifies human dominance of nature may lie at the root of many social and political dilemmas. But the question of the relationship of human beings to nature may be more complex than Schumacher acknowledged in all circumstances. If all violence towards nature is prohibited, it becomes impossible to act at all.⁴⁸ The most extreme formulation of this dilemma is probably embodied in the life of someone like Albert Schweitzer, whose reverence for life inspired him to devote himself to curing malaria, but also prohibited him from killing malaria-laden mosquitoes.⁴⁹ Thus, it is not sufficient to simply extol non-violent technology without struggling to elaborate the nature of this non-violence and the circumstances of its use. Again, Schumacher's concept of adequateness helps to understand the dynamic adjustments that may be necessary to minimize violence, given other concerns such as economic viability or aesthetic and political considerations. Thus the deeper understanding of technology that Schumacher advocated included an

⁴⁷ See Kirkpatrick Sale. "Mother of All: An Introduction to Bioregionalism", Third Annual E.F. Schumacher Lecture, October, 1983, Mount Holyoke College, South Hadley, MA., and Dwellers in the Land (San Francisco: Sierra Books, 1986).

⁴⁸ For Jains, any act against nature, even killing an insect, is an act of violence, and must be avoided.

⁴⁹ See Albert Schweitzer. Reverence for Life, trans. by R. H. Fuller (London, 1970).

assessment of both its dangers and its possibilities, rather than simply a blanket rejection or endorsement of its great power.

CHAPTER FIVE: SCHUMACHER'S CULTURAL ECOLOGY

Until recently, the material and economic dimensions of Schumacher's work have received more attention than the philosophical or spiritual aspects.¹ But in order to understand Schumacher's economics and politics, it is necessary to explore some of his central conceptions of human nature, knowledge, culture, and spirituality. He himself strongly felt that an adequate grasp of economics and politics required an examination of the values and assumptions underlying these social realities. Throughout his mature work he continuously made appeals for new ways of thinking about economics and politics "as if people mattered"², thinking that focused on people's needs, values, and purposes. In this way, Schumacher debunked--at least in his mature work³--the pretense of value-free conceptions in traditional economic and political thought and called instead for a value-explicit dialogue about which underlying principles are appropriate guides for political and economic action. According to Schumacher, these principles involve metaphysical, cultural, and epistemological beliefs that profoundly influence and shape economic and political thought. Though these deep-

¹ In a recent essay entitled, "After Schumacher" in The New Renaissance: A Search for Wholeness (Hartland, England: Green Books, 1986), Maurice Ash points out that western society tends to recognize the material crisis (such as energy shortage) and therefore has popularized this aspect of Schumacher. But Ash feels Schumacher is particularly valuable because he addresses both the spiritual and material crises of contemporary society. Ash implies that the west may have heard the part of Schumacher's message that is easier to understand, but not have fully grasped the part it most needs to hear.

² This is the subtitle of Schumacher's Small Is Beautiful (New York: Harper and Row, 1973.)

³ In his early economic studies at Oxford and Columbia, Schumacher still assumed a 'value-free', highly theoretical economic method was possible and appropriate.

rooted cultural filters may be diffuse and hard to pinpoint, they affect all of our fundamental notions about reality. They collectively incorporate the unexamined assumptions through which we organize our individual and collective realities, and for Schumacher, it was important to be self-conscious about the way they influence our interpretations of the economic and political world.

Schumacher's A Guide for the Perplexed⁴ mapped this inner landscape, the tacit terrain of culture⁵, in order to mark its relationship to the external patterns of power. As we will see, the roots of this metaphysical and epistemological perspective are found in eastern philosophy, particularly Buddhism, Christian humanism, and a hybrid of various forms of mysticism. This synthetic framework was elaborated in the A Guide for the Perplexed, the book which Schumacher considered his most important work. As mentioned in the previous chapters, it is instructive to focus on some of the experiences in this next phase of Schumacher's life which led to his insights about metaphysics, consciousness, and culture. Schumacher was one of those few thinkers drawn to both science and mysticism in the way described by Bertrand Russell:

Metaphysics, or the attempt to conceive the world as a whole by means of thought, has been developed, from the first, by the union and conflict of two very different human impulses, the one urging men towards mysticism, the other urging them towards science. Some men have achieved greatness through one of these impulses alone, others through the other alone. . . . But, the greatest men who have

⁴ E.F. Schumacher. A Guide for the Perplexed (New York: Harper and Row, 1977.)

⁵ Michael Polanyi. The Tacit Dimension (New York: Doubleday, 1966, Anchor, 1967), 3-25.

been philosophers have felt the need both of science and of mysticism: the attempt to harmonize the two was what made their life. . . ⁶

In a talk in 1955 entitled "The Insufficiency of Liberalism", Schumacher described three stages of development which in many ways describe the evolution of his own thought.⁷ According to this formulation, the first stage is a primitive, pre-modern state of belief into which the individual is enculturated. The self is at one with society and simply is a reflection of its beliefs. In the second stage, the scientific method challenges the earlier conditions through doubt and testing. This critical, rationalist stage is based on observation, deduction, and the quest for the certainty of factuality; the individual stands outside and observes the world from a critical distance. This is the attitude which characterized Schumacher's early life as a classical economist, and it is the stage which most of the Western world recognizes as "modern" or "scientific". But, according to Schumacher, there is a stage beyond this "realism", which discloses that reality is not perceived only as external data. There are other ways of knowing that transcend "normal madness"⁸ or "everydayness".⁹ For Schumacher, this level of understanding constituted a higher state of knowing because it includes not just consciousness of the world but self-awareness as well¹⁰. He claimed that for those who have not gone through the second stage, stages one and three may

⁶ Bertrand Russell. Mysticism and Logic (New York: Barnes and Noble, 1981), 9.

⁷ Barbara Wood. E.F. Schumacher: His Life and Thought (New York: Harper and Row, 1984), 257.

⁸ Friedrich Nietzsche. Thus Spake Zarathustra (New York: E.P. Dutton, 1960).

⁹ Martin Heidegger. Being and Time (New York: Harper and Row, 1962).

¹⁰ According to Schumacher, animals too have consciousness, but only human beings are conscious that they are conscious.

appear to be the same because in both, the knower and the known are interconnected.¹¹ An appropriate image might be that of a funnel which opens at the top and bottom. Seen through the narrow band in the middle, reality takes on a certain form and is perceived through very specific filters. Relative to this region, the lower and upper levels which deal, respectively, with pre- and post-scientific thought may appear to be similar even though they constitute qualitatively different levels of consciousness.¹² For the later Schumacher, it was necessary to go beyond these limitations of western Newtonian "realism" in order to understand the world and ourselves in new ways. What scientific realism had taken apart, Schumacher wanted to reunite at a higher level. This way of knowing reconnects the knower and the known which are separated in the second stage. To do so, Schumacher called on the concept of *adaequatio*, according to which the knower must be adequate to the known. This concept is central to all of Schumacher's work and, as we will see, is also one of the keys to an understanding of his epistemology and politics. The idea of adequacy or appropriateness is also at the heart of his political economy as we have previously discussed.

As we have seen, the early part of Schumacher's career was devoted to traditional economic concerns about labor, land, and capital. His economic and political efforts focused on a wide range of problems-- global finance, unemployment, German reconstruction, post-war energy policy, land conservation, etc. Schumacher applied himself to these varied projects with great energy and diligence in the belief that scientific reason and hard work

¹¹ Maurice Ash. The New Renaissance: Essays in Search of Wholeness (Hartland, England: Green Books, 1987), 7.

¹² Wood, 1984, 257.

could solve most dilemmas. But an important turning point began to emerge in his life about 1952. Schumacher's experience with the Nazis during the war had profoundly shaken him because he realized that intellect alone could no longer be the guide to moral thought and action. Power and ethical knowledge had never seemed so severed, and it became clear to him how easily intelligence could be enslaved to evil ends. Schumacher's post-war work with Lord Beveridge furthered this growing realization about the limitations of the tools of reason, for he saw that compassion and moral clarity, rather than mere intellect, were critical in arriving at decisions involving the ends of policy. Intellect was better-suited for determining the means by which policy is executed. But this insight into the proper role of reason did not fully crystallize until after Schumacher was settled at the National Coal Board and had moved to Caterham, his permanent home. While he carried on the important work of the Coal Board and the Soil Association, there was an internal transformation going on that would eventually influence the course of his work.

At this time, he began to discover through his readings a new world view, one that his rigorous scientific mind had previously degraded or ignored. Schumacher had always placed enormous emphasis on clear thinking. Carrying on the tradition of the Enlightenment, he had demonstrated an abiding faith in the ability of the species to progress through reason. He embodied the optimistic spirit of modernity: problems, however intractable, could be solved through reason and action, or if need be, enlightened revolution. But, as he began to read Eastern thinkers and philosophers, he saw that this method with its emphasis on facts, analysis, and scientific determinism, could in fact blind one to other ways of knowing. This

realization came as a shock to someone obviously identified with modern scientific rationalism. Instead of seeing the scientific intellect as the great liberator of consciousness, this alternative perspective proposed that positivistic science readily lends itself to a reductive logic which, in dissecting reality, blurs the relation between whole and part. In this way, the intellect's preoccupation with the trees makes it difficult to see the wholeness of the forest and its environment.¹³ According to such an approach to knowing, the mystery of this larger reality escapes the feeble attempts of the analytic mind to corral it. Schumacher always prided himself on his ability to dispel the fuzzy thinking that he felt characterized religion, spiritual philosophy, and mysticism. He had harshly criticized his first wife's Catholicism and the spiritual traditions of others as primitive superstitions that must be overcome by hard-headed reason and concrete action. In a letter to his parents, however, he described his surprising mid-life transformation in the following way:

Through this contact with Indian and Chinese philosophy and religion, my whole way of thinking has come into motion. New possibilities of knowledge (and experience) have been opened to me of whose existence I had no inkling. I feel as men during the Renaissance must have felt. All the conclusions I had come to have to be thought through again. And it is not only thinking that is influenced. But it is not easy to describe all this. I have the feeling that I will look back to my forty-first year as a turning point for the rest of my life.¹⁴

A critical paradigm shift obviously occurred for Schumacher in this period, one that would affect all of his subsequent economic and political work.

¹³ Micahel Polanyi has recognized and written about this problem in markedly similar terms. See The Tacit Dimension Op. cit., 18. "We can see. . . how an unbridled lucidity. . ."

¹⁴ E.F. Schumacher in a letter to his parents, 1952, quoted in Wood, 1984, 230.

According to Schumacher's daughter, Barbara, these initial revelations ushered in a swing of the pendulum that caused him to react heavily against prior excesses of scientific skepticism. Friends and family both had difficulty understanding these dramatic changes in his belief system. According to his daughter,

From saying that no intelligent man should believe anything that could not be proved, he now took the opposite view that nothing should be dismissed because it could not be proved.¹⁵

As a result of these changes, Schumacher began an intensive study of the spiritual life, an intellectual quest made somewhat paradoxical because of his growing realization that the intellect itself was his major obstacle to spiritual awakening. Perhaps some of this can be explained by Schumacher's training in the dry and "dismal" science of economics. Discoveries about philosophy and liberal arts came to him with great intensity as if discovered in a void. His insights about philosophy had both the advantages and disadvantages of those who are self-schooled. He was able to recognize and express old truths with great freshness and ferocity, but this also separated him from traditional institutions and channels of learning.

A major influence on Schumacher in this period was John G. Bennett, the director of the British Coal Utilization Research Association (BICURA), but more importantly, a disciple of G.I. Gurdjieff. Gurdjieff himself was a Russian mystic whose system of self-knowledge and awakening is known as the 'work'.¹⁶ According to Gurdjieff, human beings are merely sophisticated machines, programmed to react to the stimuli that they encounter. The task

¹⁵ Wood, 1984, 230.

¹⁶ Schumacher's emphasis on the importance of "good work" takes on this additional spiritual significance.

of the "work" is to become aware of this mechanicity of the intellect in order to "know" in a different way. Awakening the sleeping machine entails moving to a new level of consciousness which can only be accomplished through diligent cultivation of the attention.¹⁷ A rigorous system of physical, emotional and intellectual exercises to train and focus the attention helps to trigger the "shocks" that can lead to this new level of understanding. A Guide for the Perplexed is infused with these Gurdjieffian ideas about attention and awakening,¹⁸ along with comparisons to both Buddhism and Christianity.

Schumacher took up these notions and practices in earnest, working with Bennett and also Maurice Nicoll, another Gurdjieffian who attempted to combine Christianity with the "work". Schumacher shared these insights with his mother, and the two of them worked together on a translation of a book by Nicoll, The New Man.¹⁹ Though it was more difficult for his wife to accept this latest twist in his path, she too made efforts to follow this spiritual awakening.

These studies made Schumacher want to know much more about eastern culture, philosophy, and religion. He had read Gandhi earlier in his life and been impressed by his economic insights. But now his understanding of the philosophical and religious foundations of eastern thought became more pressing because it was tied to his personal transformation as well. In

¹⁷ See Georges Ivanovitch Gurdjieff. All and Everything (New York: Harcourt, Brace, 1950) and Views from the Real World (New York: Dutton, 1973.)

¹⁸ See E.F. Schumacher. A Guide for the Perplexed (New York: Harper and Row, 1977), pp. 4,5, 33, 34, 35, 48, 65, 68, 84, 96-7.

¹⁹ Wood, 1984, 233-4.

Britain Schumacher came to know the Buddhist lecturer, Edward Conze, who instructed him in comparative religion and furthered his quest for new ways of knowing.

In 1955, the opportunity arose for Schumacher to make his own journey to the East. Through the United Nations the government of the Union of Burma invited Schumacher to come as a high-level economist specializing in development and fiscal theory. Schumacher was delighted to go because it also gave him an opportunity to further his understanding of Buddhism through study with a master teacher in Rangoon. In many ways this trip was the culmination of spiritual preparation he had undergone for the previous four years. Schumacher saw this opportunity as a way to build bridges between East and West, not only in his own personal landscape, but at political, historical, and cultural levels as well.²⁰

Schumacher's experience in Burma confirmed many of the political and economic insights about development that had been percolating within him since the war. Instead of the stereotypic poor, developing nation he had expected to find, he discovered an ancient and beautiful culture. This encounter with unexpected cultural richness made him suddenly afraid of the destructive impact of western modernization on this world. Here was a society that appeared to be based on non-violence, simplicity, joy, and elegance even though considered an "undeveloped" country. Schumacher

²⁰ Previous mention was made of Manfred Halpern's theory of transformation according to which real change must take place at personal, political, historical, and sacred levels simultaneously. See "Choosing Between Ways of life and Death and Between Forms of Democracy: An Archetypal Analysis", Alternatives: Social Transformation and Humane Governance; Vol. XII, No.1, Jan. 1987.

felt that in many ways, this was a society that had already solved many of the problems that afflicted the developed west. Schumacher certainly romanticized this first glimpse of the east, and his growing identification with eastern philosophy undoubtedly predisposed him favorably to his discoveries in Burma. But as an economist, he did not romanticize poverty, and this powerful comparative experience helped him to see it in new ways. Poverty was not just a question of material deprivation as it tended to be seen in the West. People in Burma were poor, but they were happy, Schumacher felt, because their fulfillment was not based primarily on the accumulation of material goods. It is always problematic to attempt any cross-cultural definitions of "happiness" and other measures which might be used to assess the "well-being" of diverse cultures. The west has a long and dangerous tradition of objectifying other peoples as "noble savages" for a variety of reasons. Glorifying another culture's "simplicity", closeness to nature, or childlike purity can be a way of dismissing demands for equality and justifying patriarchal colonialism. Though Schumacher did not intend this, there is the danger that such idealizing can result from a naive attitude towards non-western cultures. To his eyes, the material desires of the Burmese were relatively few while their aesthetic and social dimensions of their lives were highly developed. Their culture seemed to provide a great deal of fulfillment because it encouraged a sense of community and creativity. From this discovery, he did not extrapolate to all nations and simplistically claim that all traditional, eastern, developing nations were to be extolled while all modernized, western, developed ones were to be condemned. Visits to India and many other developing nations soon gave him a wide array of comparative experiences upon which to draw. The realization that developing nations could also suffer from spiritual and

cultural deprivation helped him to realize the many distinctions to be made between forms of wealth and poverty in both developed and developing contexts. The strength of his analysis lay in his recognition of a multiplicity of forms each appropriate to its specific ambit. Seeing the beauty of their culture, he felt the need to warn the Burmese about the dangers of westernization rather than advise them about how to acquire the afflictions of development. He wrote to his wife,

... I think there really is some work for me to do here, but it may be negative rather than positive, persuading them not to do various things rather than telling them what to do. Because of the positive side they need no advice: as long as they don't fall for this or that piece of nonsense from the West, they will be quite alright following their own better nature.²¹

In the context of Schumacher's expectations and discoveries, the above need not be read as an anti-western diatribe, but as a growing realization of the importance of working with existing traditions. Rather than imposing artificial and alien standards of efficacy or beauty on a developing nation, Schumacher affirmed the value of diversity and multiplicity. He was alarmed about the vulgar signs of western culture--fast food, horror comics, American westerns, etc.--which he saw encroaching upon traditional Burmese life. Like many other critics and romantics²² who reacted against unqualified industrialization and modernization, Schumacher was concerned about the separation from nature and tradition that helped to give a society meaning and direction.

²¹ Schumacher in a letter to his wife, quoted in Wood, 1984, 244.

