



Economics Conference of the Goetheanum

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

Newsletter | December 2012

Convenor: Christopher Houghton Budd, PhD | Email: economics@goetheanum.org | www.economics.goetheanum.org

Dear Colleagues,

we are now at the end of the Mayan Calendar. One can understand this event in many ways, of course. My own is influenced by the simple, yet far-reaching thought that on 21st December, every human being should be where he 'should' be. Hence, I decided to send this out today, the 21st, wondering where we all are! For my part, as Martin Luther King might have said, I have a dream that one day the essential task of associative economics will be to perceive – that means to promote – the profitability of the world's economy. That means the profitability of *every* human being, not just some. That means the successful capitalisation of everyone's destiny.

Extended to include 'services' as well as goods, I mean profit in Rudolf Steiner's sense: "...there must be something in [the economic] circuit able to indicate whether a need exists for a particular article of production. Under the present form of economic life the only indicator of this is the fact that the article yields a profit. An article can be produced, if the profit it yields is sufficiently large; one that yields no profits must not be produced, because it will distort the balance of prices amongst the articles in actual circulation. Profits may be what they will ethically, but economically – at least under the prevailing form of economics – they are the indicator of valid production." *Business Profits and the Spirit of the Age*, Stuttgart, 1920)

In this spirit, I would like to wish everyone a Happy Christmas and Profitable New Year!

Best wishes,

Christopher Houghton Budd

12th Annual Meeting of the Economics Conference

Montreal, Canada, 27 to 30 June 2013

This year's meeting is being organised by France Beaucage, who writes: "...it is important that the meeting reflects all our concerns. So, if you do have anything to suggest, please let me know ... so that we can build a program reflecting the thoughts of all of you. Also if there is a point that you would like to prepare and introduce personally, please let me know. Warmly and best wishes for Advent. France."

Details are still being worked out, but the main themes currently under consideration are these: Lesson 4 of the First Class, associative economics as a school of thought, using the EC account for publications, the identity of the Economics Conference 12 years on, and teaching (associative) economics.

If you would like to contact France, please do so via beaucagef356@gmail.com.

EC Days: Step into Another World!

In recent months, as a means of developing a more worldwide awareness, the themes from the 2003 AE Festival in Canterbury, England have been shared as the basis for several gatherings: the entrepreneur as neophyte, the company as temple and finance as guardian. The aim was to give some esoteric backdrop to today's practical questions. Firstly, an evening at the Goetheanum on 17th September. Then as the pretext for two one-day meetings in Sao Paulo, Brazil, and Mendoza, Argentina, organised by Lucia Sigolo and Mauricio Garay respectively. The idea was "to provide a setting for those who feel themselves responsible for bringing change in economic life to consider this task in the light of three themes central to spiritual science." The days were "open to anyone who considers these themes relevant to today's challenges. The idea [was] for participants to attend in their own right, rather than as representatives of organisations, and to meet in a spirit of wide collegiality because, as Rudolf Steiner intimated, while we have to carry our destinies individually, the task of spiritualising today's economic life cannot be undertaken alone."

In Brazil over 20 people took part, in Argentina 12. On each occasion the meeting ended with a look at what is practically possible to further associative economics. In Brazil, the focus went to publishing a new version of Steiner's economics lectures in Portuguese and on the development of a course (in both cases with Marco Bertalot). In Argentina, the main emphasis was on how to work differently with not-for-profits. Both days produced a small surplus for the Economics Conference Account, shared 50/50 locally and at the Goetheanum (see next item).

Economics Conference Account Update

With the year-end approaching, here is an overview of the Economics Conference Account worldwide, based on the information supplied by the 'trustees' – Kim Chotzen in the US, Arthur Edwards in the UK, Mauricio Garay in Argentina and Lucia Sigolo in Brazil. It should be noted that the income in Argentina and Brazil has been generated through levying 10% on workshops; the income in the US and the UK shows the beginning of people making donations. The next questions are (a) how to increase these flows and (b) what best use to make of the money (see next item). Meanwhile, a great 'thank you' to all who have contributed either by way of direct donations or fund-raising events: Mary Adams, Stefanie Bracher, Patricia Delisa, Meg Freeling, Susan Gravelle, Michael Lange, Daniel Osmer, Stephen Vallus, and Hermes Trust in the UK, managed by Richard Masters.

These monies are held pending projects that could be financed in accordance with the established protocols. The main thought people have seems to be about publications because of their universality and worldwideness. In the meantime the liquidity of the funds is to the benefit of their hosts.

