



Associate!

January 2020

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

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Bearing witness to certain phenomena of late, I would like to share an observation of a shift in our work. Now that the Economics Conference Annual Meeting has been officially welcomed by the Social Sciences Section (and the Pedagogical Section) of the Goetheanum, both a center and a periphery begin to be visible. Active regions in the world carried by members of the Economics Conference are appearing in Europe, Latin (Central and South) America and North America, forming a slowly-emerging structure in which the section (research) work of economics can find its home.

Part of this process includes the worldwide research theme that for 2020 has been identified as *corporate structure and the role of capital ownership*. Addressing modern problems from the standpoint of Rudolf Steiner's economic thought requires going directly via an entrepreneurial (initiative-taking) experience which includes facing such economic realities as that money and capital are not commodities, land has no inherent value, and products of labor, not labor itself, are what enter the economic cycle. In short, one is brought to the threshold between economic materialism and associative economics. How can structures, whether in schools, on farms or in factories be so organized as to give expression to these economic facts? Dare we challenge our most revered assumptions to the contrary?

Looking back on 2019, the Economics Conference gatherings have given voice in numerous ways to the idea that we may now have a second chance to do just that and get right what went wrong 100 years ago – after WW1 – when we started down the road to the mess we're now in. Accordingly, the right thoughts are needed to recognize and give life to the threefold nature of social life. The modern starting point is with economics from an associative point of view, on a bedrock of entrepreneurial activity informed by accounting and financial literacy. Much of the research that has led to these premises is now available for dissemination in various publications, details of which follow at the end of this issue.

I hope that all the work reported on in this edition contributes to a foundation upon which can stand a true second chance to redirect humanity's course.

With gratitude for all your efforts, I trust everyone had a peaceful Christmastide and wish you all the best for 2020.

Kim (Chotzen)

2020 Annual Theme

Corporations and the Role of Capital Ownership

In the last issue, we said we would touch on climate change, but we have decided not to do so directly because on reflection we feel untutored in regard to such a complex topic. On the other hand, it seems clear that modern climate conditions are in part a consequence of corporations having power and influence they would not enjoy in a single, associatively-managed, world economy. So, this seems a better topic for us to consider.

Many people have concerned themselves with the role of corporations – their purpose in history and the power they have. There have been many examples of entrepreneurs looking for more social ways to conduct economic life. John Lewis in Britain, Migros in Switzerland, even the film *Teorema* by Pasolini. Today, there are many hybrid entities (e.g. B Corporations in the USA, Community Interest Companies in the UK), most of which are about distributing fortunes once made or even preventing their coming about in the first place. But is this the real issue?

This is the problem we would like to consider in 2020: What is 'wrong' with the corporation? What is 'wrong' with private ownership of the means of production? And how does Rudolf Steiner address these issues?

Convenor's Update

Christopher Houghton Budd

For me, the last few months have been somewhat full. Offline, I have been working with Kim (Chotzen) to review dissemination. But prior to that I have asked her to act as an archivist of the considerable volume of material already available (see item at the end of this issue).

Working with Jesse (Osmer), the website has been refreshed in line with the new Goetheanum website design. The new site is more clinical looking than the previous one, but it has the merit of being mobile phone friendly. *I find this too vexed an issue to settle in my own mind, so I would welcome colleagues' comments.*

I have also been on the road. In Argentina and then Brazil for the 3rd Latin American Congress (see report(s) elsewhere in this issue). Then in Dornach and Neuchâtel to meet with Gerald Haefner (to clarify the link between the Economics Conference and the Social Sciences Section), and Florian Oswald regarding financial literacy in Waldorf schools. Then with Marc Desaulles and Anita Grandjean for a long overdue research intensive.

Next stop, Karlsruhe, Germany, to work further with Leif Sonstenes on the AE Guarantee Mark (see later item), for a meeting of the Accounting Research Colloquium, and to give two lectures with Marc on "Tomorrow's Economy". In January, I will again be in South America.

Economics Groups

The adjacent image from Marc Desaulles is from our June meeting when we discussed the concept of groups of the Society based on subject, such as, in our case, economics. There is one such group as part of the Anthroposophical Society in America (see later item), where the idea is that it exists to encourage section-level research in economics. Similar is being considered for Argentina and Brazil.

There is a detail here that we have not considered to date, which is the following. Groups in the sense of the Christmas Statutes of the Anthroposophical Society have councils and officers. The groups we have in mind are, I think, not that. Indeed, such groups raise a number of issues, chief among them is that while groups based on place are geographically specific, groups based on subject are not.

To date, this is a little-explored field, because for the most part when we speak of the Anthroposophical Society *in* somewhere, we are thinking not only in terms of place but of countries. I write this because for the moment I think it best to remain with the idea of Economics Groups affiliated to country groups. That said, it may be we should take this matter up again at our June Goetheanum meeting.



AE Mark

In Karlsruhe, Germany and in South America, renewed interest is being shown in the AE Mark, established in 1998 (see <http://www.associative-economics.com/guarantee-mark/>). The associated *Colours of Money* seminars will be held in Brazil in January (27-29) and Germany in March (date TBD), for which purpose the Course Book that I use, currently in English and Spanish, will be translated into Portuguese and German. The current website also needs refreshing. There is a Portuguese version offline and a Spanish one is proposed.

Finally

This somewhat bumper issue is testament to two developments – the increasing take-up of this work by a worldwide community of colleagues, and the appearance of a younger crowd, in whom the light carried so faithfully by our stalwart but somewhat senior nucleus for over twenty years also now shines. Now, with the advent of associative financial literacy in schools, maybe *their* successors are already on the planet! In my many discussions with people about humanity's sorry state of affairs, I am always heartened by the optimism that working with the Economics Conference community allows one to have. I hope more and more people become familiar with our work and the ordering outlook it gives on world events.

EVENTS IN 2020

2020 promises to be busy. Details are still being worked out, but here are some dates for your diaries.

