

## **The Economist as Outsider: the Conservative Radicalism of E. F. Schumacher (1911 – 1977)**

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In this talk, I will tell the story of Anglo-German economist, E. F. Schumacher, who is best known as the author of the popular *Small is Beautiful: A Study of Economics as if People Mattered* (1973). In 1937, the former Rhodes Scholar fled Nazi Germany to work in the City of London. With the outbreak of war, he was interned as an enemy alien and confined to work as a farm labourer, before catching the attention of J. M. Keynes and finding his way to Oxford. Successively, he became involved in wartime international financial planning, Beveridge's creation of the welfare state, the postwar Strategic Bombing Survey and, in the late 1940's, the reconstruction of a defeated Germany. In 1950, he became the economist at Britain's National Coal Board. Parallel with his immersion in the world of coal, however, he embarked on a transformative personal quest that would carry him from Buddhism to Gurdjieff-Ouspensky and eventually to Christianity, and affect his economic ideas. Travelling in Burma and India, he became critical of the kind of economic development being promoted by the World Bank, particularly for its effect on traditional society. By the early 1960's, he was leading a strained 'double-life' at the Coal Board: professionally, championing a fossil fuel; privately, calling into question the modern economic world. He rejected his former hero, Keynes, in favour of Mahatma Gandhi, and enjoyed a fraught relationship with his nuclear physicist brother-in-law, Werner Heisenberg. In the face of orthodox economic resistance, he established the Intermediate Technology Development Group in 1965, in order to promote the use of simple technologies in foreign development. Retiring from the Coal Board in 1970, he published *Small is Beautiful*, which met with great popular success and became a symbolic work for the emerging counterculture of the 'Seventies'. While the book's practical side appealed to an environmental movement that was then increasingly secular, Schumacher himself continued to insist on the need for spiritual development in the face of civilisational malaise. As a result, his final book, *A Guide for the Perplexed* (1977), which he viewed as his most important, failed to capture the imagination of his modern, secular readership.