

Economics Conference of the Goetheanum

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

Newsletter 16 | December 2014

Editors: Christopher Houghton Budd, Kim Chotzen | Email: economics@goetheanum.org | www.economics.goetheanum.org

Dear Colleagues,

although you will have received the report of the Montreal meeting in the meantime, it's been a year since the previous *EC News* (No 15). A degree of intensification has happened in that time, as this issue reflects. Gradually, the work of the Economics Conference is taking root, within and without the anthroposophical movement. It has always been a yardstick for me that this development should run side by side, a version of 'as above, so below' and a measure of its health, in that it provides a bridge between those working out of spiritual science and those not. Bridge is perhaps not the right word inasmuch as the role of spiritual science is to innovate. To paraphrase the Swiss education minister: "My advice to [the Steiner movement] is to continue to pioneer and to give impulses for the future!"

To innovate, however, is to imply that others will follow or reflect what has been innovated. So it concerns me lest, as I think we are at risk of today, the followers move ahead of the innovators, or the innovators become relativist – seeing all kinds of close matches to the work of Steiner that are in fact nothing of the kind. Overlapping terminologies, for example, are never a match for the emphasis that Rudolf Steiner puts on "extirpating egoism root and branch from economic life."

Sadly, but also tellingly, many anthroposophical institutions, from the mother to the daughters, are in serious straights, searching for identity and struggling financially. Sadly, because now is not the time to give up the struggle; tellingly, because not a few of those cases take their economic and financial cues from anywhere but spiritual science and from anyone but Rudolf Steiner – the result in part of spiritual science having not yet found its way deeply enough into those domains at policy and conceptual levels.

As the work of the Economics Conference grows, I hope that this deepening can take place, whether by way of small, if seemingly insignificant, steps to understand true price, increased presence of the ideas of Rudolf Steiner in mainstream policy and academic settings, or through any of the many other ways one can walk the associative economic talk.

In this issue special efforts have been made to encourage the use of *EC News* by Economics Conference participants, partly the result of Kim Chotzen joining me in the editing. Hence this extended edition.

Very best wishes for Advent, Christmas and the Year to Come

Christopher (Houghton Budd)

Contents:

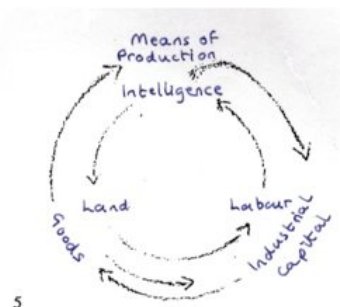
See you in Montreal!
Next Steps...
Financial Literacy
True Price
Economics Conference Fund
Around the World

See you in Montreal!

Next Annual Meeting, 24 to 28 June, 2015

Montreal, Canada

The 14th annual meeting of the Economics Conference will have as its theme 'As long as... we are faithful to true price.' This will be the third in the current sequence, after which the annual meeting will move elsewhere. The meeting will take as its background the 7th lecture from the Economics Course, studied in the mood of the First Class Lessons of the School of Spiritual Science as part of our endeavours to match esoteric and exoteric developments in modern economic life. Fuller details are being worked up. If you have any thoughts about this event, please let us know: economics@goetheanum.ch. To signal your intention to take part, please send a brief email to France Beaucage: beaucagef356@gmail.com



Next steps...

Review the Work to Date

Kim Chotzen

I recently spent 6 weeks in Europe assisting Christopher with an overall review of the Economics Conference work and identifying where I might contribute to or takeover some of the tasks involved in tending this delicate plant. This included looking at the way the inner and outer content is expressed via websites and what is needed for the Economics Conference as a worldwide community to increase awareness of itself. To that end, we considered the existing websites in the following ways: The Economics Conference website¹ can be seen as a portal to spiritual scientific research in economics. Outer expressions of this research can be found at associative-economics.com where *Associate!*² can also be found, a monthly digest of economic issues from an associative point of view, as well as the AE-Exchange³ an online venue for public debate. This site is provided by the Centre for Associative Economics⁴, a virtual think tank and home for publications that further associative economics.

