

Associate!

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Newsletter of the Economics Conference of the Goetheanum Part of the Social Sciences Section of the School of Spiritual Science

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This issue speaks for itself with reports of courageous, dedicated people doing things – work that can surely be called economics section work, work that will change the economic landscape, even if ever so slowly.

There is nothing more that can be said, no more waxing eloquent. The time is at hand to do, to be active and responsible so that good can come about in the world.

Meanwhile, in the words of an African American Spiritual,

*Keep your lamps trimmed and burning.
Keep your lamps trimmed and burning.
Keep your lamps trimmed and burning.
The time is drawing nigh.*

*Children, don't get weary.
Children, don't get weary.
Children, don't get weary
Til your work is done!*

With warmest wishes for a Christmas season filled with inspiration, hope and peace.

Sincerely,

Kim (Chotzen)

In memoriam of World War
1 *chb*

Forgive the gun
That first went off
Forgive the gas
That made men cough
Forgive the guile
That made us lost
Forgive, then,
Every ill-fired shot.
Forgive the gods
That egged us on
Forgive the guys who got it
wrong.

Forgive.

And let's move on.

18th Annual Meeting Musings – Christopher Houghton Budd

19-23 June 2019 Folkestone, England

For our 2019 Annual Gathering I would like to suggest the following topic: *Circulation of Trade; Respiration of Initiative*. I think this will be a good follow-on from what we have done to date, but it is also linked to a Folkestone 'hero', William Harvey, who discovered the circulation of blood but did not think in terms of the heart as a pump. This is something our Folkestone anthroposophical study group is beginning to busy itself with and is also a worthy sequel to the money and nerves theme of a couple of years back. I am being advised on this by James Dyson.

In addition, of course, June 2019 marks the 100th anniversary of the Treaty of Versailles, humanity's disastrous wrong turning with its reparations theme so central to Folkestone. For this I propose a two day tour of 14 medieval churches, with a special reading in each one of the 14 texts I have written, in which each of Steiner's economics lectures provides a riposte to Wilson's 14 Points. This will require people to stay two days longer (but the Grand Hotel is the same price) and we will travel in a shared mini bus. The texts are attached at the end for the interest of those who would like to take part.

Would-be participants should send an email to economics@goetheanum.org by 15 January, signalling their interest in attending. Rooms have been booked at The Grand as usual. The meeting will take place at the venue overlooking the sea.

L'Aubier Research Seminar

22-24 February 2019

The next Economics Conference meeting at L'Aubier will take place 22-24 February 2019. Although we plan to take stock of where we are and what needs doing, the main theme will be: *Land, Labour and Capital: What do we understand when we say these are not commodities and how do we then treat them in modern accounting?*

These meetings are by invitation and details are being finalised, but interested parties should contact mdesaules@aubier.ch for more information.

A Second Chance for the World?

Seeing beyond the falsehoods of modern history through the lens of associative economics

This event, which will take place 21-24 March 2019 in Vancouver BC, Canada, promises to be a dynamic exploration of a simple, if challenging thesis: One hundred years since the end of World War 1 we have a second chance to place humanity on the true path of its development. But only if our analysis includes the observations of Rudolf Steiner and if our ideas come from the future rather than the past; from sense-free perception rather than sense-driven instinct; from our own will working in cooperation with others rather than from external guidance manipulating our actions. In short, how can we learn to navigate the two closely-related worlds of human existence, the one obvious, the other to be divined? How can individuals serve the community through their capacities, and how can the community capitalize them so that they are able to? And how, through entrepreneurship and its language, accounting, can our micro actions give rise to a new macro landscape?

Registration details will be available soon. Immediate enquiries may be directed to Kim Chotzen kimchotzenevents@mwt.net or Susan Gravelle susangravelle@gmail.com.

The Role of Latin America in the World Economy – Associative Economics as a Social Path

Event in Argentina

The 2nd Latin American Meeting of the Economics Conference of the Goetheanum took place in Los Mangrullos, San Andrés de Giles, Buenos Aires, Argentina from 4-7 October 2018. It was attended by some 30 participants from Brazil, Ecuador and Argentina. Prior to it, Mauricio Garay and Natalia Conti had tilled the soil in preparation by hosting a two-day workshop on accounting and associative economics at a Society conference in Cordoba. 28 people took part (farmers, school teachers, accountants, 'social-threefolding' people, beekeepers, and others).

Additionally, Mauricio was part of a panel of three speakers on social sciences along with Horacio Mueller and Jon Winks (active anthroposophists in Argentina). Mauricio gave a 25-minute talk to approximately 160 people introducing the Economics Conference and representing the importance of focusing on economics rather than on social threefolding. Most of the people didn't know there was a course by Rudolf Steiner on economics. Questions about creating a Section for Economics arose. Constanza Kaliks, member of the Executive Council of the Goetheanum, was present in the audience. Much traction for the October event was established with requests to work with people from Neuquen, Buenos Aires, Cordoba, Entre Rios, Tucuman, Chile.

