



E.F. Schumacher 16th August 1911 - 4th September

**Ernst Friedrich Schumacher** "Fritz" (16 August 1911 – 4 September 1977) was an internationally influential economic thinker, statistician and economist in Britain, serving as Chief Economic Advisor to the UK National Coal Board for two decades.

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His ideas became popularized in much of the English-speaking world during the 1970s. He is best known for his critique of Western economies and his proposals for human-scale, decentralized and

[appropriate technologies](#)

. According to

[The Times Literary Supplement](#)

, his 1973 book

[Small Is Beautiful](#)

: *a study of economics as if people mattered*

is among the 100 most influential books published since

[World War II](#)

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and was soon translated into many languages, bringing him international fame. Schumacher's basic development theories have been summed up in the catch-phrases

*Intermediate Size*

and

*Intermediate Technology*

. In 1977 he published

*A Guide For The Perplexed*

as a critique of materialist

[scientism](#)

and as an exploration of the nature and organization of

[knowledge](#)

. Together with long-time friends and associates like

[Professor Mansur Hoda](#)

, Schumacher founded the

*Intermediate Technology Development Group*

(now

[Practical Action](#)

) in 1966.

## Early life

Schumacher was born in Bonn, Germany in 1911. His father was a professor of political economy. The younger Schumacher studied in Bonn and Berlin, then from 1930 in England as a Rhodes Scholar at New College, Oxford, [\[ 1 1 \]](#) and later at Columbia University in New York City, earning a diploma in economics. He then worked in business, farming and journalism.

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## Economist

### Protégé of Keynes

Schumacher moved back to England before World War II, as he had no intention of living under Nazism. For a period during the War, he was interned on an isolated English farm as an "enemy alien." In these years, Schumacher captured the attention of [John Maynard Keynes](#) with a paper entitled "Multilateral Clearing"

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that he had written between sessions working in the fields of the internment camp. Keynes recognised the young German's understanding and abilities, and was able to have Schumacher released from internment. Schumacher helped the British government mobilise economically and financially during World War II, and Keynes found a position for him at Oxford University.

According to Leopold Kohr's obituary for Schumacher, when his paper "was published in the spring of 1943 in *Economica*, it caused some embarrassment to Keynes who, instead of arranging for its separate publication, had incorporated the text almost verbatim in his famous "Plan for an International Clearing Union," which the British government issued as a White Paper a few weeks later." [ 4 ]

## Adviser to the Coal Board

After the War, Schumacher worked as an economic advisor to, and later Chief Statistician for, the British Control Commission which was charged with rebuilding the German economy. [ 1 ]  
From 1950 to 1970 he was Chief Economic Adviser to the National Coal Board,

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one of the world's largest organisations, with 800,000 employees. In this position, he argued that coal, not petroleum, should be used to supply the energy needs of the world's population. He viewed oil as a finite resource, fearing its depletion and eventually prohibitive price, and viewing with alarm the fact that, as Schumacher put it, "the richest and cheapest reserves are located in some of the world's most unstable countries"

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His position on the Coal Board was often mentioned later by those introducing Schumacher or his ideas. It is generally thought that his farsighted planning contributed to Britain's post-war economic recovery. Schumacher predicted the rise of OPEC and many of the problems of nuclear power.

## Thinking outside the box

In 1955 Schumacher travelled to Burma as an economic consultant. While there, he developed the set of principles he called " [Buddhist economics](#) ," based on the belief that individuals needed good work for proper [human development](#)

. He also proclaimed that "production from local resources for local needs is the most rational way of economic life." He traveled throughout many Third World countries, encouraging local governments to create self-reliant economies. Schumacher's experience led him to become a pioneer of what is now called

[appropriate technology](#)  
: user-friendly and ecologically suitable technology applicable to the scale of the community; a concept very close to

### [Ivan Illich](#)

's conviviality. He founded the Intermediate Technology Development Group (now [Practical Action](#)) in 1966. His theories of development have been summed up for many in catch phrases like "intermediate size," and "intermediate technology." He was a trustee of Scott Bader Commonwealth and in 1970 the president of the Soil Association.