The Economics Conference began in 2002 when the first invitation to address modern circumstances – “a cosmopolitan, Michaelic development is being experienced negatively as ‘globalisation’” – was sent from the Goetheanum by Paul Mackay and Christopher Houghton Budd to a small list of people “with a view to creating the right conditions for a wider process (of research).” Twelve years later, our review was a window into how that work has gradually been built up with the steadfast hope that it can be of service to Michael in economic life. The last issue of *EC News* expressed an image that all those individuals in the world who carry this impulse might meet someday. As members of a circle in the centre of which is Rudolf Steiner’s economics course and the Christmas Conference, I believe we do meet, and my hope is that the impulse of the Economics Conference will be carried more and more by our earnest strivings within its structure and content. In keeping with this thought, I wish to invite you to join me this Christmas season in reading the proceedings of the Christmas Conference, day by day. I look forward to meeting you!

Website Review

The Economics Conference website (economics.goetheanum.ch) has recently been reviewed in terms of its section-like role in modern economic life. Such a section is conspicuous by its absence, of course. More’s the pity when one notices the weak presence of spiritual science – more concretely, the thinking behind Steiner’s *Economics Course* – in today’s economic, financial and business discourses. No matter; in the spirit of Jørgen Smit’s lectures on the three classes⁵, section work can be seen as a seed, task or quality, and needs to be so if it is to have any meaningful formal existence.

The changes to the website are on-going, the latest one’s being mainly nuancing and streamlining and an endeavour to widen its content out from the initial purview (even idées fixes!) of the Convenor! By way of a brief guided tour, the main changes are listed below. The aim, as with *EC News*, is to deepen the work of the Economics Conference, and to widen colleagues’ ‘ownership’ of it:

Home Page – disclaimer revised. German edition revised (many thanks to Fionn Meier and Jutta Wollmer).

Gallery renamed as *Photos and Exhibitions* with links to the exhibitions reported on elsewhere in this newsletter.

True Price and *Financial Literacy* pages have increased texts and a growing list of articles.

Towards 2023 – slightly refocused to serve as a backgrounding to the esoteric considerations behind the work and form of the Economics Conference. We felt this was important in order that the world knows clearly where we are ‘coming from’ and where we stand vis à vis the many other schools of economic thought, all of which have some kind of world conception in their backgrounds, even if they do not say so overtly. *Inter alia*, an important part of this is the publication of a text by Marc Desaulles, Swiss Society Treasurer and General Secretary, called *The Challenges of*

¹ <http://economics.goetheanum.org/home.html>

² <http://www.associative-economics.com/associate/>

³ <http://www.associative-economics.com/associative-economics/ae-exchange/>

⁴ <http://www.associative-economics.com/about/centre-for-associative-economics/>

⁵ (available via <http://www.lulu.com/shop/search.ep?keyWords=houghton+budd&type=>),

Christmas 2023. This comprises the English version of an article published in Switzerland in May 2014 and the transcript of a lecture given at Rudolf Steiner House in London, also in May.

Financial Literacy

Next year at the Annual Meeting, we plan another one-day meeting on teaching financial literacy. Following the valuable sessions last year, this work is being taken further in a variety of ways.

Financial Drivers License Workshop

Daniel Osmer

A one-day *Financial Drivers License* workshop was held this past June 2014 in Sebastopol, California. The workshop featured *Economics From the Ground Up* – an integrated understanding of economics and money using colored chalk images linked to fundamental concepts, a short history of economic thought, and some essential financial history; and, *Accounting in a Nutshell* – culminating in a hands-on double entry accounting session combining practice and theory. Forecasting, Cash Flow and Financial Ratios will be included in the next year in the following locations: Sebastopol, CA; Eugene, OR; Portland, OR; Seattle, WA.

