



Associate!

June 2019

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

Editor: Kim Chotzen | Email: economics@goetheanum.org | www.economics.goetheanum.org

In a few lines of a poem by Ralph Waldo Emerson¹, penned in 1843, are intimations of the times to come:

*Give me truths:
For I am weary of the surfaces,
And die of inanition...*

Why is this world in such a mess, one could ask? Is it really as complex as world leaders through the news media would have us believe? Or is it part of the great design, so that human beings can figure out the obvious and act on it? For Emerson, the solutions (in nature) elude us necessarily.

*...They shove us from them, yield to us
Only what to our griping toil is due;
But the sweet affluence of love and song,
The rich results of the divine consents
Of man and earth, of world beloved and lover,
The nectar and ambrosia, are withheld;
And in the midst of spoils and slaves, we thieves
And pirates of the universe, shut out
Daily to a more thin and outward rind,
Turn pale and starve...*

In 1905, Rudolf Steiner articulated the fundamental social law as a counter element to such anti-social forces of the times. He explained that although the growing egotism of humanity was necessary for modern consciousness to develop in full freedom, it would require counterbalancing social arrangements. In 1918, he said:

Now is the time to introduce social forms to counteract this evolutionary tendency...society must be structured to prevent human beings from losing their connections to each other in this life...² [Without such forms] people would become increasingly unable to understand each other or to develop relationships that satisfy the requirements of human nature. Individuals would increasingly pass each other by, safeguarding only their own interest, and would be incapable of relating to each other except as competitors. This must not be allowed to happen... It would be hell if the human race were controlled entirely by competition and addiction to acquisition.³

But he also left stepping stones, as envisaged in the report on the event in Vancouver, *A Second Chance for the World*. Surely, however, the social arrangements that will mitigate increasing human egotism today *do not* include establishing a guaranteed universal basic income, as Fionn Meier's book review points out. Likewise, fear of technological 'takeover' so present in the psyche these days can be met with a firm understanding that the resultant surge of capital corresponds directly to the social shortages that are everywhere visible. A simple transfer is needed. Key to this is that all those aspiring to *do* something to help the world must become financially literate in order to direct their visions and attract corresponding capital flows. The economics are all too obvious. So what are the gods waiting for from us? For an Economics Section within the School of Spiritual Science to shine the light on the path from here on?

Time for a second chance is running out. May we rise to the occasion!

Sincere wishes, Kim (Chotzen)

¹ *Blight*, Ralph Waldo Emerson, 1843.

² Speaking in Bern, Switzerland, 12 December 1918; cited in *The Fundamental Social Law*, Peter Selg, Steinerbooks, 2011, p. 77.

³ *Ibid.*, p. 76.

18th Annual Meeting – Respiration of Initiative / Circulation of Capital

19-24 June 2019 Folkestone, England

chb

The 18th annual gathering of the Economic Conference will be held in Folkestone, England again – the fourth year in a row. My expectation is that it will be something of a stock take. This being a moon node, it is an opportunity to review the journey to date and to look forwards at least as far as 2023.

This is also the 100th anniversary of the Treaty of Versailles, concerning which, as it happens, Folkestone is a pivotal place in terms of World War One history. So part of this year's activity includes wondering what kind of deed or deeds does this centenary merit. In Vancouver we began to think further that if there were a Section for Economics, what that would entail. Is this the deed that would make or even enable the end of Western domination of modern life, a rebalancing of human affairs, such as Rudolf Steiner strove for?

But part of our deliberation is also a Folkestone story, whose son, William Harvey, discovered the circulation of blood. Because of Descartes it is thought that Harvey thought of the heart as a pump – but this is improbable. In fact, Harvey claimed the blood moved and pulsed before the heart is formed, so it cannot be a pump. From an economic point of view, the analogy of the pumping heart to a money-printing central bank is what is interesting. Can we discover the circulation of capital in Folkestone also? Might Rudolf Steiner's 'discovery' of the threefold nature of the human being be of equal standing to Harvey's? In that event, his idea of three kinds of money is of the same order. It's this of course, that our work with the threefold nature of accounting aims to underpin and make concrete. It is this, too, that underlies the work being done on accounting standards and financial literacy in high schools (see elsewhere in this issue).

So, much has been accomplished, but the worry is that the anthroposophical movement as a whole is scarcely aware of this. On the other hand, much is also being done in the name of associative economics that has no link to accounting or the methodical teaching of bookkeeping to young people. Under the generality of 'threefolding', and usually with an understandable enough focus on the economic challenges facing farming, it is a moot point whether this work can effect the macro financial and economic policies that govern modern agriculture, or that the idea of producer-consumer relations is transferable beyond the 'folksier' domain of farming. There is very little discussion there of the wider issues of the day such as technological un(der)employment, credit creation, money issue, differential interest rates, while much else remains accepting of policies that require competition.