²² This is a long tradition in the west which includes people like Rousseau, Jefferson, Thoreau, William Morris, R.H. Tawney, etc. who raise questions about industrialization

Schumacher's task in Burma was to evaluate the studies of a group of American economists who were devising a plan for Burmese development. He became more and more convinced that western economic demands had been imported without the economic philosophy which was necessary for development. Schumacher gathered these insights in an important paper²³ in which he elaborated the reasons why a western approach to development, such as that which reconstructed Germany after the war, was not appropriate for a nation like Burma. Critics on both the left and the right claimed that if such a life is good enough for the rich West, it should be so for everyone, and some even saw Schumacher's alternatives as ways of depriving less developed countries of the benefits of modernization. But he stressed that it was necessary to understand the roots--- the cultural, political, economic and spiritual conditions --within which development took place. Development should serve to enhance the culture that exists, particularly when that culture obviously "works" in fulfilling many important social and cultural needs. In short, he saw that it was necessary to ask, "development for what? towards what ends?", in order to guide the vehicle of modernization rather than simply be driven by it.

Schumacher's recommendations along these lines were initially not well received by Burma and other developing nations eager to acquire the secrets of western "success", or by developed nations equally eager to bestow their "gifts" of modernization. In India his work provoked passionate and acrimonious debate about the ends and means of development. Many critics

²³ E.F. Schumacher. Paper entitled "Economics in a Buddhist Country", February, 1955, Rangoon, Burma.

were suffering from an "inevitable post-colonial nationalist syndrome"²⁴ and saw his suggestions as simply new forms of western oppression. But Schumacher was concerned that boths forms of western materialism, capitalist and communism, were incapable of fully addressing the development needs of a Buddhist country. In this connection he wrote:

Economics means a certain ordering of life according to the philosophy inherent and implicit in economics. . . The science of economics does not stand on its own feet: it is derived from a view of the meaning and purpose of life--whether the economist himself knows this or not. And the only fully developed system of economic thought that exists at the present is derived from a purely materialistic view of life.²⁵

Schumacher realized that much of development attempted to transplant western goals and values to the developing world. These were taken out of context, and did not "fit" in different cultures whose world views ran counter to these forms. In Burma, he saw that what was required was a completely new way of thinking about development which would take into account the philosophical, spiritual, and cultural traditions of that nation as well as its material possibilities and needs. The forms of transformation of any country must be "appropriate", or "adequate" to the conditions--both material and spiritual--that define its culture.

For Schumacher, the only person who had really grappled directly with this problem was Gandhi, who along with R.H. Tawney was a great influence on Schumacher's mature thought. Gandhi had already grappled with this problem in his attempt to develop an economics that could be harmonized

²⁴ Erskine Childers of the United Nations Development Program described this reaction to Schumacher's work in India in an interview in New York, August 10, 1988.

²⁵ Schumacher, "Economics in a Buddhist Country", Op. Cit.

with Hinduism. He emphasized the importance of Swadeshi, or "doing without", and Khaddar, which stressed the independence of spinning one's own cloth, relying only on one's own labors to meet basic needs. In a similar way, Schumacher's Buddhist economics was based on a "middle way" which was sensitive to the principle of limits. Both overabundance and scarcity were evil, according to this perspective, because they missed the mark of adequacy or sufficiency. Too much was as bad as too little because it brought with it decadence, dependence, and a general loss of perspective. Throughout western history one can find the principle of the golden mean which expresses many of these insights of the Buddhist Middle Way. But Schumacher felt that the West had lost sight of this principle of inherent limits, bent as it was on the pursuit of wealth and material growth. Through his understanding of Buddhism, he began to think about the concept of proper boundaries to restrain and harmonize our diverse interests and needs. According to Schumacher,

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 is placed is strictly limited.²⁶

He realized that the natural constraints of the environment provide valuable feedback because they respond to human pressures and warn us about our excesses. Schumacher also felt that there was something to be learned or relearned in eastern thought that could be valuable for understanding problems of growth and development in the West.

²⁶ E.F. Schumacher. "The Economics of Permanence" in Sources (New York: Harper Colophon, 1972) edited by Theodore Roszak, 360.

It is interesting to reflect on the many meanings of this "middle way" in Buddhism, several of which Schumacher incorporated into his economic, political, and philosophical thought. The Middle Way is a central feature of Buddhism as a path between the extremes of devotion to the pleasures of the senses and devotion to self-mortification.²⁷ Avoiding the two extremes through right livelihood can lead to enlightenment. This Middle Way is expressed through an eightfold path composed of right view, right aim, right speech, right action, right living, right effort, right mindfulness, and right concentration.²⁸ In early Buddhism, the Middle Way also referred to the path between materialism and rationalism.²⁹ After his discovery of Buddhism, Schumacher's vision extolled this balance as he continued to work towards economic improvement and the alleviation of material suffering, but with a deepened recognition that there must be concomitant development of spirit or consciousness. In the Madhyamika system of Buddhism, the middle way has an additional meaning which stresses a radical skepticism according to which nothing is taken to be ultimate reality.³⁰ The Madhyamika approach warns against becoming entangled in views and theories and instead encourages observation without identification. Murti translates from a Madhyamika text:

That things are unchanging . . . , this is one end . . . ; that they are changing is another ; . . . that reality is substance is one end; that it is only modal is another end; the middle between these two extremes is the intangible, the incomparable, non-appearing, not comprehensible,

²⁷ See Richard A. Gard (ed.) Buddhism (New York: George Braziller, 1962), 127-8.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

without any position . . . this verily is the Middle Path -- the vision of the Real in its true form.³¹

Many of these features of Buddhist cosmology and epistemology will later be reflected in Schumacher's A Guide for the Perplexed. Buddhism enabled him to see reality according to a framework that was different from western understandings. Rather than formulate things in terms of the either/or distinctions that characterize western thought, he tried to envision the whole which transcends dualistic categories. He began to think in terms of limits, scale, and wholeness as his views about fundamental notions such as space and time were challenged. The idea of natural limits was part of the Buddhist world view as was a different perception of time, and Schumacher began to explore the ways in which the changing and enduring contours of life are interrelated. This expanded time frame enabled him to foresee the long-term consequences of the depletion of resources and thereby to distinguish non-renewable from renewable resources. Without conservation and attention, he realized--long before the alarms sounded by the futurists--the irretrievable loss of these materials would have devastating effects on the western economies which were dependent on limited supplies of them. He began to understand the consequences of the failure to think and plan in terms of this expanded sense of time and space. Certainly as a socialist and as someone centrally involved in long-term national planning for the coal industry, Schumacher had long recognized the importance of thinking according to an extended time frame. But this period in Burma and subsequent exposures to eastern civilizations broadened and deepened his

³¹ T.R.V. Murti. The Central Philosophy of Buddhism: A Study of the Madhyamika System; (London: George Allen & Unwin, 1955), 209-210.

conceptual framework, and underlined the importance of understanding the dynamic relationship between all variables in a culture.

While in Rangoon, Schumacher studied in a Buddhist monastery where he furthered the discipline of attention that eventually began to bring him internal clarity and peace.³² According to his daughter,

Not only did he feel a profound peace and stillness afterwards, much greater than he had experienced with his daily 'work', but he found he had a new clarity of thought which made him realize that what he had regarded as clear thinking before was in fact nothing of the kind. It was only when he had stilled his ever-restless intellect that he began to feel true understanding.³³

When he returned to Britain, his "conversion" to Buddhism, along with his recognition of the relationship between economics and spiritual values, encouraged him to reexamine the spiritual traditions of the West as well. He increasingly focused on the connections and similarities between religions and philosophies. Though he later converted to Catholicism, Buddhism remained an important part of his world view.³⁴ Schumacher continued to explore the rich resonances between religious traditions even though he emphasized the importance of working with those closest to home in order to most adequately address problems at hand.

³² One of the people in Burma who was influential in introducing Schumacher to Buddhism in Burma was a German, Georg Krauskopf, who was head of the World Buddhist Congress. Another was a German scholar of Buddhism, Dr. Frau Kell, who enabled Schumacher to study meditation at a respected monastery.

³³ Wood, 1984, 252.

³⁴ According to George McRobie, in an interview with the writer, in Dec. 1987, Christian Schumacher claimed that his father remained a Buddhist to the end of his life. Others, particularly his daughter, Barbara Wood, claim that his conversion to Catholicism represented culmination of his spiritual journey.

The importance of culture in understanding political realities has been of particular concern to contemporary social theorists since the 1960's, at which time a split between the so called older "silent majority" and the "counterculture" of the young came to the surface of public life. But this distinction between the culture of the old and the new fails to take into account a larger time frame which is necessary to understand cultural patterns. For many of the values and lifestyles of the "new" generation in the 1960's called for a reexamination of the whole ethos of modernity with its emphasis on urbanization, industrialization, materialism, and individualism. The young and the new in many ways represented a cultural "neotraditionalism" which advocated a reexamination of human relationship to nature, a redefinition of spirituality, and an enhanced sense of individual creativity. In the sixties, older generations, though "traditionalist" in terms of lifestyles, were in many ways the culmination of a "modernist" sensibility based on faith in science and technology, progress, materialism, individualism--the ideals which have propelled the modern era since the Enlightenment. It was these very values that were called into question by an alternative culture which questioned the wisdom of human domination of nature through science and technology. People like Schumacher challenged the contemporary emphasis on instrumental reason and the narrow view of human possibility that it proffered. They were concerned about whether the selfish individualism which had been unleashed could be reconciled with a sense of community, responsibility, service, and

intimacy.³⁵ In many ways, this "neotraditionalism" appeals to a pre-modern ethos, which, as we will see in Chapter Six, may also provide valuable insight into a postmodern sensibility. Because contemporary life is so imbedded in modern discourse and practice, the displacement inspired by an understanding of the pre-modern may raise issues that in turn make it possible to open the door for the postmodern.

Along these lines, Barry B. Hughes³⁶, provides a useful typology of what he calls "political ecologies" according to which he distinguishes "modernists" and "neotraditionalists". Hughes elaborates the descriptions and prescriptions that correspond to each perspective, and in so doing, makes it possible to locate Schumacher relative to other "futurists". In Hughes' typology, Schumacher would be classified as a "neotraditionalist" in that he questioned the modernist faith in the domination of nature through science and technology. It is our claim here that Schumacher's "neotraditionalism" goes even further by challenging many of the underlying moral, metaphysical, and epistemological assumptions of modern life. We will use the term "cultural ecology" rather than political ecology to describe this constellation of ideas, values, beliefs. These fundamental world views or cosmologies,³⁷ may not be fully and consciously articulated in any given culture, but they form a background of beliefs or assumptions that influence

³⁵ See Marshall Berman. The Politics of Authenticity: Radical Individualism and the Emergence of Modern Society (New York: Atheneum, 1970).

³⁶ Barry B. Hughes. World Futures: A Critical Analysis of Alternatives (Baltimore: Johns Hopkins Univ. Press, 1985.)

³⁷ Johan Galtung develops another typology comparing Occidental and Oriental cosmologies in an article "Western Civilization: Anatomy and Pathology, or Social Cosmology: Pons Asinorum" in the Proceedings of the Norwegian Academy of Science, 1980.

more apparent views about human life. We will evaluate Schumacher's cultural ecology in order to understand how it prefigured what can be called a postmodern attitude towards politics.

Many people have tried to describe the relationship between fundamental beliefs or values and the theories and models that seem to be implied by them. Obviously there is an important connection between what we see and the basic cultural and epistemological filters through which we see. In The Politics of the Solar Age, for example, Hazel Henderson³⁸ emphasized the importance of epistemology in understanding contemporary problems:

... our first agenda item, over all, must be research in epistemology. We simply cannot proceed without designing more explanatory models of where we are, of causation, of nonlinear systems of interacting variables, and the deeper structure of our sociotechnical systems, and of ourselves.³⁹

Henderson, who was influenced by Schumacher, develops a useful model to help us better understand the relationship between values, world views, models, and data. According to her formulation, our most fundamental values can be located at the top of a pyramid, which determine those at the next lower level, our world views, which in turn organize our perception of reality. From these primary world views, we further derive models and theories in order to understand the specific workings of reality. Finally, at the base of the pyramid is the unstructured data, the raw material or elements of information that constitute the "facts". Schumacher constructed

³⁸ Hazel Henderson. The Politics of the Solar Age: Alternatives to Economics (Garden City, N.Y.: Anchor Doubleday, 1981.)

³⁹ Ibid.

a similar hierarchy in A Guide for the Perplexed⁴⁰, in which he discussed the four levels of being that characterize the world and the four fields of knowledge by which we learn about the world.

In a related model, Mesarovic and Pestel⁴¹ distinguish different subsystems in understanding the global development system. At the top of their hierarchy we find such fundamental values as justice which shape the entire structure. These form the basic political and social structures which in turn influence thinking about population and economic systems. These systems in turn affect our thinking about food and energy which then have an impact on how technology is conceived. Finally, technology itself influences our biological and physical environment. In this model, each level also affects the one directly above it. There is, in short, a dynamic interaction among all of these subsystems, according to these authors. As we shall see, Schumacher's approach also focuses on this relationship between fundamental values and the subsystems of economics and politics.

Johan Galtung also emphasizes an epistemological hierarchy in his assessment of the different "spaces" that constitute reality.⁴² He delineates these spaces as culture or cosmology, world and social structure, person, and nature. It is our basic beliefs about culture that deal with the adequacy of the other spaces relative to one another. Schumacher's notion of

⁴⁰ E.F. Schumacher. A Guide for the Perplexed (New York: Harper and Row, 1977).

⁴¹ Mihajlo Mesarovic and Eduard Pestel. Mankind at the Turning Point. The Second Report to the Club of Rome; New York: E.P. Dutton, 1974).

⁴² Johan Galtung. "Western Civilization: Anatomy and Pathology, or Social Cosmology: Pons Asinorum" in the Proceedings of the Norwegian Academy of Science, 1980.

adequateness or adequacy is pivotal in understanding this inextricable connection between what we see and how we see. If the filters through which we view the world are not "adequate", it is impossible to recognize the relevant external phenomena. Harmony between social structure, person, and nature depends on the extent to which a particular culture adequately connects these spheres. If the ways of seeing that a culture provides are not "adequate", it is difficult to reconcile the relationship between person, world, and nature. For Galtung and Schumacher, culture is the intermediary space between these dimensions which gives our human endeavors meaning and direction, and provides a moral and aesthetic frame of reference for our experience. One important aspect of culture is the theory of knowledge or epistemology on which it is based. Galtung contrasts what he calls "mainstream" epistemologies with "countertrends" in order to articulate different ways of approaching problems.⁴³ According to his criteria, Schumacher's orientation is clearly a countertrend, rather than a mainstream, epistemology.

Schumacher claimed that we must reintegrate a special kind of wisdom into our collective human decisions about economics and politics. He called for a wisdom based on experience, common sense, and an understanding of the long-term consequences of our actions. Science has become severed from this wisdom, he claimed, because it too rarely inquires about its human purposes. What is needed is a redefinition of the relationship between science and wisdom which will result in an economy more clearly based on that which is substantial, enduring, and beneficial. Schumacher used the

⁴³ Johan Galtung. "Mainstream v. Countertrend Approaches to IR" in The Politics of War and Peace, forthcoming.

term an "economics of permanence" to describe an economy based on abiding wisdom rather than on short-term "cleverness". While modern western economics tends to be based on the transient, the new, and the disposable, he sought a system that could also appreciate that which endured. He felt that genuine wisdom is based on long-term experience and reflection while modern impatience tends to see the immediate and partial. Obviously such a perspective does not emphasize the fact that the enduring may also be that which is regressive and destructive. Schumacher is often vague about how to distill the positive aspects of a traditional society from the negative ones, and, as a result, his proposals sometimes seem naive or unrealistic. But his appeals for greater sensitivity to cultural diversity and respect for traditional wisdom cannot be dismissed. According to Schumacher, wisdom, which should help to define the ends of science, has been reduced to a clever, instrumental means while science and technology have become their own ends. He said:

The economics of permanence implies a profound re-orientation of science and technology, which have to open their doors to wisdom, and in fact, have to incorporate wisdom into their very structure. ⁴⁴

In order to make long-term economic and political decisions, it is necessary to understand the ends and purposes which science and technology should serve. The demands of the future require both individual and collective wisdom in order to make appropriate and constructive choices. Modern life may desperately need some of the insight which counselled pre-modern societies, he admonished. Schumacher claimed that this kind of wisdom "demands a new orientation of science and technology towards the organic,

⁴⁴ Schumacher, E.F. "The Economics of Permanence" in Sources, ed. by Roszak, (New York: Harper Colophon, 1972), 365.

the gentle, the non-violent, elegant and beautiful."⁴⁵ At times Schumacher romanticized traditional societies for their supposed simplicity and proximity to nature. But his suggestion that there is much to be learned from pre-modern existence provided valuable insight into questions about the meaning and direction of collective life. According to Schumacher, spiritual, moral, and aesthetic wisdom were needed to clarify and affirm the personal and collective goods which should guide science and technology. His fear was that if societies lose the direction provided by these values, science and technology will too easily serve the mechanical, violent, and ugly. Schumacher proposed a culture in which the abiding tempers the immediate, where non-violence counters violence, and simplicity disciplines meaningless complication. He was afraid that human history was at the point where the modern world no longer had the luxury of being morally and spiritually unwise⁴⁶. According to Schumacher,

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, in other words, we are far too clever to survive without wisdom. ⁴⁷

Schumacher lamented the fact that cleverness seemed to have replaced wisdom in deciding the direction of modern society. Our lack of wisdom has caused us to substitute material values for others and has left our spiritual

⁴⁵ Ibid.

⁴⁶ Schumacher in "The Economics of Permanence" from Sources, ed. by Roszak, (New York: Harper Colophon, 1972.)

