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As a public service, Laucks Foundation calls attention to published material that might contribute toward clarification of issues affecting world peace, equity among peoples and environmental responsibility.

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- MANAS (1983)

Featured in this issue of the **Reprint Mailing** is the article "Requiem for Economists" from MANAS of March 23, 1983, a journal founded in 1948 by Henry Geiger.

[In the December issue of **Reprint Mailing**, I noted that publication of MANAS ceased with Geiger's death in 1988. Dr Barry Childers, of New Jersey, has reminded me of his current endeavor to revive the journal. Write to him at: MANAS REVIVAL, 511 East Glen Ave. Ridgewood NJ 07450 - - ECL]

MANAS

REQUIEM FOR ECONOMISTS

FOR at least a generation, bright young men and women looking for a "challenging" field of work have decided on economics. That, they say, is where the action is—where all our problems originate. If you read the better newspapers, the ones that try to keep track of things that matter—papers like the *New York Times*, the *Washington Post*, and the *Christian Science Monitor*—you will have reason to think that these young people are right. Apart from war—although war is usually shown by historians to have a close relation to money—the troubles overtaking the world seem to be almost always economic. No one needs to go to school to learn this. But what else, one might ask himself, do I know about economics without going to school? Without looking at a book?

The newspapers, in their frequent "analyses" of conditions, make one thing very plain. A crucial factor in what is called "recovery"—and today no nation with substantial resources and industrial plant is without need of recovery—is the capacity and inclination of the people to spend money. If retail sales go up, we are told, things will be better for everyone. Stores will replenish their inventories, manufacturers will get orders, more people will have jobs. And that, you could say, *is* recovery. The process of recovery is of course closely linked with "growth." The conventional economist hails with praise the appearance of products which people will want, and finally have to have, as for example an automobile, without which it may be difficult, in many areas, to find and hold a job. And the day may soon be upon us when people will feel impoverished unless they have a domestic computer to help with the paper work on which personal economic survival has come to depend.

Even farmers are having to become economists of a sort—managers instead of husbandmen. In *Three Farms* (Little, Brown, 1979), Mark Kramer tells about an Iowa farmer who raises hogs, who has had "to trade independence for participation in a market economy so complexly integrated that he is increasingly forced to specialize, to become an element in a countrywide, statewide, even nationwide production line that by its mere existence determines how his next dollar must be spent and what chores he will do in the next working day." Kramer muses on what this means for farmers—and for a lot of others who are subject to the same sort of change:

Unlike farmers, managers are made, not born. They are interchangeable. They substitute regularity for wit, usual pro-

cedure for adventurousness, dutifulness for competitiveness, and obedience to policy for independence. They replace skill with systems and accept corporate goals in place of goals that express personal spirit. In short, what farmers do, and what managers can't do by definition, is exercise craft.

Loss of craft in farming is serious, not just to farmers but to the nation. It is the step before loss of pride, loss of personal ethics in trade, loss of concern for quality of product. The loss reverberates all the way down the food supply chain. . . . Supplanting the old system is a new one with slots for people to do what is prescribed.

Not just farmers, but storekeepers, doctors, lawyers, and other small entrepreneurs are subject to this pressure, and governments respond to the same compulsion. As Edward Goldsmith remarked in a recent *Ecologist*, "their [governments'] main preoccupation is to earn the necessary foreign currency required to assure the economic development on which their prestige, power and future must depend." He adds: "To this end they will sacrifice anything—their forests, their land, their topsoil, not to mention their traditions, their culture, their religion, indeed all that their ancestors, for countless generations, held to be most holy."

Aren't there any economists who point this out, and say what changes should be made? Of course there are, but these might better be called ex-economists, or economists who derive their rules from considerations prior and superior to economic objectives. Their economic views have moral and philosophic grounds. Their thinking starts out with assumptions similar to those of Montesquieu (1689-1755), who said that "freedom, political freedom, is the assurance that you can do what you ought to do, and that you will not be forced to do what you ought not to do." That, nearly everyone will admit, is a pretty good definition. It was substantially repeated by one ex-economist, E.F. Schumacher, who said in 1975:

One of our fundamental needs is to be able to act in accordance with our moral impulses. In a big organization our freedom to do so is inevitably severely restricted. Our primary duty is to stay within the rules and regulations, which, although contrived by human beings, are not themselves human beings. . . . As a result, big organizations often behave very badly, very immorally, very stupidly and inhumanely, not because the people inside them are any of these things, but simply because the organization carries the load of bigness.