Whether Steiner's contribution to economics enters or influences, let alone becomes the mainstream, is the question we need to ask. His gaze was always on the macro situation. Might it be, as the Vancouver meeting considered, that we do in fact have a second chance to order world affairs? And if so, are we up for it? Have we been able to fashion a pathway that leads between and so beyond the devil and the deep blue sea, the state and the market?

It is questions such as these, surely, that our work in the next few years needs to address.

NORTH AMERICA

A Second Chance for the World Conference in Vancouver, BC, Canada, 21 -24 March 2019

Seeing beyond the falsehoods of modern history – excerpts from a full report by Meg Freeling

30 participants attended the recent *A Second Chance for the World Conference* in Vancouver, Canada. In the two keynote lectures – *What did happen and what could have happened in the last hundred years?* and *What do we envisage for the next hundred years?* – Christopher Houghton Budd laid the groundwork. Mexican economist Marcelo Delajara presented "A Second Chance for Labor and Income: What Is a Living Wage?" He described his research project in Mexico City to develop ways to ensure a dignified income for employees that goes beyond 'equal pay for equal work'. Anna Chotzen, business manager of an incubator farming project in Mt. Vernon, Washington, USA, presented "A Second Chance for Farming: The Farmer as Entrepreneur". She sees the need to "move away from the conventional perceptions of farming as an industry, or farming as 'quaint', to a new emphasis on farming as entrepreneurial, seeing farmers as business owners. She presented both a business development curriculum and a proposal for a shared-equity land ownership structure.

The conference began with the following thoughts: It's a serious thing we are addressing. Many countries around the world are on the rocks at the end of this last hundred years. They are just unraveling. There are no more answers out there. All the paths have been trodden. The future history is what lives in each of our wills today to do. We have but to take a step to activate an otherwise unseen path. Polarized positions at every level seem insurmountable, resulting in more and more suffering, paralysis and inaction. Yet a case is being made here that a breakthrough, a second chance, and even a 'second renaissance', is now possible.

Many people think the way things are now is how they have been forever. But they have only been like this for the past hundred years and result from a wrong turn taken by humanity for the world in 1919. But we did not notice the stepping stones Rudolf Steiner placed in history to guide humanity's next steps, namely:

- The book on the threefold social order: *Basic Issues of the Social Question*, 1919. (Die Kernpunkte der sozialen Frage.)
- The first Waldorf School, founded in Stuttgart, Germany, 1919.
- Coming Day Joint Stock Company (Der Kommende Tag), founded Stuttgart, 1919.
- Economics course, 14 lectures given by Rudolf Steiner, Dornach, Switzerland 1922.
- Christmas Conference of 1923/24, Dornach, Switzerland.

At that time, because of the manipulations of WW1 coming from the West, the baton was passed to the Anglo-Americans to rule the world for the next one hundred years.⁴ Now, in 2019, we are at the end of that time. Making a new start is based on the understanding that the place to start is with oneself and the arena is in one's own economics. Knowing what lives in one's will is where history will begin. The future will be created through the active agency of young people who get themselves capitalized. Job markets are irrelevant. Supply and demand theory is so untrue. The new watchword is: Tomorrow's history is what is already living in your will. For this, financial literacy should be taught in all schools. Why is it not?

D'Arcy Mackenzie of Toronto, Canada, to whom this event was dedicated, was active in the realm of associative economics right up until his untimely death in February 2018. He worked in the pension markets and straddled the worlds that could be and that are. His experience told him that pension funds should have no place in the future of economics. Other future hallmarks of an associative economic life would be:

- No banks.
- No focus on price stability (which favors capital over labor); replaced with true price.
- Outlawed collateralized lending; replaced with lending to the person (personal credit).
- No permanent foundations (which preserve capital); replaced with spend-down foundations.

After 100 years, we should also be able to see:

- A choir of peoples; no United Nations.
- A one-world economy with money as bookkeeping.
- Ethical stock markets; banks and mutuals replaced with stock companies that put air beneath the wings of entrepreneurs who are meeting the genuine needs of others.