The next workshop is scheduled for Saturday, January 24, 2015 (10-5) in the banquet room of the French Garden Restaurant, Sebastopol. There is a \$150 fee to cover the entire day, including lunch, coffee and snacks. In addition, there is a scholarship stream of funds for attendees based on need and a 10% early payment discount. The workshop offers an integrated understanding of economics, money and accounting using the history of economic thought, financial history and visual images to highlight the essential economic and financial ideas underlying our current economic circumstances. Through dialogue and hands-on practice, the universal technique of double entry accounting used worldwide will become both understandable and applicable. By participating in the process of recording a transaction all the way to preparing the standard financial statements or forecasts, you will finally understand and perceive for yourself what the bankers and accountants see. The new capacity to understand, read and write the language of capital and finance – Double Entry Accounting – will provide a 'Birds "I" View' of your economic actions, past and future. (Bring pencils, including color, and an 8.5 x 11 pad of paper. A blank 'main lesson' notebook will be provided.) For more information contact: daniel@theaecafe.org; www.theaecafe.com

CHB and Financial Literacy (work in progress)

Since 2008, many governments have mandated secondary schools to teach financial literacy. What they have not done is clarify what the paradigm is that will be imparted, or how teachers will teach this topic. In many cases it is lost in 'Citizenship' and teachers have had no training – neither in college nor by life. My own activities in this field include writing an essay – *In the Shoes of Luca Pacioli* – for a manual on teaching teachers to teach finance, to be published by Springer in Berlin in March; the designing of financial literacy seminars as part of a larger EU-funded project based at Said Business School, Oxford; the workshops described below; and on-going work in Argentina with young people in school and with secondary school teachers.

Financial literacy can put smiles on faces...



Mannheim, Germany

The Accounting Exercise – Kim Chotzen

At the third in a series of workshops, Christopher presented an accounting exercise at the Waldorf teacher-training seminar in Mannheim, Germany. Following on from the accounting exercise that Marc Desaulles presented at last year's annual meeting, he showed a step-by-step approach to experiencing first single and then double entry accounting, through the closing entries to the trial balance. Though simple on the face of it, much discussion ensued and some of the teachers present requested a follow-up course in financial literacy. Ernst Schuberth, a long-standing teacher of teachers, said that double entry was akin to life after death, which prompted me to ask where, then, is the threshold, to which Christopher replied: "If one follows the process from single entries to double entries, then via closing entries to trial balance sheet, it is as if one is crossing the threshold from one's earthly I to one's heavenly I, then back again. I think all questions of money issue and credit creation are about this, they bring humanity to the threshold." The workshop concluded with fascinating and detailed presentations by Nicholas Dodwell and Klaus Waeschle of their Waldorf upper school main lessons in economics and accounting.

At the end of the workshop a group of participants gathered for what quickly became a profound discussion and impromptu Economics Conference session. Typical was the question of one participant, a young man who works in the European Central Bank, who asked "when I read in Rudolf Steiner's economic course that 'to understand capital we need intuition', what do I do with this?"

True Price

An Afternoon in Buenos Aires

True price in debt-laden Argentina

'True price' was the focus of an Economics Conference meeting in Buenos Aires, organised by Mauricio Garay from Mendoza. At the meeting, Christopher reported on the discussions and activities in this regard (see below) of other participants in the Economics Conference. Then there was discussion of how this idea might be taken up in Argentina – a country with very serious economic and financial problems, not the least of which is 40% inflation and a government that taxes anything that moves. After the gathering a number of those who took part went also to Mercedes, two hours into the pampas, for three one-day intensive workshops on financial literacy, youth bonds, and land ownership and management. Thanks to the presence of some very committed individuals and a number of professionals in law and accounting, the ideas of associative economics were looked at with great precision and the way deepened as to how these ideas can be given expression in Argentine legal and commercial life.

True Price in Sao Paulo

Lucia Sigolo

On May 23rd and 24th this year, members and friends of the Economics Conference of the Goetheanum organized a meeting at the Brazilian Society in São Paulo to deepen understanding of Steiner`s True Price formula. The idea was for the 20 participants to build together a better comprehension of the meaning of this formula as well as to look into practical attempts in this direction.

Since not all participants were acquainted with Steiner`s work on economics, one of our colleagues, Marco Bertalot-Bay, opened the meeting, and shared his knowledge on the matter. How to deal with needs? How to let fraternity enter into our lives? How to deal with the future, which is ahead us? These and other questions were then deeply discussed in the light of associative economics. It was very beautiful to perceive how the group became cohesive in its sense of the challenge of changing paradigms when it comes to economics. One could see how the quality of the discussion and the level of contributions became elevated.

