



# Economics Conference of the Goetheanum

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

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Dear Colleagues,

with this issue of EC News, I am closing my year. It is the middle of the Holy Nights and hopefully for you, as for me, the year is ending on a note of quiet optimism. As the editorial of the December issue of *Associate!* put it<sup>1</sup>: "...one can feel a subtle shift taking place, a chance for a new approach quietly to take hold. This will be without fanfare and will not be headline making, but it has the potential to effect real change nonetheless. Everything that happens in economic life begins as a thought, whether correct or erroneous. Thoughts become rivers and eventually estuaries. Now is the time to quietly recalibrate our instrument, to reset our compasses, economic if not moral, and change the setting by the amount, however tiny, that will result in us making landfall beyond the current storms, rather than missing the port."

I don't think this is a case of the wish being the father of the thought. On the other hand, any flame newly kindled needs to be given oxygen whilst remaining protected from too-strong blasts of air. I first felt this shift in June at the Montreal meeting – so, in our tiny circle. But I have also sensed it in mainstream contexts where, for example, one sees a resurgence of interest in Aristotle – as if we know that he, not Adam Smith, is the true father of economics. (That said, I have just come across Tomas Sedlacek's *Economics of Good and Evil*, OUP 2011, which takes Enkidu in Uruk as the ancient originator of economics!)

I hope 2014 sees a strengthening of this new mood. But I also hope for something else. As the one who, perhaps more than most, wanders about the world and so knows most people on this list, I often think how important it would be for everyone to meet everyone else. Perhaps 2014 will see opportunities for this to happen.

Meanwhile, all the best for your Holy Nights and for the year ahead,

Christopher (Houghton Budd)

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## Montreal 2014

As already notified, the next annual gathering of the Economics Conference will again be in Montreal, 21–26 June. Details are currently being coordinated, but the event will have two main parts: a focus on true price and a day on financial literacy. If you would like to contribute to the programme in any way, please let us know by email to [economics@goetheanum.org](mailto:economics@goetheanum.org).

## True Price Watch

As part of a decision to advance the idea of true price in the world, one of the ideas at the June meeting was to create a True Price Watch (see report in *Associate!* September 2013). This has yet to happen, but under this rubric there follows a synopsis of various activities under way in this regard. If only those familiar with Rudolf Steiner's economic ideas would put their shoulder to *this* plough, with its many consequences for true income and capitalised initiative (personal credit)!

As part of this work, a page for True Price was created on the EC website. The idea is to give this core concept from Rudolf Steiner (aka Enkidu, aka Aristotle, aka Thomas Aquinas!!!) a clear focus. In a sense the whole of associative economics unfolds from and collapses into the true price formula. On this page various texts can be found, including recent articles by Marc Desaulles and the report on the True Price seminar held at the Goetheanum at the end of November.

Mention should also be made of the following activities:

*From L'Aubier, Switzerland*

We ended the conference last year in Montreal with a great enthusiasm for the economic course of Rudolf Steiner and took the decision to work on it during this year to be able to make new steps next year. For this purpose we decided to stay in Montreal, a place, or so it seems to me, for real impulses. I think it is because it is in North America but in the part that speaks French. Well... of course it's my language, so this may be not so objective!)

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<sup>1</sup> If you are not yet a subscriber, please consider becoming one via [associative-economics.com/associate](http://associative-economics.com/associate)

Here in L'Aubier, Marc and I have created a study group and meet once a month to work on the 14 lectures and this is quite enthusiastic! Stephanie (the other Swiss person in Montreal) is also with us. Now, here, winter is arriving and we will soon have snow so before we go under it I wanted to share with you our pleasure in studying how the tailor can be so naive to think he can save money by making his own suit!

There are (only) 6 months left before we meet again so if you haven't begun you will have to study 3 lectures or seminars a month to catch up, but I am confident you will make it!