Further, economic life should take its cues from:

- Luca Pacioli, father of accounting, who insisted on a moral training before going into finance: "In the name of God I will be true in all my accounting."
- Altruism in business: no egotism; no self-serving schemes, only serving others.
- Aristotle: Know/say when "enough is enough".
- Rudolf Steiner, who often said in lectures, "I apologize if the fleas are biting when we talk about capital..." He said this to wealthy audiences, many of whom he probably relied upon for financial support.
- Owen Barfield⁵, who said we need to know the difference between the true materialist and the naughty materialist: The true materialist says, "I can't see a spiritual world so I won't say anything about it." The naughty materialist says, "I can't see a spiritual world, so it doesn't exist."
- George Soros, who warned that in economics, thoughts are things.

A new landscape, a second chance... the conference took place on a weekend that was described to us by Mary Stewart Adams as a bit of a celestial mystery, an 'inner Easter'. "If the astronomical first Full Moon of the Spring were used to determine the date for the Easter festival this year, then Easter Sunday would have been Sunday, March 24th, precisely now when we are gathered in Vancouver."

To move into this landscape, we were taken into an imagined dialogue in a play featuring three early twentieth century contemporaries, two of whom represented dramatically different views, and the third a witness to the other two as they spoke their contrasting approaches. Through sparse but impeccable diplomacy, the karmic chaos between them reached a palpable but hard to explain resolution. The background music, a promenade⁶ that suggested taking important steps, accompanied the three characters, Woodrow Wilson, John Maynard Keynes and Rudolf Steiner as they stepped into another future... Perhaps we all did.⁷

⁴ See the 1919 cycle *The Mysteries of Light, of Space and of the Earth*, Rudolf Steiner. Anthroposophic Press, USA 1945.

⁵ Owen Barfield (1898-1997), renowned British philosopher, critic and author of *Romanticism Comes of Age, History in English Words* and *Saving the Appearances: A Study in Idolatry* among others. He translated a number of Rudolf Steiner's books into English and represented anthroposophy in the English-speaking world.

⁶ 'Promenade' from 19th century Russian composer Modest Mussorgsky's 'Pictures at an Exhibition'.

⁷ Pro tem, a simple documentation of the event is in preparation.

The first meeting, “*Associative Enterprises towards Environmental and Social Regeneration*”, was held on March 30th. Two woodworkers who joined the meeting were very impressed by *Der Kommende Tag AG* and *Las Ondinas Pampeanas SA*, given as examples, and asked Daniel to help them to start a factory with a Research & Development laboratory inside. The quality of their work and their willingness are impressive. We had a Skype meeting with *Las Ondinas Pampeanas SA*’s president, Alejandro Urtizbera, to discuss some details based on their experience and will join some of the company activities in Argentina in August or October to learn more.

The next meetings will be “*Money and Accounting in the Development and Application of Capabilities*” and “*Associative Management of Price, Quantity, and Quality in Perception and Satisfaction of Needs*” on May 18th and June 8th respectively. Part of the revenues will be donated to the Economics Conference Fund for further research.

We hope to share more about these and other Brazilian initiatives in the next *Associate!*

Activities in Argentina

Mauricio Garay

Thanks to last year’s successful 2nd Latin American meeting of the Economics Conference of the Goetheanum and following on from the annual meeting of the Anthroposophical Society in Argentina, more activities are being developed in the region. They are summarized below.

Córdoba, Argentina

Since last year’s annual meeting of the Anthroposophical Society in Argentina, two new study groups have formed. Participants meet every two weeks to look at Rudolf Steiner’s economics course (GA 340).

San Andrés de Giles, Argentina

Las Ondinas Pampeanas S.A. (<https://www.lasondinasampeanas.com>) is an associative economics pioneer case in Argentina. Since its foundation in 2014, Las Ondinas Pampeanas has been developing several commercial activities with its main focus on real estate, agriculture, educational/consulting services and restaurant services.

1. Educational / consulting services: financial consulting services are provided to both private entrepreneurs and companies. Las Ondinas works in the development of projects and financial plans, and accompanies the entrepreneurs and their managers through the development of registration protocols, and analysis of financial information to develop sustainability and development policies.
2. Real estate: houses will be built where a right of use will be provided.
3. Agriculture: 10 hectares have been made available so that young people can carry out productive initiatives, compatible with the development projects on the property. Projects with positive, innovative environmental and social impact are preferred. Most important of all, projects must apply the developed contents of financial literacy courses.
4. Tourist and restaurant services: buffet and lodging services are offered for all types of events.

Economics Conference of the Goetheanum in Mendoza

Natalia Conti and Mauricio Garay, both members of the Economics Conference of the Goetheanum, are very active in the region to introduce Rudolf Steiner as an economist. They help schools and various projects with workshops, conferences, and general advising.