Two real cases were considered: *Café Abaetuba* – the Brazilian Society's coffee shop, run by the Youth Section. From its beginning this initiative has had three different prices for each product: *Minimum Price*, for giving people more access to coffees and snacks (covers costs only); *Real Price*, allowing clients to pay also for the needs of those who work in the café (costs+people); *Ideal Price*: for those who want to finance Youth Section activities (costs+people+youth projects). Sometimes, very puzzled clients have to choose how much he or she wants or can pay. Were we talking about prices or consciousness? The second case: *Projeto Germinar* – a human develop program for social purposes – brought us the question of how to manage different prices for different pockets. Who should be financially responsible for human development? Both cases notified us of some good changes in their initiatives sometime after their presentation.

Towards the end something unusual happened: there was a breakdown of electricity. Some colleagues from the Pharmacy Course had offered to play to us some Bach music, to which we listened with pleasure by candle light. How easy yet complex can be the domain of economics! Many thanks to my colleagues Marilha Balieiro and Mariama Vendramini, who helped this meeting to happen.

Economics Conference Fund

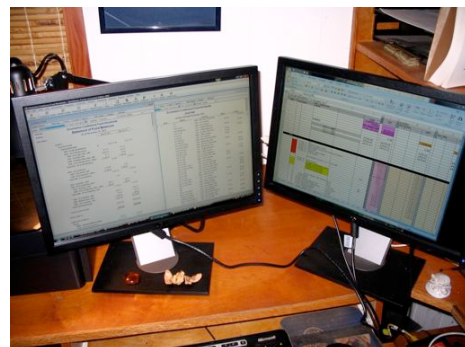
Money as Bookkeeping

The spreadsheet that has until now tracked the on-going Economics Conference activity in various countries has now been converted into a Quickbooks file by Stephen Vallus, a tax accountant in Arkansas, USA. This seemingly low-profile exercise has macro implications as a demonstration of how spiritual scientific research can be independently financed. In Stephen's words:

"As bookkeeper for the Economic Conference Fund, I find I have now, after many decades, left the comfort of my U\$D village. Compiling transactions in 7 currencies on 4 continents into financial statements, activity flowing in and out through beautifully colored spreadsheet windows, I wonder: will we arrive at $1 = 1$ someday? (Instead of $1 + 1 = 11?$ – chb)

EC Funding as the Ground under our Feet

The Economics Conference Fund has begun to receive a steady flow of funding by gracious and generous contributions from individuals who value its work and have chosen to put their surplus in its path. As reported in *EC News 15*, these funds have begun to be used to upgrade the website as a more inter-active affair between participants in the Economics Conference and the fields of economics and finance in general, and to establish a more coherent worldwide strategy for developing and disseminating associative economics thinking.



Around The World

Meetings in London

This year a number of research meetings have been held under the auspices of the Economics Conference to provide an independent forum to consider the links between the Anthroposophical Society in Great Britain and Rudolf Steiner House in London. This is a complex topic involving charity law, confusion between real assets and free spiritual activities, and overlapping of responsibilities between the Society and the School, especially as regards the funding of the latter's Sections. The discussions have been very fruitful and will hopefully continue in the next year, an important aspect being the link between these problems and the Arthurian Mysteries.

Arthur Merlin, Christopher John, Kim Elizabeth. Three individuals from the mythical past gathered at Tintagel in the old counting house amidst the castle ruins of the legendary seat of King Arthur to discuss the quintessential accounting exercise, while below the waves crashed against the rocks!



Money and Credit

One-day workshop/symposium in February in Switzerland

Because a number of us plan to be at L'Aubier for its exhibition change-over (see below) on 6/7 February 2015⁶, as well as the Swiss Society Annual General Meeting at the Goetheanum the following weekend, there is an opportunity to convene an informal meeting of the Economics Conference at this time. This will take place at L'Aubier, Neuchatel on Saturday, 7th February, details to follow. Anyone interested should contact economics@goetheanum.ch.