21-23 February 2020 / L'Aubier, Neuchâtel, Switzerland

European Research Meeting / Corporations and Capital Ownership

In this working seminar we plan to explore this field by looking at some current examples and asking those concerned to describe their ideas and intentions. The seminar will consider three projects (*Purpose* in Germany, *L'Aubier* in Switzerland and *EcoNaturaSi* in Italy), what real world problems their proponents are addressing, and how they are linked to specific suggestions by Rudolf Steiner in regard to them. The idea throughout is to

contrast and compare as a way of taking stock of current and potentially 'state of the art' developments in the anthroposophical movement.

27-29 January 2020 / Curitiba, Brazil

Colours of Money

Organised by Daniel Havro at the request of a group of people interested in ethical banking.

March 2020 / Karlsruhe, Germany

Colours of Money

To be organised by colleagues in Karlsruhe, the date has yet to be confirmed. But the event will be both a general introduction to associative economics and a first step for some wanting to use the Guarantee Mark. (See also Leif Sonstenes's article later on.)

3 June 2020

Joint Research with Pedagogical Section

The first research colloquium of the joint research project for 2020-23 between the Pedagogical Section and the Economics Conference on the question of financial education will be held on the day before the Annual Economics Conference meeting itself (see next item). More information will follow.

3-7 June 2020 / Goetheanum

19th Annual Meeting

This year marks the return of the Economics Conference to the Goetheanum for the first time since 2007. As well as its focus on youth financial literacy, the meeting will bring together colleagues from around the world and provide an opportunity to take stock and look forwards to 2023. Topics will include the Associative Economics Guarantee Mark (see mention elsewhere in this issue) the Economic Groups, and overall resourcing.

For various reasons, but mainly in response to the questions I experience coming to us from around the world and out of the times, I suggest we take as our overall theme **Step into Another World. Again.** With its three sub-themes of entrepreneur as neophyte, company as temple and finance as guardian, it encapsulates well all we have done and stood for these past twenty years.

I am also hoping this event will be one carried by the periphery with, for example, each day being hosted by the regions of North America, South American and Europe (Britain included!). In my image, the working sessions will be held in private, as it were, but the evenings could be open to the local community. Likewise, I envisage an exhibition of our work.

16-19 July / Guayaquil, Ecuador

4th Latin American Meeting

The next meeting will be in Guayaquil, Ecuador where San Martin and Simon Bolivar met at the conclusion of their liberation efforts. There will be a particular focus on the dialogue between and the question: To what end was Latin America liberated? It is, of course, the claimed justification of neo-liberalism that freedom is guaranteed by markets. But is freedom a principle for economic life? Conversely, how does associative economics guarantee a free spiritual life?

Three New Books

(For availability, see last page.)

Seed Corn, the Economics of Farming by Christopher Houghton Budd, contains chronologically arranged essays and papers written during a forty-plus year span. It offers both a historical context for understanding the development of farming economics, a survey of current thinking, and hopeful proposals for next steps. Timely, and – given the state of farming economics today – hopefully not too late, *Seed Corn* presents solutions which, at the very least, should be part of public debate and at best, would take us beyond worn out polemics, offering practical options to those seeking a sustainable future worthy of all the earth's inhabitants.

Beyond Capital and Labour – A Study of 20th Century Economics through the Works of Keynes, Marx and Steiner by Christopher Houghton Budd. Originally written in 1980, the aim of this book is to see beyond what in Rudolf Steiner's time was called 'the social question', namely, what should be the relation between capital and labour? It is this question that all three economists considered have as their focus and by placing Steiner in this trio the hope is to give relevance and breadth to his (Steiner's) little-known ideas. Neither to portray him as an oddity nor as a saviour, but as one with a thoroughly down-to-earth understanding of what is at issue as regards this most fundamental of all challenges facing humanity.

The third publication, *A Second Chance for the World – a Deed in Becoming*, is a record of key events and activities held in 2019 in Vancouver and Folkestone to mark the one hundred years since the Treaty of Versailles. A collaborative effort, it is a hopeful testament to the existence of new possibilities for humanity to take up the challenges of overcoming egotism in economic life.

The I and Modern Economics – The Enterprise as an Initiation Path

3rd Latin American Meeting of the Economics Conference of the Goetheanum / Daniel Havro & Gabriela Palacios

From 24-27 October, 2019 we had the third Latin American meeting of the Economics Conference in São Paulo, where we dedicated ourselves to identifying the real cause behind the particularly troubled moment for the region: we have to put the I in economics. As well as the convenor Christopher Houghton Budd, it was a great satisfaction to have 4 people from Ecuador, 4 from Chile, 7 from Argentina and 25 from different cities in Brazil for the full meeting at the Tobias Clinic and another 18 people at the evening lectures at the headquarters of the Anthroposophical Society in Brazil. Below is a report from Ecuadorian participant, Gabriela Palacios, followed by a photographic record of the event. (After paying everyone for their talks, admin and venue costs, the event also contributed to the EC Fund in Brazil the amount of 675 USD (2771 BRL).)

The 4th Latin American meeting of associative economics was a gathering of forty-one people with different and varied approaches to what we had understood about Steiner's economics. But with the passing of the days and the presentations, we were able to place ourselves on the same page while we were dealing with what is really involved in financial literacy, double-entry bookkeeping, financial conversation, the "I" in the economy, entrepreneurship as the new path of initiation, and true price... among others. We took a journey through the history of the economy from Aristotle to the twenty-first century, understanding the milestones that have marked the development of the economy until reaching this great inequality that even causes the failure of karma of several souls, which generates despair and even social violence (immediate examples being in Chile, Bolivia, Ecuador, Colombia, which all occurred in the week prior to the meeting).

We were able to get to know successful projects developed with young people in Brazil and Argentina, where we could observe that what the texts tell us is completely applicable as long as we manage to establish a real service plan based on the concepts of associative economics. We also considered the history and nature of the School of Spiritual Science, who should aspire to be part of it, and what its three classes consist of. This generated a turning point for us to put aside the mysticism that has always enveloped it.

In summary, it was four days in which I lived among the economic thoughts and I was able to approach them in a different way, changing my vision on how to apply and experience economic life as part of, not separate from, spiritual development.