“Estrella Andina” Waldorf School

The Waldorf School “Estrella Andina” was a pioneer in Argentina in introducing associative economics into its day-to-day operations. Last year, the school moved from the previous building to a new one. During this process, three classrooms (148m²) had to be built at the end of 2017 and the beginning of 2018. To finance this, a three-tiered funding request proposal was generated: 1. Extraordinary contributions from parents and friends; 2. Donations; 3. Loans from parents and friends (not banks).

Important financial work was done whereby agreements were reached with the construction company and the professionals who participated and financing for 12 and 18 months was obtained despite the high inflation in Argentina (currently 45% annually). Accounting balance sheets showed at the end of 2018 that the project was entirely financed without any pending liabilities. This is a huge success for the school and for associative economics.

This year, the teachers must tackle multiple challenges along with the need to build two additional classrooms. To face the economic challenges ahead, parents who want to be part of the economics group attend the study group of Rudolf Steiner’s economics, coordinated by Mauricio Garay, Economics Conference member since 2013 and a founding parent of the school.



3rd Latin American Meeting of the Economics Conference of the Goetheanum

Entitled *Associative Economic Viability in Latin America* and coordinated by Lúcia Sigolo and Daniel Havro, both Economics Conference members, the 3rd Latin American meeting of the Economics Conference of the Goetheanum will take place in Sao Paulo, Brazil. For this purpose, a large Latin American circle has been put in place to discuss and define the theme for this year's meeting. Under the still immense question of what role Latin America has to play in the world, a choir of voices is at work to understand this. The meeting will take place from October 24th to 27th at the home of the Brazilian Anthroposophical Society. You are all warmly invited!

And a Fourth! in Quito, Ecuador

Alberto Baldeon is coordinating two study groups in Quito. They meet weekly to look at Rudolf Steiner's economics course (GA 340) and Ecuadorian law in the light of associative economic guidelines. Alberto Baldeon is Ecuadorian and very passionate about associative economics. During last year's annual meeting in Buenos Aires, he provided real case studies where associative economics could give actual and practical solutions.

EUROPE

Land, Labor and Capital

How do we understand them when they are not commodities?

The seventh in an ongoing series of research events in the field of associative economics took place at L'Aubier in Montézillon, Switzerland from 22-24 June 2019. Fourteen participants from Switzerland, Germany, England, the Netherlands and the United States took part and were joined by three students from the 'Dare to be Independent' course offered by L'Aubier. The research event was conducted in both German and English simultaneously.



The conventional treatment of land, labor and capital as commodities was considered against the backdrop of Steiner's analysis to the contrary, with the precision made possible when looking through the lens of accounting. Re-imagining them in economic terms, land was said to be *place* in the world where one's destiny can be unfolded; capital, is the 'Geist' that accompanies a person into life to enable the unfolding of one's destiny through 'cash', and labor is the social obligation one feels to repay society or to make a contribution to the whole.

What amounted to a potential restructuring of general accounting practices proceeded in the discussion concerning the creation and distribution of value in an enterprise. Land, labor and capital were all seen as contributors to value creation – as distinct from costs – and therefore itemized in the capital account as part of the distribution entries.

Key to this becoming something new in today's otherwise 'neo-liberal landscape' was the importance of the background image that people are not commodities, land is not to be exploited, and capital should not be hoarded or preserved. Since images drive everything in economics, the starting images can form a new foundation from which to do one's accounts.

Many in-depth details were discussed and future topics identified to pursue this theme essential to the creation of a new economic landscape worthy of humanity, as reflected in these words from Steiner which were read at the end of the weekend:

It must be regarded as essential that with the same degree of regularity with which work is done at the machine, conversations take place between the entrepreneur and the workers about all issues concerning the enterprise, so that the worker can have a comprehensive grasp of all that is happening. The aim must be that the entrepreneur is required to be completely transparent to his workers, discussing with them all the details. Then, within the enterprise, a true common spiritual life can emerge. This is what is important.

"Es muss als eine Notwendigkeit angesehen werden, dass ebenso wie an der Maschine gearbeitet wird, ebenso regelmässig in Besprechungsstunden zwischen dem Unternehmer und dem Arbeiter die geschäftlichen Verhältnisse besprochen werden, so dass der Arbeiter fortdauernd ganz genau den Überblick hat über dasjenige, was geschieht - das ist es, was für die Zukunft angestrebt werden muss - und dass der Unternehmer wiederum jederzeit genötigt ist, sich völlig zu decouvrieren vor dem Arbeiter und mit ihm alle Einzelheiten zu besprechen, so dass ein gemeinsames Geistesleben die Fabrik, die Unternehmung umschließt. Darauf kommt es an."