The 2nd Latin American Meeting of the Economics Conference continued themes begun in 2017 in Mendoza, Argentina. The meeting was organized in three main themes, 'economics', 'the corporation' and 'accounting', with special attention given to the role Latin America has to play in the world economy. In this light, case studies and success stories of work being done in the name of associative economics were considered. The overall mood of the conference was reflective of the Latin American spirit – humble to recognize truth and to go to work on behalf of it, something that can be sensed in the following participants' comments.



Daniel Havro – Curitiba, Brazil: The EC meeting in Argentina was a great opportunity to experience for the first time the environment that the group is creating, by meeting the members and taking part in both small and large circle discussions but also to see the impressive work developed at Las Ondinas Pampeanas SA. But... did we succeed in the proposed discussion? The silence and difficulties we face to answer what is the role of Latin America in the World Economy were very eloquent and symptomatic. On the other hand, I think that all the discussion about the 'res publica' brought new light to the meeting's subtitle, 'Associative Economics as a Social Path'.

Lucia Sigolo – Sao Paulo, Brazil: As if a counter-tide to today's rising nationalism and protectionism, on a date coincident with the first round of elections in Brazil that elected the right-wing candidate Jair Bolsonaro, the 2nd Meeting on Associative Economics took place at La Estancia Los Mangrullos, San Andres de Gilles, Argentina. Organized by colleagues Mauricio and Natalia Conti of the Economics Conference and with Christopher Houghton Budd as the main speaker, the meeting had as inspiring reading the text "Una breve historia de El dia Venidero" by Emil Leinhas – translated from English to Spanish by Hector Urtizberea, with the English version, "A Brief History of Der Kommende Tag", in turn translated from German by C Houghton Budd & Jean-Claude Lin. Leinhas's text briefly describes the initiative to create an anthroposophical corporation in 1919 and the reasons for its failure. Through the drama of the events of those years and the commitment and dedication of the people involved, as described by Leinhas, it is possible to put into perspective and make a parallel with the research now being undertaken 100 years later by members of the Economics Conference.

The first question to be discussed in the plenary session at the opening of the meeting was: What is the contribution of each country present to humanity's table? Without wishing to close the question, joy, musicality and dance, which are common elements for the Latin American countries, were mentioned, as well as biodiversity and the capacity to produce food for the world.

The pre-Christian myth that existed in the cultures of the Incas and other peoples living in the Americas was also brought to the fore, linked to the arrival of the "welcome-white man of the sun" in the 1500s. Unfortunately, for those who lived here this meant: massacre, subjugation and the plunder of gold and silver used in religious and spiritual rituals. So, what role does this mythical white man still play for the peoples of Latin America? Is there still today, in the peoples who live here, the expectation of salvation by the white man, coming from outside? To what extent has the way in which the encounter between the indigenous peoples and the European white man contributed to the violence and exacerbated disorder in the countries of Latin America?

Other questions included those about how José San Martín's liberation of Spanish America took place. And the roles of Simon Bolívar and Pedro I, with the creation of so many republics, perhaps not yet really republics and not so independent. And what is expected of a republic once it has been established?

A highlight of the meeting was the presentation of accounting and entity research. How can the transformation of the corporation take place in Latin America? In this, Natalia Conti's presentation on double-entry bookkeeping was both fascinating and fun. In such an environment of intense research among the participants the voice of each could be heard, and so the voice of the whole, creating at each moment the possibility of speaking and listening to what is willed by the spirit of our times. For me, this meeting represented many possibilities; chief among them, the possibility of cooperation and collaboration between the different countries of Latin America.



Alberto Baldeon – Quito, Ecuador: The Encounter in Argentina was very transforming on a personal level and also for our Study Group on Associative Economics here in Ecuador. What I was able to bring to Ecuador as a result of the work in Argentina I have gradually developed here and it has generated changes in our perspective as a study group. It has led us to study accounting more and to ask ourselves more in depth about our economic life and the influence of our own egotism on it. It has led us to look at our own businesses with the hope of achieving a true price and to plan our agenda for the coming years with the hope of hosting the Latin American meetings for the year 2021.



Here is a brief reflection on my visit to Argentina:

'Waiting for Christ to turn stones into bread' is a current temptation into which millions of people fall daily. Focused on receiving our pay, 'our daily bread', we seek to have our work first serving us before it serves others. This prompts me to ask, quoting Paul: *And how can they hear, if there is no one to announce the message to them?* Part of the answer can be found in encounters like the one in Argentina, in which one's own egotism becomes revealed in the process of 'making straight' the path

of one's own economy. In these meetings, work guided by accounting can become objective, association as a strategy shows its value and the answers begin to appear sustained by numbers. Things add up, and the reorientation of one's own economic path is possible, but now with a destination for Christ (in selfless striving) rather than for bread. In the end, the soul cherishes deep gratitude for having participated, commits itself to serve through what has been grasped, and prepares to hold more meetings of this kind. May our work allow us to welcome a meeting in Ecuador in the year 2021, so that Christ the Sun may illuminate our heads like a new dawn.

(For a detailed report in both Spanish and English: <https://economics.goetheanum.org/index.php?id=8819&>.)