⁴⁷ E.F. Schumacher. "The Economics of Permanence", in Sources, ed. by Roszak, (New York: Harper Colophon, 1972), 364.

needs unaddressed. Schumacher warned us that in the absence of moral wisdom humanity

is driven to build up a monster economy, which destroys the world, and to seek fantastic satisfactions, like landing a man on the moon. Instead of overcoming the 'world' by moving towards saintliness, he tries to overcome it by gaining preeminence in wealth, power, science or indeed any imaginable 'sport'.⁴⁸

In many such passages there is undoubtedly an anti-modern tone which fails to acknowledge the moral criticism that has evolved as part of modern thought. For challenges to modernity may in fact be included in its development. According to Schumacher, we need critical moral knowledge that is adequate to the power that has snowballed in the modern world. Since this knowledge is small, so too should our ventures be composed of modest, incremental, experimental steps. With regard to this, Schumacher surmised that

There is wisdom in smallness if only on account of the smallness and patchiness of human knowledge, which relies on experiment far more than understanding.⁴⁹

Wisdom, he continued, also depends on internal development:

To be able to find it, one has first to liberate oneself interiorly from such masters as greed and envy. The stillness following liberation--even if only momentary--produces the insights of wisdom which are obtainable in no other way.⁵⁰

Both the inside and the outside must change, Schumacher suggested. Transformation of institutions is not enough; it must be accompanied by the

⁴⁸ Schumacher, "Economics of Permanence" in Sources, ed. by Theodore Roszak, (New York: Harper Colophon, 1972), 372.

⁴⁹ Ibid., 369.

⁵⁰ Ibid., 371.

transformation of consciousness. The wisdom that is needed requires new economic, political and cultural institutions and arrangements, but also a new psychology. Schumacher claimed that the inner psychology of the individual and the cultural system itself must change concomitantly in order to produce a more "humanized" world. Later, Manfred Halpern and others will, in like fashion, call for a politics that envisions a simultaneous transformation of the personal, historical, and sacred transformation in conjunction with the political.⁵¹

Schumacher, rather ambitiously perhaps, sought a world view that would subsume and transcend both rationalism and romanticism. He distinguished between "science for understanding", which he called wisdom, and "science for manipulation"⁵² which is ordinary science. He claimed that without concerning itself with a long term vision of the Good, modern science tends to serve matter and power. Moral knowledge and power have been separated he claimed, and too often the good is defined rather than served by power. In the pre-modern world there was an implicit understanding that politics should be directed toward justice or other higher ends, but the modern world seeks power--be it political, economic, or scientific-- for its own sake. Obviously Schumacher glorified earlier and simpler times in such statements, but his intent was to seek the best of both pre-modern and modern worlds. According to Schumacher,

When 'science for manipulation' is subordinated to wisdom, i.e., 'science for understanding', it is a most valuable tool, and no harm can

⁵¹ Manfred Halpern. "Choosing Between Ways of Life and Death and Between Forms of Democracy: An Archetypal Analysis" in Alternatives: Social Transformation and Humane Governance, Vol. XII, No. 1, Jan., 1987.

⁵² Schumacher, 1977, 54-60.

come of it. But it cannot be so subordinated when wisdom disappears because people cease to be interested in its pursuit. This has been the history of Western thought since Descartes. The old science--'wisdom' or 'science for understanding'--was directed primarily towards the sovereign good', i.e., the True, the Good, and the Beautiful, knowledge of which would bring both happiness and salvation. The new science was mainly directed toward material power, a tendency which has meanwhile developed to such lengths that the enhancement of political and economic power is now generally taken as the first purpose of, and main justification for, expenditure on scientific work.⁵³

This transition from the old science to the new also signalled a changed relationship between nature and humanity he claimed. In pre-modern contexts and in Eastern cultures where the older science, wisdom, prevailed, there was a sense of oneness with nature. But the new science instead tends to dominate and exploit nature for the sake of material and economic power. Nature is no longer sacred, but is rather seen as a hostile force to be tamed or a commodity to be appropriated. Schumacher continued:

The old science looked upon nature as God's handiwork and man's mother; the new science tends to look upon nature as an adversary to be conquered or a resource to be quarried and exploited.⁵⁴

Schumacher was concerned about this modern attitude toward nature which tries to conquer, rather than cooperate with it. This stance can lead to insensitivity to nature's needs and limits and is the source of many current ecological crises according to contemporary thinkers. In the organic totality of a pre-modern world, nature was treated animistically as a living creature; even in her ferocity, one could perceive an intimacy. But the modern era treats nature with antiseptic hostility, as a dangerous threat, or at best as a

⁵³ E.F. Schumacher. A Guide for the Perplexed (New York: Harper and Row, 1977.)

⁵⁴ Ibid.

"resource". According to Schumacher, the human species has made war on nature without fully recognizing human dependence on it for survival. But there are some dangers in this approach as well, and often Schumacher fails to explore the limits of this organicist view which reifies nature. By making nature the standard for all action and assuming that this great power will take care of everything, it is possible to reinforce a kind of passivity and resignation. Nature is not always be the best guide for social action, and it is important to understand the limits and dangers as well as the value of this approach.

Schumacher prefigured much of the current green movement in his recognition of the dangers of unqualified growth and modernization and of the need for new forms of cooperation with our environment. Throughout all of his later work, Schumacher posited this new relationship between humanity and nature. He claimed it is no longer possible to exploit and dominate nature without affecting, even damaging ourselves. According to his analysis, wasteful inattention to the constraints of the natural world has led us to the real possibility that we may destroy the very ecosystems that sustain us. The western tendency has been to think of human beings as masters of nature, positing it as an adversary to be tamed or destroyed. Schumacher's advocacy of a reunion with nature seems idealistic on the surface, but he did not propose simplistic solutions. He did not want to discard the rich complexity of urban culture, nor did he suggest that there is a blanket formula for curing modern problems. He was concerned about the direction of industrial civilization and claimed that the West needs more wisdom rather than simply more wealth. By destructively separating

means from ends we will not understand how to use our resources constructively as we continue to alienate ourselves from nature, he warned.

Schumacher's distinction between understanding and manipulation of science also has implications for views of human nature. Wisdom for Schumacher can only be acquired by calling on the highest powers of the mind rather than the technical, mechanical parts that are usually tapped through science. Science deals with the public, verifiable, objectifiable aspects of knowledge and dismisses the rest as "unscientific". But Schumacher argued that this narrow, reductive vision of human knowledge focusing on the most external and material aspects of reality denies the higher abilities which are necessary to address questions of meaning and purpose. Such questions, he claimed, require the nurturing and training of reasoning that transcends the conventional boundaries of science. But again Schumacher's approach tends towards the polemical when he fails to acknowledge the abundant counter-examples in which modern science has been the source of meaning, discovery, and freedom. On the surface, he seems to dismiss much of modern scientific accomplishment. But Schumacher did not reject modern science; he felt that it could be appropriately used only if its limitations, consequences, and dangers were genuinely comprehended.

Another fundamental assumption of classical liberal thought that Schumacher challenged was that human beings are primarily self-interested. This view is perhaps most characteristic of Hobbes who felt that human are by nature greedy, competitive, and aggressive. This belief in atomized individualism as definitive of human nature has its eventual and inevitable

consequences, however, and Schumacher (along with many others) tried to point out the dangers of its short-sightedness. According to this psychology, if human nature is unchecked or uncontrolled by "civilization", it will revert to a state of nature in which unbridled aggression and self-interest will reign. Our true nature, according to this interpretation, emerges in such "Lord-of-the-flies" situations where the usual constraints and conditionings of civil society have broken down. Humans are destined to destroy one another because of this unbounded selfishness unless they are fettered by social restraint. This individualism leads to the "survival of the fittest" with "fittest" coming to mean the strongest, the most aggressive. Obviously many throughout history have posited alternative views of human nature which reinforce cooperative, rational, and altruistic aspects, and Schumacher echoed such conceptions.

Schumacher, like many other contemporary social critics, is concerned about the destructive one-dimensionality of contemporary liberal capitalism and its typically Hobbesian view of human nature. Human beings tend to become the images that are repeatedly reflected back to them by their environment, he felt. If people are supposedly driven by narrow self-interest, commodity-worship, and aggressive competition, and their environment reinforces these assumptions, they will increasingly take on these attributes. Schumacher was concerned about the ways in which these unexamined notions about human nature are mirrored back in self-fulfilling prophecies. He rejected the psychology of growth and greed in laissez-faire economics which might be paraphrased as "The road to Heaven is paved with bad intentions". The assumption is that short-term selfish interests which supposedly characterize human nature can lead to an

eventual common good⁵⁵. Schumacher was unhappy with this pessimistic and static view of human nature and purpose; he claimed that greed and envy are no more indigenous qualities of humans than generosity and unselfishness, yet

The modern economy is propelled by a frenzy of greed and indulges in an orgy of envy, and these are not accidental features but the very causes of its expansionist success.⁵⁶

Schumacher was concerned about the eventual impact when selfishness is encouraged or even required for the growth of the economic system. For Schumacher, questions about human psychology were tied to the problem of assuming responsibility for defining our nature and our needs. What is it that we actually need? How much is sufficient? What is the meaning of our lives? According to Schumacher, situations of scarcity and overabundance are inextricably bound up with questions such as these. The suffering of poor countries or communities may be obvious, but what about the suffocating overindulgence that destroys the rich, Schumacher wondered. The momentum towards unbalanced growth, towards the acquisition of infinitely more, is difficult to control unless there is a clear view of human nature and purpose, according to Schumacher. The gap between the rich and the poor widens partially because of the failure of the rich to make constructive use, for themselves or for others, of material abundance. Schumacher went even further in predicting that

⁵⁵ Schumacher in "Economics of Permanence" in Sources ed. by Theodore Roszak, (New York: Harper Colophon, 1972), 356.

⁵⁶ Ibid., 362.

If human vices such as greed and envy are systematically cultivated, the inevitable result is nothing less than a collapse of intelligence. A man driven by greed or envy loses the power of seeing things as they really are, of seeing things in their roundness and wholeness, and his very successes become failures.⁵⁷

Much of modern industrialized life is based on the endless expansion of false needs and desires, Schumacher claimed as he called for a return to an understanding of genuine needs. He felt that the development of ever-expanding "needs" make us dependent on countless external forces beyond our control or knowledge. The enslavement that results makes us anxious and resentful and does not allow us develop our full potential as a species or as individuals.⁵⁸ Schumacher in turn was concerned about the political and social fragmentation that occurs as the result of this distorted individualism. Again, Schumacher at times goes too far, failing to recognize the enormous importance that modern individualism has played in the development of freedom, not just fragmentation, in human history. Without modernity's rich experience of individuation, the self would be collapsed into a community as in the ethos of medieval life. Again, Schumacher tended to be at his best when he recognized the value of both an emphasis on individual and community, both the modern and pre-modern worlds.

Schumacher's emphasis on "permanence"⁵⁹, on that which abides, called, in many ways, for a new conception of time. Modern life is transient, and

⁵⁷ Ibid., 362.

⁵⁸ In some ways, this analysis is reminiscent of Hegel's master/slave dialectic according to which the master becomes increasingly dependent on the slave and in so doing, loses his own ability to deal with nature, to create, and ultimately to survive.

⁵⁹ As mentioned previously this conception of permanence does not mean that which is rigid, absolute, and unchanging. It stresses instead that which endures and abides.

there is little continuity or consistency because of the emphasis on the present, the immediate, the latest. This worship of the now, the new, and the young requires continuous surprises in order to shock increasingly jaded modern sensibilities. We lust after the "obscure object of desire" only to throw it away once it is safely in our possession. According to this ethos of disposability, we discard things, people, lifestyles, even parts of ourselves in a restless and insatiable search.⁶⁰ This relentless, mindless change does not allow for much continuity or reflection, Schumacher claimed. He attempted to counter the fluidity of modernity with his emphasis on the abiding; but he did not rigidly cling to old forms for nostalgic or ideological reasons. Nor does Schumacher's ideal economics of permanence⁶¹ suggest that all modernization is destructive. But change must be steady and guided by purpose and a sense of collective meaning which he feels is difficult to discover in the frenzied pace of modern life.⁶²

Critics might suggest that Schumacher's appeal for permanence is impossible or even reactionary, given the complexity and rate of change of modern life. But Schumacher did not advocate a romantic return to a bucolic, pre-modern utopia where little changed. He is fully aware of the dangers and limitations

⁶⁰ See Marshall Berman. All That's Solid Melts Into Air: The Experience of Modernity (New York: Simon and Schuster, 1982.)

⁶¹ This ideal of permanence is discussed in E.F. Schumacher's "The Economics of Permanence" in Sources: An Anthology of Contemporary Materials Useful for Preserving Personal Sanity While Braving the Great Technological Wilderness; edited by Theodore Roszak, (New York: Harper Colophon, 1972.)

⁶² Paul Virilio discusses the difficulty of finding a "democratic speed" when a society is controlled by a galloping elite in Pure War (New York: Semiotext(e), 1983.)

of societies which stagnate and cannot adapt. What he proposed was a more proportionate rhythm of transformation which cultivated an appreciation for those traditions which have enduring value and which should be conserved. Societies of the future must be more adaptive rather than less, more self-conscious about the multi-dimensional nature of transformation rather than merely propelled by the destructive momentum of modern life.

Some of these tensions in Schumacher's world view help to explain his conversion to Catholicism in later life. Though many of his closest friends and associates had difficulty understanding this step⁶³, it was consistent with many of the major criticisms that he offered of modernity. The emphasis on community rather than individual and on the guidance of a higher moral law are not only characteristics of eastern philosophies but of Catholicism as well. Schumacher considered his conversion a practical matter as well since he felt it was impossible to effect social change if you practiced a religion or philosophy which was marginal to the majority of the people.

Maurice Ash⁶⁴ echoes these ideas when he claims that we are in the process of shifting from the age of knowledge to the age of meaning, an alternative paradigm not yet fully congealed. He draws our attention to the coming of a "New Renaissance" emphasizing wholeness and meaning, rather than the fragmentation of the modern era, which he calls the age of knowledge. This

⁶³ As mentioned earlier, George McRobie, Kirkpatrick Sale, and others familiar with Schumacher had trouble explaining this conversion. Though Barbara Wood, herself a convert to Catholicism felt this was the natural culmination of her father's spiritual journey, his son, Christian, was convinced that his father remained a Buddhist until his death.

⁶⁴ Ash, 1986, 16-37.

age of knowledge includes both the rationalism of the Enlightenment and the romanticism of counter-Enlightenment thought, both of which Ash sees as different sides of the same coin⁶⁵. For Ash, knowledge is based on an empirical assessment of the world and is therefore subject to quantification. Through the acquisition of knowledge we act upon and attempt to master the environment around us. Knowledge is the instrument, the means, through which we dissect, analyze, and transform nature. This instrumental knowledge makes it possible for us to compartmentalize and manage reality by reducing its complex wholeness to manageable parts. Meaning, however, is found in the general patterns and directions of this knowledge and deals with wholeness rather than with the components, according to Ash⁶⁶. Since the time of the Enlightenment, politics has been based on the power of knowledge and the assumed ability of human rationality to influence and to control the world by dissecting it. There have been reactions to this instrumental rationality in the form of various romantic revolts; but, as mentioned previously, this romanticism tends to be the flip side of the very rationalism it tries to challenge⁶⁷. An exaggerated and dangerous organicism may try to create an artificial wholeness in attempting to compensate for the fragmentation of excessive technical rationality. A simplistic reading of the "small is beautiful" message may even reinforce such a notion. But what is needed, according to such a perspective, is a form of knowing which would enable one to see the whole without imposing it on the diverse parts, and, at the same time, to experience the parts without fragmenting them into incoherence. Wholeness is necessary but not sufficient, Ash tells us; "spirit"

⁶⁵ Ibid.

⁶⁶ Ash, 1986, 12-37.

⁶⁷ Ibid.

is also needed if the unity is to be a life-affirming one. There may be wholeness in totalitarianism or in artificial unity, but this is obviously not the wholeness that Schumacher or Ash propose. Ash goes on to say that such an approach can be dangerously misunderstood and misapplied for it can "lapse into mere romanticism, the sub-culture of our ruling rationalism".⁶⁸ The New Renaissance that Schumacher saw on the horizon did not extol the whole by sacrificing the individual, or glorify the individual at the expense of the whole. It sought to move beyond the both individualist and totalitarian tendencies of modern Western history to a richer expression of both the person and the community. As we have seen, his rejection of either-or thinking is a basic category of criticism in Schumacher's work, one to which we will return in exploring his vision of politics in Chapter Six.

In order to see the whole, Schumacher claimed, it is necessary to have a map which sketches reality--inner and outer. Schumacher began his map, A Guide for the Perplexed⁶⁹, with Four Great Truths reminiscent of the Four Noble Truths of Buddhist philosophy.⁷⁰ These four principles focus on the world, the human being and his/her relation to the world, human learning about the world, and finally, what it means to live in this world. He claimed that the answers to these fundamental metaphysical, ontological, epistemological, and existential questions influence the content of all fields

⁶⁸ Ash, 1987, 7.

⁶⁹ A Guide for the Perplexed is the title of the work by the 12th century philosopher, Maimonides, who wanted to reconcile the apparent contradictions between philosophical/scientific knowledge with religious knowledge, claiming that there was no incompatibility. See The Dictionary of Philosophy and Religion ed. by W.L. Reese (Atlantic Highlands, N.J.: The Humanities Press, 1980.), 326.

⁷⁰ Gard, 1961, 108.

derived from this meta-theoretical level of analysis, including economics and politics.

In A Guide for the Perplexed, Schumacher focused initially on the world, the object of the first "Great Truth". The world is organized according to a hierarchic structure; its distinct levels of being can be mapped in order to help orient personal and collective action⁷¹. Each ascending step introduces new powers such that the four levels of matter, life, consciousness, and self-awareness express progressively higher stages of being. According to his formulation, matter is the visible form of being, the densest form of energy. Living things like plants are matter, but with the added component that makes them alive. Consciousness, which characterizes animal life, is composed of the previous two coupled with an additional power. Finally the human is composed of matter, life, consciousness, and self-awareness, the latter which enables human beings to be conscious of their own thinking. According to Schumacher, each level is separated from the next by an "ontological discontinuity"⁷² which can only be transcended by a qualitative leap. Most modern people who are immersed in scientific materialism experience what he called a "methodical aversion to the recognition of higher levels or grades of significance".⁷³ We habitually see the material, the observable, and verifiable, thus narrowing our perception of the world and missing the experience of other levels. This loss of perspective leads us to abandon the difficult search for the insight of higher levels. This results in what C. Wright Mills called "crackpot realism", an attitude which uncritically

⁷¹ Schumacher, 1977, 12.