Clockwise from top left: **Xavier Andrillon** presenting his PhD thesis on 'True Price as a condition for Sustainability.' **Mauricio Garay** lecturing on 'Finance as Guardian of the Threshold.' **Daniel Havro** talking about 'The Meaning and Challenges of the Associative Economy in Latin America.' **Natalia Conti** demonstrating the Accounting Exercise for youth financial literacy. **Alejandro Urtizberea** talking about the structure and work of Las Ondinas Pampeanas SA, in Argentina. **Participants** 25 Brazil; 4 Ecuador; 4 Chile; 7 Argentina; 1 England. **Christopher Houghton Budd** lecturing on 'The Entrepreneur as a Neophyte and Enterprise as a Temple.' He also talked about 'The form and work of the Economics Conference of the Goetheanum.' **Lucia Sigolo** sharing her work at ConteBem (Count Well) youth financial literacy. project.



Associative Economics in Germany: The Journey So Far

Karlsruhe, Germany / Leif Sonstenes

Seven years ago, Christopher Houghton Budd met Nicholas Dodwell at the Goetheanum. What followed from this encounter began to give our brand of associative economics (economics grounded in accounting) a presence in Germany. Nicholas got the ball rolling by inviting Christopher to come to Karlsruhe for an introductory evening talk and Saturday workshop: "Euro Crisis in Threefold Perspective" in May 2013 at the Waldorf School in Karlsruhe. Leif Sonstenes, who had recently moved to Karlsruhe, met Christopher and Nicholas that evening and joined Nicholas' efforts to deepen the local work. This weekend workshop became the first in what was to become a series of annual events.

The scene shifted temporarily during the course of 2014 to the Waldorf teacher-training academy in Mannheim for three seminars on youth financial literacy. The question of "How can we give our students a sound and sustainable understanding of modern economic life?" was tackled by Christopher together with Ernst Schubert (Waldorf Teacher and Teacher Trainer) who had authored a book on teaching economics and mathematics in the 6th grade. The work was a struggle as it became apparent that our intention to ground all research on accounting was not shared by our partners in Mannheim. Our work could not gain a foothold there.

Where to go next? Stuttgart, a hotbed of anthroposophical initiative and training seemed like the logical choice at first, but as we came to concrete planning it became clear that Karlsruhe had many inner and outer factors working in its favour. The Parzival Zentrum, the other Waldorf School in Karlsruhe, generously offered to host the next event: our first annual weekend seminar in November 2015 with the title "Ways out of the Crisis-Rudolf Steiner's Relationship to Neoliberalism". Our late colleague and friend Christian Grözinger discovered associative economics on that weekend and became an integral part of the work here until his sudden death in September 2019.

Every November since 2015 saw us gathering together under the umbrella theme of "Ways out of the Crisis", exploring "Money and the I", "Finance at the Threshold", "100 Years Later: Financial Literacy and the Lie of November 2018...A Second Chance" ever mindful of the anniversaries of the "end" of the Great War, The Treaty of Versailles, and so on. The events attracted 20 to 25 participants as a rule for evening lectures on Friday and Saturday, seminar work all day Saturday and continuing on to Sunday midday. During 2016 and 2017 Leif taught double-entry bookkeeping to a dozen participants and ran the group as a business.

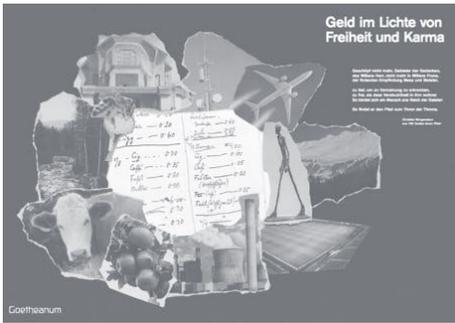
November 2019 brought a new format. Under the title "The Economy of Tomorrow", Christopher spoke on "Finance and Spirit Self". For the first time, Marc Desaulles joined us for a riveting talk on "Financial Aspects of the Christmas Conference". The new structure included two public lectures in the evening and a conversation with the participants on Sunday morning to explore questions and deepen content. (The change in format resulted in part because on the Saturday we hosted the Research Colloquium of the Economics Conference on "Money is Bookkeeping" – see report below from Fionn Meier.)

In 2018 we tried for the first time to conduct an entrepreneur meeting as set out in the associative economics Quality Mark. Led by Christopher, this year we took a step back from the practical work and spent the Friday afternoon exploring the history, content and application of the mark with a small group of entrepreneurs.

We plan to intensify the work in 2020. Rainer Kroll, a local entrepreneur who attended both entrepreneur meetings and a number of seminars over the years, has offered to organize a "Colours of Money" seminar in the spring. This will complement our efforts at the Friends of Rudolf Steiner's Art of Education (Freunde der Erziehungskunst Rudolf Steiners e.V.) to practice the methodology of the ae Mark in 3 of our divisions, with each division manager acting as an entrepreneur. The Parzival Zentrum will continue to host all the events of the Economics Conference and has embarked on a financial literacy initiative with its students and teachers that Fionn Meier is very involved in.

Shortly before his sudden passing, Christian Grözinger ordered books for individuals close to him and gifted them before he left for his Russian vacation. To me he gave "The Economic Consequences of the Peace" by John Maynard Keynes. Christian had been so inspired by the annual meeting of the Economics Conference in Folkestone and in particular by the play "An Improbable Conversation" and our journey to the 14 churches with the ripostes to Wilson's 14 points. He was determined to push the work in Karlsruhe forward with fire and energy, and November 2019 was to be the kickoff. We remain true to his intention and feel his continuing subtle support in so many different ways. In this spirit, I will let Keynes have the last word as he looks to the future at the end of the book and utters words that 100 years later can yet be a guiding light for our further journey (for "Europe" read "the world" and for "man, men, men's" read "person, people, people's"):

"We may still have time to reconsider our courses and to view the world with new eyes. For the immediate future events are taking charge, and the near destiny of Europe is no longer in the hands of any man. The events of the coming year will not be shaped by the deliberate acts of statesmen, but by the hidden currents, flowing continually beneath the surface of political history, of which no one can predict the outcome. In one way only can we influence these hidden currents, – by setting in motion those forces of instruction and imagination which change opinion. The assertion of truth, the unveiling of illusion, the dissipation of hate, the enlargement and instruction of men's hearts and minds, must be the means."



