

# Associate!

May 2021

## Newsletter of the Economics Conference of the Goetheanum

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As I review these pages, I am struck by the fact that readers will find news and reports on an international scale – upcoming and past events, such as the seminars in San Miguel de Allende, Mexico, the December 2021 annual world meeting in Mendoza, Argentina, a threefold social order seminar at L'Aubier in Switzerland and a Youth Bond experience in Curitiba, Brazil.

Also, in typical eloquent fashion, Marc Desaulles draws a link between the ecological movement as an indication that the human heart now has the capacity to enlarge beyond self-interest alone to include caring for the whole world and the urgent need for our thinking / behavior in economics to do the same. Lúcia Sígolo's piece on *True Price*, just translated from Portuguese, considers just how to begin to do that, treating content both from Rudolf Steiner's Economics Course and her own entrepreneurial experience.

Changing economic thinking will bring one face to face with the English mind as it pertains to and in certain respects is the author of neoliberal thought. But Christopher Houghton Budd, in his piece *The Subtlety of English*, poses the question: is it as closed and materialistic as it seems to be upon surface consideration? What if one delves deeper?

To solve the social and economic injustices of the world, many are increasingly looking to cryptocurrency technology for solutions. But are they to be found there? Sebastian Bilbao reports on projects that aim to use cryptocurrencies to bring about associative economics, while Mexican economist Marcelo Delajara gives his impressions on their viability.

Finally, as Economics Conference convenor, Christopher provides an ongoing update on various items as they move rapidly across his desk – updates which link a group of worldwide researchers dedicated to making Rudolf Steiner's economic thought visible and practiced in a world sorely in need of a reboot. Indeed, for a 'world refresh button', simply go to <https://economics.goetheanum.org/home!>

As one colleague said recently in the context of world circumstances, "I try to do something good every day." It is my heartfelt hope that this newsletter will contribute to the strength, clarity of thought and support needed for such deeds, deeds that will nourish the world in untold ways.

Sincerely, Kim (Chotzen)

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### **20<sup>th</sup> Annual Meeting** 1-5 December 2021 / Mendoza, Argentina ***The Threefold Social Order / Economics as a Force for Social Change***

The 20<sup>th</sup> Annual Meeting of the Economics Conference will be hosted by Mauricio Garay and Natalia Conti of Mendoza, Argentina, who will also organize the event along with Marc Desaulles and Christopher Houghton Budd. During the days, we will be focussing on how we understand Rudolf Steiner's Economics Course in relation to the threefold social order. How is the threefold nature of social life implicit to associative economics as described precisely in the Economics Course? In parallel, in the evenings, there will be special sessions on how we understand Groups of the Anthroposophical Society, whether national or regional (i.e. local) or based on subject matter. Relevant to this topic is the distinction between professional research from a spiritual scientific point of view and lay interest and/or study in order to further and support such research, distinctions about which Rudolf Steiner was unequivocal in the structure of the Refounded Anthroposophical Society whose centennial will be marked in 2023. The meeting's format will consist of small research meetings for the first three days and open public presentations on threefold social life and associative economics on the Saturday. The event will culminate in a published memorandum documenting the results of our work together.

### **4<sup>th</sup> Annual Latin American Meeting** 30<sup>th</sup> November 2021 / Mendoza, Argentina

The 4<sup>th</sup> Annual Meeting of the Economics Conference in Latin America will be hosted also by Mauricio Garay and Natalia Conti in Mendoza, Argentina a day prior to the world meeting. Although the theme is to be defined, the group is researching financial literacy, land reform and financing school projects, so the themes may well relate to those projects.

***Further details for both events will be shared as they become available.***



### The Threefold Nature of Social Life

*A Seminar at L'Aubier, Neuchâtel, Switzerland with Sylvain Coiplet, 13-16 May 2021  
Fionn Meier / Winterthur, Switzerland*

How can we differentiate between spiritual life, rights life and economic life? What does it mean that capital belongs to spiritual life, labour to rights life and money to economic life? Together with Sylvain Coiplet from Berlin, a group of twelve people worked on the very basics of an understanding of what Rudolf Steiner described as the threefold nature of the social organism. The seminar was based on Sylvain's life-long research<sup>1</sup> into the different approaches Rudolf Steiner used in his lectures to illustrate the threefold nature of human society.