- 7th March 1919

Financial Literacy for the 21st Century

Fionn Meier

In the previous newsletter it was noted that, together with Florian Osswald from the Pedagogical Section and Christopher Houghton Budd in his role as convenor of the Economics Conference as mentors, I am working on a project that I call "Financial Literacy for the 21st Century".

Whereas last year the focus of my project was research on the existing anthroposophical literature on double entry bookkeeping, now published as *Perspectives in Finance – Contemplating Double-Entry Bookkeeping*⁸, this year the focus is to develop further a 'financial literacy curriculum' by getting classroom experience and by coming into dialogue with other teachers.

The curriculum takes its cue from Rudolf Steiner's message to the teachers that, "In fact, no child ought to reach the age of fifteen without being led from arithmetic to a knowledge of the rules, at least, of the elementary forms of bookkeeping." (GA 294, 3.9.1919). The literature review mentioned above has shown that the pedagogical importance of bookkeeping has been explored in depth for more than 30 years, but its introduction into the classroom has not yet happened. But perhaps it is happening now?

Knowing the initiatives that are growing within the context of the Economics Conference, this might well be the case. What follows is a small report of what is happening currently in the Steiner Schools in Switzerland with which I am in contact:

Steiner School in Wetzikon (Zürcher Oberland):

The school is working on a reform of the curriculum from 9th to 12th class. For this, they have asked me to be their 'adviser' on how to bring economics into this curriculum. Also, from February to April I taught financial literacy to the 9th class (divided into two groups with two lessons per group per week). We worked to understand money, how it historically came about, including playing with different forms of money (for example using paper money against running accounts on the blackboard), and went on to understand the process from the Journal, T-Accounts to the Closing Entry, the latter giving rise to the Balance Sheet and the Income and Expenditure Statement. (A more detailed report has been written in German but has yet to be published.)

Steiner School in Steffisburg (Berner Oberland):

Right at the beginning of this year, the high school teachers decided to put more focus on economics, even without knowing how and by whom. We have agreed that this autumn I will introduce the 8th class into elementary bookkeeping and also work for two weeks in the morning lessons with the 9th class on economics questions.

Steiner School in Kreuzlingen:

Oliver van der Waerden is a class teacher in Kreuzlingen with great interest in economics. He has done some economics with the 7th class and told me about the enthusiasm and interest the children had in this topic. I gave him a crash-course in double entry bookkeeping, which he will now introduce next year to the 8th class students. He already proposed that then in the 9th class in computer science they will be ready to program their own accounting system in Excel. He will also attempt to raise his colleagues' awareness of the importance of this topic.

Once the fire is lit in some Steiner schools, it might well be that now, 100 years after the Steiner school movement was born, the time is ripe and double entry bookkeeping will now find its way into the Steiner schools here in Switzerland, and hopefully into the world at large. To facilitate this happening, as a further step this year I plan to set up a website www.finanzenkenntnis.ch to provide material for both mainstream and Steiner school teachers.

Up-coming events related to the project:

May 27, Goetheanum: As this issue goes to press, a follow-up research colloquium will take place on the topic: 'Money is Bookkeeping' – How does bookkeeping become a true mirror? (The report of our previous research colloquium 'Money is Bookkeeping' – Is this idea ripe for the world?' is meanwhile available [online](#)⁹).

May 31, Karlsruhe: Event with «Freunde der Erziehungskunst» (see report of Leif Sonstenes in this newsletter).

June 3-7, Steiner School Munich: Teaching the 10th class double-entry bookkeeping.

July 5-7, Goetheanum: "Acting Consciously in Finance – A question of will?" A weekend seminar that I am organising along with two colleagues, carried by Confoedera in cooperation with the Section for Social Sciences and DREIZuEINS. Invitation [here](#)¹⁰.

Further, I am working with Christopher to set up an event this year at the Goetheanum for teachers on the topic "Financial Literacy – What is needed by today's youth?" More information will follow.

The research project is currently financially supported by the Economics Conference Fund, Edith Maryon Stiftung (CH), Evidenz Stiftung (CH), Hermes Trust (EN) and Iona Stichting (NL).

⁸ <http://www.lulu.com/shop/fionn-meier-christopher-houghton-budd/perspectives-in-finance/paperback/product-23863522.html>

⁹ https://economics.goetheanum.org/fileadmin/economics/ECN_Archive_Topic_Mtgs/EC_October_2018_Report__EN_.pdf

¹⁰ <https://www.confoedera.ch/aktivitaeten/aktuelles.html>

Internal Entrepreneur Meetings and the Ambassador for Youth Financial Literacy

Leif Sonstenes / Karlsruhe, Germany

One of the fruits arising from our entrepreneurs meeting last November¹¹ was the realization that if we want to help anchor financial literacy and associative economics with the scores of young people we encounter on a daily basis, we have first to "walk the talk" ourselves. How do we evolve ourselves and our corporate culture to reflect what we are striving for?