Financial Literacy in England 29 October – 13 November

Arthur Edwards reports on a recent course given to students aged 18-19

This course gave the pupils a broad introduction to the realm of economics, business and finance with a focus on financial literacy. We began with looking at personal finance and what it means to keep track of income and expenditure. The pupils kept a cashbook to record their own transactions and this led to an examination of the cost of living. The concept of the separate entity was introduced to describe the activity of being in business as distinct from one's personal account, with this came the idea of envisioning a

balance sheet and seeing the economic world as a dynamically interconnected realm of accounts. We began to look at financial statements and discussed the historical genesis of accounting and its effect on the world. This included a window onto the development of capital and capitalism. The nature of initiative and enterprise was explored and the pupils chose an entrepreneur or business to profile in an essay / presentation. They then also met a local businessman who gave them an insight into his activity and presented them with his accounts. The pupils also got to look at the accounts of the school.

This then led into a walkthrough of the principles and practice of double-entry bookkeeping which was reinforced with an exercise undertaken by the pupils imagining a mock school café business. A very broad overview of economic history was given, culminating in the financialism of the present age and how this can only be properly perceived, engaged with and transformed when balance sheets are really understood. Pupils also prepared a piece of writing on the thinking of an economist of their choice.

Finally, the course reached a conclusion with the pupils presenting their own business plans and taking questions on the financial projections from other pupils – this also included the challenge of showing their double-entry workings in a handed-in piece of work. Although much of the content of the course was challenging and not necessarily what they would be naturally inclined to study, all the pupils engaged in it with seriousness and enthusiasm, rising to the challenge of coming up with their own ideas and plans notwithstanding the constraints of the time available.

Money is Accounting – Is the world ready for this idea?

Report on The Research Colloquium, 29 October 2018, Goetheanum, Dornach, Switzerland

Fionn Meier

Almost a hundred years ago, Rudolf Steiner formulated the idea that money is to be understood as the world's bookkeeping. If one observes what has (or rather has not) been taken up by others at that time, it seems like this idea has at first disappeared. Or did it just fall into the earth, where it needed to ripen for a certain time? And if so, where do we stand today? Has it by now become an idea that can shine its light into the world?

The aim of this research colloquium was to bring those people together, who in recent years have done active research on this idea. Whereas this idea seems to have gone quiet, since the mid 1980s various people have started to focus on it in the anthroposophical movement at least. For example, there is work that has been done within the context of the Economics Conference, but also in Germany by Christian Czesla and Benediktus Hardorp, and more recently by Stephan Eisenhut.

The colloquium was invitation-based in order to keep a tight focus on the topic (and the language was German). The morning was filled with short keynote speeches and in the afternoon the participants discussed the material presented and what the next step forward should be: What is needed so that this idea can be

recognized by the world at large? The conclusion was that there should be a practical example of true accounting, meaning an accounting system that reflects the fact that land, labour and capital are not commodities. To create such an undistorted accounting applicable to real enterprises and to think about its implications will be the focus of the next meeting(s).

A more detailed report is available at <https://economics.goetheanum.org/publications/books-theses-and-studies/>, and a follow-up meeting is planned for late spring 2019. The meeting coincided with the publication of the research done into texts on double-entry bookkeeping by German-language authors in the anthroposophical movement: *Perspectives in Finance*, available at <https://economics.goetheanum.org/publications/books-theses-and-studies/>

Financial Literacy and the Lie of November 1918

Weekend Seminar in Karlsruhe

Leif Sonstenes

From 16 to 18 November (Friday to Sunday), 15 participants gathered at the Parzival Zentrum to explore themes relating to the role financial literacy can play in overcoming the wounds of history and leading us into a positive future.

What lie you ask? At the end of World War I, it was clear that the world needed new social impulses if similar catastrophes were to be avoided in the future. The allies were not able to take up the threefold social impulse coming out of Central Europe, but instead imposed the 14 points of Woodrow Wilson and claiming that Germany was solely responsible for the war. This misconception, which has been completely refuted by recent historical research, unfortunately still conditions the way most people think: especially in Europe. This has led to a deep estrangement between the cousin-peoples of Germany and England, peoples who have an important shared task (especially in economic life) on behalf of all humanity.



The history of the following 100 years with its endless wars and tragedies, in essence the entire 20th century, has shown that humanity took a "wrong turn" as it were in 1918, and the only way to correct this wrong turn is to go back and re-think and re-understand what really happened and what could or should have happened, and correct the lie in the way we live into the future today.

We are very much in a parallel situation to a century ago. We have a one-world economy, but behave as if we still had independent national economies (184 different currencies at last count!). We treat land, labour, and capital as commodities. We know that money is bookkeeping, but we still behave as if money were a good. We know that true freedom can only arise from free individual human beings, but we still are in thrall to "national self-determination" (Wilson). Just as then, the world today is in a dangerous and chaotic state. But now it seems, "we have a second chance to place humanity on the true path of its development" (Christopher Houghton Budd). Instead of an undemocratic European Union which centralizes power in Brussels and crushes the individual initiative of the folk-souls (which the English rejected in the Brexit vote), we were presented with a vision of a European Confederation, a choir of peoples in which the folk-souls of each people are free to make their own special and needed contribution to human evolution.

