



# Economics Conference of the Goetheanum

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

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Dear Friends,

With the culmination of the Holy Nights of Christmas, I was struck by an image of a new birth needed in our times – a renewed understanding of the human being's link to the cosmos. In the work of the Economics Conference, we strive to understand how economic life – understood as the shell to the nut of spiritual life – is mirrored in Rudolf Steiner's Deed of the Refounded Anthroposophical Society. And in doing so, it seems ever more certain that human intuition – of which the world is in such desperate need – can only take hold if it is firmly grounded in finance. In other words, the unique *star* that guides each person only remains visible, through storm and dark of night, if its rays can illuminate the path identified in a financial plan.

As I strove to represent this idea to several young people over the Christmas holidays, their palpable longing to believe in and realize their dreams was usually met with – “Yes, but we have to make money, we have to pay the bills.” To paraphrase Stephen Vallus, we often live as if there are two worlds when really there only ever has been one. And Christopher has been heard to say, “If you follow your dream you will always have a job, but if you have a job you may never find your dream.” How do we bring these ‘two worlds’ together?

The way lies in hitching oneself to one's star – never letting it go – and using its light to stay on course. A humble spreadsheet with figures that describe a world-changing vision – because they come from the future – links once again the cosmos (star) with the earth (financial plan); the I-being holds them together. With every effort to stay on our path (by not collateralizing loans, for example, or by paying true prices or using accounting to enhance consciousness), we further the Christianising of economic life. Anthroposophy shows the links between cosmic and earthly realities in every field, but few fields are as common to all the way economics is. In the age of the consciousness soul, there simply cannot be an activity without a conscious economic counterpart.

It is my hope that in this New Year, more young people will find the possibility to further the Christian impulse within them by linking their guiding star to a financial plan. There, nestled in the numbers, is where new hope can be born and grow – as if a spreadsheet can reflect the plan inscribed in their hearts before birth. And for those with the courage to embark on such a journey, may they be met with capital, freely and selflessly made available. Thereby will the world be made anew.

With best wishes for all of your endeavours in 2016,

Kim Chotzen  
*Administrator*



*Image of Theseus and his temple in Vienna. Caption: The strength and beauty of youth.*

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## Membership Update

Welcome to the following individuals who recently joined:

Lorene Allen, USA  
Leif Sonstenes, Germany

## ***The Riddle of the Nerves, Towards a True Understanding of Work***

15<sup>th</sup> Annual Meeting, 22 to 26 June 2016

Folkestone, England

Many of today's social problems, as also such 'solutions' to them as labour protection and unconditional basic income, have their origin in a wrong understanding of work, concerning which Rudolf Steiner said: 'No one ... can gain a right understanding of man's relation to work who builds his concepts ... upon the misguided distinction between sensory and motor nerves.'<sup>1,2</sup> Antecedent, therefore, to any change in policy or practice regarding work and remuneration one needs to begin with a clear understanding of the nervous system, together with its analogous relationship with accounting.

This year's Annual Meeting will therefore consider the problem of the 'double' nervous system in connection with money, accounting and the deeper nature and purpose of economic life. Those taking part should familiarise themselves with this topic (see references below), and also with Lectures 12 and 14 of the *Economics Course*, those concerning money and bookkeeping. The context will be given in link with spiritual scientific considerations concerning thinking and willing.

As before, in order to foster an effective research mood and dynamic the limit on attendance will be 30 participants. At the time of this writing the numbers are nearly full, so this notice is primarily one of information. In the event that places come free, however, anyone interested should contact [economics@goetheanum.ch](mailto:economics@goetheanum.ch), making clear how they are linked to economic life in both practical and spiritual scientific terms.

(1) *The Necessity for New Ways of Spiritual Knowledge*, 23 April 1919 GA 192.

(2) The idea that there are two nervous systems – one perceiving (sensory) and one instructing (motor) – is one of the three ideas that Rudolf Steiner describes as preventing an understanding of the true nature of existence; the others being 'we are what we eat' and 'the heart is a pump'.

(3) *Riddles of the Soul*, Rudolf Steiner. Mercury Press, Spring Valley, New York, 1919. (GA 21)

(4) *The Case for Anthroposophy*, Owen Barfield.

(5) *How does the human being move?* L F C Mees, Mercury Press, Spring Valley, New York.

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### **Funding Research**

Regarding the Economics Conference Fund, our efforts have been to match the spirit of the Refounded Society/School where, in our understanding, the role of the Society is to be the home or earthly vehicle of the School (with its Sections) but the responsibility to ensure funding rests with those who take the initiative. They, in effect, ensure they have funds but that those funds pass through the Society. Sections as such ought not to have bank accounts as the School is not an earthly institution. In light of this, two committees have been organized for the purpose of funding research. What follows is a report on the general process.