FINANCIAL LITERACY

Fionn Meier

Economics of Brotherhood Conference

From the 15th to 17th November 2019, the third "Economics of Brotherhood Conference" took place in the 'Schreinerei' at the Goetheanum. About 140 people came to work during these days on the topic 'Money in the Light of Freedom and Karma'. The main characteristic of this conference was that it was more like a research colloquium, with many working groups on specific subjects. Introductory lectures were given by Jonathan Keller, Peter Selg, Marc Desaulles and Cristóbal Ortín.

Ambassador for Youth Financial Literacy / Financial Literacy for the 21st Century

In this joint project that has been set up with Pedagogical Section (Florian Osswald) and the Economics Conference, I have worked in 2019 as 'Ambassador for Financial Literacy'. Within this year contact with several Steiner Schools and other institutions was established as has been reported in September *Associate!* The co-working with these schools and institutions will continue and (hopefully) be reported on in coming newsletters. Here we would like to draw attention to the following three aspects:

The Other Anniversary

This year the 100 years anniversary of the first Waldorf School was celebrated in many places all around the world. Steiner's attempt might be described as twofold. First, he founded a pedagogy that is based on a true spiritual scientific understanding of the human being and its development. Second, he wanted to bring about a pedagogy that enables the children to face as adults the many challenges of their time and find their own solutions to them. To achieve this, Steiner's emphasis on the arts is well known. However, far less known are his remarks related to social and economic life, as for example¹:

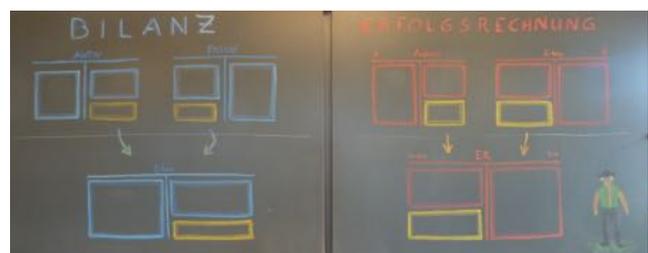
"In earlier times human beings lived more instinctively in the realm of economic life. Today, they must become more and more conscious in the realm of economic life. Like today every human being learns elementary mathematics at school, in future every human being has to learn at school about being part of a social organism, about taking part in economic life" (Rudolf Steiner, 8. 2.1919, GA 193).

Another anniversary that also took place this year and which is related to this latter advice is the publication of two articles of Dr. Benediktus Hardorp in 1986 about the pedagogical significance of double entry bookkeeping, in his view the very 'language of the consciousness soul'. For Hardorp, a studied economist/philosopher, active in the anthroposophical movement and a certified public accountant, it was clear that any future society that "aspires to the active participation of human beings and that wants to ground itself on the individuality as the spiritual basis of society, elementary accounting needs to be part of general education". The 33 years anniversary of Hardorp's pedagogical impulse is also little known within the Waldorf movement today. All the more significant and gratifying, therefore, was the report about this in an article in the November edition of magazine of the Swiss Anthroposophical Society by Stefanie Guyot.²

Teaching 8th Class Accounting and Entrepreneurship

In the September *Associate!* the following research question was stated: Can double-entry be taught to students under the age of fifteen, as Steiner (3.9.1919, GA 294) argues is necessary? Until now, there are hardly any practical experiences with that, probably not at least because often people think that accounting is something boring, numbers for people in grey suits that do not know how to enjoy life. But is it? This year, two Steiner Schools in Switzerland explored what happens if 8th class students (average age 14) are confronted with this topic.

Oliver van der Waerden, class teacher at the Steiner School in Kreuzlingen, taught three weeks every day two lessons in the morning on double-entry bookkeeping and entrepreneurship. He started a small company with his class that sold fresh Demeter apple juice in the pauses. A loan needed to be taken, cups to be bought, prices to be decided, etc. Alongside this he introduced the children into the 'mysteries of double-entry bookkeeping' (see sketch).



¹ One example among many others collected by Johannes Mosmann in, "Wirtschaft und Soziale Dreigliederung im Lehrplan der Waldorfschule: Institut für Soziale Dreigliederung, Berlin. Available at: <https://www.dreigliederung.de/publish/wirtschaft-und-soziale-dreigliederung-im-lehrplan-der-waldorfschule>

² Available at https://www.anthroposophie.ch/files/anthroposophie.ch/content/docs/mitteilungen/mitteilungen_2019-11.pdf

Having done this for the first time, he reported that the results for him were overwhelming. Some children that could never be motivated in mathematics, suddenly had great fun to calculate the right numbers and book them in the corresponding T-account. One student started to create exercises of imaginary enterprises, another student visited his uncle who is a trustee, and a third student informed himself about commercial apprenticeship – all out of the children’s own motivation! After these experiences, van der Waerden is clear that he will teach this topic also in every other 8th class that he will teach in the future and that he recommends this also to all his colleagues.

The other school that explored double-entry bookkeeping with its 8th class is the Steiner School in Steffisburg, where I myself could teach this topic for two weeks. My experience was similar. The children were very interested and concentrated and some asked for more exercises to do. The image I got during the teaching was that they absorbed the content like a sponge soaks up liquid. Also Arno Reichert, their class teacher, reports that the feedback of children, parents and other teachers was very positive and that he hopes that many other schools find the courage to teach elementary economics and accounting in the 8th class.

