



Economics Conference of the Goetheanum

Part of the Social Sciences Section of the School of Spiritual Science

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The Work of the Economics Conference

With the 10th Annual Meeting of the Economics Conference, we will be celebrating both Michaelmas and the 100 years since Rudolf Steiner gave his lectures on Christian Rosenkreutz. But also, as considered in last year's meeting, we will have our eye on the contrary impulses working through economic life, especially as this approaches us from out of the West.

It continues to concern me how little the work of Rudolf Steiner is known in the field of economics, a field distinct from banking and organisational development, where, of course, important work is well established. For it is surely in the realm of economics, however formulated, that what Steiner called the abstract nature of our times has to be overcome, not by bringing morality to it from outside, as it were, but by discovering in ourselves the implicit wisdom on which it is based. By, in a word, entering into that field consciously as members of the School of Spiritual Science working collegiately. That, at least, is the idea behind the Economics Conference.

By 'the West' I do not of course mean the English-speaking world in any simple sense, important though the latter clearly is as the instrument or vehicle for modern economic ideas. I mean what happens to the life of will when humanity travels 'westwards', what comes to meet the human soul in terms of spiritual geography, and the challenges that then arise as we go deeper into modern economic life. On this I am sure that Rudolf Steiner had his gaze trained, both when giving his economics lectures and especially in the closing days of the Christmas Conference. So, too, one can divine the sense for world economy (and the training of the will that implies) explicitly in the work of people like Daniel Dunlop, but also implicitly in the work of Maynard Keynes. Can it be, however, that these impulses have all withdrawn to, or been withdrawn by, the spiritual world?

Though there continues to be little awareness of the work of the Economics Conference, it retains its vital focus on this question because it is surely at the root of so many of today's ills. It is the inner aspect of many modern money problems, including those of the many anthroposophical undertakings, chief among them the Society itself, that struggle to exist economically. All the while, mainstream economics continues apace, its huge influence on both thought and practice seemingly unaffected by the events associated with the global financial crisis, despite the founding of a *World Economics Association* with 6,000 signatories in order to "increase the relevance, breadth and depth of economic thought [through] inclusiveness with respect to: (a) the variety of theoretical perspectives; (b) the range of human activities and issues which fall within the broad domain of economics; and (c) the study of the world's diverse economies." Even George Soros's *Institute for New Economic Thinking* continues to think in the old way – about not out of the economic life. It is as if a threshold paralysis affects human will life – preventing development of the kind of will needed to hear and to heed the precepts of associative economics.

In this context, like the Little Prince, I hold as ever to my question, therefore: Why is there no Section for Economics? Why does 'associative economics' not live in the way that 'biodynamic agriculture' or 'Waldorf education' do? I am equally as tenacious in my certainty that unless and until such a section appears – in all probability from out of 'the West' in the sense meant here – I do not see how the economic affairs of the world, whether within or without the Anthroposophical Movement, can change in any fundamental or paradigmatic sense.

Sincerely,

Christopher Houghton Budd

The Prospects for Associative Economics

Following a similar event in Ghent, Belgium in April, workshops and seminars took place in July and August in Buenos Aires, Sao Paulo and Toronto that were aimed at reviewing the prospects for associative economics in our time of strong neo-liberal dominance and the continuing global financial crisis. The following report from Kim Chotzen, gives a sense of the ground covered and the issues raised. Of particular importance in all events was the presence, albeit small in number, of mainstream economists, many of them young, for whom this was a first meeting with associative economics, the ideas of Rudolf Steiner, and such an 'echt' anthroposophical concept as the I. In all cases, the response was not only positive, but also resulted in engagement. To my mind, the real test for associative economics will be its ability to nuance without cooption the so-called mainstream. This means, of course, using spiritual science to escape or overcome the errors of economic materialism working especially through the idea of money as a thing in itself. Worse yet, as a commodity that can be bought and sold in markets.