#### *Editorial Committee – Meg Freeling*

When research proposals are submitted to the Economics Conference, they are first reviewed by the Editorial Committee whose members are Arthur Edwards, Meg Freeling and Christopher Houghton Budd. The editors are committed to an objective and individualized peer review of each proposal's content and process. Questions they ask include: Can the proposed research add to existing associative economics literature to further elucidate what the world needs to see as a contribution of spiritual science to today's economic challenges? Are there identifiable and germane research questions behind the stated aims? Can the research include a case study? Do the content and process meet the published Economics Conference Protocols? Does the researcher provide for stages of work, a method to evaluate results, and a form for presenting and publishing the results? When the Editorial Team has completed its review, the successful research proposal is passed along to be reviewed by the Funding Committee for financing considerations.

#### *Funding Committee – Susan Gravelle*

The Economics Conference Fund process is designed with a division of labor between the Editorial Committee's review of a submitted proposal and a funding determination of an approved proposal, including its budget and cash flow. The Funding Committee recognizes that full responsibility for fundraising and the related budgets rests with the researchers. Economics Conference funding will often act as seed money which allows others to join in the funding of the proposed research, including researcher remuneration, which has the option to pass through the Economics Conference account designated for the specific project. The Funding Committee considers leverage funding, current funding availability, and full proposal funding in its determination process, with consideration of each proposal's unique environment. A disbursement schedule includes considerations of country specific legal, tax and currency costs and requirements in collaboration with the Economics Conference Bookkeeper. The Economics Conference Fund Committees work collaboratively, while independently, through an objective and responsible review and award process towards research into economic life with specific reference to Rudolf Steiner and/or spiritual science.

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## Two Events in Switzerland

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### 1: The Economics of Brotherhood

*Based on a report from Marc Desaulles*

A significant event for those involved in economic activity in Switzerland was held 20 to 22 November 2015 at the Goetheanum, in the 'schreinerei'. The meeting was organized as a collaborative effort between the Christian Community, the Swiss Anthroposophical Society and most of the anthroposophically oriented economic organizations in Switzerland – the pension fund Coopera, the bank Freie Gemeinschaftsbank, L'Aubier, the foundations active in sharing land and consumer associations. The Social Sciences Section was represented by Gerald Haefner.



Rudolf Steiner's original blackboard drawing from lecture 7 (on the economic process) had been especially restored by the Archives for the occasion and was on display. Two exhibitions also hung in the room:

*True Price, True Income and Rudolf Steiner, Economist*, 24 panels in total linking the work of the Economics Conference with that of L'Aubier.



The gathering was a great success, from the point of view of its focus on economics, attendance (between 240 and 300, including many young people), and the varied engagement of those present. This was the first time that participants from such a wide range of economic activities, working out of the Economics Course, came to the 'same table'. Those who took part were extremely grateful for the content and asked how the work could continue. They also acknowledged that something had happened that was beyond what words could describe.

### 2: Money, Credit and the Role of Accounting

*Backgrounded by Rudolf Steiner's Economics Course, how are we to understand money and credit in the 21st century? Report by Arthur Edwards*

On 2-4 October 2015 the third in a series of research meetings was held at L'Aubier, Neuchatel, Switzerland, attended by a core group of individuals who have concerned themselves in depth with Rudolf Steiner's economic thinking. The previous event report by Jesse Osmer provides an important background to the material being worked with. Significant themes included the ageing of money, accounting as a payment system, zero sum cash, and concepts of asset valuation, as well as methodological questions of testing and evidencing propositions. The work continued on 22 to 24 January 2016, with a focus on the difference between real and apparent values both conceptually and practically.

For full reports of these workshops, see <http://economics.goetheanum.org/954.html>.

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### EC Website

*As a way of reflecting and facilitating the work of the Economics Conference, its website is reviewed and updated from time to time. Below we report on some changes to the pages.*

#### 1: Literature (<http://economics.goetheanum.org/954.html>)

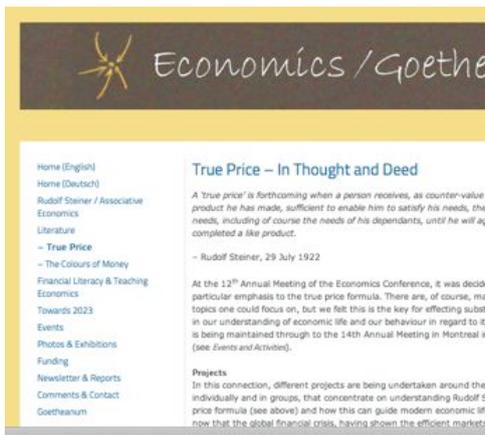
A wealth of important research is steadily being archived on the website. Treating themes such as *True Price Instead of Basic Income* and *Money and Credit Creation*, the aim is to provide a resource for anyone interested in Rudolf Steiner's economic ideas and their practical application in our times.