*(We hope to report on this in the next issue of Associate! and that the material will inform the discussions in Mendoza in December, see previous item.)*

### Applied Associative Economics in Mexico

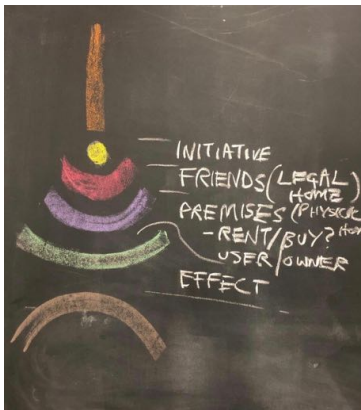
*San Miguel de Allende, Mexico / 31 May - 5 June 2021*

Further workshops on associative economics will be held in San Miguel de Allende. Contributors will include Marcelo Delajara, Christopher Houghton Budd and Eduardo Rincon. The main questions will concern Rudolf Steiner's conception of money and the provision of premises and land for initiatives, such as schools and farms, so that ownership of such assets supports rather than undermines their use. Also, notwithstanding the generally liberal paradigm now prevailing, can we develop micro examples of macro policies that are both faithful to Steiner's idea and, therefore, able to provide a way 'beyond the market'?

### Two One-day Seminars

*Kim Chotzen / Viroqua, USA*

Economics Conference colleagues were recently in San Miguel de Allende, Mexico for a retreat, after which they took part in two one-day seminars led by Christopher Houghton Budd, the essence of which I've interpreted in what follows. During the seminars, the group discussions explored how, through financial literacy and an historical understanding of economics, humanity can realise its freedom – coupled with responsibility – in a way that the free market alludes to but cannot really achieve.



#### *The spiritual background of modern economic life*

How does one have an experience of the 'I' in this day and age? What did Rudolf Steiner put in place at the precise moment in world evolution when human agency became capable of both freedom *and* responsibility, the abdication of which engenders outer controls? Having evolved to a point beyond the socially determining blood ties of old, how can modern human beings serve a reality greater than themselves without becoming disoriented or misled? How do we know when we are on a path to create good? And what are the implications of all of this for modern economic life?

There have always been teachings that enabled human beings to keep a link with their spiritual origins, but since the Enlightenment, this link has been all but forgotten. Rational understanding, necessary for penetrating the science of earth existence, has eclipsed humanity's spiritual background, leaving in its

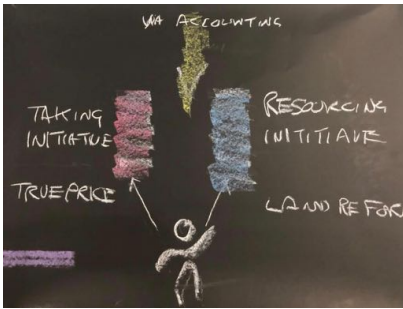
wake a world steeped in the materialist conception of life with almost no awareness of reality beyond matter.

The modern 'initiate' – one who would seek that link again – is faced with utter loneliness, without information or confirmation from this world by which to steer life's course.<sup>2</sup> Rudolf Steiner's *Economics Course* describes the axioms by which one can act in economic life in a way that again links matter and spirit in human undertaking.

In Mexico we focussed on the ramifications of this for modern economics. From a macroeconomic perspective, conventional monetary theory stems from the materialist conception of history, which admits to nothing but matter, nothing but the physical body. Inflation is 'caused' by labor costs and price stability (zero inflation) depends on central banks manipulating interest rates to 'force' businesses to reduce labor costs because a 'return' on capital in pension funds, for example, (wealth) is preferred over paying people properly. If capital is favored, people starve. If people are favored, 'free' markets and their epistemology crash. Yet this is a false dichotomy that only appears because a third consideration is not made, namely, the rediscovered threefold nature of the human being (body/soul/spirit). And of economics.

<sup>1</sup> <https://www.dreigliederung.de/veranstaltungen/grundlagenseminar-dreigliederung-laubier-mai-2021>

<sup>2</sup> For a good account of this experience see *Step into Another World*, <https://aebookstore.com/publications/associative-economics-worldwide/authors/christopher-houghton-budd/step-into-another-world/>



### *Our future will be born of taking initiative*

Such false dichotomies are the signature of our times. They neither explain anything nor provide solutions because, to paraphrase Rudolf Steiner, they do not understand that economics is both a practical *and* a theoretical science. Once this is recognised, based on the threefold nature of economic life, a pathway appears beyond duality. The capital vs. labor debate gives way to two kinds of value, part the economic cycle that appears, not as an either/or, cause/effect system but as a living organism with the human being in the center as mediator, as doer – the one who organises labour to transform nature.

According to Christopher, seen from an economic point of view, Steiner's own activities, which served to provide an archetype for social life today, were meant to give a "heavy hint" to modern monetary science. In other words, by differentiating the various aspects of economics, i.e. by recognising the threefold nature of money – fees and sales as income (red money), and research funded by donations of surplus wealth (yellow money), with both raising the question how should we own, use and therefore finance property and buildings that appear on the balance sheet (blue money), economic materialism can be shown its next step.

