


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

Chapter 17

Socialism

A Lonergan Institute Seminar

St Anselm's Abbey



From E.F. Schumacher

“Both theoretical considerations and practical experience have led me to the conclusion that socialism is of interest solely for its non-economic values and the possibility it creates for the overcoming of the religion of economics. A society ruled primarily by the idolatry of enrichissez-vous, which celebrates millionaires as its culture heroes, can gain nothing from socialization that could not also be gained without it.”

Initial Thoughts?





From E.F. Schumacher

“It is not surprising, therefore, that many socialists in so-called advanced societies, who are themselves - whether they know it or not - devotees of the religion of economics, are today wondering whether nationalization is not really beside the point. It causes a lot of trouble - so why bother with it? The extinction of private ownership, by itself, does not produce magnificent results: everything worth while has still to be worked for, devotedly and patiently, and the pursuit of financial viability, combined with the pursuit of higher social aims, produces many dilemmas, many seeming contradictions, and imposes extra heavy burdens on management.”

From E.F. Schumacher

“Everything becomes crystal clear after you have reduced reality to one - one only - of its thousand aspects. You know what to do - whatever produces profits; you know what to avoid - whatever reduces them or makes a loss. And there is at the same time a perfect measuring rod for the degree of success or failure. Let no one befog the issue by asking whether a particular action is conducive to the wealth and well-being of society, whether it leads to moral, aesthetic, or cultural enrichment. Simply find out whether it pays: simply investigate whether there is an alternative that pays better. If there is, choose the alternative.”





From E.F. Schumacher

“But this is a digression The point is that the real strength of the theory of private enterprise lies in this ruthless simplification, which fits so admirably also into the mental patterns created by the phenomenal successes of science. The strength of science, too, derives from a 'reduction' of reality to one or the other of its many aspects, primarily the reduction of quality to quantity. But just as the powerful concentration of nineteenth-century science on the mechanical aspects of reality had to be abandoned because there was too much of reality that simply did not fit, so the powerful concentration of business life on the aspect of 'profits' has had to be modified because it failed to do justice to the real needs of man. It was the historical achievement of socialists to push this development, with the result that the favorite phrase of the enlightened capitalist today is: 'We are all socialists now.'”



Socialist Realism in Art

From E.F. Schumacher

"A total rejection of public ownership means a total affirmation of private ownership. This is just as great a piece of dogmatism as the opposite one of the most fanatical communist. But while all fanaticism shows intellectual weakness, a fanaticism about the means to be employed for reaching quite uncertain objectives is sheer feeble-mindedness."



From E.F. Schumacher

As mentioned before, the whole crux of economic life - and indeed of life in general - is that it constantly requires the living reconciliation of opposites which, in strict logic, are irreconcilable. In macro-economics (the management of whole societies) it is necessary always to have both planning and freedom - not by way of a weak and lifeless compromise, but by a free recognition of the legitimacy of and need for both. Equally in micro-economics (the management of individual enterprises): on the one hand it is essential that there should be full managerial responsibility and authority; yet it is equally essential that there should be a democratic and free participation of the workers in management decisions. Again, it is not a question of mitigating the opposition of these two needs by some halfhearted compromise that satisfies neither of them, but to recognize them both."



Socialist Realism in Art

From E.F. Schumacher

“Ownership, whether public or private, is merely an element of framework. It does not by itself settle the kind of objectives to be pursued within the framework. From this point of view it is correct to say that ownership is not the decisive question. But it is also necessary to recognize that private ownership of the means of production is severely limited in its freedom of choice of objectives, because it is compelled to be profit-seeking, and tends to take a narrow and selfish view of things. Public ownership gives complete freedom in the choice of objectives and can therefore be used for any purpose that may be chosen. While private ownership is an instrument that by itself largely determines the ends for which it can be employed, public ownership is an instrument the ends of which are undetermined and need to be consciously chosen.”



The Kardashians and Reality TV

From E.F. Schumacher

“What is at stake is not economics but culture: not the standard of living but the quality of life. Economics and the standard of living can just as well be looked after by a capitalist system, moderated by a bit of planning and redistributive taxation. But culture and, generally, the quality of life, can now only be debased by such a system.”

Final Comments



THE END



Contact the Facilitators:

- **Brother Dunstan Robidoux**

- Email at djr@lonergan.org

- **Richard Kral**

- Email at kral.rich@gmail.com