Rudolf Steiner on the Esoterics of Accounting

In essence, double-entry bookkeeping can be seen as a metaphor for the western view of karma – fate in a context of freedom and redemption. This is precisely why true knowledge of today’s financial world, which has its origins in the Renaissance, the time when double-entry bookkeeping appeared in Europe, makes a ‘second Copernican revolution’ possible, to which Rudolf Steiner refers to when he speaks about that the idea of reincarnation and karma has to become part of today’s culture (21.2.1912, GA 135). It is from this point of view that his statement that double-entry bookkeeping needs to become of general education can be understood in its full significance:

"The law of karma says: Everything that I have done in life in good deeds will have its effect, as will all bad things, so that this is like a kind of account in the book of life with a debit and a credit side. You can take stock at any moment. If I now make the conclusion and draw the balance, then this results in my fate. At first that seems something rigid, immovable; but that is not the case. The correct comparison with the account book results in the following: Every new transaction changes the balance, and every new act changes fate. [...] Just as the merchant is not hindered by his account book from undertaking a new business, just so man is not hindered to enter a new fact into his life book. And when the merchant is in calamity and says to his friend: "You, give me a thousand marks so that I may tear myself out of the difficult situation - and the friend would reply: With that I intervene in your account book" - so that answer would be nonsense! It would also be nonsense if I didn't want to help to avoid coming into conflict with the law of karma. It does not prevent the person who firmly believes in the law of karma from remedying all misery, all need. " (Rudolf Steiner, 27.8.1906, GA 95)

The Economics Group in the USA

Patrick O'Meara

The Economics Group of the Anthroposophical Society in America resumed its conference call meetings in September after a summer break. The eight members of the group, who live in the District of Columbia and four different states – from the west coast to the east coast – agreed it made sense to begin having the ninety-minute meetings monthly instead of bi-weekly as they generally had been since the group’s formation.

One member observed that this monthly rhythm means that we will have about fifty meetings until the centennial of the Christmas Conference of 1923/24. This led to questions of what we hoped to accomplish between now and then within the confines of these conference calls. Might we take up different, perhaps annual, themes to make these meetings more fruitful? We have begun experimenting with organizing the diverse topics of interest and relevance that arise in our conversations into three broad categories: What do we want to see happen and help happen by 2023/2024 with respect to 1) the Society and the School of Spiritual Science, 2) the practical efforts and initiatives of people working to realize associative economics in the world and 3) kindred events and trends that we observe arising in the world at large.

In the most recent meeting, we agreed to use some of the time in our meetings to deepen our understanding of the significance of the Christmas Conference for economic life. We expect that Christopher’s *An Economic Testament*³ and the potent image that Marc presented of the relationship of the School of Spiritual Science and the Society at this June’s annual meeting of the Economics Conference will be helpful in this endeavor. (See next page.) While the group is not an initiative group as our commitment thus far has been only to the monthly meetings, we are still hopeful that we can help bring about some associative economics related events that further the work of the Economics Conference and other activities in North America in the next four years.

³ Now updated as *The Deed of Rudolf Steiner – Sociological Masterpiece and Economic Testament*. (See last page.)

Economics Conference Annual Meeting 2019 / A Second Report

Reflections from a participant – Camila Pannain Giavina-Bianchi

In June, the 18th Annual Meeting of the Economics Conference of the Goetheanum took place in Folkestone, a city located in the south of England. It is a standing conference on economics in the light of the spiritual science developed by Rudolf Steiner, which meets annually to discuss issues related to the world economy.

The gathering took place between the 19th and the 24th of June and was attended by a group of about 30 people from different countries – Brazil, Argentina, USA, Canada, Germany, Switzerland and England. There was a lot of exchange of experiences and a great synergy between the participants, who position the economic issue as one of the main points in the times in which we live, given that today the economy governs most of the world's relations. In the past, the church (or religion) occupied this place, later the state (or laws) and, finally, we find ourselves in the era where economics is dominant. In particular, the work of the Economics Conference is based on linking Steiner's lectures to accounting and modern finance.

Presentations were given on projects that are being carried out in each of the countries, as well as the study and research undertaken during the last year by the participants of the conference. Thus, the following question was asked: "If one is concerned about the economic situation of the world, does one's concern come from the future? What is our role?"

In 2008, the emancipation of the financial economy reached an extreme level, the thinking behind which held that the financial economy could be something separate from the rest of the world, giving rise to the great world financial crisis. But emancipation is not separation! Separation is something very different.

When we associate economics with the natural sciences we run the risk of making it mechanical. On the other hand, associate economics with spiritual science and the research that is then possible makes connections with life and its relationships. At the same time, three points are extremely relevant when we deepen our relationship with the economy: the three types of money (purchase, loan and gift), profit distribution, and accounting.

Do breathing and blood circulation provide a healthy analogy for the work of economic life?

One of the study themes of the 18th Economics Conference meeting was the special relationship of the heart and lungs with the metabolic and nerve-sense system, concerning the "I" as the bearer of initiative and its link to the heart.

Marc Desaulles presented a study on the functioning of the heart and its relationship to the blood system, demonstrating that what William Harvey claimed in about 1620, was not true, namely, that the heart is a pump. Marc explained that, according to Rudolf Steiner, "it would be impossible to fully comprehend the social organism without understanding the roles of the heart, of nutrition and of motor nerves in the organism of the human being – that is our basis." Just as we are not a machine, neither is the social organism; it is a living being. Marc demonstrated through his explanations that blood movement happens before the heart is formed; that is, that circulation happens independently of the heart. Blood has its own intention, its own will, it shapes the heart. The heart has the initiative to say "yes"; it is an organ of perception. The heart receives the blood from the lungs where it receives oxygen and returns to the body, whence it returns carrying carbon dioxide, thus creating substance for other beings on the planet. We could say that the heart carries enthusiasm, a word that originates from the Greek and means "God himself" or "God in me", leading to initiatives, which lead to new seeds in the world.

And what is the role of accounting in this whole context?

Accounting is the language of the consciousness soul – that is, a modern language through which we can all take responsibility for our lives. Today, our relationship with money has become abstract. Money is given a value and traded as a product, when it should just be the expression and reflection of something – a purchase, a loan or a gift. Thus, accounting can help us correct our relationship to and perception of money.