#### 2: Towards 2023 (<http://economics.goetheanum.org/5445.html>)

Under the heading of *Towards 2023*, this page focuses on the esoteric background of finance and of the Anthroposophical Movement.

#### 3: Colours of Money (<http://economics.goetheanum.org/8138.html>)

This page has been established as a way of providing a major focus and expression for the on-going research carried out by members of the Economics Conference for many years past. Under this rubric and dating from 1998, the *Associative Economics Association* (based in Canterbury, England and Neuchatel, Switzerland) has run dozens of seminars that explore Rudolf Steiner's conception of three *kinds* of money, instead of the classic



economic theory of three *functions* of money. Attended by over 500 people, the seminar has been given in many parts of the world and in various languages (English, French, German, Portuguese and Spanish).

The seminars are linked to the *4 Steps* and *4 Criteria* of the AE Mark (see [ae-mark.com](http://ae-mark.com)) and cover a wide range of topics including the philosophy and theory of economics, legal forms and related questions, taxation, accounting and financial planning. These gatherings are part of practical endeavours around the world to build an associative yet entrepreneurial economy based on what Rudolf Steiner calls 'personal' rather than 'real' credit.

*Note:* The *Colours of Money* seminar is not connected to the 1986 film of similar name or the magazine of Triodos Bank that began life in 2010.

## Website Manager

All the above work means we are currently seeking someone to manage the website. This person would need to have the relevant expertise, time availability and indicate whether remuneration would be needed. Please let Kim know if you are interested.

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## Review of Administration

*In this report Kim candidly reviews the work she has done this past year. I endorse what she says and would add that it has been a great help in sharing the burdens of our quietly growing movement, but also in enabling that community to begin to find itself. – Christopher (Houghton Budd)*

I view the Economics Conference administrative work as a chance to serve the higher being/cause of the Economics Conference, the source, in my view, of research which will show the next steps for the Anthroposophical Society and School within it, and as a consequence, the future of economic life worthy of humanity. For me it is a high calling and occupies the priority in my life. This is the inner reality.

Outwardly, it has at times been difficult to be true to the call. It is not possible to be one who ministers to this work without facing the areas in life where one does not walk one's talk. Being 'true' in thought and deed is where the challenge is and the work asks that I constantly hone myself in this regard.

For the most part, the pace, rhythm and extent of the work are all quite suitable. The working relationship between Christopher and myself has been effective and a pleasure. It's been fruitful to collaborate on behalf of issues concerning the Economics Conference and seems to build 'substance' that can be shared. I appreciate learning from Christopher – I experience a gentle but definite mentoring by example on how to be better organized, take more initiative with agenda setting and other tasks.

The electronic age can seem daunting; I sometimes feel inadequate with my skill set to take on a helpful portion of the workload. The workload itself may not have really decreased for Christopher but my sense is that helping 'carry' the Economics Conference *is* sharing the load.

From my point of view, the EC is gaining more traction and there's a momentum building. I notice the number of participants has increased this past year by 6. We are considering more division of labor for tasks so the number of people responsible for it is growing – naturally out of the reality and necessity of it, not by any construed arrangements. (This is evident in this newsletter with numerous contributors carrying a part of the whole.)

There is also a sense that the presence of the Economics Conference is being felt in the anthroposophical movement. I often feel I am not doing enough – that there could be more work done, especially in North America – to bring awareness to our work for those who are truly seeking it. I am also aware of my limits of knowledge, experience and even stamina for 'standing publicly' for this work and so am glad to be able to represent it in my role as administrator, which somehow offers more 'protection' in which my capacity for representing it can develop. I feel I am in preparation for a time when I will be required to represent the work even more directly. Perhaps this year will bring further clarity as to how colleagues in North America can work together more directly – if the time is at hand for this, which it may not yet be.

– Kim (Chotzen)

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## **Economics Conference Fund**

*Welcome Marc and Switzerland!*

The Economics Conference Fund will soon have an account in the Swiss Society and we look forward to Marc joining the other treasurers, to whose work he will bring many gifts and much experience.

*A Bookkeeping Perspective  
– Stephen Vallus*

In looking at the bookkeeping for the activity of the Economic Conference, one is confronted with the fact that it is not an 'entity' in the legal sense – something of a challenge for those used to the bedrock accounting principle of an entity separate from the owners. What then are the reporting considerations that follow from this?