	CHF	GBP	USD	AUD	ARS	BRL	=
ECA(G)	3,451.55						
ECA(UK) Hermes		1,236.02					
ECA(UK) CfAE		654.03					
ECA(UK) CHB		4.48					
US Events			0.00				
ASinA			2,641.00				
Hungary							
Australia				1.00			
New Zealand							
Argentina					986.00		
Brazil						2,685.00	
	3,451.55	1,894.53	2,641.00	1.00	986.00	2,685.00	
21 Dec Rates	1.50	1.00	1.58	1.47	7.25	3.30	
GBP	2,301.03	1,894.53	1,671.52	0.68	136.00	813.64	6,817.40
USD	3,635.63	2,993.36	2,641.00	1.07	214.88	1,285.55	10,771.49
CHF	3,451.55	2,841.80	2,507.28	1.02	204.00	1,220.45	10,226.10

Publication Fundraising Campaign

Towards 2023 – Renewing Our Covenant with Rudolf Steiner by Christopher Houghton Budd

The annual Economics Conference research gatherings have recently concerned themselves with details of the finances of the Anthroposophical Society and the School of Spiritual Science. Especially in light of the celebrations of the 150th anniversary of Rudolf Steiner's birth this year, we asked ourselves what would be worthy of celebrating on the centennial of the re-founded Society in 2023. The answer that a well-funded Goetheanum, indicated primarily by its balance sheet, would reflect that we had understood and acted on the indications that Steiner gave in the Christmas Conference proceedings, 1923-24, regarding the financing of the newly founded Anthroposophical Society and School of Spiritual Science. Our discussions gave rise to practical steps that could be taken within the Anthroposophical movement, regarding membership dues, research funds for Section activity and public contributions in 'thanks' for the effects and products of that research. An example of the latter is the *Goetheanum Fund* (goetheanumfund.org). The *Economics Conference Account* has also been established as a channel through which monies dedicated to research can flow.

Also, *Project 2023*, a project that focuses renewing our covenant with Rudolf Steiner with its emphasis on strong finances as a reflection of strong, good will toward the Goetheanum, that is, toward what Rudolf Steiner bequeathed to humanity by re-founding the Society. In a book called *Towards 2023 – Renewing Our Covenant with Rudolf Steiner*, based on seven lectures given in Spain and South America in 2011 and 2012, Christopher Houghton Budd describes how we can rise to the challenge of financing our movement in this way.

A funding campaign for publication and distribution of this book is underway that aims to raise a minimum of \$5,000. For further details, please contact Kim Chotzen at kimchotzenevents@mwt.net. Contributions to the

campaign can be sent to the Economics Conference Account, by sending a check with 'Economics Conference Account' written in the memo field to Anthroposophical Society in America., 1923 Geddes Avenue, Ann Arbor, MI 48104-1797, USA. Donations can also be made directly to the Economics Conference Account of the Goetheanum at: "Gift 1319 Economics Conference" Allgemeine Anthroposophische Gesellschaft, Postfach, 4143 Dornach, Switzerland. IBAN: CH36 8093 9000 0010 0607 1 Raiffeisenbank Dornach, CH-4143 Dornach BIC: RAIFCH22

Course(s) in Associative Economics

There seems to be a quickening of ideas about courses in associative economics and in recent months I have been asked to contribute to such discussions in various parts of the world. I think this discussion should have a home in the School of Spiritual Science and would like to open it out under the auspices of the Economics Conference. I think it would be appropriate therefore for those of us interested to look at this question in link with the Annual Meeting. I imagine a day during which we share what we are severally doing.

Part of my concern is that an unspoken divergence seems to be arising regarding how associative economics is understood. Is it part of the 'threefolding' movement, or is it more directly economic in character? Is it to be predicated on not-for-profits and 'spiritual institutions' or grounded on share companies and with a 'harder' edge? I am also concerned that the 'threefolding' movement, at least in the US, is turning towards overt political activism, which cannot be a part of the School of Spiritual Science, whatever its members do in their capacity as private citizens.

Lastly, is associative economics to remain 'hidden' in the anthroposophical movement or to step onto the world stage? Is it to be about an economy dependent on donations, or can we envisage such macro events as central banks switching from price stability to true price as their overarching image and goal as regards economic life? Now perhaps more than any other is the time to review where the bar is set when it comes to teaching economics, especially associative economics to young people.

Good News from Brazil!

Further to several gatherings in the last two years, a group has formed called 'Forúm de Economia Associativa', coordinated by Lucia Sigolo. This group meets regularly in Sao Paulo and has staged a couple of conferences already. It is also the 'home' of a project to provide a new version of Steiner's lectures on economics in Portuguese.