The method of double-entry bookkeeping, described by the Italian Luca Pacioli in 1494, reflects, according to Leif Sonstenes, an ancient Egyptian mystery: "What is above is what is below. What is below is what is above. This forms a unit." So, when we do accounting we automatically touch the counterpart in the spiritual world. The exercise of double-entry shows debits/credits, income/expenditures, inside/outside, from/to, all of which brings us awareness of our actions and therefore demonstrates the reflection of our I in the world.

According to studies by Fionn Meier, Rudolf Steiner said that, "no child should reach the age of 16 without knowing accounting." Fionn is leading a project for teachers in Germany and Switzerland to learn the double-entry bookkeeping method of accounting, which can be understood as a path of self-development and, consequently, of self-knowledge. What if teachers were seen as entrepreneurs or initiative takers instead of salaried employees in a school? What would be the real and spiritual impact if teachers' remuneration was established from school profits? Also, is it financially healthy for schools to be 100% funded by their parents' tuition? What is the reflection of this relationship? Are teachers really free? And are the constellations within the classrooms also free?

Returning to the Conference...

June 28th marked the 100th anniversary of the signing of the Treaty of Versailles at the end of World War I, written on the basis of the 14 points conceived by US President Woodrow Wilson. This event could not go unnoticed by the group, as, among other things, World War I generated major global economic impacts. Therefore, at the end of the conference, Christopher Houghton Budd organized visits to 14 medieval churches near the Folkestone region. In each church, one of Mr. Wilson's points was read out and, in response, a synopsis from each of Rudolf Steiner's 14 economics conferences, held between July and August 1922. It was a unique experience; certainly the words resonated beyond those walls.

In this way, the conference ended with a major retrospective of the five days brought together, but also of events that occurred a century ago and are important to the present day. Part of the group was preparing for the III Latin American associative economics Meeting, to be held on October 24-27, 2019 in São Paulo, Brazil. The group also set the date and venue for the 19th Economics Conference in 2020. Meanwhile, the members of the group continue, in synergy, striving to act in economics with the vision introduced by spiritual science.



Camila Pannain Giavina-Bianchi and Daniel Havro da Silva

Post-Modern Money?

A Review of 'Money as Accounting', Fionn Meier / Stephen Vallus

"...no child ought really to reach the age of fifteen without being led from arithmetic to a knowledge of the rules, at least, of the forms of bookkeeping..."
- Rudolf Steiner, 1919⁴

This is the challenge being taken up by Fionn Meier in his work in Waldorf schools in Germany and Switzerland as a joint project between the Economics Conference and the Pedagogical Section at the Goetheanum and based on his 2018 book, *Money as Accounting, From Ancient Mesopotamia to 2008 and Beyond*.⁵ A succinct overview of a complex subject, this book is a must-read for high school teachers (and indeed their students) everywhere, but especially perhaps in Waldorf schools, along with its equally useful companion volume, *Perspectives in Finance, Contemplating Double-Entry Bookkeeping*⁶, in which Meier reviews everything written in the German-speaking anthroposophical world about double-entry bookkeeping.



(Tokens such as these were used in Mesopotamia by the Temples to keep accounts for quantities of grain, oils, and possibly units of work. Later markings on the tokens as a refinement and eventually writing emerged from this "bookkeeping.")

Strange as it may sound, America has been described as a nation of bookkeepers and George Washington himself exemplified this. He kept meticulous track of his expenses (some lavish) in the midst of the Revolutionary War. Young Ben Franklin learned double-entry bookkeeping when he did his printer's apprenticeship in London and this became the ordering principle of his very full life. He had accounts for his moral life, his writing, his printing business and his household. When he became Postmaster in 1753 he designed a bookkeeping system for all the colonies' post offices. These were then printed as large broadside posters which showed Franklin's system in abridged form and were displayed throughout the colonies. Almost a century and a half later, double-entry bookkeeping was included in the curriculum at Booker T. Washington's Tuskegee Institute. Washington's correspondence with his son while at university showed that both he and his son kept accounts. As the majority of Americans in the 19th century worked in agriculture, I think it is clear that the need to record debtor / creditor transactions was commonplace. Seeds and goods were "borrowed" and then repaid at harvest time. With increasing division of labor, increasing specialization and the resulting industrialization of this period, by the middle of the 20th century, bookkeeping had become relegated to the status of a "craft" and replaced with the "managerial accounting" of today's universities. As an aside, 500 years of accounting history is replete with stories about the centuries of difficulty of teaching double-entry. From rote memorization, personification of accounts, little ditties, and finally algebraic formulae – both students and teachers struggled. Suffice it to say

⁴ *Practical Advice to Teachers*. (GA 294) 3.9.1919.

⁵ Available from <http://www.lulu.com/shop/http://www.lulu.com/shop/fionn-meier/money-as-accounting/paperback/product-24320775.html>

⁶ Available from <http://www.lulu.com/shop/fionn-meier-christopher-houghton-budd/perspectives-in-finance/paperback/product-24281396.html?ppn=1>

that at present few people do any personal double-entry bookkeeping save that which is required by the income tax system. But why does this matter?

We may be tempted to feel that the question of the nature of money is better left to experts. But it would be a significant missed opportunity if students of Steiner's work did not find an entry into his 1922 lectures on economics as distinct from but related to his works on the threefold nature of social life.

This is exactly what Meier, a former Waldorf student himself, does in *Money as Accounting*. Based on his Master's Thesis in Economics, he addresses this question and much more in a way that makes the topic accessible to anyone with an interest in the "beyond" of its title.

Quoting A. Mitchell Innes, Meier calls on us to imagine a time before nation-states had a monopoly on their home currencies. In 1913, the same year as the founding of the U.S. Federal Reserve, Innes was in his final year as the Counselor of the British Diplomat in Washington when he published his "What is Money?" Economist L. Randall Wray remarked that despite no economist undertaking an independent analysis of Innes' work, the "1913 and 1914 articles by Innes stand as the best pair of articles on the nature of money written in the twentieth century."⁷

Innes begins his essay by recounting the widely held (and to some extent *still* widely held) commodity theory of money. This view holds that early humanity was engaged in barter and that over time various commodities were used as a means of exchange. Evolution moves from "simple to complex" with credit evolving only after the development of coinage. However, the facts from anthropology and archaeology demonstrate just the reverse.