Well, what does Schumacher have to say about "standards of living," which make the driving force of our economic system—declaring the goals we strive for? In one of the chapters of *Small Is Beautiful* ("Buddhist Economics") he shows how he would reverse conventional Western thinking on this subject, pointing out

that the convinced Buddhist seeks the *least* material acquisition that will produce a satisfactory result.

For the modern economist this is very difficult to understand. He is used to measuring the "standard of living" by the amount of annual consumption, assuming all the time that a man who consumes more is "better off" than a man who consumes less. A Buddhist economist would consider this approach excessively irrational: since consumption is merely a means to human well-being, the aim should be to obtain the maximum of well-being with the minimum of consumption. Thus, if the purpose of clothing is a certain amount of temperature comfort and an attractive appearance, the task is to attain this purpose with the smallest possible effort, that is, with the smallest annual destruction of cloth and with the help of designs that involve the smallest possible input of toil. The less toil there is, the more time and strength for artistic creativity. It would be highly uneconomic, for instance, to go in for complicated tailoring, like the modern West, when a much more beautiful effect can be achieved by the skillful draping of uncut material. It would be the height of folly to make material so that it should wear out quickly and the height of barbarity to make anything ugly, shabby or mean. What has just been said about clothing applies equally to all other human requirements. The ownership and consumption of goods is a means to an end, and Buddhist economics is the systematic study of how to attain given ends with the minimum means.

Schumacher's account of Buddhist economics makes an embarrassing amount of sense—embarrassing because if you start thinking in this way you may be appalled by the "economic" consequences. If *everybody* joined you in adopting this model, most stores would close, many factories shut down, and an unbearable number of people would be thrown out of work. Moral common sense, in short, means economic paralysis for us. Yet, needless to say, any real change in this direction will be gradual and might in the long run be tolerable for all; but the point for here and now is that someone who decides to become a Buddhist-type economist will need to find some other way of making a living: no systems thinker would ever hire him. And one might recall the TV reporter who was driven out of town in the South because he broadcast facts about the pollution of local waters by a large paper mill. He was fired by the station and his life was threatened by the workers in the mill, who didn't want it to be shut down.

One also recalls the succinct observations of Barbara Tuchman in her 1972 essay, "The Civilian versus the Military," concerned with responsibility for the Vietnam War. She began by pointing out that there were then "defense plants or installations in 363 out of the 435 congressional districts in this country—in five sixths of the total."

Who benefits? Who profits? Who lobbies in Congress to keep them in operation or to attract new plants where there are none? If you say it is the Pentagon, do not forget the local merchants and manufacturers, the local unions and employers, and the local Congressmen whom we put there and whom we can recall.

A non-violent Buddhist economist, if moved (or obliged) to make his opinions known would soon be ostracized. Yet, given an opportunity, he would argue that while his views may seem a threat to the national defense, and, indeed, to the economy if armament factories were closed, he is interested in saving the moral quality of human life, in the restoration of community, and in preventing the immeasurable destruction and slaughter of nuclear war.

But then, there is the musing conclusion of Robert Engler, after listening to an Israeli army officer, veteran of five Israeli wars, express his strong feeling that Israel should find a way to make peace with the Arab world, but add that he would nonetheless pay his taxes and fight if called.

What [Mr. Engler asked himself] could an American say to this colonel who has done so much for his country? Could I tell him that perhaps now was the time to say "no"? Here am I, paying taxes to my own government whose vast military expenditures include substantial aid for Israel's war as well as for many other actions about whose misguidedness I have even fewer doubts. (*Progressive*, November, 1982.)

Years ago MANAS had a story about a New York hoodlum who, to avoid going to prison, joined the marines. Well, the marines, he said, helped him to pull himself together, give up his old ways, and then, after his stint was over, he found a way to go to a university and become a lawyer and a useful citizen. Again, there was another story by a European pacifist in one of the smaller countries who was thinking about the some fifty or more thousand men in his nation's army, many of them members of families which for generations had supplied the military service with men—decent, self-respecting individuals who believed in the traditions of the army and who probably could find no other work.