⁷² Schumacher, 1977, 16.

⁷³ Schumacher, 1977, 43.

assumes that what is, is all, or is the best, that can be. Camus calls this resignation to what is given the "utopianism of the status quo" because it makes what is, an abstract and eternal ideal. This worship of that which prevails blurs significant distinctions between right/wrong, good/bad, true/false which might challenge the status quo. This modern, capitalistic "one-dimensionality" absorbs and homogenizes criticism which might introduce other values, according to Schumacher. Though we as human beings participate in all four levels of reality (at least potentially), they tend to be reduced to artificial similarity through this levelling and flattening of meaningful distinctions.⁷⁴ What should be important is trivialized, and what should be trivial has become primary, according to this process by which all things are permitted and all things are supposedly equal. As a result of this loss of meaning and direction, our public and private lives have become fragmented and relativized, Schumacher claimed.

Having established the hierarchic structure of the four levels of Being, Schumacher wanted to understand the progression from one to another. According to his first "Great Truth", the direction of development moves from passivity to activity, from objectivity to subjectivity, from the realm of necessity to that of freedom. Schumacher claimed that this freedom is found in the creation of "inner space", which is a combination of life, consciousness, and self-awareness.⁷⁵ Matter has no inner space, but each progressive layer of being carves out greater internal freedom.

⁷⁴ Herbert Marcuse. One-Dimensional Man (Boston: Beacon, 1968).

⁷⁵ Schumacher, 1977, 29-30.

This second "Great Truth" of Schumacher's cultural ecology, that of *adaequatio* or adequateness, is central to all of his work. Simply put, it states that "the understanding of the knower must be adequate to the thing to be known."⁷⁶ There must be a degree of correspondence, an alignment, between the structure of human thought and the structure of the world according to this epistemology.⁷⁷ Subject and object must be *adequate* to each other if understanding is to take place. Schumacher also described this adequateness as an attunement between microcosm and macrocosm, whose essential structures are the same. This ancient idea suggests that "... to the world outside us there corresponds, in some fashion, a world inside us".⁷⁸ Schumacher's epistemology was based on this correspondence or resonance between inner and outer, subjective and objective dimensions of reality.⁷⁹ This concept, *adaequatio*, is the key to the connection between consciousness and the world, between the spiritual and the material manifestations of reality. Schumacher used *adaequatio* to describe the relationship between the object of our thought and the filters through which we see that object. In the history of philosophy, Spinoza claimed that an adequate idea is one which is "commensurate" with its object, while for Leibniz it is one which has been divided into clear components. In this way, Schumacher claimed that if we use an inappropriate lens to observe a phenomenon, we will miss the object for which we are searching. If there is

⁷⁶ Schumacher, 1977, 39.

⁷⁷ This epistemology, in some ways, evokes John Dewey and Arthur Bentley's Knowing and the Known (Boston: Beacon, 1949.)

⁷⁸ Schumacher, 1977, 43.

⁷⁹ See "Correspondence Theory of Truth" in the Encyclopedia of Philosophy Vol.1, 2, Paul Edwards, (ed.) (New York: MacMillan, 1967).

such a "phenomenological dissonance"⁸⁰ between the act and object of consciousness, there is no connection between the knower and the known. Even in natural science, we tend to see what we are looking for, our observations shaped by familiar points of view that constrain and delimit what we see. Until we are able to recognize these habitual categories and begin to see beyond them, we remain confined within our unexamined frames of reference. Like the phenomenologists, Schumacher said we must take into account the way that we see the world before we can assess its status. This calls for a meta-theoretical perspective through which we can evaluate the correspondence between what we see and how we see it. When there is no alignment between the structure of consciousness and that of the world, the consequences are destructive. Schumacher claimed:

When the level of the knower is not adequate to the level (or grade of significance) of the object of knowledge, the result is not factual error but something much more serious: an inadequate and impoverished view of reality.⁸¹

This impoverished view of reality was a primary concern of Schumacher who claimed that our "modern" ways of knowing fail to provide us with the subjectivity--either personal or collective--that would enable us to envision a better world. How appropriate are the categories through which we see the world? Are they adequate to the projects, the tasks that need to be addressed? In sum, Schumacher was clearly preoccupied with one of the central methodological and epistemological concerns of Western social

⁸⁰ I have coined this term to describe the lack of resonance between the subjective experience and the object which it intends and to which it should correspond.

⁸¹ Schumacher, 1977, 42.

science, i.e., what is the nature of our knowledge of the world, and how does that knowledge relate to political action?

Schumacher's description of the progressions between these different states of being and knowing and the movement from old science to new are evocative of Thomas Kuhn's description of "paradigm shifts"⁸². As science proceeds through methodical and incremental data-gathering and testing, there are distinct breakthroughs, leaps of understanding where a new vision, a new formulation is needed to describe reality in a radically different way. The old map is no longer "adequate" as an effective guide to the terrain under scrutiny, and a new paradigm is necessary to venture further. This revolutionary moment when we move from one description of the world to a qualitatively new one--from Newtonian physics to that of Einstein, for example--constitutes a dramatic transformation in our vision of the world. There may be some connections between these distinct ways of seeing, just as there are many quantitative processes that lead up to a great mutation or breakthrough. But Schumacher emphasized that a qualitative leap is necessary to jump from one type of being or one way of knowing to another. In other words, there is not a continuous or incremental evolution from one form of being or knowing to the next. Both the structures of the world and the structures of perception are articulated according to qualitatively distinct modes of organization. Thus Schumacher claimed in describing the discrete separations between levels of being, "Life is either absent or present, there cannot be a half-presence, and the same goes for

⁸² Thomas Kuhn. The Structure of Scientific Revolutions (Chicago: Univ. of Chicago, 1962.)

consciousness and self-awareness."⁸³ In the same way, a paradigm or a particular instrument for knowing the world must be adequate to the facet of the world it tries to represent. The more "appropriate" is the image of the world, i.e., the more closely aligned are the representation and that which it represents, the more coherent will be the action which results.

But Schumacher was not only concerned with narrow intellectual adequateness in formulating an image of the world. The way of knowing which is most "appropriate" for "seeing" the political world, for example, may have more to do with "right judgement" than with the scientific proof. Schumacher elaborated in describing such situations:

. . . truth or untruth rests not on scientific proof but on right judgement, a power of the human mind which transcends mere logic just as the computer programmer's mind transcends the computer.⁸⁴

Thus the experience of solidarity and right judgement based on that experience may have more to do with changing one's image of the world than does a logically precise definition of community. For Schumacher, these are actually questions of faith because they deal with our most basic assumptions and beliefs. Even "facts" themselves appear as such because of presuppositions in which we "believe". We choose a frame of reference because it is useful to see the world in particular ways; but this does not mean that this is the "true" or "best" way. Schumacher claimed that we must ask ourselves if these assumptions are adequate, reasonable, useful. For him, there are some "answers" more appropriately known through faith and will, rather than through the intellect. Consciousness is important, he

⁸³ Schumacher, 1977.

⁸⁴ Ibid., 110.

claimed, but even more valuable for human growth is self-awareness, a higher form of knowing which is not simply that of the scientific intellect. According to Schumacher, realists characteristically place an uncritical faith in science by failing to be aware of its presuppositions, presuming that it is, or at best can be, totally objective and unbiased. For Schumacher, it is actually faith or will that "chooses the grade of significance or Level of Being at which the search for knowledge and understanding is to aim;"⁸⁵ it is therefore crucial to choose, to acknowledge one's "faith" with great self-awareness and responsibility. If a conscious, but not self-aware, society puts its faith in science by uncritically believing its fundamental assumptions about reality, it may not perceive the world in ways that are "adequate" to its needs. But if, as Schumacher suggested, it is self-aware and recognizes its needs and possibilities, then it self-consciously chooses its own direction putting its faith in those beliefs that are appropriate for these goals. This is probably the central political question of any society: in what does it place its faith and why? What is its fundamental direction, purpose, or telos? What good, if any, does it self-consciously strive to attain? In Chapter Six, we will examine the implications for politics of some of these epistemological ideas. We will see that in a sense, for Schumacher, epistemology was politics, and politics was epistemology; struggles about how and what we know, the nature of our knowledge of ourselves and the world lie at the heart of politics.

⁸⁵ Ibid., 45.

Like many others in search of a new politics,⁸⁶ Schumacher traced the origin of many of these epistemological problems to Descartes, Newton, and other Enlightenment thinkers who emphasized mathematical certainty, "head-centered thinking"⁸⁷, and mechanicity⁸⁸. But according to Schumacher, this form of knowing was only adequate for perceiving the most external, quantifiable, verifiable aspects of an object. The cost of focusing upon such knowledge is great because, as a result, we can fail to perceive other, more meaningful dimensions of reality. In his terms,

Restricting ourselves to this mode of observation, we can indeed eliminate subjectivity and attain objectivity. Yet one restriction entails another: We attain objectivity, but we fail to attain knowledge of the *object as a whole*. Only the 'lowest', the most superficial, aspects of the object are accessible to the instruments we employ; everything that makes the object humanly interesting, meaningful and significant escapes us.⁸⁹

Political knowledge requires, as we will see, a very different type of knowing, one that struggles with objectivity and subjectivity, certainty and meaning, freedom and necessity. Thus the consequences of scientific realism are grave, as he noted in part in the following:

The result of this lopsided development of the last three hundred years is that Western man has become rich in means and poor in ends. The hierarchy of his knowledge has been decapitated: his will is paralyzed because he has lost any grounds on which to base a hierarchy of values.⁹⁰

⁸⁶ See Benjamin Barber. Strong Democracy: Participatory Politics for a New Age (Berkeley: Univ. of Ca. Press, 1984) and Fritjof Capra. The Turning Point: Science, Society, and the Rising Culture (New York: Simon and Schuster, 1982.)

⁸⁷ Schumacher, 1977, 51.

⁸⁸ See Capra, 1982.

⁸⁹ Schumacher, 1977, 52-3.

⁹⁰ Ibid., 58.

This lack of an appropriate collective vision and the absence of an adequate image of the whole upon which to focus human activity, abandon the modern individual to self-interest and cynicism. The end result of this disorientation and short-sighted relativism is that people do not even make the effort to search for a common direction, or a sense of the public good.⁹¹ This cynicism tends to paralyze collective will and preclude searching for justice (or any other problematic goal) as a common end.⁹² Schumacher's concluded:

The modern world tends to be skeptical about everything that makes demands on man's higher faculties. But it is not at all skeptical about skepticism, which demands hardly anything.⁹³

Skepticism has become the easy assumption of modernity, according to Schumacher, and it asks very little of citizens in terms of positive thought or action. This selective and lazy kind of skepticism presupposes that the status quo cannot be challenged and must be as it is. But it does not go the step further and inquire about its own assumptions and thereby entertain the possibility that this very stance may be partially responsible for the given situation.

The third "Great Truth" that Schumacher elaborated on his philosophical map deals with what he called the four fields of knowledge. As we noted,

⁹¹ Though Schumacher might agree with some of the descriptions of the problem provided in Alan Bloom's in The Closing of the American Mind, (New York: Simon and Schuster, 1987), he would strongly disagree with his explanations and his prescriptions.

⁹² Theodore Lowi makes this point in the The End of Liberalism (New York: W.W. Norton, 1969).

⁹³ Schumacher, 1977, 60.

the first "Great Truth" revealed the hierarchic structure of the world in four Levels of Being--matter, life, consciousness, and self-awareness. The second "Great Truth" dealt with the human being's adequateness for dealing with this world and the need for corresponding faculties to encounter the world. The third "Great Truth" focuses on learning about the world, and, as we will see, the fourth in turn on coping with and living in this world.

This third "Great Truth" describes a phenomenology of the relationship between the self and the world. According to Schumacher, there are four fields of knowledge which make up the third "Great Truth". The first field of knowledge describes the subject looking within at his/her own inner world. All knowledge begins with self-knowledge, Schumacher claimed. The self, in this case, is both subject and object. This field of self-knowledge tries to articulate the inner landscape of the self. In order to know who it is, in order to acquire self-awareness, the self must look within and discover how attention is directed. Schumacher says

Without self-awareness, i.e. without a consciousness that is conscious of itself, man merely imagines that he is in control of himself, that he has free will and is able to carry out his intentions. In fact. . . he has no more freedom to form intentions and act in accordance with them than has a machine. Only in occasional moments of self-awareness has he such freedom, and his most important task is by one means or another to make self-awareness continuous and controllable.⁹⁴

This "mindfulness" is cultivated differently according to various traditions, but in all cases the idea is to encourage an awakening that enables the self to become aware of itself. Schumacher draws richly on the teachings of Buddhism, Christianity, as well as those of Gurdjieff and Ouspensky to

⁹⁴ Ibid., 69.

illustrate the similarities between diverse descriptions of this process toward self-knowledge.

In the second field of knowledge, the inner world of the other is the object of attention. The self refocuses on the internal landscape of others though it does not have direct access to or knowledge of this world. Only by knowing our own inner lives can we develop the compassion necessary to see inside others and communicate with them. Applying the knowledge from the first field, the self tries to recognize itself in the inner life of others.

In the third field of knowledge, the self is now the object of the consciousness of others, i.e., the focus is on the perception that the outer world has of the self. In the third field of knowledge, the self is known through the experience of others. Though we also do not have direct knowledge of this level, we try to see ourselves as others do. We need others to know us in order to qualify the knowledge that we have about ourselves from the first field. Without this "cross-referencing", the self becomes insulated, solipsistic, and misguided. Schumacher described this process of "taking photos" from the outside as follows:

The essence of the task in Field 3 is *uncritical self-observation*, so that we obtain cool, objective pictures of what is actually happening, not pictures 'retouched' by our current opinions of right or wrong.⁹⁵

It is in this third field of knowledge that we affirm the fact that we are social beings who require one another to see ourselves and our activities clearly. According to Schumacher, this knowledge enables us to get beyond our egoism and approach the altruism that is necessary for learning at this level.

⁹⁵ Ibid., 97.

Just as compassion is the prerequisite of learning in the Second Field of Knowledge, so altruism is the prerequisite of learning in the Third.⁹⁶

For any genuine notion of political community to emerge, it is necessary to cultivate this realm of knowledge in which the self sees itself as others do.

The fourth field of knowledge deals with external world. It addresses the question about what this outside world looks like. The scientific method which characterizes the search for this knowledge is used to gather data about the external world and construct theories based on that information. According to Schumacher, this is the realm of appearances, the realm of the senses where the observable, the empirical is relevant. In sum,

Field 4 . . . is the real homeland of every kind of *behaviorism*: only strictly observable *behavior* is of interest. All the sciences are busy in this field, and many people believe that it is the only field in which true knowledge can be obtained.⁹⁷

Inner experiences from the first and second fields of knowledge are ignored in this scientific apprehension of the world according to Schumacher. At this level, we can come to know the least about human beings who, in Schumacher's view, are defined primarily by their non-observable, internal lives rather than by their empirical behaviors. This fourth level deals primarily with external data about inanimate matter which is defined by its perceivable, observable characteristics rather than by any interiority. Within this level, we can have great certainty about our knowledge because we have carefully and consistently circumscribed our realm of inquiry. Duplication and verifiability make it possible to test and to refine this

⁹⁶ Ibid., 99.

⁹⁷ Ibid., 100.

knowledge of the external world. Through observation and experimentation, we can understand and use the objects of this level because they are inanimate and subject to the volition of the three higher levels--life, consciousness, and self-awareness. Those levels of being which are most mature, most complex (such as self-aware human beings) are those least amenable to scientific inquiry, Schumacher claimed.

Most scientific thought is still characterized by the mechanistic, Newtonian world view of this fourth field, which prides itself on the rigor and predictability of its method. The verifiability provided by the scientific method provides a sense of security about conclusions. This ability to reason analytically and to manipulate the world around us is assumed to be the distinguishing attribute of human beings in this field. But the human need for certainty may be so great that there is a tendency to impose it even when it is not warranted.⁹⁸ In effect, modern science can become a new faith, filling the void left by the demystification of an earlier world⁹⁹. It has almost become a new religion replacing the pre-modern myths and superstitions that were supplanted by Enlightenment rationalism.

The modern quest for certainty and the triumph of Western rationality can be traced back to the Cartesian split between the thinking self and the world. The Enlightenment coupled rationalism with empiricism to give human beings the sense that it was possible--at least in principle--to know

⁹⁸ See John Dewey. The Quest for Certainty (New York: Minton Balch & Co., 1929).

⁹⁹ See Morris Berman. The Reenchantment of the World (New York: Cornell Univ. Press, 1981) and Theodore Roszak. Where the Wasteland Ends: Politics and Transcendence in Post-Industrial Society (Garden City: Doubleday, 1972).

everything. Though the scientific method was and is enormously useful, its historic tendency toward reductionism can keep us from seeing the world in other ways, according to Schumacher. Adherence to a mechanistic Newtonian world view would have prevented the discovery of Einstein's theory of relativity, which is fundamentally based in the perspective of the observer. What comes to be known in Einstein's world is relative to the observer. The knower and the known cannot be functionally bifurcated, as had generally been presumed since Descartes. Moreover, a new conception of space-time in which the temporal framework of the observer is included in the perception of what is observed may be required in social science as well. We may be forced to become more self-conscious about the categories we use to observe the world.¹⁰⁰ It may be necessary to recognize the limits of the Newtonian paradigm for the politics of the nation state and develop a postmodern alternative.