The challenge is to become financially literate in our shared language of accounting while serving the community with our capacities, the same community that capitalizes us so that we are able to serve in the first place. During the past 30 years, research has been done by German anthroposophists such as Benediktus Hardorp, Christian Czesla, and others on the deeper, spiritual nature of accounting. This research confirms and compliments the research done in other languages, such as the work of Christopher Houghton Budd and Marc Desaules. Bringing this work together and putting it into practice in real initiatives is a path into the future, which overcomes the one-sidedness of the past century and opens the way for small steps made by individuals to contribute to giant leaps for our troubled social order. Or for the German and the British peoples, who had each lost their way in the 20th century, to find the common ground they need to help shape humanity's future by working together on the problems that face us.

Using these historical insights from the evening lectures, we deepened the thoughts in the practical sessions on Saturday. On Sunday morning, we put into practice all we had learned when a local entrepreneur, Rainer Kroll,

who is trying to build up an extensive associative enterprise based on community supported agriculture, presented his vision of how to overcome the treatment of land, labour, and capital as commodities. Over several hours we worked together with Christopher to translate the vision that Mr. Kroll had presented into concrete images in accounting terms: income and expense statements and balance sheets for all the various components in the enterprise: the farmer, the consumers, the trust holding the land, the provider(s) of capital and so on. The exercise helped us to see strengths and weaknesses in the model and how, in fact, what seemed to need external players such as the land trust and the capital fund could actually be realized directly between the farmer and the consumers themselves with no need of intermediaries.

The Sunday exercise was actually the culmination of a process we had already started on Friday morning before the seminar officially began on Friday evening. For the first time ever in Karlsruhe, we tried to conduct an entrepreneur meeting (described in detail on the homepage of the associative economics quality guarantee mark: <http://www.ae-mark.com/introduction/>). Three entrepreneurs came together to present and discuss their 2017 results using the language of accounting: Income + Expense, Balance Sheet and Closing entries as expressed in budget, actual, difference. This was a very demanding and rewarding exercise, but as beginners, we only scratched the surface of where this kind of work could take us. Summing up our experiences after the conclusion of the weekend seminar, Christopher Houghton Budd, Fionn Meier and I resolved to conduct future events in Karlsruhe with a much stronger focus on these aspects of the work.

Opposing Universal Basic Income

Kim Chotzen

In this part of the world, in North America, there have been more and more frequent references to a guaranteed universal basic income as an 'obvious' humanitarian solution for the effects of today's extreme capital imbalances. Especially and surprisingly this is also the case among leaders in the anthroposophical movement who present it as a means to achieve selflessness in social life.

A state-managed universal basic income system is a beguiling and tempting notion for anyone who has not seriously studied Rudolf Steiner's economics course. There he says, in contrast, that "*a true price is forthcoming when a person receives, as counter-value for the product he has made, sufficient [income] to enable him to satisfy the whole of his needs, including of course the needs of his dependents, until he will again have completed a like product.*"¹

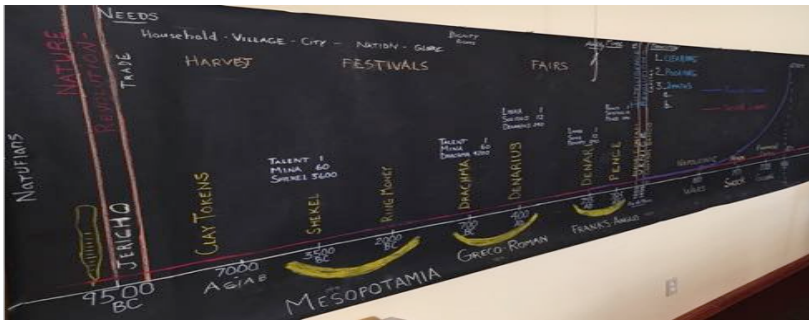
In other words, the source of income – true price – will support the *whole* of a person's needs, including his dependents, not just his basic needs. He goes on to say that this *true price formula* is "*no less exhaustive than, say, the Theorem of Pythagoras is for all right-angled triangles... Economic science is precisely an understanding of how the whole economic process can be included in this formula.*" In other words, the whole economic process revolves around the question of how to achieve true price. It is also the chief means for what Steiner actually does advocate: *the extirpation of egotism root and branch from economic life.*

This means, if we achieve true price, the outcome will be a social life based on selflessness and concern for the other. To succumb to a state-managed system that grants only the bare minimum of needs to the people would be like a silencer, a tranquilizer of sorts that would not in the least touch the root causes of the fact that there are so many without food and shelter, a deplorable and unacceptable reality, no doubt. Worse, though, the basic income system would work against the true reality of economic life – namely, that we are all each other's keepers. Instead, we would be 'kept' by the state in a condition of deadened will. It would eclipse the need for each individual to care for humanity, through division of labor, out of his own true work. In a word, state-provided basic income risks being an 'opiate' for the people.

I ask myself, therefore, where in Rudolf Steiner's work, does he advocate a state-managed minimum income for all? Without precise references and citations, it is surely harmful to today's debates and to Steiner's own credibility as an economist to spread such inaccurate and ill-informed ideas. It should also be noted that the idea of a basic income was recently voted down in Switzerland.

