



'small is beautiful'



what is it?

It's a philosophy that favours small businesses over large ones - small shops and restaurants rather than enormous supermarkets and chains; small farms and smallholdings rather than huge monoculture agribusiness; small-scale manufacturing rather than corporations; local credit unions rather than multinational banks.

The reasoning is that the scale of large businesses subverts democracy, damages nature, provides unfulfilling work and blandness instead of uniqueness. 'Small is Beautiful' was the title of a 1973 book by E. F. Schumacher, who went on to found the Intermediate Technology Development Group (now Practical Action), helping to set up small enterprises in less-developed countries. The introduction of corporate plantations and factories into those countries destroys small farms and businesses and forces people into grindingly boring, unskilled and exhausting work for very little money.

Distributism: was an early 20th-century movement urging that power be spread thinly through society, not concentrated in corporations or the state. In capitalism, the means of production (land, tools, buildings, machinery) are mainly owned by large businesses, and under socialism, the means of production are mainly (or completely) owned by the state. In a distributist society, everyone owns the means of production, either individually, or in partnership / co-operatively with other people.

So small farmers own their land, tractors etc; self-employed plumbers own their tools; shopkeepers own their shops; software developers own their computers; small manufacturers own their machinery; and everyone owns their own home - either individually or as part of a co-op. It's not about redistributing wealth, it is about redistributing ownership of the means of production, so that people can generate their own wealth.

Neither socialism nor capitalism: the message to socialists is that collective ownership of the means of production works well on the small, local scale - housing co-ops, worker co-ops, communes, partnerships - but not on the large-scale because it concentrates power in the wrong hands. On the large scale, the qualities rewarded mean that given time, power is concentrated in the hands of people like Stalin and Mao.

The message to capitalists is the same - private ownership of the means of production works well on the small, local scale - small businesses and shops, smallholdings, family firms, self-employment - but not on the large scale because it concentrates power in the wrong hands. On the

large scale, the qualities rewarded for success mean that given time, power is concentrated in the hands of the major shareholders and chief executives of large banks and corporations.

Politically, it's about the principle of subsidiarity - that decisions should be made at the lowest, most local level that can deal with them. That's it - it's not about destroying competition or the market. The opposite of competition is not co-operation or collectivism, it's monopoly.

Guilds: were associations of craftsmen or merchants in the late Middle Ages. They could be revived as guarantors that small businesses don't become large corporations - or even that some trades only contain self-employed people. They arose in Medieval cities as membership organisations for one trade only. Think of doctors - they have to have a long probation period to check if they are able to do the job properly. They don't advertise, they don't compete for patients, they collaborate when it comes to information, and they need to abide by the rules (of honour) of their association or they're not allowed to ply their trade. So it would be for any trade - via self-imposed regulation, apprenticeships and codes of honour.

Guilds differ from trade unions in that unions were set up to protect the interests of workers against those of owners. With the guild system, workers and owners are the same people - there's no class conflict. And guilds make large projects possible by networking small firms to work together, rather than the work having to be done by large corporations or the state. Trade unionism and social democratic policies are redistributist rather than distributist. They try to cut up the pie into more equal slices - but it's the same pie. The 'small is beautiful' concept is about making a new pie - creating an entirely different type of economy.



SHUTS

Every little shop

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beautiful, and not so beautiful



what are the benefits?

- better stuff - a move towards the hand-made, and away from the mass-produced
- ends the left vs right battle that helps maintain corporate power; smallness involves left & right principles of freedom, independence, responsibility, unity, equality and mutual support
- better jobs that promote independence, responsibility and dignity - with a revival in apprenticeships to learn fulfilling trades
- better value for money - although more expensive to begin with. But if corporate goods carried the full price of the damaged lives and environments that they cause, they would be much more expensive
- smallholdings and small farms produce more food per hectare than large monoculture farms
- stronger, safer communities, more interesting High Streets, unique localities
- corporations suck money out of communities to pay distant shareholders; as well as ensuring we have to chase perpetual growth to give shareholders back more than they put in
- still a free market, but not the giant casino that is the global stock market, with huge financial rewards for bets placed rather than work done
- farmers own enough land to produce food for the local market and to support their families, not huge tracts of land that prevent other potential small farmers from having any
- no business would be 'too big to fail', and require taxpayers' money to bail them out
- creates lots of jobs; avoids the psychological and social problems caused by unemployment

what can I do?

First, read more - Lowimpact.org provide books via a network of independent bookshops. Then you can support the principle in two distinct ways.

On the demand side, people have to be ready to buy what small businesses are offering, so:

- use local shops, markets, independent restaurants, small businesses and co-ops rather than large supermarkets or chains
- try to buy goods produced locally and by small businesses, rather than large brands
- use credit unions / mutuals instead of big banks
- get a veg box delivery / visit a farmers market to support local food producers



beautiful & creative / ugly & exploitative

With some products and services this will be difficult (cars, phones, laptops etc.), but let's do what we can now and see what develops. 3D printing and micro factory retailing are interesting developments that may obviate the need for large amounts of capital and huge factories.

On the supply side, there have to be local, small businesses for people to buy from. So, why not start one? If you don't have the necessary skills to make, fix, grow, install or build things, we can help you. It may require some downshifting (see lowimpact.org/downshifting), as your income may fall initially.

To escape the rat race immediately, why not go WWOOFing (volunteering on organic farms - see wwwoof.org.uk). You could get new ideas & skills, and meet new people who could help you change direction. What's the worst that could happen?

resources

- see lowimpact.org/small for more information, magazines, links and books, including:
- E. F. Schumacher, *Small is Beautiful*
- David Korten, *the Post-Corporate World*
- Tobias Lanz, *Beyond Capitalism & Socialism*
- practicalaction.org, helping small businesses in developing countries
- distributistsociety.com, large bank of distributist articles
- eh.net/?s=guilds, all about guilds
- gutenberg.org/ebooks/1717, *What's Wrong With the World?* - seminal text by G.K. Chesterton; free online book

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