11th Economics Conference, L'Aubier 2012

A Follow-up Report by Meg Freeling

An important tone of collegial research and dialogue pervaded the annual meeting of the Economics Conference in L'Aubier, Switzerland in September (see also online report by Jesse Osmer [http://sozial.goetheanum.org/index.php?id=4839&no_cache=1&tx_ttnews\[tt_news\]=1992](http://sozial.goetheanum.org/index.php?id=4839&no_cache=1&tx_ttnews[tt_news]=1992)), during which we formulated four economic propositions that address the question of reconnecting the goods markets with the financial markets in the light of Rudolf Steiner's 1922 lectures on economics, and his 1911/2 lectures on Christian Rosenkreutz. Our work became informed by certain considerations and a clear if unspoken rationale.

1. The time and place of our meeting holds spiritual significance.
2. The kind of thinking we strive to practice matters.
3. To think about reconnecting the goods markets and the financial markets requires clarity, courage, compassion and a stepping out beyond comfortable thinking to exercise spiritually concrete, feet-on-the-ground imagination.
4. To think about world economy as if everyone matters is to think from the other side of the threshold, to think and see the things around us from within the spiritual world.
5. As clarity increases, so do opposing forces intensify. Thus, awareness of the ever changing but ever present periphery of a deed or an event becomes essential: each person's conscious initiative can best move forward to the extent that there is an equally conscious periphery (a 'retort' that becomes a 'chalice'?) providing the initiative with a sacred, protective circle in which to unfold.

Rationale

If the money market and the goods market are to reconnect in a harmonious way out of the wisdom that lives at the heart of economics itself – a wisdom that also lives in the soul of every human being – then we need to revisit the relationship between production and capitalization, the current imbalance of which now disrupts the world economy – and the lives of many individuals within it.

Our will to do this is hindered by a lack of what Rudolf Steiner calls "apt thinking". At a time in history when we need to be creating a truly human economy, we are still thinking in "animal economics" and "hamster capitalism," i.e., "Nature provides the products, and the animal as a single creature takes them for himself." Steiner points out that the human being does indeed reach down into this animal economy, but "he has to emerge from it." (*Economics*, 38)

But our will is also blocked by a tendency to default to old 'starting points' for change that can be illusory, piecemeal or ineffective. Moreover, there is a general reticence to take the participatory path that alone allows an inside-out view of what is actually happening and what reconnections are possible in each set of economic relationships being focused on. We sought to address these hindrances by way of four key propositions.

Propositions

1: Lenders lend without collateral

Lend to the good spirit in the individual human being; require no collateral, except a financial plan for a project that meets the needs of others.

When a financial institution or an individual lender requires the borrower to put up collateral such as a piece of property, the lender is no longer lending to the individual human being, but is diverting the efficacy of the loan into some material object, thereby deadening the project and deflating the human spirit that stands behind it. If the loan can be made as evidence of trust in the individual meeting the needs of others as planned, it buoys the person up and gives him the impetus to succeed. The economic buoyancy created by altruistic human aspirations needs to be seen as at least equal to, if not greater than the security provided by real estate collateral.

2: Foundations spend down capital

Foundations start to strategically spend down their capital over a time period of a generation or less, so that both interest and *principal* of the funds they receive are made available to those directly meeting human needs.

This has the potential to flood charitable, public benefit bodies with huge amounts of funds that are otherwise held in the financial markets – funds that can enable people to address more fully and directly the urgent *human* needs that exist in everybody's neighborhood throughout the world. To paraphrase Arthur Edwards's recent AE-Exchange posting, any associative working which is premised on the initiative of 'free spirits' cannot but benefit from the spend-out of the philanthropic capital currently held in foundations. Such a move is afoot within the sustainability movement.* Can the anthroposophical movement follow suit?

3: Create periphery organs when deciding the use of large legacies

When large legacies are donated to charitable organizations, we need to create organs that can act as a "periphery" to decision-makers, allowing them to act out of their true and highest self when allocating those funds. We need to build this associative process right into the bylaws of the organization.

4: Money Creation

How, when and by whom is money created? We imagined the inner shift that occurs when a person with a financial plan for an initiative that meets the needs of others is told 'yes' to a request for the required credit. Confidence replaces reticence. An expanded sense of self, a feeling of personal sovereignty, takes over. Things begin to happen. In this sense, money is created by the recipient of the credit, not the provider of it.

There are two mysteries here: One is the mystery of the incredible buoyancy of altruistic human aspiration. The other is the mystery of mutually beneficial human exchange which actualizes not only what each person truly needs and wants, but also releases an additional surplus through every such transaction. When these two mysteries are acknowledged, celebrated and wondered at, the creation of money emerges as a sacred human act available to every person of good will.

* See Susan Arterian Chang in article by J. Fullerton, "The Case for Spending Down Charitable Foundations"
<http://www.capitalinstitute.org/blog/case-spending-down-charitable-foundation>.