The Entrepreneur Meeting

Christian Grözinger and I concluded after some discussion that making the entrepreneur meeting part of our internal financial culture would be a good initial step: But of course you need entrepreneurs for an entrepreneur meeting! However, what we have as a starting point is division managers or department managers with varying degrees of financial and budgeting responsibility and expertise. Our first big task then is to work with each individual and strengthen the entrepreneurial aspects of the position, which includes a clearer delineation of financial responsibility and basic training in financial literacy. This team of individuals can then become a kind of incubator within the organisation to start the transformation from within.

Next, we committed to holding an internal entrepreneurs meeting at the end of every quarter. Each of us is expected to present their actual financial results to date with explanations for any significant differences to our budgets. After everyone has presented and been understood, we then try to get an overall picture of how our organisation is doing. With these impressions we "associatively" search for the steps we need to take together to safeguard the organisation's overall financial health and sovereignty. The first attempt on April 10 was somewhat grueling, but participants were very positive about the new insights they gained into the struggles of their peers and the decisions we made together in charting our future course. We too must evolve from competition to association.

The Ambassador

Parallel to our internal quest to "walk the talk" sounds the ever-present question: How can we reach the 1500 young people a year who perform their 12 months of voluntary service through our organisation? Within the framework of Fionn Meier's activity as Ambassador for Youth Financial Literacy, we are developing a series of concrete projects to tackle this important goal. The volunteers undergo approximately 5-6 weeks of training before, during and after their year of service. We hold a total of more than 300 weeks of seminars annually for each new crop of 18-20 year old volunteers. So there is a tremendous opportunity here. Of course the content of the seminars is partially dictated by the government funding agencies, and there is much other crucial material to cover in what ends up being not very much time. Nevertheless, financial literacy is critically important for this coming generation, and we will successively implement modules as we develop them. We will work closely with Fionn Meier on this, who will be both an advisor and a deliverer of content.

Our seminar season goes into high gear in the early summer months as hundreds of volunteers are prepared for their overseas and domestic missions. The kick-off meeting for the seminar season is held annually through the Ascension weekend (usually in May). About 120 seminar leaders, co-leaders, assistants, cooks, helpers, content presenters and workshop leaders (most in their twenties and veteran volunteers themselves) come together for four days to hone their skills and ready themselves for the back-to-back seminar weeks over the coming months. This year, Fionn Meier will be our keynote speaker with a lecture on the importance and the substance of financial literacy in today's rapidly evolving world. He will then give two workshops on double-entry bookkeeping for those who would like to go deeper.

Thus, as we take modest steps to "walk the talk" within our own organisation, we are simultaneously laying new foundations for our work with the young volunteers by training the trainers. It's a start.

Universal Basic Income or Association?

Seed thoughts – Stephen Vallus

Universal Basic Income is advanced as a way to achieve Rudolf Steiner's "separation of income from work" as well as a concomitant flowering of culture. These claims are not supported by the evidence. From an accounting point of view, the entrepreneur, for example, is compensated neither from wages (purchase money) nor loan money but from another sphere altogether. Universal Basic Income supplants the realization that the nature and purpose of capital are linked to the unfolding of human capacities.

In a publication currently underway, Stephen Vallus considers how the life of voluntary associations resolves the historical tension between capital and labor, rather than coercive legal forms (non-profits, for example) or redistribution through State taxation or guaranteed income. (See previous issue of *Associate!* for considerations on voluntary associations.¹²)

¹¹ Reported on in *Associate!* December 2018.

¹² https://economics.goetheanum.org/fileadmin/economics/ECN_Archive_Topic_Mtgs/ECN26_Associate__August_2018.pdf

Understanding the False Promise (of Universal Basic Income)

A short book review by Fionn Meier: Johannes Mosmann (2019) "Basic Income: Pathology and Effect of a Social Movement", Berlin, Institut für Soziale Dreigliederung.

"What would you do, if your income were taken care of?" This was the question that supporters of basic income in 2016 put on a huge poster (8,115.53 m² or 87,354.84 ft²). They got into the "Guinness Book of Records" and with this also in the newspapers all over the world. The message that went around the globe was that if everybody had a guaranteed income, everyone would be able to do what he or she really is motivated for, and by this would be able to contribute to society in the most beneficial way. This sounds promising! Indeed, are we not able in the 21st century to guarantee everyone his or her basic needs? With our improved technology, is it not possible to free ourselves from the harsh necessities of economic life? And is it not time to trust to the motivation of human beings to do something good for the world?