If we instead focus on the *economics* of the times and face the deeper *causes* of the world's ills, we will be led right to the heart of problems that we ourselves can take responsibility for – problems stemming from things like collateralized lending, 'money' used as commodity, and the stock-piling instead of circulating of capital through spend-down foundations and the like. Those who take on this responsibility will be part of steering a course for a new future for humanity instead of part of continuing the breakdown of social life.

¹ Quotes herein from Rudolf Steiner are taken from *Economics - The World As One Economy*, Rudolf Steiner, (1922) 1996, New Economy Publications. The initial idea of true pricing, as also the link between that and finding one's true karma, occurs in part 2 of the three-part essay (i.e. not a lecture, but a considered written piece) in *Anthroposophy and the Social Question*, 1906.



Recognizing the Threefold Nature of Economic Life

World history through economics

Daniel Osmer presented part of his ongoing research to the Economics Group of the Anthroposophical Society in a series of three sessions. He also made three public presentations during the year that utilized a large world-history-through-economics timeline image using a process which

combined a) a story-telling timeline of world history reflecting the development of the individual human being and b) social life alongside that of economics and money. With practical exercises in T-account single and double entry bookkeeping, he showed how it is possible to recognize the evolution of both the threefold nature of economic life and of the human being.

On the timeline, a first 'time of transition' and a fulcrum point of history, he calls the Nature Revolution. This refers to the approximate time when settlements saw human beings meeting each other's needs through *trade* for the first time – the exchange of value [1] – trade of the items of Nature that had been modified. Jericho, approximately 11,500 years ago, is used as the characteristic representative city considered one of the first permanent inland settlements. In this process, money emerged as payment used for immediate exchange of the items. Rudolf Steiner identifies this type of money as **purchase money**, what in conventional economics is called the 'means of exchange'. Thus money came about through this new activity of trade between human beings and is related to the nature pole of the value creation continuum described by Rudolf Steiner. [2]

On the right side of the timeline, a second 'time of transition' is labelled the Creative Intelligence Revolution – loosely known as the Renaissance – referring to the time when individuals emancipated themselves from a dictated existence which resulted in an explosion of creativity, initiative and invention. This supercharged progress in human development established the possibility for an emerging kind of money that had accumulated from centuries of trade that could be made available for future and enduring projects. Steiner referred to this as **loan money**, what in conventional economics is called a 'store of value'.

Beyond the needs of loan money, value can be passed on for developing the capacities of individuals and culture generally. He referred to this as **gift money** that can be seen as related to the 'unit of account' in conventional terms. About all this, i.e. differentiated money, Steiner says, "*We have had payment and loan. The third thing is gift. Payment, loan and gift – this is a real trinity of concepts, essential to a healthy economy.*" [3]

So, in the last session we considered how economic values created by mutual trade circulate through the three domains of society – economic life, the life of rights between us, and the cultural life. The three kinds of money [4] make it possible to perceive these 'invisible' values changing as they circulate between the three distinct domains of:

- the trade of goods & services [economic life & purchase money] MX
- investment in productive enterprise [rights life & loan money] SV
- renewal of culture and education [cultural life & gift money] UA

As a result, there is a perpetual exchange going on in the economic process between.

- rights & commodities (human labor-nature)
- faculties & commodities (intelligence-nature)
- faculties & rights (intelligence-human labor) [5]

In the next session the task will be to identify real life examples of these three domains of exchange in daily life and examine in more detail the nature of 'gift money'.

(Daniel can be contacted at daniel@economicbuzzcafe.com for more information about his other teaching materials.)

[1] Rudolf Steiner 1922 *World-Economy*, Rudolf Steiner Press, London 1972 Lecture 2: *The Economic Process July 25, 1922* "The economic process takes its course in the activity of buying and selling, essentially, that is, in the exchange of values."

[2] *ibid.* Lecture Three, "Here we have Nature on the one side. It is transformed by human Labor. Thus we get the transformed products of Nature, and this is one point at which values are created. On the other side we have Labor itself. It, in its turn, is modified by the human spirit (human creative intelligence). and there arises the other kind of value. Value 1, Value 2."

[3] *ibid.* Lecture Six.

[4] *ibid.* Lecture Eight, "Mutually incommensurable things are exchanged for each other in the economic process." (It is three kinds of money that makes this possible).

[5] *ibid.* Lecture Eight, "Thus there perpetually occur in the economic process exchanges between rights and commodities, between faculties and commodities and also between faculties and rights."

Concerning Technological Unemployment

Ro Naastepad

(Ro is an economist at Delft University of Technology, Netherlands. Together with Christopher Houghton Budd and Jesse Mulder, she has published two papers on technological unemployment. – Ed. [1])

What if, say, half of the world's population cannot find work because human work is displaced by vast systems of 'intelligent machines'? Is a 'basic income' the solution? And what if 'financial markets' continue to produce bubbles and crises? Is regulation the answer?

