**Small is beautiful – an economic idea that has sadly been forgotten**

By Madeleine Bunting in the guardian.co.uk, Thursday 10 November 2011

**It is chilling that so many thinkers, politicians and academics have signed up to the deadening consensus of globalisation**

EF Schumacher's Small is Beautiful was the first book on politics I ever read; it was the only book about politics I ever saw my father read or heard him talk about. It arrived in our cottage in rural North Yorkshire as a manifesto from a radical countercultural world with which we had no contact. Re-reading its dense mixture of philosophy, environmentalism and economics, I can't think what I could possibly have understood of it at 13, but in a bid to impress my father I ploughed on to the end.

Looking back over the intervening almost four decades, the book's influence has been enormous. "Small is beautiful" was a radical challenge to the 20th century's intoxication with what Schumacher described as "gigantism". For several decades, mass production methods were producing more cheap goods than ever before; the mass media and mass culture opened up new opportunities to a wider audience than ever. It was creating bigger markets and bigger political entities – his book came on the eve of the vote on the European Common Market in 1975 – but he believed such scale led to a dehumanisation of people and the economic systems that ordered their lives.

 The Big Ideas podcast: EF Schumacher's 'small is beautiful' Link to this audio

One of the recurrent themes through the book is how modern organisations stripped the satisfaction out of work, making the worker no more than an anonymous cog in a huge machine. Craft skill was no longer important, nor was the quality of human relationship: human beings were expected to act like adjuncts to the machines of the production line. The economic system was similarly dehumanising, making decisions on the basis of profitability rather than human need: an argument that played out most dramatically in the 80s coal miners' strike. What Schumacher wanted was a people-centred economics because that would, in his view, enable environmental and human sustainability.

It was a radical challenge which, like many of the ideas of the late 60s and early 70s (feminism is another example), were gradually adopted and distorted by the ongoing voracious expansion of consumer capitalism. Niche brands such as The Body Shop in the UK or Ben & Jerry's ice-cream in the US attempted to build a "small is beautiful" model of economic enterprise that put relationship, craft and environment at the heart of their way of working. They were later snaffled up by corporate giants. Small became cool but only as part of a branding strategy which masked the ongoing concentration of political and economic power. Gigantism has triumphed.

The power of the global multinational and the financial institutions was beginning to become apparent in the early 70s, but it has grown exponentially since, unaccountable to national governments. Schumacher warned that a city's population should not rise above 500,000, but we are now living in an era of the megapolis and several cities around the world are heading towards 20m. Schumacher would be weeping over his herbal tea at the fate of his big idea.

However, small is beautiful is an idea that keeps reappearing – the latest incarnations are farmers' markets, and local cafes baking homemade cup cakes – because it incorporates such a fundamental insight into the human experience of modernity. We yearn for economic systems within our control, within our comprehension and that once again provide space for human interaction – and yet we are constantly overwhelmed by finding ourselves trapped into vast global economic systems that are corrupting and corrupt.

Many of the issues Schumacher raises we are still wrestling with. He questioned the shibboleth of economic growth as the central preoccupation of politics; he talked of resource constraints on economic development. Above all, he insisted again and again that human happiness would not be achieved through material wealth. He had a vision of human need that would strike a 21st-century reader as oddly puritanical, and his frequent references to Burma as a model jar badly.

But his point is still valid as the wellbeing debate today demonstrates; despite our increased wealth since the 70s, we are no happier. Schumacher warned against exactly the issues we are now dealing with as levels of mental illness – depression, anxiety, panic attacks, stress – rise and the World Health Organisation predicts that depression will be the second most common health problem in western developed nations by 2020. This was what Schumacher feared, and his answer was "small is beautiful". Go back to the human scale: human needs and human relationships, and from that springs the ethical response of stewardship to the environment.

What is most striking about the book now is its bold idealism. No one writes like that now; reading Schumacher's bracing prescriptions for our future, it is chilling to realise how so many thinkers, politicians, academics have all signed up to a deadening pragmatic consensus and our thinking has been boxed into a dead end of technocratic managerialism. Small is beautiful is the cry of the romantic idealist, and there seem to be none left.