These ideals can hardly be refuted. Indeed, Johannes Mosmann does not gainsay any of the ideals that are driving the movement of basic income in his book "Basic Income: Pathology and Effect of a Social Movement" that was published in early 2019. However, he asks the question: Does basic income really bring about the change that its proponents promise?



To answer this question Mosmann explores several of the key ideas 'behind' the idea of basic income. As one of the driving thoughts of the movement he describes the wish to become free of the necessity to do work *just* for getting money to live. The idea behind basic income is simple: If one has an income, one can work for others, without being forced to do so. However, is this a reality? As Mosmann shows, this reasoning is an illusion. True, income enables work. However, the opposite is also true: Without work there is no income. The illusion that one can be freed from labour by a guaranteed *monetary* income comes from the same illusion that labour can be bought and sold. Labour cannot be sold, only goods and services. And any real income does not consist in the money that one is given, but of the goods and services that are the result of labour.

This thought is simple, but far-reaching. It goes to the roots of what we can consider as 'labour'. Basic income supporters usually state that once an income is guaranteed, nobody will stop working, but everyone is then able to contribute to society what he or she really thinks society needs. However, economically one can only speak of labour if one produces goods or services that are consumed by others. Labour is not defined by what 'one is motivated to do' or 'what I think others need', but by what is *objectively* needed and consumed by others. But how can we know what is needed by others? In today's economy, that is based on a worldwide division of labour, there is no other way than to coordinate our economy by prices. They are the consciousness points in the economy that allow us to orient our work on what is objectively needed. Basic income decouples income and the price of goods and services. Because of this, basic income would make this coordination, and thereby also objective altruism, impossible. And yet, without objective altruism we cannot guarantee each other any real income.

Another key thought that drives the basic income movement is the question: What to do about technical unemployment? Do not machines and robots take over our work? Again, this is illusory thinking: Only human beings can work. And if due to increased 'economic intelligence' the total amount of work needed to be done by human beings directly becomes less, the question is not how to provide an income to those whose work is now done by machines, but how we can organise ourselves to share the work that is still left? In fact, the solution is very simple. In Sweden they tested a six-hour workday scheme in the health sector.¹³ With this, the 'harsh necessities' in this sector of economic life vanished and the workers were more satisfied with what they were doing. However, this experiment was hardly discussed, and if so, often negatively as profits decreased. But is this really the criterion on which to judge such an experiment? Can we not democratically also set the limits in the different economic sectors, so that instead of "technological unemployment" a just distribution of work will result?

A third thought that Mosmann explores is the quest for freedom. As he shows, the striving for individual freedom needs to transform in order to also become social freedom. In other words, as a free individual I need to be able to decide on my own whether I paint, write poems or do research on an historical event. But how is this in social terms? If I get a basic income, I can consume goods and services and then decide on my own what to spend my time and energy on. By this, however, my personal freedom becomes social 'un-freedom', that is, a power to *force* others to provide goods and services for me, independently of whether they appreciate what I do or not. Social freedom is only possible based on the trust that if I have something to contribute to the society, I will find the people who recognize, and out of their freedom, support it. It is because of this acknowledgement *by others* that my individual freedom does not become social 'un-freedom'. This social side of freedom, however, can only come about out of true interest in one's fellows and not by a basic income mediated by the state.

¹³ See: <https://www.telegraph.co.uk/business/2017/01/04/sweden-abandons-six-hour-workday-scheme-expensive/>

Mosmann also explores some further key thoughts of the basic income movement. He has been in discussion with many proponents of this movement to understand their thinking. The book is not born out of intellectual curiosity or to gainsay the ideals that most proponents of the basic income movement have, but because Mosmann is really concerned about the social damage this idea does if its false promises are not understood. Its main promises are solidarity and freedom, but in fact it will put humanity in a social condition which will just make it impossible for these ideals ever to become about. In Germany, the well-known economist and journalist Norbert Häring has commented on this book: "[It] reads well and gives many insights. Mosmann writes and analyses extremely clearly and goes into the depth."¹⁴ This book is a real 'wake up call', that is written not only for an anthroposophical readership, but for anyone who is willing to reconsider his or her understanding of society.

