



Respiration of Initiative / Circulation of Capital

18th Annual Meeting
of the Economics Conference

19 - 23 June 2019, Folkestone, England

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Why Folkestone?

At the 18th Annual Meeting of the Economics Conference, we acknowledged the conference's first 'moon node'¹, which brought a mood of earnestness as we lifted ourselves above our work's biography to look back at our history and then forward to see what is about to come.

This was our fourth year in Folkestone, a town still deeply tied to its experiences on the front line of two World Wars, especially the first, when it was the ferry point for millions of soldiers going to war with many less returning. The economic nationalism that has prevailed all over the world for the last hundred years has now run out of road, yet giving us a second chance to make things right. (Folkestone has twice voted to leave the European Union and, although only dimly aware of this as yet, may itself be looking for a second chance at a new beginning.)



Folkestone's famous son, William Harvey, the 17th century physician who discovered the circulation of the blood, is celebrated annually by the city with a procession to his statue. Our group also acknowledged Harvey by gathering at the base of his statue for a photo, but which we also did mindful of Rudolf Steiner's critique of the circulation of the blood in relation to the heart and lungs. In connection to the economic process, this was a major theme of this year's gathering. (See later item.)

Three other initiatives linked our work to the local Folkestone area: a play, a plaza and a tour of medieval churches. The *play* is the supposition of "An Improbable Conversation" between John Maynard Keynes, Woodrow Wilson and Rudolf Steiner. It poses the question, "Had Keynes brought the other two together in this way, would he have been able to bring Woodrow Wilson around?" The *plaza* is an artistic project to turn a parking lot into a walker-friendly town center where people can have a new experience of Folkestone with the possibility of forgiveness embedded in it. The *tour* of 14 medieval churches in nearby Romney Marsh was a post-conference event – a chance to experience the beauty and simplicity of old churches and to enact a ritual through which something new could enter. In each church we read one of Woodrow Wilson's 14 points juxtaposed with a reading from each of Rudolf Steiner's 14 economics lectures, matched in word count to each of Wilson's points. We then sang together – all in all, this was a wonderful way to experience the harmony and sacredness of such architecture.

¹ The idea that every 18 or so years one can examine one's life to see if it is on course.

The Need and Ground for an Economics Section

The earnestness of this 18th year in the life of the Economics Conference was evident in the revisiting of an old concern – the need for and ground of an Economics Section. Whether formally a section or not, we traced the changes over the years from its ‘birth’ in 2002 at the Goetheanum as an ‘economics faculty’ to its present name, “The Economics Conference of the Goetheanum”. Although this story is not widely known, the work accomplished through the Conference has been substantial. For example, a meeting was recently held in the Goetheanum on how, out of spiritual science, one could revise and thereby improve the International Accounting Standards, a potentially significant contribution to the world of finance.

In the Convener's words, “There needs to be an Economics Section in the School of Spiritual Science in order for our work to be in but not of the world as it is today. We need to be able to describe what everyone knows and recognizes, but from a spiritual scientific point of view. For when economics emerges out of the research of such an Economics Section, when speaking to a person whose ideas may be mushy or even opposed, one can nevertheless speak to that person’s I. This is what an Economics Section can do. The blockages to such a development partly have to do with a misunderstanding of method, and partly with an absence of a section specifically dedicated to a spiritual scientific approach to economics.”

Several speakers addressed the spiritual dimensions of creating an Economics Section. A spiritual scientific approach to economics asks that we think in wider spaces regarding what is meant by a ‘second chance’. The next step of history belongs to those who are now coming to earth. Who among them will be able to represent this future? We need to have an open mind to our higher, even pre-natal resolves and the promptings of what in anthroposophy is called the Spirit Self². But for this each one requires a wider sense of ‘we’ and of seeing the economy as a whole, not just something for one’s own needs.

Renewed clarity is also needed when we look at Section work in different lands. We need to start with what Rudolf Steiner had in mind and truly study it. Through the proceedings of the 1923 Christmas Conference, we can activate our inner logic to see clearly the intentions behind the Sections and the forms emerging out of those intentions. In our case, that of economics, just as in meditation, we begin with a world we do not see. If economics had linked itself to accounting we would be further along; but it chose mathematics instead. Accounting takes us back to Aristotle and this is the economics that has a future. A Section must have substance in it. If young people meet this substance, it will orient them. The *AE Mark* is relevant here³, as are the *Colours of Money* seminars⁴.