For at least the last century, economic historians in pursuit of academic "objectivity" have started with the assumed "facts" instead of an *a priori* idea. The result has been "logomorphism", to borrow from Owen Barfield who uses the term to describe the projection of "post-logical thoughts onto a pre-logical age." Meier instead uses a "guiding intuition" in lieu of this so-called "objectivity". He navigates between the idea of money as a "means of exchange (Metallist) [and that] of a payment token introduced by an authority (Chartalist)," and avers, instead, that "money is accounting."

With our reified sense of money, it may be hard to comprehend the following: "So unimportant indeed was the coinage that sometimes Kings did not hesitate to call it all in for re-minting and re-issue and *still commerce went on just the same*."⁸ And what form did this commerce take? Later in the same essay, Innes refers to what we call "money as bookkeeping:" "...the really important characteristic of a credit is not the right it gives to "payment" of a debt, but the right that it confers on the holder to liberate himself from debt by its means... By buying we become debtors and by selling we become creditors, and *being all both buyers and sellers we are all debtors and creditors*."⁹ (Emphasis added.) Everyone kept account books and coinage was only marginally relevant for purposes of trade.

There was no centralized administration concerning the use of money in the 13th century. The value of the coins in circulation was determined by business practice and not royal decree. The coins did not bear number (values)!

Meier goes on to show how our present central bank system collapses the tension between "commodity money" (coin/currency) and so-called "imaginary money" (credit/clearing) into one. This "hybridization" is a historical reflection of the "state-mandated coins" (in itself an accounting system!) of the Greek and Roman Empires. After the Fall of Rome, coinage disappeared and had to be "relearned" in the Middle Ages. But coinage cannot account for what happened next. Before (what we now call) central banks arose to finance governments (primarily for waging wars), there were three major changes that culminated in the 14th century, which came about as it were "from the periphery" and not royal decree: pooling of capital (think of sea voyages financed by joint ventures), expansion of credit (e.g., merchant banks allowing customers' accounts to go into overdraft), and the use of double-entry bookkeeping.



"...what in Mesopotamia was enabled by the single-entry accounting done by the temples, now takes place in the Greek economy primarily through the use of coins." (F Meier p.25)

"Pooling" took the form of equal investors in association assuming risk such that the same person might "be a lender in some contexts and a borrower in others." Credit emerged in a "merchant [-created] banking network covering the whole of western Europe." These banks tracked their debtor / creditor customers in ledgers and led to what is today our more abstract use of "debits and credits." "Bookkeeping money" appeared at this time when a bank was asked to pay off a debt of one of its customers to another customer by simply making offsetting ledger entries.¹⁰

⁷ Wray, R. (2004), *Credit and State Theories of Money*, Cheltenham, UK and Northampton, MA, USA: Edward Elgar.

⁸ Compare this to the havoc caused by the demonetization in India in November, 2016.

⁹ Innes, A. Mitchell (1913), 'What is Money?' *Banking Law Journal*, May: (377-408)

¹⁰ Sangster, A. (2016), "The Genesis of Double-Entry Bookkeeping," *The Accounting Review*, 91(1), (229-315).

In 1922, while Rudolf Steiner was first describing “money as the world’s bookkeeping”,¹¹ John Maynard Keynes was writing his *A Tract on Monetary Reform*, the details and concerns of which reflect those of Steiner. Later, as Meier describes, Keynes was thwarted by the U.S. in his post World War II attempt to institute a global system of “clearing” (based on the “Bancor” currency), a refusal that led to the U.S. dollar becoming an inherently unstable “global fiat-money standard.” By contrast, Keynes’s idea of a “clearing union” could control hoarding of values not by legal prohibition, but rather out of the logic of accounting itself. “New money” could be issued to fund individual initiative in the productive economy. Readers are encouraged to check out Sardex as one of many such systems.¹²

It is crucial for those who would work together to bring about a truly “free” cultural life to see that this “goal” is inextricably bound up with our image of economic life. Meier’s work highlights the historical movements of humanity’s relationship to bookkeeping: first, giving birth to handwriting when clay tokens (counters) in Mesopotamia became symbols on the outside of their container. Secondly, in the High Middle Ages when actual debtors and creditors became ledger entries and double-entry bookkeeping as we know it was born.¹³ Lastly, the overcoming of abstraction with the concrete imagination of the “clearing” process in our own time, to wit:

“...it is quite a mistaken view to think that ‘down below’ there are only economic processes going on, and that ‘up above’ there is the spiritual life, which is only ‘ideology’. The truth is that the spiritual life and the economic life of a particular time (the times are not quite identical), hold the same relation as a nut to its shell. The economic life is invariably the shell, which the spiritual life has thrown out. It takes its cast from the spiritual life. Today’s abstract economic life is, therefore, the product of an abstract spiritual life.” – Rudolf Steiner, 1920¹⁴

DISSEMINATION PROJECT – SOME BACKGROUND THOUGHTS

Archiving / KC

The dissemination of publications is in the first place an archival task being undertaken jointly by Christopher and myself to make available both the collegiate endeavors of members of the Economics Conference under the *Associative Economics Worldwide* imprint, and Christopher’s own *Collected Works*. Because much of this work originates with Christopher, promoting it might be seen as some kind of ‘groupie’ or acolyte activity. I have pondered this often and come to see that certain content appears in life through an individual or several individuals¹⁵, but must then stand on its own merits. This work is a case in point. But for history to be the judge, such work has to be placed into the world for all to see. Hence the archiving work.

I have yet to read a piece of work by Christopher, whether essay, article, paper or book, and whether written directly or edited, that I did not think was of historical significance, containing new and cut-to-the-chase practical insights. Ever since his late teens, he has been writing on myriad topics through the lens of his twin question: How to solve today’s inequitable distribution of wealth, and what would it take to metamorphose capitalism?