Schumacher attempted to combine elements of pre-modern, modern, and postmodern sensibilities in his efforts to solve concrete problems. His ideas about scale, community, development, growth in many ways evoked a pre-modern world of intimacy and connectedness. Yet his ideas about the global financial system, energy policy, technology, public ownership, individual initiative all spoke to a modern world. In recognizing both the limitations and possibilities of this perspective, Schumacher also intimated an attitude which affirmed diversity and community, a reunification with nature and a renewed spirituality. Both eastern and western perspectives and values

¹⁰⁰ Benedict Anderson. Imagined Communities (Ithaca: Cornell Univ. Press, 1983.)

shaped Schumacher's thinking and the way that he conceived of personal, political, historical, and cultural transformation.

These issues are reflected in one of major controversies between modernists and neotraditionalists like Schumacher--the question of "progress". Schumacher came to challenge more and more of modern assumptions about progress--that growth, development, and modernization are unqualifiedly desirable, for example. When the gaps between the rich and the poor continue to grow, and material and spiritual poverty continue to increase, Schumacher warned, our idea of "progress" must be reexamined. Though "progress" had been one of the driving concepts of the post-Enlightenment epoch, he (like many others) began to question the meaning of the term. It suggests that things are getting bigger and better as civilization automatically moves towards a more perfect world. The naive determinism of this approach has, of course, been challenged before, and Schumacher added his criticisms to those who deny simplistic ideas of "progress"¹⁰¹.

¹⁰¹ For a recent examination of this old question see Franco Ferrarotti. The Myth of Inevitable Progress (Westport, Conn.: Greenwood Press, 1985.) He explores the general problem of the social and political impact of technologically based life. F. examines the ways in which we have come to cope with the problems unforeseen by the early idealists of the industrial age. Beginning with a detailed critique of the Enlightenment concept of the individual and how it compares to present day values, beliefs, and attitudes, he shows how current technology influences the lives of individuals in the work place and in the community at large. The influence of science and industrial progress on our development as human beings is critically analyzed.

At the end of A Guide for the Perplexed, Schumacher talked about the need for a "metanoia", a "turning around", that would take humanity in a new (or perhaps old) direction. It is a call for the species to become genuinely humanized and to leave its "prehistory" behind. Such a profound change is exceedingly difficult when the momentum of modern life seems to resist any such transformation. Lewis Mumford acknowledged this difficulty earlier when he said

. . . To be alive, to act, to contemplate, to embody significance and value, to become fully human -- these ends are difficult of achievement; and they are all the more so at a time like the present when the whole weight of our civilization is thrown in the opposite direction. . . ¹⁰²

In the past, qualitative shifts in the way we see the world have usually taken place in moments of crisis when the old structures of thought could no longer contain and explain new experience. These dramatic changes in the "pattern of thought, in the template of our minds . . . of the analogues by which we form the facets of our lives"¹⁰³ have transpired at discernible points in our history. According to Ash, such pivotal transitions occurred at the time of Plato, at the origin of Christianity, and with the Copernican revolution in modern science¹⁰⁴. Karl Jaspers, Lewis Mumford, Paul Tillich, Elise Boulding, Richard Falk and many others have talked about these transitions as "axial ideas", those which suggest a "profound alteration in the shape of civilization and the content of human consciousness, and a

¹⁰² Mumford, 1951, 219.

¹⁰³ Maurice Ash. The New Renaissance: Essays in Search of Wholeness (Hartland, England: Green Books, 1987), 16.

¹⁰⁴ Ibid. "The Politics of Knowledge", 16-27.

reorientation of normative outlook and guiding values."¹⁰⁵ Many now agree with Schumacher when he claimed that we are again at such a "turning point"¹⁰⁶ in our evolution because of the many crises in the modern experiment.¹⁰⁷ For Schumacher, the "postmodern tasks"¹⁰⁸ that need to be addressed include the redefinition of the person's relationship to itself, to others, to nature, and to spirituality. This project requires a new politics, one that is intimated throughout Schumacher's work and will be explored further in the next chapter.

¹⁰⁵ Richard Falk . "In Pursuit of the Postmodern", paper presented at conference, "Toward a Post-Modern World", Jan. 16-20, 1987, Santa Barbara, Ca.

¹⁰⁶ Fritjof Capra. The Turning Point: Science, Society and the Rising Culture (New York: Simon and Schuster, 1982.)

¹⁰⁷ Schumacher, 1977, 139.

¹⁰⁸ Schumacher, 1977, 139.

CHAPTER SIX: SCHUMACHER'S POSTMODERN POLITICS

Having examined Schumacher's political economy and his cultural ecology, we need now to turn to some of the implications of his thought for politics. We will argue that, in some ways, Schumacher's insights prefigured what can be called a "postmodern" sensibility which challenges many of the categories of modern political discourse and practice. There can be problems using the the ambiguous term "postmodern" since it has come to have many, often conflicting, meanings. Many tendencies which one might label "postmodern" could rather be seen as forms of modernity which continuously "melt into air" as they undergo the transformations that are at the heart of the modern ethos.¹ In this way, a postmodern sensibility is not necessarily new, since traces of it can be found in diverse contexts and historical moments. The notion is useful, however, in understanding the spirit of Schumacher's ideas, for it creates the space for both the traditional, non-western elements in his work as well as the equally important modern, western attitudes and experiences. In this way, the first step in searching for a postmodern politics must be to understand what Marshall Berman describes as the "dialectics of modernization and modernism"². Berman explores the powerful challenge of the voices of nineteenth-century modernity when he says,

Our nineteenth-century thinkers were simultaneously enthusiasts and enemies of modern life, wrestling inexhaustibly with its ambiguities and contradictions. . . Their twentieth-century successors have lurched

¹ See Marshall Berman's All That Is Solid Melts Into Air (New York: Simon and Schuster, 1982). Berman uses this rich metaphor from Marx to explore the complex experience of modernity.

² Ibid., 16.

far more toward rigid polarities and flat totalizations. Modernity is either embraced with a blind and uncritical enthusiasm, or else condemned with a neo-Olympian remoteness and contempt; in either case, it is conceived as a closed monolith, incapable of being shaped or changed by modern men. Open visions of modern life have been supplanted by closed ones, Both/And by Either/Or.³

We will argue that, in this spirit, Schumacher struggled against this tendency within twentieth-century thought towards "rigid polarities" and "flat totalizations" in an effort to envision new possibilities that included the best of both traditional and modern forms of life. Though popularizers and disciples have tended to interpret him as an enemy of modernity because he challenged notions of unqualified growth, technological development, and exploitation of nature, Schumacher himself recognized the power and promise of modernity in his very critique of its excesses. As neither an enthusiast nor an enemy of modernity, Schumacher sought the "open visions" which might provide diverse and creative options for the future. These visions made it eminently possible for human beings to shape their economic, political, social, and spiritual lives rather than than resign themselves to closed and predetermined systems beyond their control. Whether this sensibility brings back to life the "modern" in Berman's rich definition of the term⁴, or intimates the "postmodern" as a way of including both the modern and the traditional, is less important than understanding the meaning of Schumacher's contribution to this project.

According to a "postmodern" perspective, mainstream thinking about politics, as well as much of its accompanying criticism, has tended to

³ Marshall Berman. All That is Solid Melts into Air (New York: Simon and Schuster, 1982), 24.

⁴ Ibid., 35.

"privilege" the Enlightenment categories of individualism, scientism, statism, and materialism. If these categories are examined together, they configure what some have called the "modernist narrative"⁵. There always has been a tradition of skepticism about the adequacy of these categories, but these questions and contradictions seem to have increased significantly over the last several decades. Simply put, there is growing realization of the need to rethink the fundamental relationship between modern liberalism and contemporary political practice. Some of modern liberalism's deeply embedded assumptions are shared by a range of diverse political ideologies, both capitalist and Marxist. The set of presuppositions that configure liberalism's modernist narrative, includes a belief in unending progress, in the primacy of the individual as the basic social unity, and in rationality as the foundation of authority.⁶ A correlative faith in human ability to control nature through science, technology and rational planning also characterizes this attitude towards natural and human environments.⁷ In the words of Richard K. Ashley, this modernist narrative is

the multifaceted historical narrative rooted in the Enlightenment, dominant in western society, expressed in rationalist theory, and centering on the progressive unfolding of universalizing reason and social harmony via science, technology, law, and the state.⁸

⁵ Richard K. Ashley. "The Geopolitics of Geopolitical Space: Toward a Critical Social Theory of International Relations"; Alternatives: Social Transformation and Human Governance; Vol. XII. No.4., 403-434.

⁶ See C.A. Bowers. Elements of a Post-Liberal Theory of Education (New York: Teachers College, 1987), Chapter One.

⁷ As discussed in Chapter Five, Hughes articulates most of these components of the modernist stance.

⁸ Richard K. Ashley. "The Geopolitics of Geopolitical Space" in Alternatives, XII, No. 4, 412.

Though there have been concurrent resistances to this perspective, this modernist narrative, based on the beliefs of Enlightenment liberalism, has tended to dominate western history for the past 500 years. Today, however, in the words of Bowers,

There is . . . a growing sense of awareness that the basic assumptions upon which liberalism rests may be causally related to the deepening of the ecological crisis, the loss of meaningful community life, and the nihilism that now permeates the moral and conceptual foundations of society.⁹

Thus a postmodern critique begins with a reexamination of these fundamental modern notions about the relationship between humanity and nature, between the individual and community, and between politics and religion/spirituality¹⁰. It tries to "deconstruct" these deeply-rooted beliefs in order to open up space for new political discourse and practice. This work suggests that Schumacher, in addressing these fundamental themes, helped to provide some of the economic, epistemological, and cultural underpinnings that are necessary to envision a "postmodern" democratic politics. This is emphatically not to suggest that Schumacher was the first or only thinker to critique modern liberal assumptions about economics, politics, and culture. As previously mentioned, there are abundant traces of this "postmodern" challenge found throughout modern discourse and practice. One can even argue that "modern" thinkers such as Nietzsche, Rousseau, and even Marx expressed this "postmodern" sensibility in their own contexts. As Berman suggests, we may have to go back and

⁹ Bowers, 1987, 2.

¹⁰ See Richard Falk. "Politics and Religion: Verging on the Postmodern", paper presented at the keynote session of the conference on "Revolution, Religion and World Politics" at the College of St. Thomas, St. Paul, Mn., Oct. 5, 1987.

appropriate a deeper, more vital understanding of modernity in order to look forward and create politics which could be called "postmodern".¹¹

As we have often noted before, throughout Schumacher's work there are glimpses of a "politics of transformation" according to which personal, political, historical, and spiritual change are understood simultaneously.¹² Like many recent feminist thinkers, he emphasized the need to redefine the relationship between the personal and political as well as the historical and spiritual. He felt that the external, material structures of the world as well as consciousness and values must be transformed.¹³ Rather than focus only upon economic or political structures as the determining arenas of transformation, as do most orthodox Marxists, liberals, and other materialists, Schumacher emphasized the need for simultaneous external and internal transformation. The structure of political discourse must be "adequate" to the structure of political practice if such change is to take place. As previously mentioned, the notion of "adaequatio" or "adequateness" runs throughout Schumacher's work and links his economics, metaphysics, and politics. According to this idea, there must be a correspondence, an alignment, between consciousness and the world, between the knower and the known, between subject and object.¹⁴ In this

¹¹ Marshall Berman. All That Is Solid Melts Into Air (New York: Simon and Schuster, 1982).

¹² See Manfred Halpern. "Choosing Between Ways of Life and Death and Between Forms of Democracy: An Archetypal Analysis" in Alternatives, Vol. XII., no. 1, p. 5-35, 1987 for an exposition of this four-fold typology.

¹³ As mentioned before, Schumacher was like both Gandhi and Tawney in this respect.

¹⁴ For a more technical rendering of this epistemological position, see John Dewey and Arthur F. Bentley. Knowing and the Known (Boston: Beacon, 1949.)

way, for example, beauty is not entirely in the eye of the beholder (which would be solipsism) or in the object beheld (which would suggest a fixed ideal), but in the "fit", the correspondence between them.¹⁵ This term is difficult to define and characterize, but this does not imply that it lacks exactitude or specificity. Only in the contexts where it is applied, however, do such exactitude and specificity emerge and give direction to efforts at transformation. For Schumacher, this notion of appropriateness or adequateness was also concerned with the correspondence between personal, political, historical, and sacred forms of transformation.

Our argument here is that Schumacher did not advocate a politics that was anti-modern, but rather a postmodern one which tried to transcend the inappropriate and destructive constraints of modernity while at the same time appreciating its possibilities. He sought a politics that challenged the privileged status of modern individualism, statism, rationalism, and materialism in modern discourse, not one which negated them. In this way a postmodern sensibility explores the diverse ways in which the premodern and the modern both can be appropriately expressed. For example, one of the difficulties of pre-modern systems is that they can express a kind of absolutism, while for many, the modern world too easily tends towards relativism. Schumacher appealed for a dynamic adequacy that avoided the pitfalls of both. He called for a "third way" which tried to discover the forms--premodern, modern, and postmodern--that were "adequate" to the range of diverse situations, needs, and challenges that confront people

¹⁵ See Richard Bernstein. Beyond Objectivism and Relativism: Science, Hermeneutics, and Praxis (Philadelphia: Univ. of Pa. Press, 1983.)

today. This politics of the Middle Way¹⁶, as he called it, was a dynamic conjunction of both modern and pre-modern forms, both western and eastern values.¹⁷ According to his perspective, both communism and capitalism as the two great materialist mega-systems are burdened with the embedded language and practices of modernism; they tend to be too large, too removed from nature, and too "despiritualized" to function harmoniously or humanely, Schumacher claimed.

Before we examine further the political contours of Schumacher's work, it is necessary preliminarily to define "postmodernism" as well as to establish a deeper understanding of what constitutes his "politics of transformation." To begin with, postmodernism is familiar to most as a term of cultural criticism in literature and the arts. Until recently, modern literary criticism tried to seek objective, or at least intersubjective, standards according to which judgments could be made. This stance usually included rendering articulate both implicit and explicit normative assumptions according to which the orientation of modern civilization could be evaluated. In literary criticism, however, postmodernism has come to represent a position that resists acknowledging any and all objective criteria of evaluation. According to Richard Falk,

Postmodernism denies the capacity of language, mind or spirit to establish anything by standards in an objective manner. It is radically deconstructionist, destroying, if it can, all illusions that anything whatsoever can be singled out as truly significant. The postmodern

¹⁶ See Chapter Five on Schumacher's understanding of the Middle Way in Buddhism.

¹⁷ See Pitrim Sorokin. Social and Cultural Dynamics (New York: 1937-1941) which remains the classic overview of these distinctions between cultures.

mode is characterized above all else by a critical turn of mind, both skeptical and ironic.¹⁸

This critical attitude, according to which all claims are continually under "erasure"¹⁹, suggests that further deconstruction of any text is always possible; there can therefore never be any final interpretation or objective meaning. In this way, language has been rendered unreliable, for additional meanings can always be found, no one of which is more substantial than another.²⁰ This position can be, of course, dangerously relativistic because all normative reference points are cancelled, leaving no guides whatever for moral action²¹. There is, however, another, very different sense of the postmodern which can be distinguished from this literary postmodernism, a political version of which, we will argue, is prefigured in Schumacher's work in several important ways.

Richard Falk distinguishes literary criticism's definition of the postmodern from that which he argues is emerging in political thought, which is

reconstructionist, optimistic, normative. It does not repudiate the achieving side of modernism, but seeks to displace its negative features. A postmodern possibility implies the human capacity to transcend the violence, poverty, ecological decay, oppression, injustice of the modern world. The failures of the modern world are here

¹⁸ Richard Falk. "In Pursuit of the Postmodern", a paper presented to the conference, "Toward a Post-Modern World" sponsored by The Center for a Post-Modern World and The Center for Process Studies, Santa Barbara, Ca., Jan. 16-20, 1987.

¹⁹ See Jacques Derrida. Margins of Philosophy trans. by Alan Bass. (Chicago: Univ. of Chicago, 1982.)

²⁰ In "Standing by Words", Wendell Berry claims that the increasing unreliability of language "parallels the increasing disintegration, over the same period, of persons and communities", quoted in Bowers, op. cit.

²¹ In some ways this approach of literary criticism is modern rather than postmodern, for it evokes logical positivism and subjectivism.

overwhelmingly associated with false and constraining boundaries that then become springboards for conflict, inducing violence and massive suffering.²²

This postmodern spirit in politics is concerned with the transformation of the liberal categories which have shaped modern discourse and practice. Its critique entails the negation, the erasure, of the assumptions of modern liberalism, but at the same time, it maps new space beyond these borders. The "false and constraining boundaries" Falk delineates are between nation states, classes, races, genders, cultures, and ideologies which try to splinter the body politic. The fixed status of these categories that emerged with the Enlightenment is challenged, and in this sense, a postmodern critique is both destructive and liberating²³. Rationalism, scientism, and materialism, have tended to become the religions of modernity²⁴, and a postmodern sensibility raises fundamental questions about the domination of this logocentric way of seeing the world. In the modernist narrative, reason, rather than being a higher end in itself as in ancient and medieval contexts, has become primarily instrumental, calculating, and specialized in connecting means to ends, which themselves are determined not by reason, but by will or interest. In Falk's words,

specialization as organizing principle endows instrumental reason with a superior status in human affairs, creating the familiar hierarchical dualism of mind and body, of spirit and flesh, of reason and emotion, of objective and subjective, of thought and feeling.²⁵

²² Falk, "In Pursuit of the Postmodern", 2-3.

²³ Lester Edwin J. Ruiz. "Theology, Politics and the Discourses of Transformation" in Theology, Politics, and Struggle; Tugon, Vol. VI, No.3, 1986.

²⁴ There have of course been alternatives to this dominant tendency.

²⁵ Richard Falk. "In Pursuit of the Postmodern" op.cit., 3.