Marc Desales: “We have worked 18 years already in building up a ground for this work. Does this bring enough of an impulse so that one can now incarnate this substance into one’s own work; into the way one does things? We have accomplished much in terms of developing our understanding, but can we now do things differently in our lives as a

² Humanity evolves through different cultures and types of consciousness. The current stage is passing from an intense awareness of oneself – hence, today’s ‘me first’ society – into one in which we think first of others (Spirit Self).

³ <http://www.associative-economics.com/guarantee-mark/>

⁴ <http://www.associative-economics.com/associative-economics/colours-of-money-seminar/>

result of this?" He repeated his concern that it's now time to focus on guidelines for action, on a certain orientation, on ways to be more systematic.

Arthur Edwards: "If we focus on the recent research colloquium in L'Aubier, a significant part looked at ways of sharing of the surplus with all who participated in its creation. The question for me now is how to implement this wider understanding and application."

Christopher Houghton Budd: "Another question is how to translate what was learned in the *Der Kommende Tag* corporation, so that when for-profit corporations want to transform themselves, they will have a helpful model. We need to be the first movers. This means we must act out of a different understanding."

Why the Heart cannot be a Pump

Marc Desaules introduced this theme by saying, "I am a physicist, not a physician. This is not an easy undertaking – to look at the fact that the heart is not a pump. And why do we put this question to this meeting of the Economics Conference? It relates to Rudolf Steiner's insight that it is impossible to take hold of life in a healthy way unless we understand the relationships and roles of the heart, the nerves and nutrition. Specifically, the heart is not a pump, there are not two nervous systems, and we are not what we eat. To understand social life, it has to be lived in the right way. The heart plays an important role in all of this."

By way of illustrating his talk, Marc drew a diagram of the relationship between lungs and heart and then a detailed picture of the blood's flow in relation to the heart, the head, the limbs and the lungs. His lecture was a tour de force through a complex subject, although his listeners were mostly already familiar with the themes, if not the detail. Here is not the place to recapitulate the content of the talk, which is being transcribed separately and in link with directly medical research and up-to-date commentary. But mention can be made of two of its key themes:

- (1) To understand how the heart and the lungs are always working together, we must change a tendency we have today. Because we think faster than we observe, we don't look at a thing first; we don't truly observe, we just think. Then what we think masks what is really there. This leads to abstractions. So we need to learn to observe more and 'explain' less.
- (2) In our work, it is important to start from *within* economics to understand the heart.



A Next Step for Youth Bonds

Anita Grandjean introduced an initiative to fund the projects of young people through Youth Bonds. She said, “My goal is to keep the idea of Youth Bonds alive and take a further step. Youth Bonds are needed – by L'Aubier young people, and I'm sure by others.” Sharing a sample document, she explained how she imagined, “a single piece of paper like the one we issue at L'Aubier when we issue a bond for 10,000 CHF for 10 years. We put a date on it. Its purpose is to sustain an initiative. It is signed by the donor and issued to the young person taking the initiative, who pays it back in 10 years. Then it is given on to another young person. Each person who used it is listed on the back and you can see a history of the users. This is a bond. Once you do it, it can be seen and people get it.”

“A project like this Youth Bonds program can take young people out of their darkness... We can accompany them on their initiative and the learning they need can happen in parallel. We need financial literacy developing simultaneously so that it accompanies the initiative taker. Support is needed in finances, but also in opportunities for shared experiences.”

A World Tour! Reports from World Regions

Individuals from nine different countries reported on activities they have initiated and tended as part of the work of the Economics Conference. This showed how, although we necessarily travel separately, our work together is becoming intensified. Here is a flavor:

Mauricio Garay, Mendoza, Argentina

We hold conferences and workshops around Latin America to introduce and develop Economics Conference themes.

Lucia Sigolo, Sao Paulo, Brazil

Teaching financial literacy to teenagers in a poor section of Sao Paulo.

Leif Sonstenes, Karlsruhe, Germany

Bringing financial literacy and Economics Conference themes to 130 students in a government sponsored youth program that gives young people an alternative to the military. Alongside, a large Waldorf School for children with difficulties is shifting to a threefold approach.

Tessa Houghton Budd, Folkestone, England

Folkestone Wholefoods is a partnership I started with another colleague. We started with community investments and profit-sharing. Everyone is self-employed.

Arthur Edwards, Stroud, England

The UK is outwardly quiet now, but I'm asking: “How do we imagine Waldorf Schools will exist in the next 5 years?”

Fionn Meier, Zurich, Switzerland

‘Economics of Brotherhood’ Conferences, Money and Accounting Research Colloquium, and ‘Ambassador for Youth Financial Literacy’ in German-speaking countries.

