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# IS SMALL REALLY SO BEAUTIFUL?<sup>1</sup>

A lot of people have a problem with bigness. They do not like industrial giants and they certainly do not like multinationals. They are opposed to economic concentration and centralisation. We are told that 'small is beautiful'.

They claim to hanker for an economy based on small scale decentralised industry with self-sufficient communities producing just for their own needs. According to this view the individual is not overwhelmed and everything is on a 'human scale'. However, if we critically examine self-sufficiency, decentralisation and smallness, they are not quite so simple..

## Self-sufficiency

Self-sufficient production is the opposite of socialised production.

With self-sufficient production there is no division of labour between communities. They even produce their own tools. Hunter-gatherer, slave-owning and feudal societies to varying degrees tend to fit into this mould.

With socialised production there is a society-wide division of labour. Every unit of the economy receives inputs from other units. And unless, the economic unit is the last in a chain and supplies the final good to the consumer, it in turn supplies inputs to other economic units. In other words the economy becomes one big organisation. Socialisation is a matter of degree. Firstly, there is the geographical extent: village, province, country, the globe. Secondly there is the degree of complexity or specialisation - the number of stages involved in the production of the final good.

To date increased productivity, higher standards of living and greater leisure have been inseparable from increased socialisation of production.

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<sup>1</sup> Based on an article that originally appeared in *Strange Times* No. 6 July 1987.

## Decentralisation

A lot of the decentralisation one hears about is illusory. Decentralised activities may rely on highly centralised one. For example, if you wanted decentralisation of the power supply with everyone having their own windmills, there is nothing to say that windmill production would be very decentralised. Windmill production on a large scale would require considerable output from metal industries, and mass production facilities. In fact one of the reason why there is not greater use of windmills for electricity generation is that it would be so extremely capital intensive. The necessary investment would be huge and it would cost far more than existing forms of electricity generation.

Another example, is the apparent decentralisation provided by the personal computer. The PC opens up a lot of possibilities for the individual and for small scale activities. However, it is dependent on many extremely centralised activities, eg hardware production, research and development and telecommunication networks.

Quite often it may be far less oppressive for things to be centralised in other peoples' hands and out of one's own control. For example, with centralised electric power, all you need to do is flick a switch and you have electricity. Generating your own supply could be quite a burden given the maintenance and refuelling involved.

Until about 20 years ago quite a lot of homes had decentralised hot water supplies. In many cases (at least in Melbourne) hot water was provided by briquette (coal) heaters. Every morning some member of the household would have to go down to the bottom of the yard to fetch a bucket of briquettes and some kindling, refire the heater and then wait for the water to heat up. It is unlikely that anyone feels oppressed by the replacement of briquettes by electricity or gas. It is more likely to be the other way round.

## Decentralisation and Smallness

Decentralisation and smallness are generally seen as twin ideals. Ironically, with technological advance and the continuing division of the labour process, you may find the number of people at any particular phase of the production process becoming smaller while production actually becomes more centralised. For example, a few large factories may produce the world's supply of a particular

good, nevertheless, with increased automation, the number of workers may be quite small - they simply have to "supervise" the robots.

## **Level of Decision Making**

With a totally self-sufficient economic unit, all decisions are made at that level. Because you make everything that you use or consume (clothes, dwelling, food and implements) , you make all the decisions.

Once an economic unit is no longer self-sufficient, some of the decisions are made outside it. If you no longer make your own plow but purchase it, you are no longer directly involved in the decisions about how that plow is produced. This is delegated to economic units specialising in plow production. If you purchase your plow, you must be producing for the market as well, otherwise you would not have the money to effect the purchase. This means that at least some of your production is for others rather than yourself which means you have to be guided by society's requirements for your product with respect to quantity and quality.

## **Size and the Individual**

In a number of respects there is no essential difference between management of a large organisation telling a sub-unit that x number of widgets are required by other sections of that organisation in the next month and a small supposedly independent widget producer producing for the market. Both are at the mercy of what others require. As for the work environment, in theory both could be just as 'enlightened' in their industrial relations practices and industrial democracy. Both could be run by the workers in the small unit.

## **Smallness and Self-Sufficiency in the Past**

There is nothing inherently enlightened and non-oppressive about smallness and self-sufficiency. Slave-owning and feudal societies fitted this mould and they were very oppressive.

## **Concluding Comments**

1. A small organisation can only be a sub-section of some higher level of organisation which in turn is a sub-section of an even higher level. At the top of the hierarchy is the economy as a whole. This hierarchical relationship exists regardless of whether the organisation is a small business or a division of a large corporation. If you really want smallness you will have to go back to small scale peasant society or hunting and gathering where every small economic unit is self-sufficient.

2. The liberation of the individual must be sought within a non-oppressive collectivist (big) framework rather than an individualist (small) one. Increased economic centralisation and concentration under capitalism contribute to creating the conditions for this.