



Money and Goods Markets Overcoming Their Separation

ECONOMICS CONFERENCE
Report of the 11th Annual Meeting

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Overcoming Their Separation

This meeting was held at L'Aubier in Montézillon (Neuchâtel), Switzerland from 21 – 24 September 2012.

The meeting began with introductions by the 12 members gathered and apologies from 17 other members who were not able to attend this year. Marc Desales then presented an overview of Rudolf Steiner's three lectures on Christian Rosenkreutz given in Neuchatel in 1911 and 1912. Marc used an image to illustrate the three time periods Steiner spoke about in these lectures. The first was in the 13th century with the appearance of an individual who, through his initiation that united all the mysteries, enabled a new culture to arise in humanity; this was the beginning of the Rosicrucian mysteries. The second was in the 15th century, when this same individuality reincarnated as Christian Rosenkreutz. This time period is connected to the development of the methodology of inner and outer observation as an instrument of perception and the strengthening of his impulse. As a result of the burgeoning consciousness that the Renaissance brought about, humanity was increasingly pulled in two opposite directions – one towards a separation from the earth represented by St. Francis of Assisi and the other towards too close a connection to the material plane represented by Copernicus. To counter this later trend, a third cosmic event occurred at the beginning of the 17th century that brought an enhanced capacity for peace and compassion into the will forces of all newly incarnated human souls. This was the means by which the two separating tendencies could be held together within each human being.

This presentation provided a backdrop for the remaining three days and illustrated the tremendous challenge facing humanity today – namely, how to establish a true understanding of current economic phenomena that gives rise to an economic science that is both theoretical and practical in nature. The Economics Conference is a small start in this process and encourages anyone interested in contributing towards this task to become involved.

We went on to look more closely at some of the key themes Rudolf Steiner presented in his *Economics Course*. These included money creation, lending without collateral, and donations. We also touched on the question of how true pricing rather than inflation targeting (price stability) could provide the basis for monetary policy. Through this research, we began to formulate propositions to be used as a new practical foundation for economic science¹

An example of this is a proposition for money creation worked on during the meeting. A work-in-progress, in essence it reads: *Money creation takes place when a request for credit (from anyone) receives a positive answer, because one's inner response leads one to act as if one has money.*

We then moved on to look more deeply into the significance of lending capital without collateral or providing 'personal credit' and the empowering effects it might have on individual initiative. In contrast, collateralized lending connects humanity too strongly

¹ Rudolf Steiner, *Economics, The World As One Economy*, 4th lecture, July 27, 1922.

with the material plane, creating a short circuit by uniting capital with the earth rather than with human creativity, which is capital's true natural cover. While seemingly impossible in today's circumstances, it is urgently necessary for humanity to take this step away from collateralizing loans if it is to stand on stable economic ground.

From this, a second proposition on true lending arose, also a work-in-progress: *Once capital has arisen and is visible as money, lend it without collateral on condition that the borrower meets the needs of others and has a financial plan.*

The third topic that occupied us was the need to free up the capital that is currently dammed up in 'land' with only a trickle making its way to provide for human needs. One part of this dam is located in a seemingly strange place, namely, in foundations, where capital comes to rest in the markets and only the interest on it is used each year to support research, education and new initiatives. While funding such work in this way is highly commendable, the next step for foundations to take that will enable them to be even more effective in their mission is to spend out their capital. If this is not done, this capital will continue to be held back and serve the interests of the capital markets rather than humanity at large. When foundations begin to spend out their capital, they will be moving in the direction Rudolf Steiner indicated in the sixth of his economics lectures (July 29, 1922).

Our questions naturally led to looking to our own affairs, and as such within the Anthroposophical Society itself re-envisioning how its finances could be more directly based on the indications that were given at the Christmas Foundation meeting in 1923. To that end, we looked at the fixed membership fee required in the statutes, yet the total freedom in how it is collected by each national Society and its branches. We also looked at the problem created when one or a few individuals are responsible for managing the receipt or distribution of large donations. The need became apparent to find a structure to help mitigate the self-centered tendencies that naturally arise with such decisions. The idea was considered to have associations of people or institutions manage such decisions, thus creating a surrounding awareness – a periphery – that would serve as way of seeing one's own consciousness. This is an aspect that will be important to overcome the separation of the money market from the goods market.