For more literature on basic income visit: www.grundeinkommen-nein.ch

A CONVENOR'S EYE VIEW

The Emancipation of Economics

chb

It is a matter of first importance that a century or so ago economics separated itself from the other social sciences.¹⁵ This is a hugely significant development whose effects continue to this day. Whether such a separation should have happened and whether it should be undone are real questions even now, although most people have become habituated to the separation and would not welcome the upheaval consequent on reverting to any status *ante*. Many followers of Rudolf Steiner do not accept this separation, pretending-it has not happened and arguing against it, witness the conscious absence of a Section for Economics within the Anthroposophical Movement.¹⁶

What is needed, however, is a next step whereby economics retains its distinct role (as should history, penology and all the other social sciences) but loses its distance and discontinues its belief that all other disciplines should second themselves to its imperatives, ranging from methodology to purpose.¹⁷ Its separation became valid in human evolution as an expression of individuation and emancipation, but its challenge now is to avoid becoming a world unto itself. Instead, from its emancipated (rather than separated) place, it should set out to befriend rather than dictate to the other realms of life.

It should not re-embed itself, at least not yet, but engender economic (or I) consciousness in social life as a whole. This possibility could never have arisen if economics had remained within the wider social sciences matrix – or sought now to step back into it in any way that was premature or inappropriate. Economics has to emancipate itself.

But what is the hallmark of this emancipated form? It is something that no nation, no class and no special group can ever capture or claim to have invented – namely, accounting.

For any economics today to transcend the currently prevailing paradigm, including and especially that advocated or inaugurated by Rudolf Steiner, it simply has to lift itself into the unsentimentality of accounting. Accounting understood as an instrument of economic perception. Here we enter a kind of no-man's land, meaning a world into which all ideologies die. For this reason, both outwardly and inwardly, practically and conceptually, the accounting process (single > double > closing entries) belongs to a world that only the I can find, enter and stay upright in.

Nothing but the emancipated self can change awry behaviour, especially the awry (because egotistical) behaviour exhibited in modern economic life. Only the conscious I can do this. But the I does not become conscious unless and until it separates itself out. There is the link to economics as an isolated discipline. But there, too, is the tragedy of no Economics Section. Its absence confirms our refusal to make this change; just as its presence would mark and enable our beginning to do so.

For this, however, another great tragedy needs to be resolved – namely, understanding anthroposophical history as a part of, not apart from, and as a metaphor for history in general. We have to find Daniel Dunlop¹⁸ again and he has to find us. But he cannot find us or we him if, when we speak the language of economics, we do not speak it in its emancipated form, namely, accounting.

Notwithstanding today's near absolute separation of economics from its social science siblings, accounting provides a basis for a rapprochement going forwards, because all disciplines employ accounting as a tool for grounding their activity if they want to be effective in modern life.

¹⁴ See: <http://norberthaering.de/de/buchtipps/1114-mosmann-grundeinkommen>

¹⁵ For an informed account of this development, see Alon Kadish, *History, Economists and Economic History*, Routledge 2010.

¹⁶ With its focus on accounting (money as bookkeeping) the Economics Conference of the Goetheanum is the closest thing to it. There is an 'economics circle' within the Agricultural Section, but this is mainly about the economics of farming and is not embedded in the economics or finance professions more generally.

¹⁷ One of the subtler ways this happens (as 'field supremacy') is through using economic terms pertaining to goods, such as market, in a non-economic sphere e.g. a market in ideas.

¹⁸ Daniel Dunlop - was a visionary, specialist in electricity, economist and esotericist.

FROM THE ADMINISTRATOR'S DESK

kc

Newsletter Correspondents

Several people have now committed to write reports on a regular basis from their respective regions in the world. This is encouraging as it signals that there is ongoing and newsworthy activity happening in different parts of the world. Many thanks to those who have said yes to the task! And if there is anyone else interested in doing the same, please contact me at economics@goetheanum.ch. The deadline for submissions for the next issue is: 15 September 2019.

Membership News

Welcome to new member¹⁹: Christian Groezinger from Karlsruhe, Germany.

Post Script / Post Graduate

Meet Isa J Alvarez, a high school senior from Mexico, who is graduating from the Youth Initiative High School in Viroqua, Wisconsin, USA, where she undertook an independent study entitled "Entrepreneurship". Together with her mentor, Kim Chotzen, she considered what it is to be an entrepreneur in an associative economic context. She will now take her next steps into the world, initially planning to work with her parents in selling Mexican crafts accompanied by the tagline that she herself coined: "An entrepreneur is not self-employed, but employed by the world."



¹⁹ For information on becoming a member of the Economics Conference of the Goetheanum, please see <http://economics.goetheanum.org/home/> in German or English.