What are we getting at, here? We are trying to make Schumacher's point in other ways. Big institutions, political and economic, develop rigid ways of doing things that may seem good (for a while), but are eventually disastrous for either a few or many, and, after a time, for all who must live by their rules. As Schumacher put it:

It strikes me as astonishing how little systematic study has been given to the all-pervading question of size. Aristo-

tle knew about its importance, and so did Karl Marx, who insisted that with changes in quantity you get at certain thresholds changes in quality. Aristotle said: "To the size of states there is a limit, as there is to other things, plants, animals, implements; for none of these retain their natural power when they are too large or too small, but they either wholly lose their nature or are spoiled."

Organizations, like these "other things," may well grow to such a size that they wholly lose their nature or are altogether spoiled. An organization may have been set up to render various services to all sorts of helpless, needy people; it grows and grows, and suddenly you find that it does not serve the people any more but simply pushes them around. . . . let us organize units of such a size that their administrative requirements become minimal. In other words, let us have them on a *human* scale, so that the need for rules and regulations is minimized and all difficult cases can be resolved, as it were, on the spot, face to face, without creating precedents—for where there is no rule there cannot be a precedent.

The problem of administration is thus reduced to a problem of size. Small units are self-administrating in the sense that they do not require full-time administrators of exceptional ability; almost anybody can see to it that things are kept in reasonable order and everything that needs to be done is done by the right person at the right time. . . . for every organization, as for other things, there is a "critical size" which must be attained before the organization can have any effectiveness at all. But this is hardly a thought that needs to be specially emphasized, since everybody understands it instinctively. What does need to be emphasized is that "critical size" is likely to be very much smaller than most people in our mass society are inclined to believe.

Another important point:

A large organization, to be able to function at all, requires an elaborate administrative structure. Administration is a most difficult and exacting job which can be done only by exceptionally industrious people. The administrators of a large organization cannot deal concretely with real life problems and situations: they have to deal with them abstractly. . . . We all know that life, all too often, is stranger than fiction; the dilemma of the administrators, therefore, is severe: either they make innumerable rules the enforcement of which then requires whole armies of minor officials, or they limit themselves to a few rules which then produce innumerable hard cases and absurdities calling for special treatment; every special treatment, however, constitutes a precedent which is, in effect, a new rule.

This is an analysis which everyone of us can document or illustrate, usually in spades. Schumacher's basic point is that the decision-makers in large organizations must reach their decisions *abstractly*, which is fine when they are dealing with entities such as iron, wood, and stone, or power-producing engines operated on the laws of physics; but human beings are not wood and stone; their natures are infinitely variable, also their potentialities,

and again their weaknesses and vulnerabilities; and the less "administration" they are subjected to, the more responsibility they accept and are able to fulfill. Abstract decisions about humans, made over their heads, has the unhappy effect of making the rules of economics (as applied to the labor force) seem like the laws of nature to the administrators, while the workers, the spirited among them, that is, become rebels and conspirators unable to think of their jobs except in terms of an adversary relationship.

The study of economics in conventional terms is most unlikely to bring to the fore the issues behind such situations. A philosopher is required for this. For example, after a discussion of the fact that modern corporations are actually private or invisible governments, Scott Buchanan (in *So Reason Can Rule*) spoke of the problems which arise:

Many of the new questions concern the kind of human beings that are formed by the corporations they belong to. These are difficult questions to answer, but they should be asked, and they can be answered if they are kept in order. This essay leads to one of these new questions: how do the political habits formed by members of corporations fit with the habits that republican forms of government have developed in their citizens heretofore? The answers to this question are not definite or final; such as they are, they can best be summarized by a sharp observer of a few years ago, Mark Twain: "It is by the goodness of God that in our country we have these unspeakably precious things: freedom of speech, freedom of conscience, and the prudence never to practice either." It may be that the corporation is the school of political prudence in which we learn not to practice what the political republic has always preached.

This is a way of taking cognizance of the fact that economists want economics to be a science, dealing with the predictable character of goods or "things," while getting rid of the "wild" factors which no science can tolerate—the human element in the economists' equations, of necessity reduced to statistics and treated, as Schumacher says, "abstractly." This means that economics cannot be a science unless people are made to count only as things.

But this is intolerable! Of course, yet thousands of young men and women go to school every year to learn the rules of economics based on this assumption. From a moral point of view, academic economics is a vast distraction from thinking like a human being.