Finance and the Threshold: Prospects for Associative Economics in our Time

August 12 - 14, 2011, Toronto, Canada

Kim Chotzen, Organizer

Where are we when we talk about finance today? If the markets are on 24-7 with no pause moments, then in what world are we? Webster's Dictionary defines *threshold* as *a place of entry or beginning; a point above which something is true or will take place and below which it is not or will not*. Rudolf Steiner, little known as an economist, had much to say in terms of economics about the reality of a threshold beyond which material concepts are non-operable. Is there a purpose in acknowledging this threshold in economic life? Do we ignore at our peril some of his observations: for example, that bringing land, labor and capital into circulation, as if they were commodities, defies the natural boundaries of economics? And if so, what would be the corresponding remedy, if humanity were inclined to it? Are we experiencing such uncertain financial times at this moment in history because a metamorphosis of modern economic conditions requires major balance sheet write-offs on behalf of education and culture, something that may be counter-intuitive to neoliberal thinking? Is the world poised to take notice of Steiner and indeed recognize his economic analysis as the next step in modern economics? Can his keystone concepts give humanity the urgent ground it needs to unfold its wings and emerge into a new economic landscape?

Background thoughts such as these brought a group of 27 individuals to Toronto, Ontario, Canada for the recent event *Finance and the Threshold - Prospects for Associative Economics in our Times*. This was a conference convened by members of the Economics Conference, a group of worldwide members of the School whose purpose is to examine modern economic issues taking Rudolf Steiner's economic ideas as the reference. Sandwiched between another stock market plunge and a rare earthquake on the east coast of the US, one could almost imagine these inner and outer events being connected. Present at the meeting was star educator Mary Adams, from Harbor Springs, Michigan, USA, who confirmed that even the planetary alignment indicated that something indeed was 'in the air.'

Christopher Houghton Budd spoke of Steiner as 'The Other Austrian,' simultaneously differentiating him from socialism and from the Austrian School of economists, with its rationalism. Even though common assertions were shared between Steiner and the Austrians, (e.g. the individual human being is incapable of understanding economics alone), because of their approaches to observing economic phenomena, their conclusions differed. Whereas the Austrians defaulted to 'the wisdom of the market' Steiner's research refuted the dualistic thinking of the time, asserting, for example, that human beings can indeed think with three independent variables and therefore, via association with their fellows, collectively develop the wisdom to understand economics.

Modern threefold concepts - such as the elements of global economic architecture, i.e. world trade, financial markets and central banks, or of domestic economics, i.e. means of exchange, store of value and unit of account - are readily understood when considered in the light of what Steiner said about three kinds of money. Early on in the conference, the assumption of a metamorphosed economic life led to certain givens which allowed the participants to undertake an imaginative process to describe economic life beyond the current dualities of today. Such givens included the following: the obsolescence and eventual absence of non-profits, accounting as the world's currency, and the consequent anomaly of central banks or any other controlling authority. Banks do not issue credit: creativity that seeks financing does. Money is issued by virtue of one person needing another's goods. In an exchange, both parties make a surplus that makes visible the fact that human beings have

been served. The structure of accounting expects a surplus. Double-entry bookkeeping is a tool that protects the human being from the temptation to be untruthful in the presence of money, in that it makes both sides of all transactions visible.

The room began to shake as we considered how it would be thinkable in the conventional world of economics to consider the absence of any controlling authority with accounting as the only currency. What about floating or fixed exchange rates? It is clear that nations can never have domestic control as long as, at any time, shifts in exchange rates can wreck internal stability. So how do we arrive at Keynes's 'moving point' whereby all economies prosper? Is this just an altruistic, utopian concept, or does it simply make good economic sense?

Keynes's International Clearing Union (proposed at the 1944 Bretton Woods conference) was a plan that corroborated Steiner's concepts whereby world trade would be effected using a shared currency – the bancor –which belonged to no one country. Trade above or below a certain threshold was thought to be destabilizing and therefore would be penalized. Keynes's ideas were not accepted by the US, with such consequences as the new world liquidity organization (which became the IMF) became based in Washington, DC, with voting power largely controlled by the US.

It is important to recognize that it is not the corporation per se that is corrupt. After all, the corporation, the 'body,' does not act except that it has a force within it that causes the acting. The essential question is who or what acts or speaks in the 'body'? Corporate structure in its ideal form is meant to house an idea, to support the unfolding of a mission. The way funding is introduced can either uplift or wreck the mission.

Young people today stand ready to unfold tasks for which capitalization is needed. Whether for their education until they are old enough to generate value or for their ideas for solutions to the world's problems, if the capital that charges rampant around the world in the form of volatile market activity were but channeled in the direction of the young people, the world would become stabilized. Whether for school financing, humanitarian services or industry, the for-profit structure is the only one needed since there would be no more externalizing of costs for non-profits to mop up.