Since the Enlightenment, human experience has tended to be divided into these dualistic, secularized, and mechanistic categories inherited from Newton, Descartes, and others. As we have seen in Chapter Five, Schumacher's metaphysics and epistemology challenged these modernist forms and posited alternative ways of knowing, being, and doing. In this vein, the postmodern tries to resist Cartesian demarcations between inside and outside, "Us" and "Other"²⁶, which are part of the Enlightenment legacy. Walker claims that a postmodernist sensibility can force these unexamined liberal assumptions underlying the modernist perspective out into the open.²⁷ Both in terms of his political economy and his cultural ecology, Schumacher called these liberal presuppositions about the world into question. By calling for a reexamination of assumptions about growth, energy, technology, and scale, and by deconstructing the fundamental beliefs of western liberalism at a deeper level, Schumacher participated in this critique of modernity.

In any event, according to Falk, a postmodern sensibility attempts to create a more holistic, less hierarchial vision in order to deal with the internal and external fragmentation that is in part created by modernist categories themselves. In this way, the postmodern searches for ways of connecting experiences that have been shattered by modern specialization. In turn holistic reconnections should not be based on illusory or artificial syntheses. The postmodern resists and negates modernist assumptions about totality,

²⁶ See R.B.J. Walker, Ramashray Roy, and Richard Ashley. "Dialogue: Towards a Critical Social Theory of International Politics--Ramashray Roy, R.B.J. Walker, and Richard K. Ashley" in Alternatives: Social Transformation and Human Governance Vol. XIII, No.1, Jan. 1988.

²⁷ Ibid., 86.

integration, and progress, but, at the same time, it explores other normative possibilities. According to Ruiz, the postmodern critique

repudiates the totalizing illusions of the modernist narrative: statism, nuclearism, patriarchy, racism. It hesitates in the face of these pretensions to universality and certainty. At the same time the 'postmodern' attitude seeks the articulation of practices that celebrate difference, it points to normative discursive practices: spiritual, ecological, cultural, economic . . .²⁸

In lieu of Newtonian and Cartesian certainty, a postmodern discourse seeks Einsteinian probabilities which are governed by uncertainty. The postmodern resists the seduction of the "totalizing illusions" of modernity and their posturing as fixed truths. This ability to tolerate uncertainty, to "suspend judgment"²⁹ about what is known, requires a particular type of humility, patience, and experimentation. Such a postmodern political discourse both "deconstructs" and "reconstructs" as it batters the limits of the modern liberal paradigm and simultaneously recovers its liberating possibilities. In this sense, postmodern discourse and practice explore the dialectic of taboo and transgression by challenging the modern at its margins³⁰ and in its depths.

Further, the postmodern celebration of otherness, of genuine difference, struggles with the modernist tendency towards superficial uniformity while it searches for new options which lie beyond the edges of the modern liberal

²⁸ Lester Edwin J. Ruiz. "Transgression in Politics and Public Policy", a commentary on Richard Falk's lecture "Post-Modernism, Politics and the Implications for Public Policy", Hofstra Univ., Nov. 1987.

²⁹ In some ways this was the task of the phenomenologists who resisted "rushing to judgement" about the ontological status of what was perceived.

³⁰ Lester Edwin J. Ruiz. "Transgression in Politics and Public Policy", paper presented at Hofstra Univ., Nov. 1987.

paradigm. Thus, the postmodern sensibility invites one to dwell on the "border lines"³¹ of modernity as well as to explore normative "spaces" beyond this frontier. These edges, the interfaces between the pre-modern, modern, and postmodern modes, do not delineate distinct moments or perspectives, as we will see, but rather articulate particular discursive practices. According to Ashley, these delineations are actually names of

regimes of highly mobile practices--the interpretive attitudes and practical dispositions which Foucault calls 'meticulous rituals of power'--that can be widely circulated across dispersed and varied locales, there to discipline experience, open up domains of freedom, and enable and dispose the further replication and circulation of the practices themselves.³²

These "interpretive attitudes" and "practical dispositions" of pre-modernity, modernity and postmodernity do not exclude one another. Falk describes the interaction of these discursive practices as follows:

The displacement of modernism invites recovery of the pre-modern past as well as pursuit of the postmodern future. Or as we conceive of postmodernist possibilities it is helpful to infuse pre-modern understanding and wisdom. ³³

Falk echoes Schumacher's realization that the pre-modern, rather than the modern, offers a valuable intimation of a postmodern sensibility. Schumacher was greatly responsible for the recovery of the pre-modern as both his political economy and his cultural ecology indicate. But he also recognized connections between pre-modern wisdom and the postmodern

³¹ Jacques Derrida. "Living on: border lines" in Harold Bloom et. al. (eds.) Deconstruction and Criticism (New York: Seabury Press, 1979.)

³² Richard K. Ashley, Ramashray Roy, and R.B.J. Walker. "Dialogue: Towards a Critical Social Theory of International Politics" in Alternatives, Vol. XIII, No. 1, Jan. 1988, 93.

³³ Falk, "In Pursuit of the Postmodern", 18.

challenge. He saw that by moving to the edge of modern discourse and practice, and glimpsing the realm of pre- or postmodern modes, the present would be challenged. By emphasizing the pre-modern, Schumacher offered a displacement from inadequate modernist practice, thereby helping to create space for postmodern transformation.³⁴ Falk's analysis of the relationship between the modes affirms Schumacher's understanding:

In many respects the premodern anticipates the postmodern more helpfully than does the modern, especially by its implicit ecological worldview, its sense of the religious life as embodied in the totality of individual and social practice, and its imagery of spirituality as often genderless and as dispersed among feminine and masculine centers of energy.³⁵

These pre- and post- modern concerns are at the center of Schumacher's mature work with its affirmation of humanity's relationship to nature and to spirituality. By exploring these discursive practices of both pre-modern and modern modes, both eastern and western culture, Schumacher introduced a dialogue between diverse times and spaces. In this expanded view of space and time, he tried to extract the best of each, an attitude still somewhat modern in its demand for integration, one might suggest. Falk echoes Schumacher's recognition of the need for a multiplicity of modes. According to Falk,

³⁴ It is important to add that Schumacher did not automatically or always "privilege" a pre-modern sensibility. Different modes must be "appropriate" to the context and task at hand. In his oversight of the National Coal Board, for example, there were times when centralization or specialization of functions and other hallmarks of modernist planning, needed to be emphasized.

³⁵ Falk, "In Pursuit of the Postmodern", 18-19,

The process of moving toward a postmodern world requires that premodernist, modernist, and postmodernist forms coexist and interpenetrate within our lives and consciousness. . . .³⁶

This multiplicity of coexisting forms characterized Schumacher's later work in that he affirmed both modern differentiation and premodern organic wholeness. One of Schumacher's abiding concerns was to interpret this dialectical relationship between wholeness and diversity, whether expressed in the relationship between diverse individuals and a whole community, diverse cultures in a whole world, or the diversity and holism that are embodied in nature. However, Schumacher distinguished diversity and wholeness from the chaotic atomism and artificial unity which tended to be modernism's two faces. Whereas modernist discourse and practice tend to push toward ever greater integration of parts within a totalizing system, a postmodern attitude affirms the fundamental oppositions that will not be subsumed in this Hegelian totality. In the modernist impulse towards unity, the integrity of the parts is compromised as they are incorporated into a universalized sameness and "one-dimensionality". An assertion of diversity struggles against this "fetishization of the moment of unity" as Walker says in describing postmodernism; in his view, the postmodern paradigm

has grown out of a wholesale critique of the philosophy of identity as it has informed Western thought for so long. It involves both a critique of the fetishization of the moment of unity and of the way in which the moment of difference--whether in space or in time--becomes subordinate to unity. In the great dualistic schemes of the philosophy textbooks. . . truth, beauty and goodness reside in the moment of identity, their opposites with the inferior moment of difference.³⁷

³⁶ Ibid., 19.

³⁷ Walker, op. cit., 86.

Schumacher's political economy and cultural ecology struggled against "privileging" and "fetishizing" the moment of unity at the expense of that of diversity. The postmodern spirit of his work celebrated cultural, religious, and epistemological differences and challenged the modern momentum towards unqualified expansion, and one-dimensional unity. But, at the same time, Schumacher's economic, cultural, and political map attempted to reconnect parts of human experience that had been disarticulated and fragmented by modern scientism. He did not advocate an artificial unity that subsumed differences in all-encompassing hegemony. He called instead for a politics built on immanent "divergences"³⁸ which could not be collapsed into a false and forced homogeneity. Unlike "convergent problems" which can be solved using observation and logic, these "divergent problems" do not yield to modern scientific methodology. Divergent problems, according to Schumacher,

cannot be solved in the sense of establishing a 'correct formula'; they can, however, be transcended. A pair of opposites--like freedom and order--are opposites at the level of ordinary life, but they cease to be opposites at the higher level, the really *human* level, where self-awareness plays its proper role.³⁹

The ordinary filters of modernity structure reality as the conflict between opposites, but Schumacher claims that from a "higher", more holistic and human perspective, these oppositions can be transcended. A postmodern politics for Schumacher would be one where "where self-awareness plays its proper role"⁴⁰, where people not only see and act, but are self-conscious about these discursive practices which shape their experience.

³⁸ Schumacher, 1977, Ch. 10.

³⁹ Schumacher, 1977, 126.

⁴⁰ It is important to recall Schumacher's understanding of self-awareness which was discussed in Chapter Five.

William I. Thompson uses the term "enantiomorphic" to describe this interaction of opposites⁴¹ in which real differences are celebrated rather than suffocated. He claims that Schumacher was one of the few people to understand the importance of this dynamic of divergence for political life.⁴² Schumacher himself described the process of transcending rather than smothering these creative tensions in the following way:

The pairs of opposites, of which *freedom and order* and *growth and decay* are the most basic, put tension into the world, a tension that sharpens man's sensitivity and increases his self-awareness. No real understanding is possible without awareness of these pairs of opposites which permeate everything man does.⁴³

Rather than force opposites into an artificial resolution, Schumacher recognized that these paradoxes should be accepted because they provide valuable opportunity for growth and the cultivation of self-awareness. The implications of these ideas for the nature of community are significant; a postmodern "enantiomorphic polity"⁴⁴ would accept and nurture genuine diversity rather than inhibiting it. Schumacher continued:

societies need stability *and* change, tradition *and* innovation, public interest *and* private interest, planning *and* laissez-faire, order *and* freedom, growth *and* decay. Everywhere society's health depends on the simultaneous pursuit of mutually opposed activities or aims.⁴⁵

⁴¹ William I. Thompson. Pacific Shift; (San Francisco: Sierra Books, 1985), 34-39.

⁴² Ibid.

⁴³ Schumacher, 1977, 127.

⁴⁴ Thompson, 1985, 31, 35, 37.

⁴⁵ Schumacher, 1977, 127.

Thus one of Schumacher major contributions to a postmodern politics is this image of "communities of difference"⁴⁶ or "enantiomorphic polities",⁴⁷ whose discursive practices attempt to map new political space⁴⁸. According to Thompson,

If one does have an appreciation of the phenomenology of opposites in which we become what we hate, then a politics of compassion, as contrasted with a politics of violent conflict, begins to become a cultural possibility.⁴⁹

Schumacher appreciated this phenomenology of opposites and its consequent politics of compassion; this appreciation was best expressed perhaps in his commitment to "communities of difference". By trying to understand others from the inside rather than simply judging from the outside, we gain important insight into his Second Field of Knowledge,⁵⁰ which attempted to describe how we can know the inner world of others through compassion. He recognized that human beings' capacities for dealing with both otherness and togetherness depend on discursive practices which develop the ability to understand and to be understood. Such discursive practices, moreover, inherently involve changes in thinking and feeling, in the cognitive and the affective, in the rational and intuitive dimensions of human nature.

⁴⁶ See also Stuart Hampshire's Morality and Conflict (Cambridge, MA: Harvard Univ. Press, 1983) where a similar point is made.

⁴⁷ Thompson uses this term to describe Schumacher's concept of communities based on the awareness of divergent problems.

⁴⁸ Schumacher makes abundant use of the metaphor of mapping in A Guide for the Perplexed. op.cit.

⁴⁹ Thompson, 1985, 39.

⁵⁰ See Chapter Five for a discussion of this aspect of Schumacher's epistemology and metaphysics.

Schumacher's communities of difference thus struggled with both wholeness and diversity in ways that suggested Walker's description of the postmodern project. Walker writes:

To celebrate difference is, within the conventional categories, to invite the charge of relativism. But the more important project is to challenge the discursive practices in which difference is always defined as relativistic by the presumed guarantees of unity. It is to stress the possibility of new forms of political community and political practice that are open to the variety of people's experiences and histories, not closed off by either the claims of state or the claims of hegemonic universalism.⁵¹

Schumacher's exploration of these new forms of political community and practice which affirm diversity and holism, while avoiding relativism or universalism, foreshadowed a postmodern sensibility. He opened his own modernist world view⁵² to the discursive practices of other cultures and histories, thereby transforming how and what he saw. Rather than universalizing the conventional categories of modern liberalism--the individual, instrumental rationality, the state, progress, etc.--and imposing these names on all experience, Schumacher stepped beyond the boundaries of modernity and began to chart a postmodern landscape. In this way, he recognized that modernist discourse and practice may be "adequate" for some needs and contexts and not for others. Thus Schumacher affirms the specificity and diversity that discipline the modernist tendency towards one-dimensionality. The distinction between different forms of unity is crucial: modernist uniformity which imposes sameness is qualitatively different from the postmodern wholeness which cherishes and "privileges" diversity.

⁵¹ R.B.J. Walker. *op. cit.*, 88.

⁵² See Chapter Two where Schumacher's background and early world view are discussed.

Ash, echoing Schumacher, also encourages wholeness to counteract the internal and external fragmentation resulting from the language of modern dualisms. He too distinguishes the postmodern wholeness, which for him implies genuine difference, from modernism's abstract and mechanistic unity, which is simply the flip side of atomism.⁵³ Falk is also concerned about the false unity which can be engendered by what he calls "Disneyland postmodernism"--an artificial, romanticized, or commercialized holism which denies real suffering, political struggle, and radical differences. This trivialized globalism enables people to avoid responsibility for social transformation by simply focusing on personal betterment or by assuming that a New Age will automatically, magically evolve. For this same reason, Schumacher was very critical of thinkers like Teilhard de Chardin, because he felt their view of human transformation merely extended the modernist pretension that the world of power could be theirs.⁵⁴ Schumacher said of such evolutionary aspirations, "This is the extreme formulation of the Hubris of *Homo Sapiens*, who wants to become god."⁵⁵ He contrasted the arrogance of *Homo Sapiens* with the humility of *Homo Viator*,⁵⁶ the being created for a higher purpose. Schumacher felt that an abstract and disembodied convergence or inauthentic synthesis simply sanctions modern egoism, violence and alienation. In this way, modernity tends to privilege integration and impose it even when inappropriate or unjust. Thus, the Enlightenment impulse towards ever-expanding unification of experience

⁵³ Maurice Ash. The New Renaissance: Essays in Search of Wholeness (Hartland, England: Green Books, 1987.)

⁵⁴ See Wood, Barbara. Alias Papa (London: Jonathan Cape, 1984), 261.

⁵⁵ Ibid.

⁵⁶ This is also the sense of Gabriel Marcel's Homo Viator (New York: Harper and Row, 1965).

can tend towards a dangerous totalitarianism, as Schumacher witnessed in Germany. When the center will no longer hold, such an attitude simply insists on a more forceful will to compel compliance. What was needed, according to Schumacher, was an open and humble appreciation for otherness in order to counter modernity's predisposition towards premature closure, repressive uniformity, and narrow-minded certainty.

Schumacher's politics, like his epistemology, was not based on Cartesian, either/or dualisms, but on a way of knowing which tried to see both/and without collapsing the differences. To envision alternatives as mutually exclusive options limits possibilities, but insistently to maintain the integrity of both requires a different attitude. Falk echoes this strategy when he describes the classic debate between realists and idealists:

It is essential to reject a polarization of choice--repudiating the old as decadent and obsolete, disregarding the new as utopian, and hence irrelevant. The ongoing debate between the realists and utopians implies a false either/or choice. Instead, we emphasize both/when, clarifying the province of reform and the domain of radical restructuring.⁵⁷

Schumacher did not advocate a process of compromise or cooperation which combined oppositions into neutral unifications. Radical distillation must be maintained if each principle, each self, each culture, is to maintain its integrity and avoid being exploited or coopted. In this way, communities of difference must struggle to resist modernity's repressive sameness and false convergence in order to preserve their autonomy. The modernist momentum towards "progress" has imposed an image of standardized linear development on human experience, Schumacher claimed. What is needed is a ferocious protection of divergence, because it is in the process of grappling

⁵⁷ Falk, "In Pursuit of the Postmodern", op.cit.

with real differences and discontinuities that human beings and their worlds are transformed.

Another major contribution that Schumacher made to a postmodern politics was his recognition of the importance of recreating the relationship between human beings and nature. We have already discussed some of the roots and consequences of these views in earlier chapters on his political economy and cultural ecology. Modernity's discursive practices or "meticulous rituals of power"⁵⁸ are used to control and dominate nature which is seen as hostile and fearful. Schumacher realized that in our desire to master nature, we forget that we are embedded in it and dependent upon it. The impatience of modernity fails to recognize the abiding bonds that connect human beings to nature. Postmodern practice must try to make peace with nature before the modern war is won and lost, according to Schumacher. The widespread and diverse ecological movement that is beginning to challenge modernist assumptions about nature is a sign that a normative reconstruction is in process.

Yet one more significant contribution of Schumacher's to the search for a postmodern sensibility in politics was his recognition of the importance of redefining the relationship between politics and spirituality. Modern liberalism with its emphasis on the individual, instrumental reason, and materialism, has eroded the sense of meaning, intimacy, and community that characterized⁵⁹ many earlier, more spiritual, societies. A postmodern politics

⁵⁸ Michel Foucault, op.cit.,9.