People have been sensing this in growing numbers since the 1960s, when a generation of young—self-selected members of a generation—rejected the luxury of their affluent parents, saying, "We don't want any part of it." For those who doubt the reality of this broad change in

feeling, a reading of Theodore Roszak's *The Making of a Counter Culture* might be in order. Another "wave" of imminent change was reported by some Stanford Research Institute analysts (Arnold Mitchell and Duane Elgin) in 1977, with publication of a report on the number and kind of people in the United States who are turning toward a simpler life. This "voluntary simplicity" movement is said to represent the fastest growing segment of the population, counted in the millions. Voluntary simplicity is defined as "a way of living that reflects inner convictions: first, that it is better to have things on a human scale; second, that it is better to live frugally, to conserve, to recycle, not to waste, and third, that the inner life, rather than externals, is central." Last year Duane Elgin's book, *Voluntary Simplicity* (with title borrowed from Richard Gregg's 1936 article published in India, and reprinted in MANAS in 1974), presented substantial evidence of this change.

We have left to the end what seems the most important defect in economic thinking—a defect equally present in political thinking, and any form of institutionalized thinking: the elimination of all recognition of the value of paradox. The good, according to one set of goals or norms, is the not-good according to other standards. No social theory, no political system, no ideology can have reliable truth in it without sustained attention to paradox. But paradox, someone will say, is unacceptable to a mass society! And he will be completely right. No one could gain office in this country on a platform which acknowledged the uncertainties of paradox.

This is a way of admitting that politics in our time, and in very nearly every other time, is chained to mechanistic thinking. The same judgment applies to economics. We have a civilization of "always more," as de Jouvenal put it. One could say that at the outset of the building of America, we needed "more," but obviously a civilization of too much is as bad or worse than not enough.

What is "enough"? Does anyone know? Yet thinking which ignores this question or presumes to settle it arbitrarily is box canyon thinking that becomes more and more hazardous the longer it is pursued.

Are there any economists who know this, acknowledge it, and teach it? We can think of a few: E.F. Schumacher, Leopold Kohr, Herman Daly, Folkert Wilkern, and more are coming along, but often calling themselves something else. A really good society wouldn't need any economists because the people would themselves know what to do. Paradoxically enough, we have named as econo-

mists only the ones out to abolish their profession. The society they envision, calling it a steady state economy, would be the society that knows the meaning of "just enough."

The following excerpts are from an essay by Wendell Berry called "Two Economies" (referring to the "Great Economy" - meaning nature and all creation, including mankind - and the "little economy," the economy of human artifice). The essay, published in 1983, is from the book **Home Economics** (North Point Press, 1987):

"The fowls of the air and the lilies of the field live within the Great Economy entirely by nature, whereas humans, though entirely dependent upon it, must live in it partly by artifice. The birds can live in the Great Economy only as birds, the flowers only as flowers, the humans only as humans. The humans, unlike the wild creatures, may choose not to live in it - or, rather, since no creature can escape it, they may choose to *act* as if they do not, or they may choose to try to live in it on their own terms. If humans choose to live in the Great Economy on *its* terms, then they must live in harmony with it, maintaining it in trust and learning to consider the lives of the wild creatures."

"The problem seems to be that a human economy cannot prescribe the terms of its own success. In a time when we wish to believe that humans are the sole authors of the truth, that truth is relative, and that value judgments are all subjective, it is hard to say that a human economy can be wrong, and yet we have good, sound, practical reasons for saying so. It is indeed possible for a human economy to be wrong - not relatively wrong, in the sense of being "out of adjustment," or unfair according to some human definition of fairness, or weak according to the definition of its own purposes - but wrong absolutely and according to practical measures. Of course, if we see the human economy as the *only* economy, we will see its errors as political failures, and we will continue to talk about "recovery." It is only when we think of the little human economy in relation to the Great Economy that we begin to understand our errors for what they are and to see the qualitative meanings of our quantitative measures. If we see the industrial economy in terms of the Great Economy, then we begin to see industrial wastes and losses not as "trade-offs" or "necessary risks" but as costs that, like all costs, are chargeable to somebody, sometime.

"That we can prescribe the terms of our own success, that we can live outside or in ignorance of the Great Economy are the greatest errors. They condemn us to a life without a standard, wavering in inescapable bewilderment from paltry self-satisfaction to paltry self-dissatisfaction. But since we have no place to live but in the Great Economy, whether or not we know that and act accordingly is the critical question, not about economy merely, but about human life itself."



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