Rare Albion Exhibition

Stepping Into Another World in Folkestone, England

This past February, using funds kindly provided by Lorene Allen, Christopher Houghton Budd created a mini-money museum in the unsuspecting town of Folkestone, England. The exhibition ran for two-weeks and featured an interactive walk-through display which treated themes on money, accounting, and finance. The targeted audience was the 'average' person off the cobbled street and indeed, the doors were left wide open to encourage passers-by to drop in. Each display included an informative narrative based on an associative economic worldview. Favourites were the 'peek-through' Luca Pacioli statue inviting one to stand in the form of a balanced T-Account and an arrangement of books on finance –left-wing books on the right and the right-wing books on the left. (See <http://vimeo.com/93670664>.)



Associative Economics Exhibitions

The thinking behind L'Aubier

A series of exhibitions designed to address today's events from an associative economics point of view is underway at L'Aubier, an eco-hotel and biodynamic farm in Neuchatel, Switzerland.⁷ The idea is to make visible the associative economic practices of L'Aubier as a European centre for this work. The first exhibition focussed on true price as a concern shared by Aristotle, Thomas Aquinas and Rudolf Steiner. The current exhibition features *Towards a One-World Economy, the work of Rudolf Steiner, Daniel Dunlop and John Maynard Keynes* and will be displayed in the front lobby of L'Aubier until 6 February, 2015. The next one, from 7th February, will feature the blackboard drawings from the Economics Course.

Three of a kind?

Sebastopol Activities, California

For more information contact Susan Gravelle (shown here with Lorene Allen) at susangravelle@gmail.com.

The *Associative Economics Group of the Anthroposophical Society* in Sebastopol, California, which had its first meeting August 5, 2013, gathers on the third Friday morning of the month. The focus is on understanding modern economic life in the context of Rudolf Steiner's 1922 lectures to economics students. After working through the first six lectures of the 1922 economics lectures, from twin value theory to true price, the group is now discussing *A Human Response to Globalization* by Marc Desaules.

⁶ <http://www.aubier.ch/en/exhibitions.php>

⁷ <http://www.aubier.ch/en/exhibitions.php>

Established in 2014, the *Friends of the School for Spiritual Science* is a funding stream created to direct money to individuals for research and related activities in a range of professional fields with specific reference to Rudolf Steiner and/or spiritual science. The research is presented via lectures, working groups, publications, websites, artistic presentations or other publicly accessible means. Funds are provided through private donations and by profits generated through business surpluses dedicated to supporting spiritual scientific research by local individuals in their respective fields. Helped by a small gift from Friends of School for Spiritual Science, Kris, a remedial educator, attended the *Education Support Conference* of the Pedagogical Section of the School for Spiritual Science in Dornach. Kris met her international education support colleagues, established new alliances between Pedagogical and Medical Section members, and heard about current research. Kris joined the Pedagogical Section in recognition of its work in the field of education and specifically out of her commitment to forging new collaboration between medical and pedagogical researchers within the Education Support Training field and in her private practice.



For over six years, the *Associative Economics Café* has hosted a series of public events where people gather together to explore the ideas and practices of finance and economics in the light of associative economics – a collaborative and accountable approach to understanding modern economic life – igniting a conversation in the relaxed and friendly setting of a Sebastopol venue. \$5 at the door. For more details please contact Daniel Osmer via daniel@theaecafe.com or visit www.theaecafe.com.

Associate!

Published by Centre for Associative Economics on behalf of the Economics Conference, *Associate!* is a monthly digest of economic affairs from an associative point of view. Its editorial policy is to focus in signs of our time – a reference to Michaelic moments in today's world – and then to weave back and forth between current debates and Rudolf Steiner's insights. It is also a forum for proponents of associative economics to 'talk shop' and publish short articles. If you are not already a subscriber, please consider becoming one by visiting <http://www.associative-economics.com/associate/>.

Post Script

Words of Gratitude

Meg Freeling – Columbus, Ohio, USA

I am grateful for the current direction being taken in the Economics Conference, for I realize that it provides an on-going venue through which one can take definite steps on a modern initiatory path, striving toward true price through conscious mutualism, toward turning bookkeeping into an art form of great beauty, and toward the wisdom behind Novalis's realization, "The artist belongs to his work, not the work to the artist." To take up economics for the love of the deed and for the meeting of others' needs becomes more and more possible.