

From Hibernia to Globalisation

Towards a spiritual scientific understanding of modern economic events

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First published in 1998, this article arose from the on-going collaboration of its authors' research into Rudolf Steiner's contribution to modern economic life. Though tentative and presented in an aphoristic style, it is a response to major, and indeed seemingly perennial, questions of our time, and is shared here in the hope of encouraging wider research and debate of the topic.

Rudolf Steiner once said that the economic life is related to culture as a shell is to the nut within.¹ Its contours replicate those of the cultural life to which it belongs. Thus, it can be imagined that economic life is not an opposite or separate realm, but a reflector or mirror of cultural life. By polishing this mirror, ensuring it is true and well-silvered behind, we can better see the reality of our lives – albeit in reflected form.

There is no compulsion on us to attend to the mirror in this way, of course: even less so if we like what we see in it. But few people today are content with the way economic life is unfolding; most are concerned about what they see in the mirror.

Obviously, it is futile to blame the mirror for the unwelcome direction modern economic life is taking. And it makes even less sense to expect the mirror to provide a remedy or to change itself. We must first recognise that economic life reflects back the concrete actions of human beings, albeit aggregated. The starting point for change, therefore, lies in the revised actions of human beings, especially in regard to how these actions play out in the economic realm.

This situation points us to two tasks. The first is to improve the quality of the mirror, to give economic life a structure that allows it to fulfil its reflecting role as faithfully as possible. The second is to consider what is being reflected – our intentions, our decisions and our actions. In other words, it is for us to create a reflection that we would be comfortable with.

No Excuses

Ethical individualism – Rudolf Steiner's term for the human being's ability to bring fresh moral content out of one's own being² – rests on the ground of the freely acting yet responsible individual. As regards modern economic life, this means that if one is minded to take responsibility – that is, to become a source of beneficial influence – one denies oneself two powerful excuses for inaction – the one concerning market forces, the other the unseen influences of nefarious groups.

If one becomes spellbound by either of these, the path beyond the prevailing paradigm remains hidden from view. This is not to say that such things do not have reality, but it is to say that they do not, because they cannot, override the potential for ethical individualism. This potential is unassailable, but it is for the individual to put it into play. There is no guarantee that individuals will rest their behaviour on ethical individualism. Indeed, to the degree that in our times we do not step on this path, to that degree – and not out of themselves – the forces of the market and the influences of unseen groups have their distorting and paralysing effects on human action.

In the case of market forces, one is dealing with an abstraction. As such, market forces do not have a life of their own, but the idea of them can lead us to think that they do and to believe that our

¹ "The truth is that the economic life of a particular time and the spiritual life of a particular time hold the same relation as a nut to its shell; the economic life is invariably the shell which the spiritual life has thrown out." *Rudolf Steiner, Economist*. ([1996] 2018), from aeBookstore.com.

² Chapter 12, *The Philosophy of Freedom*, Rudolf Steiner Press, 1970.

own actions are therefore of no consequence. The image of an invisible hand, for example, ensuring that separate individualist acts sum to a social outcome, is evocative and seductive because it allows us to understand, or so we think, how the economy operates. It is full of plausibility, but it is an invitation not to make conscious the realm of our will forces. Its effect is to weaken the human being's sense of responsibility. As an abstract idea it is powerful, but as an explanation of reality it is uncertain because it pulls a veil over the true nature of economic life.

It prevents us seeing or even wanting to see that the economic life is all about how one can express yet cohere one's will forces – the bearers of one's destiny – in the company of others, without, on the one hand, effacing oneself in deference to the community or, on the other, asserting oneself to the spiritual detriment of those around one – meaning humanity as a whole.

Just as the idea of market forces can have the effect for many people of believing that their own actions count for nothing, so the idea of secret brotherhoods, lodges, conspiratorial bankers and so forth can lead them to avoid courageous action lest they contravene their malevolent intentions and then have to suffer the consequences. Insofar as they are associated with such things as market manipulations, banking techniques, and money issue, the workings of these unseen groups take place in the field of finance. In its financial aspect, however, the mirror that is economic life is especially precise. The realm of finance has to be thought, and thought very precisely. What it reflects is outside our normal consciousness and to understand this reflection is to become awake to the working of our will forces. But because of this precise nature, financial phenomena readily invite speculation as to the deeds and intentions of others. It is all too easy to see (or to think one sees) nefarious goings on.

This experience can be even more disempowering than the belief in market forces. A belief in market forces amounts to not recognising the expression of human will as the true nature of economic life; but a belief in nefarious activity gives such activity a power in human affairs that it otherwise does not have.