In fact, the world Steiner described at the beginning of the 20th century is not so far from our grasp. Individuals, not 'experts', hold the key and the only question is whether there are enough human beings with the will to act.

Teaching Economics in Waldorf Schools

A report is not yet forthcoming, but a recent important event was a meeting in late August at Harlemville, USA, of people concerned with the teaching of economics in Waldorf schools. Carried by John Bloom (RSF Social Finance), Arthur Edwards (Centre for Associative Economics) and Gary Lamb (Harlemville Association), the meeting was part of ongoing efforts to bring together those who in different ways teach economics in upper schools in order to compare notes. Two long-term thoughts play a part in this work: whether consistency of content is possible and whether courses can be devised that can be given beyond the Waldorf context. The project's own descriptor reads as follows:

Personal and Social Transformation through Economic Literacy

A key aim of Waldorf Education is to educate toward freedom. One important aspect of this is for students to become aware of the complex weight of their cultural conditioning and to be encouraged in self-directed inner development. Such inner development is based on an understanding of the threefold nature of social life in which the ideals of freedom in education and culture, equality in rights, and interdependence in economic life are recognized. One of the greatest challenges today is to support individual initiative and enterprise. How young people find and develop the skills and confidence they need to walk their own paths is a crucial matter. Is it enough to be taught personal finance or should learning be extended to include the wider economic relationships of trading and capitalization? How can students understand how money works without direct experience and accountability?

Not only does a focus on economic literacy augment and deepen the already proven strengths of Waldorf education, its value goes beyond individual or local significance to concern the future of economic life and the quality of social life as a whole.

The value of economic literacy goes beyond individual or local significance. It concerns the future unfolding of economic life and thus the quality of social life as a whole. Rudolf Steiner's economic analysis addresses the very real issues that humanity is confronted with today. It offers a sophisticated approach needed for balance to be restored to the world economy through its practical application in personal, organizational and community life. In this light, economic literacy can connect to the aspirations of young adults as they build their own paths. The challenge of the next century is to create a foundation upon which to manage the economy on a new participatory basis, wherein individuals act in voluntary and conscious association, rather than, as now, out of the pressure of ever-more centralization and self-interest.

Source: anthromedia.com/fileadmin/user_upload/Economics/2011_Event_Fliers/Economic_Literacy_v9.1.pdf

The Economics Conference Account

In 2011 particular attention has been paid to developing a worldwide funding approach to the work of the Economics Conference, in the same spirit as the Goetheanum Fund, begun by the Swiss Society in 2005. The basic idea (outlined in previous issues of this Newsletter) is to position the Anthroposophical Society as the vehicle for carrying this work and to track the movement of funds through a combined spreadsheet. This work and its associated 'protocols' will be reported on at the forthcoming L'Aubier meeting.

A New Website: Associative-Economics.com

Recently Jesse Osmer, Arthur Edwards and Christopher Houghton Budd created a new website for associative economics using the site of the Centre for Associative Economics, which provides the 'venue'. The aim is to create a livelier and more informative resource to help in the promotion of the associative economics paradigm. The site has seven main areas: a description of associative economics, the journal *Associate!*, an events page, linked to a worldwide diary, the Diploma (currently being reviewed to become a more 'serious' affair as a match for mainstream settings), publications, the Associative Economics Quality Guarantee Mark, and a page for research and its funding.

AE and The City

Using Rudolf Steiner House as a venue, a number of lectures were given in London in the first half of the year on the financial crisis and on the funding of education. These lectures are attended by people from various walks of life and gradually one sees people from the markets putting in an appearance, albeit tentative and even off the record. But also people from other economic persuasions coming to compare Steiner to Henry George, Social Credit, and so on. Coffee is often taken across the road at the London Business School, but as yet the link to the City, a.k.a. the mainstream, remains discreet. It mainly takes the form of low-key attendance at professional events and seminars, writing papers and reviews, and quietly becoming part of the mix.

Note: Such information as has been sent in is published here. Another medium for seeing or notifying what is going on is the *anthromedia* website: www.anthromedia.com/articles/economics/reports/.