Marc Desaulles, Neuchatel, Switzerland

With our work in Coopera Pension Fund, we now say: “Do things. Don't speak of them.” A few facts: This institution has 600 members, manages 700 million CHF in pension money, and the board members are all anthroposophical directors and representatives. The guiding ideas come from Rudolf Steiner's economics.

Marguerite Doray, Montreal, Quebec, Canada

A function of my toy store is to make possible spiritual activity. I pay employees at the beginning of the week, not afterwards.

Daniel Osmer, Sebastopol, California, USA (reporting on the Economics Group of the Anthroposophical Society in America):

Eight participants from five states in the U.S. formed a Subject Group on Economics, now listed on the Society's website. Aims: to make the Economics Conference and its work more visible; by staying connected via regular teleconference calls; sharing and supporting individual initiatives, research projects and biographies; meeting face-to-face at least yearly.⁵

An Image of the Christmas Conference

The 1923 Christmas Conference lit up anew when Marc Desaulles showed us, through an image, how the Christmas Conference was offered, “so that the spiritual substance that came through that event could have a body built by and through it.” He said Rudolf Steiner brought this about “as a field of potential activity. This gives all of anthroposophy a body. You create something that can hold something else. It is linked to the Mystery of Incarnation. You can think of something as a soul and give it a body.”

In the image Marc drew, a blue spiraling movement in the center intensified and ‘landed’ in one of several red, dish-shaped forms below. From above, pure yellow streamed down. “In this image, the School of Spiritual Science is the soul (blue) carried by the body (red) when the body is able to form itself into its various place-based and content-based groups via the Statutes.”

Likewise, there is now a need to embody the teaching we have received. “Embodying makes a place on earth. Just as I give my soul a place to incarnate by giving it a body, and just as I need my body to express my soul, so do our groups and organizations need to provide such a body for associative economics, which cannot happen without a body on earth; without the encouragement that Groups can provide.”

In the spirit of ‘friends of the Economics Section’, the idea emerged to create other Economics Groups of the Society to provide ‘warmth bodies’ for the ongoing



⁵ The first face-to-face meeting was held in Folkestone, although most of the current Group were also at the March meeting in Vancouver.

research work in different parts of the world. There could be many such groups around the world. Each would normally need a minimum of 7 members.

An Accounting Exercise and Youth Financial Literacy

In introducing this theme, Christopher said, “Many around the world have taken on financial literacy programs for young people as a response to the 2008 crash. The Organization for Economic and Community Development (OECD) has made this a big priority, but they have *no* recommendations for including bookkeeping and accounting. In state schools the focus is only on ‘personal finance’, while in the Waldorf Movement, there is almost no interest at all.”

Kim Chotzen presented a step-by-step accounting exercise in order to elicit insights and suggestions so that we could have a common image of the exercise as a teaching tool. A lively session ensued during which many shared their different approaches and described their methods Here are some representative comments: “More is needed for both the young people themselves and their teachers.” “How can teachers now find a new footing, a new grounding, for *themselves* through accounting?” “We need to be enflamed!” “It will help to go through the Pedagogical Section.” “The economy is now such that we have to take charge of it ourselves. Through accounting, a student can learn to take charge of his/her own life.” “In September, 1919, Rudolf Steiner said that no one fifteen or over should leave school without elementary double-entry bookkeeping.... It is best to learn this before the ego wakes up.”



Understanding Capital

New light was shed on what capital actually is when Marc explained, “We have a problem if we try to link capital with circulation. Capital is not a thing. It is a potential appearing behind an initiative. He explained that, as soon as the initiative taker starts to do something, capital appears, from others and as own capital. The capital is always there; even if invisibly or unrecognized. Initiative always implies capital.”

In accounting terms, when someone takes an initiative he or she needs money (to buy equipment, inventory, etc.) which is represented by Cash on the active (assets) side of the balance sheet. This is then reflected as Capital on the passive (liabilities) side.

This gave rise to another lively sharing of how different participants are seeking to give expression to these ideas in courses, papers and practical arrangements. But also of the importance of understanding how this can and should more and more be seen as a role for the Anthroposophical Society in enabling those with excess capital to transfer funds to those taking initiative.⁶

Economics Conference Annual Meeting 2020 at the Goetheanum

Not having met there since 2007, it was proposed to hold the 19th Economics Conference Annual Meeting on 4-7 June 2020 at the Goetheanum. The theme has yet to be determined, but it was suggested that it should address concerns that those at the Goetheanum directly carry. (A letter was subsequently sent to the Vorstand, signed by all members of the School present in Folkestone.)

⁶ A paper to this end describing the newly-created arrangements involving the Economics Conference Fund and the Anthroposophical Society in America is being finalized by Christopher Houghton Budd and Stephen Vallus.