From Switzerland with my best wishes, Anita

#### *Brazil*

In Brazil two developments can be reported. On 23-24 May in Sao Paulo there will be a two-day event to focus on true price organised by the Associative Economics Forum, whose 'team' includes two Brazilian colleagues: Marco Bertalot-Bay and Lucia Sigolo. Another colleague, Xavier Andrillon, is undertaking a PhD at Campinas University on 'How can accounting and Rudolf Steiner's concept of true price further sustainability in business?'

#### *Toys Boats in Columbus*

Meg Freeling in Columbus, Ohio, USA has been looking at the practicalities of comparative pricing as a way to engage in a local business's efforts to price fairly by selling – at different prices – toy boats from local Amish craftspeople alongside cheaper Chinese look-alikes. She wrote this up in a piece on 'Toy Boats and True Prices', published on November 15 in the company blog of Lehman's Hardware Store (called 'Country Life'). Here is the link: <http://wp.me/p6fhR-51K>.

#### *A Way to Pay More / Kim Chotzen*

At this year's annual meeting of the Economics Conference in Montreal, an intriguing impulse developed in response to the focus on true price as a starting point for centering economic life. One Canadian participant suggested that making regular contributions to the associative economics publications fund (see below) in compensation for any 'untrue' prices she had paid could be a way to address a fundamental axiom of economic life – namely, as Rudolf Steiner points out in the third lecture of his economics course, *egoism must be extirpated root and branch from economic life*.<sup>2</sup> And indeed, the first of several such contributions has now been made, which also led to the formation of an Economics Conference Fund within the Anthroposophical Society in Canada.

Given that today's economy makes it more and more difficult to purchase necessities *without* paying untrue prices, the idea is, for me, revolutionary, that even in an economy that forces prices down to their lowest, one could choose to make an effort to pay true prices (to meet the needs of producers and their dependants until they will have made a like product in the future), by making a compensatory contribution to an entity committed to research of associative economics. What if everyone did this? What if, instead of searching for the lowest price for everything, we all asked ourselves what producers could actually afford to sell their products for and then made up the difference with a contribution to something that could generate new value for humanity? In terms of Steiner's analysis, this idea might seem to oversimplify the challenges facing us in the need to extirpate egoism root and branch from economics. Nevertheless, I wonder if it wouldn't be a powerful first step toward becoming conscious of that need.

#### *True Price Seminars*

**Goetheanum, Switzerland.** On 29-30 November 2013 a seminar was held, introduced by a talk by Marc Desaulles entitled 'True Price = True Income, Rudolf Steiner's path to create a full and dignified income for everyone' (soon to be available on the EC website True Price page). This was followed by a very fruitful one day discussion headed 'True Price in Thought and Deed', a report of which is available on the True Price page.

**Toronto, Canada (by Robert Wahlberg).** In Toronto a three-day symposium was held to look at three topics: true pricing, the need to decapitalise land, and the relationship between the English economist, John Maynard Keynes and the work of Rudolf Steiner. Backgrounded by lectures that made something abstract interesting, for example the links between Aristotle, Thomas Aquinas, Karl Marx, Adam Smith, Rudolf Steiner, Woodrow Wilson, Joan of Arc and others, we saw how certain collective false beliefs held over generations have played a significant role in the global financial crisis and, if maintained, will wreak further havoc in the future. For example, the idea that we can buy and sell land and treat property as a commodity. In fact we can only ever have the 'right' to own or use land. We buy a title, but even then one can ask, with Steiner, should one buy titles? Are rights commodities?

The importance of implementing Steiner's economics approach became more evident over the weekend. Without this greater perspective it is very difficult to appreciate and understand the economic environment we face today and know how to approach the future. And yet, the 'novel' humanity is collectively writing is far from finished so we can still affect the outcome of our story if we individually rid ourselves of such false beliefs and act out of the true humanity in each of us.

**London, England.** *True Pricing: How are we doing? 10 January 2014 at Rudolf Steiner House.* A one-day symposium. Anyone interested should take contact by email to [economics@goetheanum.org](mailto:economics@goetheanum.org).