Taking initiative on the one side, resourcing the initiative on the other, with the human being in the center using accounting as a tool of perception to maintain the right relationship between them – such is the orienting structure inherent in modern economic life.

With this fresh perspective, we considered revisiting Latin America's recent past to look at its economic history through the lens of true price as a measure of sustainability and land tenure reform as a way to metamorphose the latifundist system. Farms, schools and productive centers could all organize themselves in a non-inflationary manner to bring cohesion to community life. In such situations, central bankers, who in their rightful roles as 'enlightened princes', see where the people need to go, could not make them go there through central bank manipulations. Instead, they would use bookkeeping to reflect back the nature of people's economic dealings and how, if these were better understood, the equilibrium that everyone expects would result from what people actually did of their own accord, rather than from the promptings of external agents or through the supposed working of 'free' markets.



### **Associative?**

*An economy that reflects the human being*  
 Marc Desaulles / Neuchâtel, Switzerland

*Rendered from the French by CHB*

Is the market economy really the most efficient way to produce the goods we need? The associative approach to economic life, founded by Rudolf Steiner in 1922, provides a perspective that allows us to take control of our future.

Ecology is a child of the 20<sup>th</sup> century. In the early 1960s, the publication of Rachel Carson's book *Silent Spring* marked the beginning of a "general public" awareness of our responsibility for the planet and its future development. The concept of sustainable development was born. In a few decades, it was to become a preoccupation for a growing part of humanity. Today, the phenomenon of global warming has brought a dramatic and global dimension to it, which the media have been quick to capitalize on.

What is the fundamental gesture of this ecology? It is first of all a yearning of the heart towards something bigger than oneself, something that you love and want to know better, something that you feel responsible for. This gesture is quite natural towards one's immediate family, or more broadly towards the members of a favorite sports club or the orchestra in which one plays. But, enlarged to the dimension of the whole world, of the planet, of humanity, it is brand new. The heart opens wide to what is to come, it is interested and it engages, but it also knows how to judge and decide if necessary. And it is there, on the basis of the big picture, that a decision is made. To decide freely to bear a responsibility for all: this is what characterizes the ecological movement.

Contrary to this is the market economy as conceived, thought out and promoted today by specialists around the world. Its foundations date back to well before the twentieth century and may have developed their effects by disastrously taking advantage of the Darwinist image of human evolution: 'the struggle for survival'. Thinking about yourself and putting your own needs before others is the first principle in this economy. And yet by this individualistic attitude human beings are reduced to their most instinctive part: their egotism. To be frank, today we should find the courage to speak of *egonomics* rather than economics.

From this perspective, the watchwords are: market freedom and competition. At the base of the World Trade Organization (WTO), they amount to forcing producers everywhere to fight unprotected against each other. It's

a bit like a modern version of the circuses in ancient Rome. It seems to result in the lowest price, but at what a price! How much natural, social and cultural wealth has already been sacrificed on the altar of this theory? Forcing prices down necessarily means ensuring an erosion of values, first in the most vulnerable countries, then also at home.

And as such, it is particularly saddening to see the Federation of French-speaking consumers go on a crusade against the island of high-priced Switzerland. Do people not realize that where there is dearness, there is often the gesture of taking care of what is dear to us – for example, life itself, other people? Isn't this the very foundation of a human culture and civilization worthy of the name?

It is high time that the momentum that gave birth to sustainable development also took hold of economic life.

What would this mean? To get an idea, you just need to observe your own daily involvement in economic life. For example, by asking yourself: have I paid enough for what I bought? This question directs attention to an unusual space in one's soul, a space of freedom and responsibility, or perhaps just a space of humanity. Did I pay dearly enough? It challenges. It's not just me anymore. Other people are also there; their future is at stake and this depends on me. In reality, the whole economy is paying the 'true' price, the one that will allow producers to produce a similar product again. It is on me, on each one of us, that things depend, here and now. I am, we are at the heart of the matter, both the source of the problem and its solution.

Focusing on what can become good for everyone concerned and freely deciding to assume one's responsibility towards all: this is the gesture that characterizes the economic life when it is aligned with sustainable development. We speak then of associative economics, because it is the type of economics that first takes care of the other and of life, that takes account of everyone's needs in order to perceive the situation as a whole. It includes the points of view of solidarity economics as well as those of the circular (e.g. 'doughnut') economics. It is essentially social, even if it cannot be extricated from the effects of markets. This kind of economics will be human to the extent that we make it so.



### True Price

*The essential element of an associative economy*

Lúcia Sígolo / Sao Paulo, Brazil

*A 'true price' is forthcoming when a person receives, as counter-value for the product he has made, sufficient to enable him to satisfy his needs, the whole of his needs, including of course the needs of his dependants, until he will again have completed a like product.*

– Rudolf Steiner, *Economics Course 1922*

In 2014, the Economics Conference of the Goetheanum decided to focus on true price<sup>3</sup> as the theme of the year and proposed that we concentrate on the essence of the economic process.