⁵⁹ See Lester Edwin J. Ruiz. "Towards a Theology of Politics: Meditations on Religion, Politics, and Social Transformation" in Theology, Politics and Struggle. Quezon City, Philippines: National Council of Churches, 1986.

offers a radical challenge to the Enlightenment worship of science, reason, and material power. Falk describes this postmodern project and distinguishes it from the pre-modern or early modern in the following terms:

The postmodern . . . implies the rediscovery of normative and spiritual ground upon which to find meaning in human existence. . . . The postmodern horizon of spiritual recovery proceeds on a different basis: a dispersion of spiritual energy that is associated with the sacredness of the whole universe, and a related feminization of political life that finds power in relations rather than in capabilities for dominance and destruction, in earthborne, more than skyborne energy.⁶⁰

All of Schumacher's mature work expressed this search for a normative and spiritual grounding for economics and politics. Though there are still traces of Western modernity in his formulations about religion, he also envisioned more Easternized versions of the relationship between humanity and the sacred. In fact, one of the strengths of his endeavor is that it was both "skyborne" and "earthborne"--a celebration of both the centrifugal expansion of the "world" and the centripetal grounding of the "earth".⁶¹ In a way, Schumacher's political economy provided the earthborne grounding for the more skyborne aspects of his cultural ecology. And though Schumacher did not describe his politics and religion as explicitly feminine, his call for a redefinition of our relationships to one another and to nature in ways that were non-violent, harmonious, and intuitional, represented the "feminization" of political life that Falk describes. Through his emphasis on knowing through the "heart" as well as the "head", Schumacher's spirituality challenged the core of modernist metaphysics and epistemology and

⁶⁰ Falk, "In Pursuit of the Postmodern", op.cit.,5.

⁶¹ See Martin Heidegger "On the Origin of the Work of Art" in Poetry, Language, and Thought. In his description of the work of art, the "world" is the centrifugal and transcendent impulse while "earth" is the grounding, immanent, centripetal force.

provided a glimpse of an alternative politics of transformation. According to Theodore Roszak, Schumacher spoke to the need for a new politics and economics that were "... not afraid to discuss spirit and conscience, moral purpose and the meaning of life" and whose aims were to "... educate and elevate people, not merely to measure their low-grade behavior."⁶² Schumacher felt that contemporary society's deepening economic, ecological, political, and psychological problems also indicated the moral and spiritual vacuity of the modernist stance. He described this modernist rejection of religion and spirituality thus:

An important part of the modern 'program' is to reject religion as cheaply moralizing, outdated, ceremonial dogmatism, thereby rejecting the very force, perhaps the only force, that could wake us up and lift us to the truly human level, that of self-awareness, self-control, self-knowledge, and thereby, knowledge and understanding of others . . .

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Enlightenment notions about reason, material progress, individualism, and domination of nature had brought humanity to this spiritual crisis, he felt; and a new understanding of politics which would reevaluate humanity's relationship to nature and to spirit was urgently needed. He saw that modern scientism helped to marginalize spirituality, and in so doing, created the conditions for its later return in the excesses of fundamentalism. The loss of meaning resulting from the West's attachment to instrumental reason, materialism, and individualism had taken its toll on inner life in the modern world. He saw that fundamentally new and better relationships were necessary to address the underlying roots of this condition. Politics,

⁶² Theodore Roszak in the introduction to Schumacher's Small Is Beautiful (New York: Harper and Row, 1973), 9.

⁶³ R.F. Schumacher, 1977, 85. As previously noted, his earlier rejection of religion notwithstanding, he came to recognize its relevance to the cultivation of self-awareness.

economics, and art should all be vehicles to direct *Homo Viator* towards his/her higher purpose. In this sense, these discursive practices should facilitate spiritual transformation. But, according to Schumacher, the modernist discourse has debunked any notion of "higher purpose", and these practices now serve power, egoism, and fantasy. Yet, modernity also bequeathed human beings some precious gifts that Schumacher appreciated. The modernist emphasis on the individual, critical reason and science, the nation state, and the generation and reorganization of material wealth, contributed its own valuable "deconstruction" of the ancient and medieval world. But now when the modernist paradigm no longer "works" and is no longer "adequate" to the interpretive and practical tasks at hand, a postmodern critique arises. Thus, for Schumacher, these modes, these rituals of power, are used according to their "fit", according to what is appropriate for the need, context, or culture. This correspondence or proportion between what is needed and what is adequate to address these needs, is what must be cultivated. In this way, the postmodern allows us to choose not only from the array of forms of life that are present to us, but also from those forms of past and future that constitute the co-presence, the horizons of the modern. In this way, the premodern, modern and postmodern, dwell simultaneously together even though we are habituated to the modern and tend to organize the world through its discursive practices. For example, the premodern world was organized by a sense of telos, a common good, a universal and eternal standard that bound people together. There was no sense of individual freedom because the self only existed as part of a homogenous communal body. But the heterogeneity and pluralism of the modern world no longer provide a sense of common direction or purpose to give meaning to individual lives. The rootless individual is now thrown into

a "war of each against all", where one is "free" to pursue--but be constrained by-- self-interest. The interpretive framework of the modern is based on will and power rather than on "higher" goods like justice. The modern individual is "free"--and some more than others--but for what purpose, Schumacher asked. A postmodern discursive practice (in the sense that has been developed) opens up, clears the political space for new relationships between the forms of life. In this way, in a postmodern context, the individual can be "disciplined" and guided by a sense of common purpose, and the community is in turn "disciplined" by the autonomy of diverse individuals. In such a context, both the individual and the community are transformed, for this postmodern sense of a common good is not the fixed, eternal, and abstract ideal of the premodern world, just as the postmodern sense of the individual is not the selfish, Hobbesian, egoist of modern liberal discourse and practice.⁶⁴ A postmodern sensibility like Schumacher's envisions the rich multiplicity of these forms of political discourse and practice. Because we see through the lenses of the modern, we have trouble seeing "it" as such. Only by displacing ourselves from the modern, by stepping back and seeing its opacity as an object itself, do we glimpse its real contours.⁶⁵ In this way the postmodern simultaneously envisions both

⁶⁴ In many ways, this development echoes that of the three schools of jurisprudence--natural law, positive law, and sociological law. The first focuses on universal, eternal moral truths which guide small, homogenous societies based on shared beliefs. The pluralism of modernity encourages a positivist interpretation which focuses more literally on language and formal procedure. The sociological interpretation attempts to reintroduce a sense of morality or the good but now based on the diverse problems and possibilities of specific communities rather than on an absolute moral standard.

⁶⁵ See Jean DeBaudrillard. In the Shadow of the Silent Majority (New York: Semiotext(e), 1985.)

modes, i.e. it sees through the filter of the modern, but also sees it as an object whose edges become clearly defined. Only at this threshold, when we have experienced a displacement towards the premodern or the postmodern can we clearly recognize the world into which we have been thrown. In the words of Richard Falk,

To be postmodern we need to develop the practice and nurture the consciousness that simultaneously inhabits premodern, modern, and postmodern realms of actual and potential being.⁶⁶

Only by dwelling at the edges of the modern, can we adequately navigate through these different worlds, according to Schumacher.

As already mentioned, the distinctions between premodern, modern and postmodern do not refer to discrete periods in history or to discontinuous world views so much as to heterogeneous practices and discourses. Schumacher's vision included this combination of interpenetrating forms which create the space for new alternatives to emerge.⁶⁷ But what does this postmodern politics look like in terms of concrete practices?

Beyond the modern, a politics is emerging with a new dimensionality: non-violent, militant, feminized, transnational, grassroots, informal, and inspired by premodernist wisdom and insight.⁶⁸

Falk echoes much of what Schumacher discovered in his exposure to other cultures--that there is great wisdom in the pre-modern ethos which the modern world may need to resuscitate if it is to survive. The image of the future for Schumacher was one in which a rich multidimensional array of

⁶⁶ Falk, "In Pursuit of the Postmodern", 28.

⁶⁷ See Richard K. Ashley. "The Geopolitics of Geopolitical Space: Toward a Critical Social Theory of International Politics" in Alternatives, Vol. XII, No. 4, Oct. 1987.

⁶⁸ Falk, "In Pursuit of the Postmodern", 23.

alternatives--pre-modern, modern, and post-modern--made it possible to affirm the best of each form. As we have seen in both his political economy and his cultural ecology, Schumacher recognized the enormous value of the pre-modern ethos which emphasized organic wholeness and common meaning. Falk acknowledges this benefit as well in noting that

The appeal of premodern politics, especially when not hidden by layers of sentimental nostalgia, is its experience with holistic patterns of practice and with minimal institutional structure.⁶⁹

The experience of intimacy, connectedness, and coherence which characterized, for better and worse, premodern communities, was partially due to the simplicity of these institutions. Schumacher felt that there is much to be learned from such experiences of scale and proximity. He did not romanticize pre-modern, traditional modes of life for he also saw their weaknesses; but he recognized their great and underappreciated value. He encouraged an attitude that would celebrate the valuable heterogeneity of all three modes.⁷⁰ Schumacher had a profound appreciation, both theoretically and practically, of this rich interpenetration of the discourses and practices of pre-modern, modern and postmodern worlds.

According to Falk, signs of this new politics are seen in the emergence of new social movements, both local and global, and their emphasis on popular sovereignty, international human rights, and the sharing of transnational information. Postmodern practices can include the transformation of traditional institutions such as political parties as well as the creation of new

⁶⁹ Ibid., 24-5.

⁷⁰ At a different, but related level of discourse, Paul Ricoeur talks about the relationship between "heterogeneous temporalities" in Time and Narrative (Chicago: Univ. of Chicago, 1984.)

channels of participation. But, at the same time, according to Schumacher, the solutions to problems that afflict us are not simply to be found in incremental improvements, better leadership, or partial reform. Our dilemmas are deeper and more structural and can only be addressed at these fundamental levels. Schumacher asked:

does it still look probable or plausible that the grave social diseases infecting many rich societies today are merely passing phenomena which an able government -- if only we could get a really able government! -- could eradicate by simply making a better use of science and technology or a more radical use of the penal system?⁷¹

Schumacher's growing disenchantment with the modernist faith in enlightened government and scientific progress led him to seek deeper explanations for and solutions to human suffering. He grew to realize that large-scale institutions could not provide answers to the severe crises of modernity. Institutions are one of the fruits of our labor, but work, in Schumacher's view must not only be productive but also expressive of human creativity and solidarity⁷². For Schumacher, modern institutions failed on all these counts. This failure was symptomatic of an underlying moral and spiritual malaise that was partially the result of misguided modernist expectations.

Before we examine more of Schumacher's postmodern vision of politics, it is helpful to understand something about his own political transformation, keeping in mind that for him the political was always intimately connected

⁷¹ E.F. Schumacher in "Economics of Permanence" in Theodore Roszak (ed). Sources, (New York: Harper Colophon, 1972), 363.

⁷² See E.F. Schumacher. Good Work (New York: Harper and Row, 1979) where he discusses the three purposes of work.

to the personal, the historical and the sacred. As previously mentioned, Schumacher "discovered" politics when he was exposed to Marxist thought during his internment in a British camp for enemy aliens in 1937. He continued, after his release, to immerse himself in the socialist literature that he eschewed in his earlier training at New College. He described this discovery of the relationship between economics and politics in a letter to his old Oxford friend, David Astor.

My intense interest in socialism, is, as you know, a new departure. . . For years I have been studying economics without paying much attention to politics. Now I realize two things: 1) that economics without politics is almost meaningless, because certain *tacit assumptions regarding the social and political structure are always present*, and 2) that most of my economic results, independently arrived at, appear to be more easily compatible with socialism than with any other political 'ism'.⁷³ (my italics)

Schumacher's earlier assumptions about value-free economic theory removed from ideology and politics had broken down by the time he encountered Marxism. As previously mentioned, the transformation of his perspective was due not just to the ideas of Marx, Lenin, Trotsky, but to the concrete conditions that provided the experience for this change of perspective. Though he did not feel that all of Marx's conclusions were correct, he realized that the scope and depth of Marx's critique of capitalism made it absolutely necessary to contend with this thought. In his early readings, writings, and speeches, Schumacher used a socialist frame of reference to organize his theoretical and practical world. He felt that his task as an economist was to provide expertise about means for the ends which were determined by cultural values or political priorities. Rather than

⁷³ E.F. Schumacher. Letter to David Astor written from Eydon; quoted in Wood, 1984, 136.

distilling economic theory from the concerns of other disciplines as liberal economic theory tended to do, he saw the intimate connections between economic means and political ends in a way that proclaimed "economics as if people mattered". It was necessary to step back and ask what is the purpose, the meaning, the direction of economic activity in order to assess its worth. But Schumacher also felt that although spiritual or cultural values may guide or orient human activity, it was necessary to start with the economic base that made such superstructural activities possible. Always the activist, he said, "Do not wait for the spiritual revolution . . . change the environment".⁷⁴ In his later work, however, he explicitly called for multiple forms of transformation--personal, political, economic and spiritual/cultural.

Schumacher was pleased that he arrived at his conclusions about socialism on the basis of his own experience rather than through the route of idle, disembodied theory. He felt that to arrive at a universal or collective truth through the struggle of one's own journey was to appreciate the connection between theory and practice more profoundly. He described his own process of learning and his discovery of socialism in the following:

I am an economist, thoroughbred, so to say, in the tradition of liberal or classical economics. But in spite of this theoretical breeding I have seen a good deal of the practical working of our economic system on the Continent, in Britain, Canada, and the United States. These experiences have led to a development of my economic views, so that a short while ago, without ever having read a single book of Socialist (or Common Ownership) literature, I had arrived at views which I now find compatible with and exceedingly close to those held by the progressives of the 'left'. They may smile at me for having discovered America for myself after so many had already successfully made the journey. But at least I have got there on my own little ship, under the

⁷⁴ E.F. Schumacher, quoted in Wood, 1984, 138.

steam of my own efforts, and I now know the way there perhaps better than those who got across on one of those luxury liners of ossified doctrine.⁷⁵

Schumacher's description of his own learning with its emphasis on practice and personal understanding, provides important insight into his views about political life. His ideas were always grounded on the integrity and affirmation of the person, and he placed great value on participation and hands-on experience. Both individual initiative and collective purpose were important dimensions of a meaningful politics. Both pragmatic details and an overarching plan were part of his vision of political life. The evolution of Schumacher's views demonstrated his growing awareness of the interconnectedness between economics, culture, politics and values. Even in his early analysis of British socialism, for example, he delineated the multidimensional nature of its origins.

British socialism began, and is only to be understood, as a movement of protest and rejection. It sets its face against the exploitation and pauperisation of the masses (an economic critique), against the degradation of the individual and the deprivation of his rights (a political critique), against the uprooting and debasement of people and their standards (a social and cultural critique), and against the entire system of values of capitalist society (a predominantly religious and ethical critique).⁷⁶

In this way, Schumacher's deconstruction or negation of modernism took place at economic, political, social/cultural and religious/ethical levels simultaneously. The positive and reconstructive proposals of his politics also had multi-dimensional goals and consequences. He recognized that

⁷⁵ E.F. Schumacher. 1942 letter to socialist writer Sir Richard Acland, quoted in Wood, 1984, 137.

⁷⁶ E.F. Schumacher. "Die Sozialisierung in Grossbritannien", in Wilhelm Weber (ed.). Gemeinwirtschaft in Westeuropa (Gottingen: Vandenhoeck and Ruprecht, 1962).

classical liberalism's emphasis on individual freedom must be combined with socialism's emphasis on equality, and finally with the fraternity or solidarity of genuine community. Accordingly he described what this reconstruction of society would involve:

... there is the all-embracing, and for that reason scarcely definable, aim of a 'reconstruction of society' in accordance with the ideals of liberty, equality, and fraternity, thus to discourage people's egotistical impulses and afford the greatest possible scope to their co-operative and unselfish inclinations.⁷⁷

Schumacher recognized the importance of a postmodern public philosophy that reinforced the best in people--cooperation, harmony, altruism-- rather than their Hobbesian worst. In this way, people can resign themselves to a modernist framework with its Cartesian, Hobbesian, Newtonian assumptions about human beings and their interactions, or they can, as Schumacher did, work on this framework at the margins.

As previously mentioned, Schumacher rather consistently emphasized the important role of the powerless, the marginal, those who live closer to the edges, in assessing the goals of a social system. For Schumacher, those who dwell on the borders of power may be those most able to see clearly its effects. Having less to lose and being in some ways displaced from the illusions of power, the powerless may be able to envision alternatives more readily. Schumacher consistently located himself on the side of the powerless, and he saw that one of the goals of a political system was to protect those who were weak, defenseless, and exploited. Thus, another fundamental goal in the reconstruction of society

⁷⁷ Ibid.

is the narrower, but on that account also more concrete, aim of giving protection and justice to all those who under the existing system are regarded and treated as a means to an end, as a mere 'factor of production', including all the weak and the defenceless who possess nothing but their labor power, and who may often even have lost that.⁷⁸

In the context of British socialism his categories of reconstruction still retain some of the modernist and paternalistic overtones of state socialism. But later he came to recognize that those at the fringes, in developing countries, for example, may have an epistemological advantage over those in the center of developed worlds who may be more hypnotized by the illusions of the modern dream.

We see other dimensions of Schumacher's reconstructive political project in his understanding of democratic participation. His image of transformative democratic practice went much further than expanded political participation. He advocated what might be described as "deep democracy"⁷⁹ in that it called for democratization at many levels of discourse and practice. At one level and in the context of western socialism, his vision of "re-shaping of patterns of life and work" pushed democratic participation beyond the legal and political sphere to the basic economic relations of production. The kind of worker participation he espoused involved a deeper degree of democratization of the relations of production than had previously existed. He saw that a politics of transformation must go beyond formal and procedural democratization in order to reshape the economic and cultural contours of society. In short,

⁷⁸ Ibid., 115.