In the U.S., Economic Conference funds are held in a trustee relationship within the Anthroposophical Society in America. Legally, this is a relationship of 'fiscal sponsorship', in that the Society as a tax-exempt entity is subject to reporting requirements while benefitting from being able to show more liquidity on its Balance Sheet from holding our funds, as also from any interest earned on funds for which we charge none. The ASIa has recognized that our 'mission' is consonant with its own which then satisfies the government's concern that no personal benefits are being derived from our activities. (I assume that similar legal concepts apply in other countries.)

Without trying to mount an argument that over time the not-for-profit and the for-profit worlds will merge, one can observe that under such Fund Accounting, the Equity section of the Balance Sheet becomes transformed. What would normally be Own Capital (more egotistically, Net Worth) on a balance sheet, now comprises 'Funds' waiting to be drawn upon by those who need them, pursuant to the protocols which have been developed.

By combining the records of the EC Fund in one worldwide set of records, notwithstanding any national reporting requirements, we can see them from a world point of view where we are free to think not in terms of national economics, tax exemption and so on, but in terms of their use by the spiritual worlds. Out of this freedom we have developed a situation where anyone with an understanding of basic bookkeeping can look over our shoulder and discern the sources and uses of our funding.

Why and how this came to be will be taken up elsewhere. But I find it very interesting that both our English words 'conscience' and 'equity' arose in the early 14<sup>th</sup> century at the same time as double-entry bookkeeping appeared in Florence, Italy. One possible starting point for a rethinking of Equity, other than as a reference to self interest, is to notice that 'conscience' literally means 'knowing with'. This re-cognition shows the illusion of thinking one can be alone economically.

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## **Wandering and Wondering**

*Notes from the Convenor*

In recent months I have been visiting places both actual and imagined. Allow me to share some thoughts and impressions.

*Hibernia:* For nearly twenty years, Marc Desaulles, Anita Grandjean and I have been researching the link between the Hibernia Mysteries and finance. We first reported on this in 1998 in various anthroposophical journals. Since that time, I have been to Ireland a few times mainly to the west coast 'in search of Dunlop', but also elsewhere in link with the Anthroposophical Society and its work in support of anthroposophy in (snake-free) Ireland. Recently I was asked to serve as treasurer of the Society there and am now in post, hoping especially to further the work of funding section activity on the island. It is interesting to be somewhere where both the Arthurian and Celtic Mysteries, both Patrician (Roman) and Columbian (inner) Christianity are in play.

*Austro-Hungary:* Having been asked to write for the Mont Pelerin Society on Hayek and Steiner and Churchill, I stayed with Hayek and Steiner, finding myself exploring their origins and contemporary experience inside the Austro-Hungarian Empire – the model of society that Rudolf Steiner drew inspiration from but which threatened the hegemony of the West. It has become a major question for me now, in the centenary times of WW1, whether the potential of that construct can be revisited, without precipitating yet more karmic chaos. Indeed, at the time it was seen as a way of solving the disorder between Britain and Ireland. Interestingly, the Irish Society is for the island as a whole, so it straddles two countries and two currencies. In its own way, it is already a dual polity.

*Cuba:* In October I spent three weeks in Cuba, one visiting the revolution trail and recalling my interest in Che and Castro in the late 1960s, and two of them on holiday. But can an economist ever stop observing, the more so in a place like Cuba? So in fact it was three weeks of informing myself. Whether trying to get close to Guantanamo Bay, or spending time in Havana, giving rides to 'paysanos' because a hired car is tantamount to free public transport for those who otherwise have to walk or cycle, or riding the Chinese buses – I saw much of the island and how its economy is or is not working. Its industrious people and lush landscape, but the

spoiling of everything by state ownership, like some huge basic income scheme that takes the produce of everyone's labour and gives them the basics, but robs them of their initiative. Now the US is about to restore its links, all this will likely become subsumed in a resumption of the uglier sides of capitalism which Castro sought to rid the island of. It is tempting to think that, instead of handing the state over to the communist party, he could have discovered associative economics and yet found some form of brotherly, rather than state-run economics. But he didn't and it is now very unlikely that he will; and his successors and compatriots even less so. The hypothecation of the island is in the wings. The illegal torture of Guantanamo will be replaced by something similar for the Cuban economy.

*Country Representatives:* I am wondering if there is a need to begin to identify country representatives for the work of the Economics Conference – single contacts who can provide a focus for the work in their country, triage enquiries, and so on. And whether these should in the first place be the treasurers.

*Monism and Bookkeeping:* Central to Rudolf Steiner's philosophical conception is that in order to become a partner with the gods, the human being divides the spiritual world into two parts – pure spiritual, as it were, and spirit in the form of matter. Two parts of one reality, not two separate worlds, the challenge is to bridge this distinction out of the freedom it makes possible. Monism. My question is whether the process from single entry to double entry to closing entry is an expression of this huge reality, but thereby also a means for making it tractable.



PS: In the summer of 2015 I was involved in designing a rickshaw service in Folkestone...

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