A solution to both problems comes into view when we recognise their common cause. Whether or not technological unemployment will arise depends on whether the capital that is freed from the economy by the growth of knowledge and ideas is used to fund the further growth of the capacities of those whose labour has been obviated. In this sense, technological unemployment and financial chaos point not to a technological or economic problem but to a cultural one: their existence depends on how we understand and organise capital. They arise when the capital freed from the economy by the continual growth of non-material capital (ideas, intelligence, innovation) is not linked to the further growth of human capacities.

What otherwise is the purpose of the emancipation of hours of labour *and* capital from production? Rather than a problem, their liberation is a benefit that opens up new prospects. Paraphrasing Keynes [2], however, only those people who keep alive, and cultivate into a fuller perfection, their understanding of capital – especially, its relation to capacities [3] – and do not sell themselves for the means of life, will be able to enjoy the abundance when it comes.

(1) C.W.M. Naastepad and C. Houghton Budd (2019) Preventing technological unemployment by widening our understanding of capital and progress, *Ethics and Social Welfare* (Article DOI: 10.1080/17496535.2018.1512641; forthcoming)
C.W.M. Naastepad and Jesse Mulder (2018) Robots and us: Towards an economics of the 'Good Life', *Review of Social Economy* **76** (3) 302–334. (Article DOI:10.1080/00346764.2018.1432884.)

(2) Keynes, J. M. (1930) "Economic Possibilities for our Grandchildren," in J. M. Keynes (1963) *Essays in Persuasion*, London: Macmillan.

(3) See Rudolf Steiner (2014) *Economics – the World as One Economy*, Canterbury: New Economy Publications, and other relevant references given in the two articles.

OUT IN THE WORLD – A CONVENOR'S EYE VIEW

chb

A Prize!

The above piece by Ro Naastepad cites a paper she published with Jesse Mulder, for which they were just awarded a prize: "I would like to congratulate the two of you for having been selected for the Helen Potter Award. The Award is given to the authors of the best paper published every year – sponsored by the Association for Social Economics." Congratulations to both! And for those who don't know, the Association for Social Economics is home to many excellent scholars specialised in Aristotle and Thomas Aquinas. As the saying goes, what they don't know about the economics of those individuals is possibly not worth knowing.

Publications: Associative Economics Worldwide

As you may know, there has been much beavering away in the field of publications with valuable material being produced and published under the 'brand' of Associative Economics Worldwide (AEW). More than 20 publications are now available on the EC website under Publications, so we now plan to focus on distributing this material. To begin with, the Publications page will be the venue, with click points beside each text directing one to where it can be found or bought. The actual sales and distribution will be handled by the Centre for Associative Economics Ltd. The AEW brand will use the five-arrow logo, indicating two things – that the work has been collegiately produced and that part of sales proceeds will go to the Economics Conference Research Fund.²

Steiner-Hayek

As some of you may have seen in *Anthroposophy Worldwide*, November 2018, my paper concerning Hayek, Steiner and the need to revisit the possibility of the threefold social order has now been published. Eight years since it was requested by the Mont Pelerin Society, it has been included in the 14th Volume of the *Hayek: A*

² I am also finalising my own 'Collected Works', nearly 30 books in which I have archived everything I have ever written about economics and social affairs. I struggled with the self-referential nature of such a project, but continued when I realised the amount of ground covered in my attempts to embed associative economics in the English psyche, and because those helping me in this task said they were the better judges of the need for this material to be available.

Collaborative Biography series. For some, the idea of linking Hayek and Steiner is beyond the pale, but I have become convinced that, notwithstanding the many problems associated with neo-liberalism, its flaws have to do with becoming interfaced with 'the Left' rather than associative economics. To this end, it could defer if only we (those involved in associative economics) can give it a real ground in modern finance via accounting and come away from the notion that an economy can be built out of not-for-profits and so-called gift money. This approach only serves to marginalise what can be achieved, because in the end such organisations depend on the profits made by others and so largely leave the current paradigm untouched. What is needed is a world in which we are all initiative takers, entrepreneurs in the true sense, generating and using profits in a different ethos. It is on this that the threefolding of modern society depends.

The paper is available here <https://www.palgrave.com/gb/book/9783319944111>, and a German translation has been made by Hugo Lueders in Brussels.

'Air Beneath Their Wings' Documentary

Sponsored by the European Union, the Creating Economic Space for Social Innovation (CrESSI) project ran from 2014 to 2018 and sought to explore the economic underpinnings of social innovation, with a focus on how policy and practice can enhance the lives of the most marginalised and disempowered citizens in society. The project recently updated its website [<https://www.sbs.ox.ac.uk/creating-economic-space-social-innovation>], giving prominence to the *Air Beneath Their Wings* documentary based in the main on the idea of open access credit, the allocation of capital by those who use it instead of those who provide it. This work was undertaken by Christopher Houghton Budd and Ro Naastepad at Technical University Delft, Holland. It entailed several seminal papers linking modern finance to Aristotle and calling into question the way economics today is generally understood. These papers are available on the CrESSI website; some are finding their way into journals.

Elijah Rael's Research

Elijah Rael, in the USA, has done significant research into monetary and numismatic history corroborating Rudolf Steiner's indications. He would like help in bringing this work to book form. If anyone is interested to learn more and to consider ways of contributing to this project, please contact him via Elijah Rael elijahrael@gmail.com.