⁷⁹ Benjamin Barber talks about "strong democracy", but this notion tries to evoke the image of a multi-levelled and deeply internalized democratic practice.

it is not sufficient just to give protection and justice; there must be an actual re-shaping of patterns of life and work, in other words a democratisation of economic and industrial management, so that each and every individual concerned in a production process can have a responsible share in determining the conditions of his productive activity.⁸⁰

This emphasis on workplace democracy underscored the importance of personal freedom and responsibility in determining the conditions of economic production. For Schumacher, work not only produced necessary goods and services, it was also a means for developing skills and talents and a vehicle for serving one another in communities of solidarity.⁸¹ Planning and other means of making production more efficient were important for raising living standards, but efficiency was only one goal of good work.⁸² Too much planning could easily undermine the creative development of individual skills and suffocate a genuine and spontaneous sense of community. This concern about reconciling planning and freedom was an abiding political question that preoccupied Schumacher. For despite his appreciation of socialism, he was never comfortable with the loss of personal freedom that he feared accompanied too orthodox an interpretation of Marx, though he was even more critical of the dangerous inequities that resulted from free market mechanisms in global or domestic economies.⁸³ In the first stage of his socialism, Schumacher thought that state planning could reorient the priorities that had been skewed by concentrated capitalism. While Hitler still held Germany in his grip, Schumacher hoped for a Marxist revolution to transform that system. When no workers' movement emerged in Germany,

⁸⁰ Schumacher, 1962.

⁸¹ E.F. Schumacher. Good Work. (New York: Harper and Row, 1979.)

⁸² Schumacher, 1962.

⁸³ Wood, 1984, 140.

he realized that it was going to be up to the Allies to create the new Europe. His hope was that this creation would combine all the best features of the West--"the noble political ideals of liberty, freedom of speech, human rights, and a decent government which respected the individual"--as well as the the economic planning of the Soviet Union.⁸⁴ In a later synthesis, Schumacher recognized the need to go beyond the materialism of both modern socialism and capitalism to include other forms of personal, political and spiritual transformation. After his experience in Burma and his deepened understanding of the role of religion, culture and values in genuine transformation, Schumacher became progressively more skeptical about the possibilities of large-scale organizational reform and turned increasingly to a vision of small-scale, multidimensional change. In such a postmodern reconstruction of society, Schumacher's "re-shaping of the patterns of life and work" also included the transformation of cultural productions. He came to appreciate that the discourses of meaning embedded in modern society's communicative, educative, and cultural practices, must also be transmuted.

Some of the postmodern sensibility in Schumacher's critique of modern liberalism is echoed in Benjamin Barber's Strong Democracy: Participatory Politics for a New Age⁸⁵. Like Schumacher, Barber claims that the "crisis of democracy"⁸⁶ in the West today has occurred because democratic practice has been chained to an anachronistic Newtonian/ Cartesian/Hobbesian

⁸⁴ E.F. Schumacher in Wood, 1984, 142.

⁸⁵ Benjamin Barber. Strong Democracy: Participatory Politics for a New Age (Berkeley: Univ. of Ca. Press, 1984.)

⁸⁶ Since the 1960's, political scientists have been concerned about this crisis; some, like Huntington claim it is the result of too much participation, while others, Barber included, advocate even greater participatory democracy.

framework. Barber asserts that the psychological, epistemological, and metaphysical assumptions underlying modern political and economic theory have undermined democratic participation. Modern representative democracy is based on minimal participation which expects very little of its citizens and effectively reduces politics to "zookeeping", Barber claims.⁸⁷ Rather than evoking the best aspects of individuality and/or community, these presuppositions about human nature and purpose expect and elicit the worst. According to Barber, it is necessary to rethink this relationship between political practice and the assumptions of modern liberalism in order to strengthen democracy and to free political participation of its theoretical fetters. In contrast to the narrow understanding of political participation and human psychology that characterizes liberal, representative democracy, Barber calls for forms of democratic practice which transcend Hobbesian and Cartesian assumptions about self and society. He claims that a major obstacle to this expanded political participation is the Judeo-Christian obsession with the ego, or the individual self, which is the basis of all modern western political philosophy.

As previously discussed, Schumacher's vision prefigured much of this critique of modern liberalism's discursive practices. His work demonstrated the destructive consequences of this narrow view of human nature and purpose. According to both Schumacher and Barber, our "possessive individualism" ⁸⁸ is the result of the atomism and dualism of our Newtonian/Cartesian/Hobbesian discourse and practice. Barber, mirroring

⁸⁷ Ibid., 3-26.

⁸⁸ C.B. MacPherson. The Political Theory of Possessive Individualism (Oxford: The Clarendon Press, 1962.)

Schumacher, calls for new forms of political participation to enhance democratic ways of knowing, acting, and being. He claims that only by doing do we come to know in ways that encourage real community and common purpose. Barber proposes that energetic, democratic participation-- 'strong democracy' as he calls it-- itself constitutes a new epistemology, a new way of knowing. Drawing heavily on Dewey⁸⁹, Barber emphasizes this intimate connection between knowing and doing, between a new epistemology and a reinvigorated democratic politics.

Barber further explores the inertial frames, the fixed conceptual grids through which we think and act in order to understand the way they have affected political participation. Just as Newtonian physics rests upon a background of assumptions which arrange the fixed filters through which the world is observed, so liberal theory provides the lenses which structure our perceptions of the political world. Just as the supposed certainty of the results from use of the scientific method rests on these unexamined presuppositions which configure and delimit our perceptions, so our political "certainty" rests on the unquestioned liberal filters which organize and constrain our perceptions of the social and political world. Thus when scientific methods and procedures are appropriately and consistently applied, the results of inquiry are assumed to be valid.⁹⁰ We assume that the "facts", the "data" of the external world are objective when we hold steady the deductive lenses of science through which we view the world. In a similar fashion, liberal theory assures democracy by protecting its

⁸⁹ There has been a renewal of interest in John Dewey's work lately. See, for example, C.A. Bowers. Elements of a Post-Liberal Theory of Education (New York: Teachers College, 1987.)

⁹⁰ Ibid., 28

procedures rather than by assessing its deeper preconditions or results. According to Barber, the preconceptual filter through which we view politics is, like a Newtonian inertial frame, an unquestioned starting point. This framework includes the Hobbesian assumptions we have about human nature and interaction. We thus tend to think about our political lives as if we were isolated fragments colliding and competing with one another in a warlike state of nature. The isolation and privatization that are the result of this excessive Hobbesian and Lockean individualism, eviscerate the public sphere and privatize processes that should be collectively shared, according to this perspective. Hobbesian presuppositions about human nature and purpose compel, and from a postmodern stance, distort our image and experience of politics. Like Schumacher, Barber feels that this deeply recorded Cartesian epistemology reinforces our illusions about social and political life by imposing a reductionistic and dualistic methodology on our view of reality⁹¹. What Barber proposes is a new way of knowing not based on fixed liberal assumptions about human nature and purpose, but on a more dynamic view in which the process of participatory politics itself constitutes a new epistemology. If genuine democracy is to be created, according to Barber, it must be separated from those aspects of liberal theory which debilitate political participation. We need to free ourselves from the reference frames through which we view modern life and politics in that they conspire to undermine both vital democratic participation and a sense of political community. Barber describes this condition in the following way:

⁹¹ Ibid.

Oblivious to that essential human interdependency that under-lies all political life, thin democratic politics is at best a politics of static interest, never a politics of transformation; a politics of bargaining and exchange, never a politics of invention and creation; and a politics that conceives of women and men at their worst (in order to protect them from themselves), never at their potential best (to help them become better than they are).⁹²

Barber's description of the "thin" democracy that results from modern liberal theory echoes Schumacher's criticism of modernist cultural ecology. According to Barber, "thin" democracy tends to reinforce the worst in people by catering to interest and power. Rather than cultivating transformation of self and community, this devitalized politics requires and expects the very least from people. Based on the assumption that self-interest is the immutable and primary characteristic of human nature, this politics resigns itself to policing human behavior. It does not speak to the true potential in human individuals or in human communities. Barber recognizes the centrality of speech in this "strong" democracy, and thus a key component of his new politics is democratic talk. This reinvigorated form of dialogue will come out of the experience and interaction of a revitalized public. A new political practice will form the basis for new postmodern discourse about human nature, purpose, and knowledge, he claims.

In another vein, Schumacher's intimation of a postmodern politics even went so far as to challenge and attempt to transform basic modernist assumptions about time and space. He worried about our inability to find an appropriate time frame and a safe speed of development. In this way, he anticipated Virilio, who claims that the modern world is experiencing "deterritorialization", "dematerialization" because of the pursuit of

⁹² Ibid., 24-25.

instantaneousness, simultaneity, ubiquity.⁹³ "Technology is what allows this ubiquity", Virilio states, and the modern tendency is towards "proximity, the single interface between all bodies, all places, all points of the world."⁹⁴ As previously mentioned, Schumacher prefigured this concern about the collapse of space resulting from the increasingly dense homogeneity of modern life. The speed of the technological race which propels us violently forward leaves fewer moments of openness and possibility. In this way, we have filled up all the open spaces and have made all places the same, he claimed. This modern attempt to encompass everything and be everywhere at once by moving further and faster has distorted the way we think about the world, one another, and ourselves, Schumacher felt.⁹⁵ Instead of being citizens who participate in the life of a community, people in modern life see themselves as passengers in transit, constantly moving and settled nowhere. According to Virilio, the representative public space in modern time has become the airport, which he describes as "the intersection of practicabilities of time, of speed."⁹⁶ It is not that we are at home everywhere, but that we are at home nowhere; we are all homeless in the modern world. For Schumacher, it was necessary to rediscover, to remap, to unsettle the space that modernity has conquered. This transformation involves both the deconstruction of modernist categories of time and space and the reconstruction of postmodern ones. Only a postmodern emphasis on the specificity and diversity of place can discipline the modernist tendency towards convergence that would make all space the same. According to Schumacher, the modern world has become caught up in and enslaved by

⁹³ Paul Virilio. Pure War; (New York: Semiotext(e), 1983.)

⁹⁴ Ibid., 65.

⁹⁵ Schumacher, 1979, Chapter 3.

⁹⁶ Ibid., 65.

this frenzied pace of development, which spins it further and faster out of control. As the dangerous modernist momentum threatens human survival, the image of the future rapidly shrinks and compresses. But to shift from one discourse and set of practices to others in order to avoid individual and collective self-destruction is required. According to this postmodern sensibility, survival may depend upon prying open the conception of space/time as it was defined by Enlightenment categories and upon introjecting an alternative image of the future. A politics of transformation is needed to reexamine all of these fundamental notions about the person, history, and nature. Expressing Schumacher's basic insight in different words, Virilio claims that what is needed is a new "chrono-political" understanding, a new way of thinking about time and its relationship to political life. A "true vectorial politics—something like a democratic speed"⁹⁷ is what is needed to synchronize and harmonize the rates and rhythms of development, Virilio claims. Schumacher himself tried to articulate notions of space and speed that would be conducive to genuine liberty, equality, and solidarity. His emphasis on scale and synchronicity illustrates an attempt to create an image of the future that is both a guide and a journey.

At another level of discourse, it is possible to see that Schumacher's concept of work⁹⁸ is yet another expression of his principle of *adaequatio* and one of the central contributions of his postmodern politics. For it is the dynamic of work that synchronizes all forms of transformation--personal, political, historical and sacred. Work enables one discover, to unsettle, and to

⁹⁷ Ibid., 65.

⁹⁸ It is interesting to recall that Schumacher also talked about the inner "work" which was the spiritual discipline to enhance awakening.

transform the internal and external landscapes. In his last book, published posthumously, the centrality of work to his whole vision is emphasized; for it is in actual activity, in work, that theory and practice are reconciled.⁹⁹

For Schumacher there are three fundamental purposes for work: the first and most obvious is the production of the goods and services necessary for a given society to survive and thrive. The second purpose is to express and perfect the talents and skills with which humans have been endowed. Finally, work gives people an opportunity to serve others and to cooperate with them in order to free themselves from selfishness.¹⁰⁰ Thus it can be clearly seen that he was not only interested in the production of external, material resources but in those which are immaterial such as initiative, imagination, and compassion. Schumacher was struck by how little attention was actually devoted to work even though it occupies such a central role in our lives. And even less attention is given to understanding the effect of work on the person and his/her real needs. He wrote:

The question of what the work does to the worker is hardly ever asked, not to mention the question of whether the real task might not be to adapt the work to the needs of the worker rather than to demand that the worker adapt himself to the needs of the work-- which means, of course, primarily to the needs of the machine.¹⁰¹

In such thinking, Schumacher sounded much like early Marx ¹⁰² when the latter described the four effects of alienating work. According to Marx, alienating work first separates us from the objects of work and in fact from

⁹⁹ E.F. Schumacher. Good Work (New York: Harper Colophon, 1979.)

¹⁰⁰ Schumacher, 1979, 3.

¹⁰¹ Schumacher, 1979, 3

¹⁰² Karl Marx. "The Economic and Philosophic Manuscripts of 1844" in Robert Tucker (ed.). The Marx-Engels Reader, 2nd ed. (New York: W.W. Norton, 1972).

all objectivity, i.e., nature. In addition, it removes us from the very activity of work, from our own experience, because of its stultifying nature. Dehumanization also results in alienation from others who also participate in this work process. In turn people are estranged from their very species identity, from the "free conscious activity"¹⁰³ that makes them human beings. In this condition, the creative, open-ended activity that should define individual and collective identity is appropriated. Instead of living in order to work, in the fullest and most meaningful sense, we work, in an alienated sense, in order to "live" in the meager sense that remains. The only realm of relative freedom is that of private life, for public life, much of which is defined by work, has now been appropriated for private ends. If part of the fundamental meaning of human life is to be found in cooperative service to others, as Schumacher and Marx suggested, this alienated labor constitutes a painful degradation of human identity. Schumacher expressed deep concern that industrialism, whether in capitalist or socialist form, will have this alienating effect. He described modern industrial society accordingly:

Mechanical, artificial, divorced from nature, utilizing only the smallest part of man's potential capabilities, it sentences the great majority of workers to spending their working lives in a way which contains no worthy challenge, no stimulus to self-perfection, no chance of development, no element of Beauty, Truth, or Goodness.¹⁰⁴

Schumacher wanted to develop conditions and contexts where work could be more creative, democratic, and genuinely fulfilling. But large-scale organization leads to excessive complication and also facilitates authoritarian tendencies. Because such a system runs on and requires private monetary

¹⁰³ Karl Marx. "Economic and Philosophic Manuscripts of 1844" in Robert Tucker (ed.). The Marx-Engels Reader. 2nd ed. (New York: W.W. Norton, 1972).

¹⁰⁴ Schumacher, 1979, 27.

gain, it cultivates greed, envy, and avarice, according to Schumacher.¹⁰⁵ It also ends up in manipulation of people through cultural and spiritual exploitation.

Danilo Dolci reflected something of Schumacher's attitude about the primacy of meaningful work and the inappropriateness of complacent optimism or despairing pessimism in the following:

There are moments when things go well and one feels encouraged. There are difficult moments and one feels overwhelmed. But it's senseless to speak of optimism or pessimism. The only important thing is to know that if one works well in a potato field, the potatoes will grow. If one works well among men, they will grow-that's reality. The rest is smoke. It's important to know that words don't move mountains. Work, exacting work, moves mountains.¹⁰⁶

Schumacher's final counsel at the end of A Guide for the Perplexed is to "leave the perplexities behind and get down to work".¹⁰⁷

Marge Piercy's novel, A Woman on the Edge of Time,¹⁰⁸ portrays two starkly different alternative futures, two contrasting images of the world. Her heroine is both personally and politically powerless in a modern world that is governed by violence, money, and greed. Piercy suggests, in fact, that it is her heroine's very marginalization that enables or requires her to transport herself to alternative futures. One is a nightmarish world that is

¹⁰⁵ Ibid., 29.

¹⁰⁶ Danilo Dolci. Quoted in War Resister's League calendar, 1982.

¹⁰⁷ E.F. Schumacher. A Guide for the Perplexed (New York: Harper and Row, 1977), 140.

¹⁰⁸ Marge Piercy. A Woman on the Edge of Time (New York: Fawcett Crest, 1976.)

mechanized, completely artificial, and totally controlled. People are isolated from one another and manipulated through their prefabricated fantasies.¹⁰⁹ On the other hand, Piercy's positive and visionary community is organic, decentralized, participatory, intimate and sensual. In the gargantuan dystopia, technology rules, in fact, enslaves, while in Piercy's utopia, it is appropriately and creatively used to pursue human-scaled goals. It needs to be emphasized that the second community does not reject technology, but uses it in creative, human-centered, and participatory ways. Piercy mirrors countless others who, having glimpsed the nightmare of the "super-modern" future, have worked for an alternative. Her second image is that future in which technology is proportionately used in the service of authentically human priorities; her image of the future is in many ways, a concretized illustration of Schumacher's political economy and cultural ecology. Hers is a postmodern narrative that articulates a landscape where one suspects Schumacher himself would like to live, one where strong and self-aware individuals are connected to a diverse and democratic communities, to the rich offerings of nature and culture, and to the spiritual map that describes it all. Theodore Roszak posits this vision which rejects romanticizing nature and community even as it abhors a world dominated and exploited by technology.

[This] image of the post-industrial future does not rule out the survival of cities or of selective industrial production. It is emphatically not an anti-technological choice; it is rather a matter of keeping first things first ¹¹⁰.

¹⁰⁹ This image is similar to that portrayed in Fritz Lang's "Metropolis" or the more recent film, "Brazil". It also suggests, of course, the classic in this genre, Orwell's Animal Farm, and 1984.

¹¹⁰ Roszak, 1972, 416.

Perhaps no other contemporary thinker has reminded us as poignantly or as precisely as Schumacher of the importance of "keeping first things first".

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