E F Schumacher was influenced by Mahatma Gandhi, while delivering the Gandhi Memorial Lecture at the Gandhian Institute of Studies at Varanasi (India) in 1973, described Gandhi as the greatest '**People's Economist**.'. Schumacher identified Gandhi as the people's economist whose economic thinking was compatible with spirituality as opposed to materialism.

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By the end of his life, it can be said that Schumacher's personal development had led him very far afield from the ideas of John Maynard Keynes. Keynes, second only to [Adam Smith](#), is widely regarded as the most influential modern orthodox economist. In contrast, Schumacher is one of the most widely recognized heterodox economists.

## Schumacher as writer

Schumacher wrote on economics for London's *The Times* and became one of the paper's chief editorial writers. At this post he was assigned the somewhat uncomfortable task of compiling information for the obituary of John Keynes many years before the event of his death. He also wrote for *The Economist and Resurgence*

He served as adviser to the India Planning Commission, as well as to the governments of Zambia and Burma — an experience that led to his much-read essay on "Buddhist Economics."

The 1973 publication of *Small is Beautiful: a study of economics as if people mattered*, a collection of essays, brought his ideas to a wider audience. One of his main arguments in *Small is Beautiful* is that we cannot consider the problem of technological production solved if it requires that we recklessly erode our finite natural capital and deprive future generations of its benefits. Schumacher's work coincided with the growth of ecological concerns and with the birth of environmentalism and he became a hero to many in the environmental movement and community movement.

In 1976, he received the prestigious award [Prix Européen de l'Essai Charles Veillon](#) for *Small is Beautiful*

His 1977 work *A Guide For The Perplexed* is both a critique of materialistic scientism and an exploration of the nature and organization of knowledge.

## Later life and posthumous recognition

As a young man, Schumacher was a dedicated atheist, but his later rejection of materialist, capitalist, agnostic modernity was paralleled by a growing fascination with religion. <sup>[ 7 ] [ 8 ]</sup> His interest in Buddhism has been noted. However, from the late 1950s on, Catholicism heavily influenced his thought. He noted the similarities between his own economic views and the teaching of papal encyclicals on socio-economic issues, from Leo XIII's "

[Rerum Novarum](#)

" to Pope John XXIII's "Mater et Magistra", as well as with the distributism supported by the Catholic thinkers

[G. K. Chesterton](#)

,  
[Hilaire Belloc](#)

and

[Vincent McNabb](#)

. Philosophically, he absorbed much of Thomism, which provided an objective system in contrast to what he saw as the self-centered subjectivism and relativism of modern philosophy and society.

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He also was greatly interested in the tradition of Christian mysticism, reading deeply such writers as St. Teresa of Avila and

[Thomas Merton](#)

. These were all interests that he shared with his friend, the Catholic writer

[Christopher Derrick](#)

. In 1971, he converted to Catholicism.

Schumacher gave interviews and published articles for a wide readership in his later years. He also pursued one of the loves of his life: [gardening](#) . He died during a lecture tour of a [heart attack](#)

on 4 September 1977, in

## Switzerland

The Schumacher Circle organisations were founded in his memory. They include the Schumacher College in Totnes, Devon, the New Economics Institute (formerly called the E. F. Schumacher Society) founded in New England, <sup>[ 10 ]</sup> the [Soil Association](#) and the New Economics Foundation in the UK.

Schumacher's personal collection of books and archives are held by New Economics Institute library in Great Barrington, Massachusetts. The Institute continues the work of E. F. Schumacher by maintaining a research library, organizing lectures and seminars, publishing papers, developing model economic programs, and providing technical assistance to groups all for the purpose of linking people, land, and community to build strong, diverse local economies.