Fionn Meier / 'Ambassador for Youth Financial Literacy'

During 2018, Fionn Meier carried out important research into money as bookkeeping, resulting in him being invited into various contexts in the German-speaking and Waldorf school world. To give his activity coherence and to maximise its effect, I have suggested we think in terms of an 'Ambassador for Youth Financial Literacy' and that, together with Florian Oswald, joint leader of the Pedagogical Section at the Goetheanum, we sponsor an appeal to various foundations to finance Fionn for one year. He would then be able to carry out his research and contribution in a more associative link with funders than just be 'going it alone', as it were.



Of Europe and Romania

The adjacent picture tells an interesting story. Nicholas Dodwell, is a teacher in Karlsruhe Waldorf School. The image of a circle of stars is his rendering in Class 12 of the European Confederation idea shared in Karlsruhe in November (see earlier item by Leif), brilliantly retold by way of a hero for each country or folk soul.

How important it is that such an idea is brought to young people today, when all Europe is a-turmoil, with the European Union intent on reserving itself, while all about the dynamics of such a centralising supplantation are being challenged. Brexit is not the only headline. The 'yellow vests' in France; the government of Orban in Hungary; and many other less-known challenges.

Nicholas is also linked to the Bucharest Waldorf School. Through his offices, the picture overleaf, taken in the autumn of 2017, is of students at the Bucharest Waldorf school, where they were co-translating a poem about Romania. Small beer, perhaps, but it is not easy to come up front before one's peers and line by line translate a strange poem written about one's country by someone else (myself in this case, composed in 2005). Great fun was had by all!



We dig and delve
Though the layers be crusted
To seek out her soul
All bruised and mistrusted.

The task that is hers
In the world's choir of peoples
The deeds that are hers
Now hidden and crucial.

Noi săpăm tot mai adânc
Ca straturile să fie străpunse
Pentru a-i găsi sufletul
Rănit și trădat.

Ca să își urmeze destinul
În corul națiunilor lumii
Îndatoririle sale
Sunt acum cruciale.

Let the soul of Romania
Trampled and charred
Be yet true to herself
Thence to discharge.

Her sacrifice over
May she now find her way
From the shadows that clothed
her
To the bright light of day.

Lăsați sufletul României
Călcăt în picioare și ars
Să fie el însuși
Să se elibereze.

Sacrificiul ei s-a încheiat
Pentru a-și găsi calea
Din umbrele care o bântuie
Spre lumina zilei.

FROM THE ADMINISTRATOR'S DESK

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Website Matters

German and Spanish pages

Fionn and Christopher are looking into how a summarised German language page could be introduced to the EC website that summarised the whole site and gave a focus to the publications. Similar would be good to have in Spanish. But is there anyone willing to take this on?

Two website formats

The Goetheanum website is undergoing changes and has recently been given a facelift. As a consequence, the Economics Conference website can be viewed in two formats: <http://economics.goetheanum.org> and <http://economics.goetheanum.biz> (By the way, for those who wonder why our website is variously tagged .org or .ch, Jesse advises that they are like two different phone numbers going to the same house: .org stands for organization, .ch stands for Switzerland. So you can use either.)

Membership News

Welcome to new members:

Elijah Rael from the United States of America [email: eliahrael@gmail.com]

Burkhard Hellerman from Switzerland [email: b.hellermann-heinz@b-hellermann.net]

For information on becoming a member of the Economics Conference of the Goetheanum, please see <http://economics.goetheanum.org/home/> in German or English.

14 Ripostes

chb / 18 July 2018

On 8 January 1918, the President of the USA, Woodrow Wilson, announced to the world via Congress 14 points that in his mind would serve as the only possible basis of an enduring peace. High-principled, theoretically and historically naïve, ignored and contradicted by subsequent events, he might as well have said nothing. Except that his words gave cover for a quite other treatment of world development after 1919. In July and August 1922, Rudolf Steiner gave 14 seminal lectures on economics.³ In his mind, these too would contribute to peace, even though till this day they remain largely unknown and therefore also little-heeded.

In the form of statements and responses, these *Ripostes* confront Wilson's abstractions with the ethos of a one-world economy, offering a challenge to the chaos of the last one hundred years.

The statements (in italics) are verbatim, taken from Wikipedia, 18 July 2018. The responses are synopses of Steiner's lectures distilled by me into matching word counts, with no other purpose or significance than the fun of the exercise.

I. Open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind but diplomacy shall proceed always frankly and in the public view.

England and Germany arrived differently in the 20th century, with Britain stealing a march via Empire and economics – neither, however, apt going forwards because neither conceived world economics as shared.

II. Absolute freedom of navigation upon the seas, outside territorial waters, alike in peace and in war, except as the seas may be closed in whole or in part by international action for the enforcement of international covenants.

In one all-of-a-piece never-ending process, the values created by labour working on land and capital organizing labour are exchanged through prices occurring as moments of rest in the otherwise fluid and moving medium that is economic life.