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<sup>2</sup> *Economics – the world as one economy*, Rudolf Steiner, New Economy Publications, Canterbury, 1996. Steiner, p.57.

## **Not a High School, an I School**

*At the recent annual meeting of the Economics Conference in Montreal, Canada, participants pondered what might characterise associative economics as a school of thought. They did so in groups of six, then shared the results in plenum which are here combined into a representative reportage, although reordered under sub-headings.*

### *Human beings*

Associative economics begins with the human being, not the state or the market. In reality, it is human beings that become aware both of their own needs and of the needs of others and so can arrive at true prices, this being the overall goal of associative economics.

### *Schooling*

The key element in the human being is the individuality, the self, the ego, the I. Associative economics is not, therefore, so much a school of thought as a schooling of the I. It relies on making conscious the interdependence and mutuality that economic relationships presuppose – even of doing unto others as one would have done to oneself. Conversely, a truly mutual economy and an economic life that achieved true prices would require awareness of one's I, at least in the sense of one's capacity to think and act for the other. In essence, therefore, associative economics is the path from narrow to enlarged egoism; from thinking only of oneself to including the entire human family in one's thoughts and actions.

For what else does the division of labour imply? It does not just mean dividing a task into distinct elements, then parcelling them out into separate actions. It is about self-active, self-aware intelligence first recognising then giving conscious expression to the division of labour. When fully realised, the division of labour means each one serving all others, and all the others serving the individual.

### *Training in thinking*

As a formal schooling, associative economics is exemplified in Steiner's economics course, which needs to be understood as a process of and a training in thinking economically. Even thinking as such. Crucial for this is to understand that associative economics – indeed any economics that claims to be scientific – is at once practical and theoretical. This is the challenge that economics generally faces: how to be scientific? Does one shadow the 'hard' sciences, based on physical sense perception? Or does one have to learn how to perceive, scientifically, what is physically imperceptible – such as prices, values, inflation rates?

This is also a question of methodology. The key is to be neither inductive nor deductive in one's thinking, but descriptive. To characterise rather than define. That means that the theoretical dimension of economics needs to follow, or name, rather than prescribe, economic experience. This is the hallmark of associative economics, whether or not called as such.

### *Business and accounting*

The primary experience for associative economics is that of the entrepreneur, the one who uses his wits (capital) and his skills (labour) to meet the needs of others. That is to say, in principle, every human being – not just entrepreneurs in the more strident sense generally meant, of getting rich by the time one is 40. However, for economic activities based on individuals serving the community rather than themselves to be truly effective, that is conscious, we need an instrument for perceiving economic life. For associative economics that is the role of accounting understood in terms of its own logic, instead of being used for the purposes of profit-making only or tax avoidance.

But accounting needs also to be understood as money in today's world. In the details of budgets, accounts and financial analysis one can 'see' how economic life transpires and is given effect. Accounting reflects our activities and intentions, as does money. Once both have become digital, they become synonymous.

Moreover, accounting has the potential to be a common language, capable of displacing English as the *lingua franca* of economic life. In this sense, it is beyond capture by any group and so, as far as economics is concerned, it is the language of the I, the means for conversation between all human beings through the medium of their economic activities.

For accounting to serve these purposes entrepreneurs need to share their accounts on a regular basis and develop a financial literacy that does not regard money as something unto itself. For once money is 'alive', aware of itself so to speak, its transparency turns to opacity and so unsuits it to being an instrument of perception.

### *The next orthodoxy*

Finally, as with any real school of thought or paradigm, associative economics depends for its development on a community of researchers and on publishing the results of their research so that the ideas of associative economics can enter general consciousness. For this a more concerted approach to publishing is needed, but also one may have to find the link into – or rather beyond – the Anglo-Saxon mindset which currently tends to set the tone and agenda of modern economic life. As one participant subsequently commented, this may require the kind of approach taken by John Maynard Keynes: "I believe ... Keynes got inspirations ... and then "brought them to earth" in expressions that were descriptive but also inductive and deductive. He used the mode and language of the general discourse [in order to enlarge its] scope."