In combination, therefore, market forces and secret goings-on can prevent recognition of the true nature of economic life and provide an excuse for not acting out of ethical individualism. The result is the creation of a vacuum into which the forces opposed to humanity's healthy development can enter. In a word, while one cannot deny the reality of market force explanations and manipulative conduct, they have no effect unless and until we suck them into our lives.

Humanity's Mystery Drama

Modern economic life is in this sense a huge worldwide and humanity-wide mystery drama. In the first place, it is not about inflation, money emission, fractional reserve banking, unemployment, interest rates, and speculative money flows. These are secondary phenomena – the external aspect of humanity learning to cohere its will forces. If we wish to understand such things and if, more importantly, we wish to bring order into modern economic life we cannot but understand its mystery aspect.

Returning to the mirror, this means that we have to learn to confront the image it reflects in order to wake up to the actions of our will forces in relation to others. In the way that the brain, by being kept just at the limit of life, provides an instrument for the human spirit to become conscious of itself, so the economic life and its reflection in accounting, that is to say, money become bookkeeping, is the instrument that enables us to become socially conscious. Accounting is likewise near death from a social point of view, but this is precisely why it enables us to become aware of our relationship with others, our involvement with partners and our contributions to human development on earth. This is the unspoken purpose of money today. It is the medium through which the enormous diversity of human destinies can find a common point, passing from cultural and political diversity in a context of separate economies to cultural and political diversity in the context of a single global economy. Needless to say, this is in direct contrast to today's growing sense of a single global cultural and political paradigm born out of the capture of world economy.

This capture is real enough, but we need to be careful not to make our starting point a reaction to it, as many do when they speak of globalisation as of a process done to us. We need to envisage first an alternative landscape, along with what we need to do in order to create such a landscape in practical terms. In such an enterprise there can be no question of erasing what is already existing.

If we do not do this, we make our starting point one step removed from the ground of our own being and thus ineffective. This is not just the case for market force explanations, founded on partial observation only, but also for any malevolent intent on the part of unseen actors. In such matters it is very important to be utterly concrete in both observational and human terms. To stay at a remove is to risk supposing what needs to be seen directly, and to hold individual human beings to account in a way that is unreal and provocative. One has also to bear in mind that, however powerful the influence of such groups may be, at the end of the day one is left with a double challenge. Firstly, one has to avoid stepping oneself on to the path one fancies others to be on. Secondly, one has to act in such a way that one becomes the creator, with others, of the kind of society that one holds others responsible for not having created.

Two Perils

One has also to suggest concrete alternatives to existing financial institutions. And the suggestions have to have the merit of evolving out of, rather than dislodging existing financial arrangements, combining continuity of the social fabric with real change. What is to be put in place of current methods of banking, money emission, and credit creation, for example? To achieve this one needs a clear image of the so-called 'global financial architecture', and one needs to practise transparent finance.

Without a clear concept of the 'right' structure of the world economy and without transparent finance one has neither the lens to see clearly in the realm of finance nor the means to create a viable alternative to the prevailing paradigm. Speaking concretely, all this means that one has to learn to work with one's will forces in ways that are neither misled by partial explanations of economic life nor conducive to secrecy and sect-like behaviour. Otherwise one will be unable to metamorphose events because one will be unable to avoid the twin traps that await the unwary – the Scylla of market force explanations and the Charybdis of secretive and manipulative behaviour.

The Twin Paths of Hibernia

How can spiritual science contribute to the successful pursuit of these aims? What model or image does it offer the human being such that one can both recognise the true nature of economic life and, through one's own actions, work to reform the modern economy in the likeness of this true nature?

As if he were suggesting a counter-image or antidote to the combined effect of market force ideas and manipulation of the economy, Rudolf Steiner describes a powerful experience from ancient times. In 1923 and 1924, he spoke of the Hibernian Mysteries in which the neophyte was led into a sort of sanctuary where there were two statues of strong suggestive power. One of the statues – the Sun Statue – was such that wherever the neophyte pressed into it the surface restored itself. After being given this experience, the pupil was brought before the second statue – the Moon Statue – which kept the impression made in it. It was by means of these two statues that the pupil was led to a revelatory experience of the reality of Christ.³

These are meaningless things to the modern ear, but in those days they entailed powerful experiences that taught the human being about the true nature of human existence and served as a guide.

Needless to say, such experiences do not take this form today, but they exist nonetheless and continue to point to the true nature of human life and can still serve as a guide. Through such ancient experiences human beings came to know themselves, to recognise their community with their fellows, and thence to experience the godhead as a blessing, as an answer to right human conduct. From the point of view of spiritual science, humanity is in thrall to materialist conceptions of human psychology that lie at the base of market theory, with their powerful appeal to individualism and their suggestion that self-interest sums to a social outcome thanks to an invisible hand. If we could let go this self-centred view, we would see that the underlying structure of human existence is very different to the one most people imagine, namely, threefold.