III. The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.

Emancipated from religion, distinct from law, at risk of [contamination] by egoism – even so, a science is emerging predicated on the division of labour, true trade and a concern for others than ourselves.

IV. Adequate guarantees given and taken that national armaments will be reduced to the lowest point consistent with domestic safety.

Born of division of labour, capital should 'gravitate' to capacities such that money and goods maintain their right relationship.

V. A free, open-minded, and absolutely impartial adjustment of all colonial claims, based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable government whose title is to be determined.

All values produced must be used up. Tension and relaxation, potency and kinetics, personal not real credit – these are our watchwords if capital is not to stagnate in land which has no real value, and skills are not to waste and die. All for want of collaborative thinking.

VI. The evacuation of all Russian territory and such a settlement of all questions affecting Russia as will secure the best and freest cooperation of the other nations of the world in obtaining for her an unhampered and unembarrassed opportunity for the independent determination of her own political development and national policy and assure her of a sincere welcome into the society of free nations under institutions of her own choosing; and, more than a welcome, assistance also of every kind that she may need and may herself desire. The treatment accorded Russia by her sister nations in the months to come will be the acid test of their good will, of their comprehension of her needs as distinguished from their own interests, and of their intelligent and unselfish sympathy.

Not only price, but 'true price' should obtain if economic life would be balanced and in good health, but this is idle expectation if capital, seeking preservation, becomes trapped in land, starving the productive economy of investment and so undermining the production of goods. Or if single rather than differentiated interest rates prevail, preventing a conversation between sectors because we think instead of every dog having its day. Or if excess values are not given to artists, teachers and cultural workers, to underwrite new value creation and pure

³ *Economics – The world as one economy*, Rudolf Steiner, New Economy Publications, Canterbury, 1996.

consumption – the latter never a waste but a recycling, never lost but circulated. The one, over-valued land, is the counterpart of the other, under-valued work. The choice, and so the fate, is ours. As are the errors and any regrets.

VII. Belgium, the whole world will agree, must be evacuated and restored, without any attempt to limit the sovereignty which she enjoys in common with all other free nations. No other single act will serve as this will serve to restore confidence among the nations in the laws which they have themselves set and determined for the government of their relations with one another. Without this healing act the whole structure and validity of international law is forever impaired.

Rather than land, labour and capital as factors of production, we should think of purchase, loan and gift as factors of price formation. Three categories, yes, but three kinds of economic activity enabling the opposing economic natures of agriculture and industry to be reconciled – the one making things dearer, the other making things cheaper. But none of this can happen to one side, economists need to be in the retort, their own behaviour the focus of their thoughts.

VIII. All French territory should be freed and the invaded portions restored, and the wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine, which has unsettled the peace of the world for nearly fifty years, should be righted, in order that peace may once more be made secure in the interest of all.

The idea of supply and demand ought not to be taken one-dimensionally, for then the links between production, distribution and consumption will be misinterpreted. So, too, will economics seek its ground in natural science rather than its own logic, with the consequence that we will misread the evolution from barter, through monetization, to today's capitalizing of capacities.

IX. A readjustment of the frontiers of Italy should be effected along clearly recognizable lines of nationality.

Not to grasp the threefold nature of capital means banks and abstract finances take over.

X. The people of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the freest opportunity to autonomous development.

When values circulate profit and loan capital work to ensure that, mutually wise – because shared – judgement, and public spiritedness inform our dealings with one another.

XI. Romania, Serbia, and Montenegro should be evacuated; occupied territories restored; Serbia accorded free and secure access to the sea; and the relations of the several Balkan states to one another determined by friendly counsel along historically established lines of allegiance and nationality; and international guarantees of the political and economic independence and territorial integrity of the several Balkan states should be entered into.

When economics completes its journey from local (pre 17th century) through national (pre 20th century) to world economy, profit, trade and money take on different meanings, no longer separating but uniting us. The Treaties of Versailles notwithstanding, global economic life requires a cohering rather than competition mindset, to which end, the nationalistic thinking of before needs to give way to a cosmopolitan spirit.

XII. The Turkish portion of the present Ottoman Empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life and an absolutely unmolested opportunity of autonomous development, and the Dardanelles should be permanently opened as a free passage to the ships and commerce of all nations under international guarantees.

To keep abreast of historical developments, monetary science must embrace the realities of a single global economy. This requires distinguishing between purchase, loan and gift money, and recognising that money must 'die', just as the things it represents become consumed. Most challengingly, economic life should be entrusted to collaboration by the 'players' and no longer subject to central bank or other intervention.

XIII. An independent Polish state should be erected which should include the territories inhabited by indisputably Polish populations, which should be assured a free and secure access to the sea, and whose political and economic independence and territorial integrity should be guaranteed by international covenant.

Once we learn the economic value and meaning of spiritual life – education, the arts and culture generally – we will see that its measure is the labour it saves or obviates (cancelling out labour required). The false dichotomy between quantity and quality will then evaporate.

XIV. A general association of nations must be formed under specific covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike.

Beyond today's false values, money as moving worldwide bookkeeping allows us to give a new ground to economic life, rethinking the role of land and overcoming our focus on gold.