Since 1972, another question runs as a thread through his works. As a member of the Anthroposophical Society and its research locus, the School of Spiritual Science with its sections, Christopher has sought to understand why there is no Economics Section and to make a case for the necessity of one in order to meet, in spirit, what Alfred Marshall had in mind when he set economics apart from the social sciences generally.¹⁶ Regarding the anthroposophical movement, whose role is to inspire every field of endeavor with insight to lift it out of the grasp of materialism, it remains a mystery to me why so little heed has been paid to this concern.

Is it because of its technical complexity? Or Christopher’s special use of the English language? Or is it because to understand the content and thinking behind it, one must have true imagination? Or is it simply that the time is not yet ripe?

As I said, a mystery, but one which I believe will be resolved at some future time. And when it is, these publications will stand as a record of a substantial volume of work and a lifetime’s dedication to the questions they address.

Editorial Concerns / CHB

When it comes to associative economics, dissemination is a challenging field. Normally, the world of economics is approached in binary mode – either capitalism or socialism. Some try to overcome this with ideas about a

¹¹ Steiner, R. (2014 [1922]), *Economics—The World as One Economy*, Folkestone: New Economy Publications.

¹² Eisenhut, Stephen (2018), in “‘Money is Accounting’--is this idea ripe for the world?”

https://economics.goetheanum.org/fileadmin/economics/ECN_Archive_Topic_Mtgs/EC_October_2018_Report_EN_.pdf

¹³ Sangster, A. (2016), op. cit.

¹⁴ Rudolf Steiner, 1996 [1920] “The Abstract Nature of Economic Life”, *Rudolf Steiner, Economist*, Canterbury: New Economy Publications (70-83).

¹⁵ Christopher has often said that much of his inspiration, even courage to face the ‘dragon’ of economic materialism he owes to his colleagues around the world, and in particular Marc Desaulles and Anita Grandjean in Switzerland.

¹⁶ For a good account of this, see *Historians, Economists, and Economic History*. Alon Kadish, Routledge, 1989.

'third way', the Keynesian consensus, and so on. In reality, however, economic life needs to be understood as a single shared thing and not thought of in terms of two main classes or groups. Neither the few nor the many – to allude to Britain's Labour Party's recent campaign slogan, 'For the many not the few.' But neither group is minded to give way to the other for then they lose their power. Neither, therefore, is a friend of associative economics. Nor can we expect the kind of blockbuster sales of a Thomas Picketty because fundamentally such books, for all their wide critique, do not touch the basic problem. As Rudolf Steiner put it, it is not about which class or group should run the economy, but how to give up our egotism in regard to it. For it is egotism that seeks power.

Even in the anthroposophical movement, despite Rudolf Steiner's comments to the contrary, there is much that amounts to politicking in regard to economic life, while the tenor of political thinking is also often that of social democracy. (For a mini encyclopedia of Steiner's social ideas, see *Rudolf Steiner's Social Intentions* – see last page) It is also the case that, without saying so directly, associative economics brings one to the threshold and any serious endeavour to make one's own affairs associative cannot avoid this phenomenon.

Disseminating books about associative economics is not as easy as it might seem, therefore. The basic strategy for dissemination would seem to be to have material available which is born of direct entrepreneurial experience and 'deep' research into the link between the threshold and accounting; then to have this material available when people begin to step on the path 'from competition to association', as it says on home page of the ae-mark.com website.

Publications

To date, publishing has been conducted using Centre for Associative Economics Ltd., based in England. To the existing titles (left column below), we will be adding titles under two imprints. With its distinctive shared 'look', **Associative Economics Worldwide** is dedicated to works born of collective, collegial research. Currently 12 are available (see right column below) with more under preparation. Under the imprint of **The Collected Works of Christopher Houghton Budd** some 30 titles are being readied for publication, 6 available below.

For the time being we will run two online bookstores. Existing titles can be acquired directly; new (print-on-demand) titles under via Lulu.com. This is a less than ideal solution, but belongs to an age when it is unviable to hold large inventories of stock. Print-on-demand also raises the important question of robots taking on tasks once done by human beings. As a possible counterweight, however, part of all sales proceeds will be given back to further research in the field of associative economics. Here's the link:

<http://www.associative-economics.com/publications/>

Books direct from CfAE

A Human Response to Globalisation *Marc Desaules*
Beyond the Market *Gaudenz Assenza*
Freeing the Circling Stars *Christopher Houghton Budd*
Of Wheat and Gold *Christopher Houghton Budd*
Prelude in Economics *Christopher Houghton Budd*
Rare Albion *Christopher Houghton Budd*
The Metamorphosis of Capitalism *Christopher Houghton Budd*
The Right On Corporation *Christopher Houghton Budd*
Rudolf Steiner's Social Intentions *Rudolf Steiner*
Threefold the Social Order *Rudolf Steiner*

Books printed on demand (via Lulu)

Associative Economics Worldwide

Economics *Rudolf Steiner*
Rudolf Steiner, Economist *Rudolf Steiner and Others*
21 Policies *Rudolf Steiner*
Towards True Pricing and True Income *Various*
A-Z Glossary *Arthur Edwards / C Houghton Budd*
From Gold to Golden Rule *Arthur Edwards*
Perspectives in Finance *Fionn Meier*
'Money as Accounting' *Fionn Meier*
Accountants' Corner *D'Arcy Mackenzie*
12 Key Thoughts *Rudolf Steiner*
Step into Another World *Various*
A Second Chance for the World *A Collaboration*

Christopher Houghton Budd / Collected Works

Seed Corn – *The Economics of Farming*
Beyond Capital and Labour – *Keynes, Marx, Steiner*
The Optional Euro
Auditorial Central Banking
La Economia Moderna (*Spanish*)
The Deed of Rudolf Steiner

Membership

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

Erratum

In the last issue in the item that referenced the film *Current Wars* we mentioned George Washington. It should have been George Westinghouse. (Blame it on predictive text technology, though it might also have had something to do with ageing editorial eyesight.)