In that sense, it is also important to ask whether associative economics stands opposed to the current mainstream, belonging rather in the heterodox world, or is it the next orthodoxy? Is it able to lead our understanding of economics beyond the currently prevailing market theory?

### Financial Literacy

As indicated above, in essence financial literacy is about schooling the I. It therefore matters how and what one teaches at different ages – principally, 15-18, 19-23, 24+. These considerations should perhaps be borne in mind by those of us working in the field of financial literacy. We will again provide a focus on this in June. Meanwhile, it is important to know of two developments in this regard. The first is that Florian Oswald of the Pedagogical Section at the Goetheanum has begun to coordinate the teaching of economics and finance in Waldorf schools. If anyone feels they should be on Florian's radar, please contact him via [paed.sektion@goetheanum.ch](mailto:paed.sektion@goetheanum.ch). The other is work now being done to bring associative financial literacy into mainstream contexts, the essential point there being to avoid teaching that money is a thing in itself or that capital can be preserved without seriously affecting wider economic health. It remains to be seen how these two dimensions unfold, but hopefully they will end up singing from the same hymn sheet!

### EC Fund

The EC Fund balances are shown below (subject to reconciliation with the accounts in the various entities in which they are held). These include an amount in Canada, where an account is currently being opened in the Anthroposophical Society in Canada and an amount in the Netherlands that is currently being held privately as the Society there does not see such a service as part of its work. It is hoped that an account will also be opened in the Society in Spain.

CHF	GBP	USD	ARS	BRL	NL	CND
54,175.25	1,973.53	3,026.00	986.00	2,685.00	124.00	394.00

The balances show that things are beginning to move – at least on the 'moneys in' side. 10% of EC events continue to play a part, but also individual donations in the US. Plus there has been a substantial contribution (of, in round figures, 51,000 CHF) from the Swiss Society, monies raised in Switzerland through the Goetheanum Fund project (see [fondsgoetheanum.org](http://fondsgoetheanum.org)). Of a total of 151,000 CHF raised by the economics 'campaign', there were 102,000 CHF left to donate – 50/50 between Switzerland and the Economics Conference at the Goetheanum. The difference of 49,000 CHF shows the cost of producing such a publications with its associated translations and websites.

On the 'monies out' side, however, not a great deal has happened. The idea is that research funding is sucked in' by those doing research (that is to say, research should be grounded in itself, not occasioned by the availability of money), subject to three main considerations: (1) that they cite Rudolf Steiner clearly, (2) that they work to a budget, and (3) that the results are publishable – meaning capable of public scrutiny. Too often, it is not Steiner's ideas as such that are questioned by the world, but their interpretation and presentation by those of his protagonists who are content to leave the link to Rudolf Steiner vague or unreferenced, who do not know how to present Rudolf Steiner's place in the 'literature', or simply (but more tragically) advocate ideas he would not countenance, under the aura of supposition that he would. In its most radical expression, for example, is associative economics a kind of state-market hybrid, or does it represent the kind of economics (in both theoretical and institutional terms) that begins where both market and state leave off?

With the above in mind a proposal (already being discussed with those colleagues immediately concerned) is to widen the EC Fund so that it has three main aspects: (1) The funding of research as to date. (2) A Publications Fund enabling texts to be published in today's very difficult environment, difficult because of the indiscriminate effects of digital media and such business models (and related practices) as that of Amazon. (3) Administration, including a more pro-active website. The thought is to pace this work over three years, 2014-2016.

### Website

The EC website has been recast slightly. I am quietly upgrading its content and usefulness as a site for exchanging and imparting information.

### Next Issue

I know this is a texty publication, but I try to keep within four pages. It has been suggested that there be more visual content, which I will think about for next time, which will probably be late March with a Montreal update. If anyone else has any comments, please do let me know. (CHB)