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## See also

- [Distributism](#)
- [Grameen Bank](#)
- [John Papworth](#)
- [Leopold Kohr](#)
- [Kirkpatrick Sale](#)
- [Microcredit](#)
- [Social entrepreneurship](#)
- [Sustainable development](#)
- [Worldwatch Institute](#)

## References

1. <sup>^</sup> [a](#) [b](#) [c](#) [d](#) [e](#) Biography on the inner dustjacket of [Small Is Beautiful](#)
2. <sup>^</sup> The Times Literary Supplement, October 6, 1995, p. 39
3. <sup>^</sup> [E. F. Schumacher](#), *Multilateral Clearing* *Economica*, New Series, Vol. 10, No. 38 (May, 1943), pp. 150-165
4. <sup>^</sup> Leopold Kohr. "[Tribute to E. F. Schumacher](#)", in Satish Kumar (ed.), *The Schumacher Lectures*, Harper & Row, 1980.
5. <sup>^</sup> Daniel Yergin. *The Prize*, Simon & Schuster, 1991, p. 559.
6. <sup>^</sup> [Gandhi Foundation "Surur Hoda \(1928-2003\)"](#) . Gandhi Foundation. 7 September

2008

. <http://gandhifoundation.org/2008/09/07/surur-hoda-1928-2003/>

[8/09/07/surur-hoda-1928-2003/](http://gandhifoundation.org/2008/09/07/surur-hoda-1928-2003/)

Gandhi Foundation

7. [^](#) Diana Schumacher. "[Who was Fritz Schumacher?](#)"
8. [^](#) Julia Forster. "[E. F. Schumacher](#)"
9. [^](#) Charles Fager. "[Small Is Beautiful, and So Is Rome: The Surprising Faith of E. F. Schumacher](#)", *Christian Century*, April 6, 1967.
10. [^](#) [E. F. Schumacher Society web page](#) .
11. [^](#) [New Economics Institute web site](#) .

## Selected bibliography

- [Small Is Beautiful](#) : *A Study of Economics As If People Mattered* (1973, ISBN 0-06-131778-0); a 25th anniversary edition was published (ISBN 0-88179-169-5)
- *A Guide For The Perplexed* (1977, ISBN 0-224-01496-X; still in paperback, ISBN 0-06-090611-1)
- *This I Believe and Other Essays* (1977; reissued, ISBN 1-870098-66-8)
- *Good Work* (1979, ISBN 0-06-013857-2)

## Further reading

### Books about E. F. Schumacher

- Kirk, Geoffrey, ed. *Schumacher on Energy* (London: Sphere Books, 1983)
- Wood, Barbara, [E.F. Schumacher: His Life and Thought](#) (New York: Harper & Row, 1984)
- Etherden, Peter, "[The Schumacher Enigma](#)", *Fourth World Review*, 1999
- Pearce, Joseph, *Small is Still Beautiful*, (Wilmington: ISI Books, 2006)

## External links

- [The E.F. Schumacher Society](#) in Great Barrington, Massachusetts, which houses his personal library and archives.
- [Schumacher pic](#) .
- [Intermediate Technology Development Group / Practical Action](#)
- [About E. F. Schumacher, from British Schumacher Society website](#)
- [The Schumacher Institute for Sustainable Systems](#) is an independent research organisation working to continue Schumacher's legacy.
- [Essay on Buddhist Economics](#)
- [The Education of E. F. Schumacher](#)
- [Small is Still Beautiful an interview with Joseph Pearce](#)
- [Economics as if People Mattered, E. F. Schumacher observed](#)

- [Dialogue with E.F Schumacher and Fritjof Capra](#)
- [E.F. Schumacher: A Retrospect and Reflection After September 11, 2001](#)
- [Interview with E. F. Schumacher published in Manas Journal, May 19, 1976](#)
- [Fifty Possible Ways to Challenge Over-Commercialism](#)
- [Beyond Simplicity: Tough Issues For A New Era](#) by Albert J. Fritsch, SJ, PhD
- [Introduction to Schumacher \(MP3\)](#)
- [Watch the documentary \*Small Is Beautiful: Impressions of Fritz Schumacher\*](#)
- [ef-schumacher.org](#) site set up by Schumacher's family to mark his centenary

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- [Appropriate technology advocates](#)
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