



Understanding Gift Money

Rudolf Steiner's Image of the Economic Process

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Convened under the auspices of the Economics Conference of the Goetheanum, a day-long study concerning Rudolf Steiner's idea of gift money took place on 16 October 2005 in Stroud, England.

The discussion centred on a paper circulated in advance by Christopher Houghton Budd entitled *Gift Money – Have we understood it?*¹, which in turn examined several projects in the UK for which donations are being sought. The starting question – whether donations and gifts are synonymous with Steiner's concept of 'gift money' – was explored by reference in part to what Steiner says in his lectures on economics,² partly by considerations of how donations are treated in accounting terms – notably that a donation becomes either income or capital, is either spent or invested – and partly the practical experience of those present.

Steiner's basic idea that in the economic process money arises as purchase money, then passes into loan money and on to gift money was rehearsed discursively but also by way of blackboard illustrations. The analogy was made between the manner in which, after Goethe, a plant culminates in a space in which the flower arises and gift money as an aspect of economic life that comes to meet us when loan money is transmuted into gift money. If purchase money is represented by goods and loan money by initiative, then gift money represents the living intuition from whence new economic values derive.

We also considered how when loan money is changed into purchase money by being given to a teacher to spend, for example, it is this ultimate function that determines it is gift money. In other words, gift money amounts to converting loan money into purchase money again, for which, however, there needs to be a tangible, even quantifiable, outcome – such as a functional school system or a research paper. Not just nothing. Put the other way round, gift money appears as the counterpart to an active spiritual life, the actual rather than merely hoped for presence of an intuition or insight, the effect and value of which typically arises beyond the world of those who bear them (as when an invention benefits the whole of humanity or, conversely, when a cultural life starved of funding results in decivilised behaviour).

The discussion ranged widely from the macro-economic issues of the day, such as the existence of too much investment capital in the world and not enough income, to uncertainty about the link between Steiner's ideas and much of our day-to-day behaviour in the field of finance. Is it 'right', for example, to finance buildings with gift money? Should financial literacy be something only finance people concern themselves with, or should not teachers, lenders and consumers all understand how finance works? What would an 'anthroposophical' pension fund look like and does this exist in the UK? Could the revised taxation treatment of second homes as of April 2006 not provide a means to invest in school real estate instead? (Instead of securing one's pension against

¹ Copies available for £5 (incl. P&P) from Centre for Associative Economics: admin@cfae.biz.

² *Economics – The World as One Economy*, New Economy Publications, Canterbury 1996. (Available from cfae.biz/publications.)

a second home in the Algarve, why not invest the money in homes for teachers, theatre buildings, and so on?) Should legacies be used to fund real estate, or to endow cultural activity so that they could pay a rent enabling real estate to be financed with loan money?

The purpose of the study day was to create a venue in which such themes could be considered afresh with the hope that heightened awareness of what Rudolf Steiner said and greater approximation to his indications in our own transactions might increase our understanding of the nature of gift money and thus increase its presence in the world beginning with the anthroposophical movement. In this regard we have the potential not only of addressing some of our own pressing needs, but of nudging the existing world of finance towards a more spirit-friendly understanding of its purpose.