³ See, for example: 7-9.XII.23, *Mystery Knowledge and Mystery Centres*; 27.XII.23, *World History in the Light of Anthroposophy*; 27.VIII.24, *Cosmic Christianity and the Impulse of Michael*. All Rudolf Steiner Press, London.

One would then see how human beings come to know themselves as social beings when they can give active expression not to their individualism only, their sense of self, but also to their sense of other, and to their sense of the common good as a thing bestowed by grace. Social order is not in this sense the result of disparate individual acts, woven together by an invisible hand. But nor is it the result of altruism. The human being comprises both social and anti-social forces. Giving expression to both enables the possibility of a response born of the gods, not of man. This is the reality that invisible hand imagery obscures.

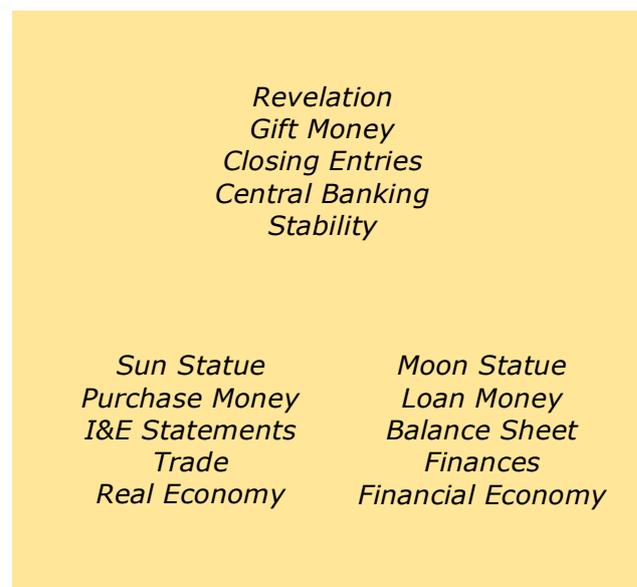
Money as Bookkeeping – a Modern Path of Initiation

The threefold concept outlined above can also be understood as intimately related to one of Rudolf Steiner's central indications for modern economic life – the concept of three kinds of money.⁴ Here is not the place to go into this idea in any detail. Suffice it to say that one can get the measure of it from Steiner's belief that without this idea humanity would not find a foundation for modern economic life capable of replacing the gold standard.

The three kinds of money are usually described as purchase money, loan money, and gift money. But this archetypal idea can also be understood as the reality behind modern accounting methods, in particular the Income and Expenditure Statements, the Balance Sheet, and the Closing Entries.⁵ These things appear as dry figures, of course. But when one considers the very different experiences that underlie the three components of accounting, and when one realises that accounting is an increasingly universal language, one can begin to sense that there is far more involved than first meets the eye. Indeed, the I&E Account, which is put to zero at the end of each year, represents in abstract form the experience of making an impression that restores itself. The Balance Sheet, which carries the effects of the year's activity, similarly represents the impression that remains. The Closing Entries, by means of which one decides the allocation of capital or net worth, represent the Response of the Gods.

The same image can be used to indicate the essential nature of the economic structure of the world. In this case, the Sun Statue corresponds to the full range of human economic activities, from the sole trader to the transnational corporation. In modern parlance, the real economy. The Moon Statue stands for the financial counterpart of these activities, experienced especially strongly today in connection with the financial markets. In a word, the financial economy. The Response of the Gods is central banking, albeit central banking of an auditorial, rather than a banking kind. The role of modern central banking is to promote stability by listening for (hence, auditor) imbalance in economic life.

The possibility that one image stands behind the true nature of human life, the nature of money, the techniques of accounting, and the economic structure of the world cannot be without significance for human affairs. By its light we can organise economic life in conformity with the nature of our true being, and do so not only at the micro and macro levels but at all points in between. If it is so that, whether we look into the depths of our being, the 'reason' for accounting, or the way the world economy is structured, we come to the same image, then this promises to be an image that can lead us out of our alienation into the landscape of tomorrow. It is, needless to say, a very different image to that of the invisible hand.



⁴ *Economics – the World as One Economy*, ([1922] 2014), Ch. 12, from aeBookstore.com.

⁵ *Money as Global Bookkeeping*, Marc Desaules, Neweconomy Magazine, 7/8.98.

https://economics.goetheanum.org/fileadmin/economics/Articles_and_Papers/1998_Topic_Report_Awakening_to_Global_Bookkeeping.pdf