Rudolf Steiner first developed the true price formula in 1919, in his book, *The Threefold Social Organism*.<sup>4</sup> He returned to it in 1922 in the sixth of 14 lectures given in Dornach to a group of economics students.<sup>5</sup> Expressed in a simple yet complete way, this formula is capable of extremely complex elaboration.

Today we see a strong global movement – variously called solidarity economy, new economy, and so on – that highlights important factors that need to be considered in the development of prices, such as social justice and environmental balance. 'Fair trade', a term coined in the 1960s, proposes an alliance between all actors in the economy to build on principles and practices that are increasingly fair and coherent.

When selling or buying a commodity or service, if we take into account the correct remuneration of those engaged in their production, as well as thrifty usage and respect for nature, we will contribute to the formation of fairer prices and a healthier economic process.

This approach represents an important breakthrough when compared to other proposals for addressing the question of price. It takes us beyond the usual polarisation between those who defend the indexation of prices by the state and those who preach the free market, believing that the law of 'supply and demand' will balance the inevitable distortions.

<sup>3</sup> The term 'true price' is not easy to translate. In German, Rudolf Steiner changed from 'gerecht' in 1919 to 'richtig' in 1922, nuancing from justice to science, feeling to thinking, sensing to objectivity. This reflects the evolution of 'true price' from its antecedents in Aristotle's 'mean' and Thomas Aquinas's 'just price'.

<sup>4</sup> *Towards Social Renewal*. Rudolf Steiner. Rudolf Steiner Press, London 1977 [1919].

<sup>5</sup> *Economics – The world as one economy*. Rudolf Steiner, New Economy Publications, Canterbury, England 2014 [1996/1922]. (GA 340)



Grounded in spiritual science, associative economics differs considerably from traditional views of economics, as also from the ecological and social vision of solidarity economics. It shows that the economic process is inherent in the human being and arises between two fields: nature, on the one side, and spirit, on the other. From this observation, we can easily deduce that economic concepts should not be worked out only on the basis of external reality.

Although both are accessible to reason, we capture nature with our physical senses, but not so the cultural/spiritual field and its effects on the economy. The economic process is broader than what is visible to the eye. To grasp its concepts, we need a living thinking born of spiritual science. Understanding and combining these concepts in a malleable way is the required condition for accessing economic reality.

We also know that very little in economic life derives from isolated activities. Today's masses of capital seem to have their own life, disconnected from human will. But is not this uncontrolled movement of capital itself a consequence of the disordered actions of a barely conscious humanity?

This phenomenon, evidenced by globalization, is more visible to us today than it was in 1922, when described by Steiner. The economy is essentially the same for the entire social organism, but each specific situation requires individual consideration. To capture the complexity of economic reality we need more than one point of view, which in turn presupposes the existence and promotion of free associations, whose members must be aware of the different aspects of the threefold social organism.<sup>6</sup>

The study of the relationship between nature, man and spirit, or, put another way, land, labour and capital, and the consequent redefinition and realignment of materialistically conceived economic concepts provides us with the information necessary to approach the question of price differently, albeit just as scientifically, if not more so, as the prevailing economic theories.

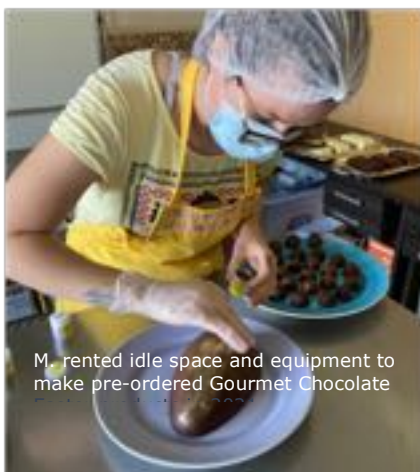
From within our roles as consumers, producers or distributors we can observe the relationship between the elements of the threesome of buying, borrowing and giving that lies behind the prices and assess together how much capital should be directed freely to cultural/spiritual life, to rights life, and to economic life in any given context.

We can then realise that the true price formula contains elements that refer to the future. To act economically is in fact to set future processes in motion. The future is thus constructed from present deeds.

Reflecting on true price, in terms of our daily activities we can understand the key elements of associative economics and advance answers to numerous questions, such as:

What elements should one consider when selling or buying a product? How to make good practices – economic, ecological and social – when acting economically? How to judge what are the real needs to meet? How to direct capital to where it is needed? How to ensure adequate remuneration of everyone? In short, how to recognize and establish true prices?

Such questions can promote the practice of associative economics in our own affairs and thus contribute to the creation of a world that is economically and socially more just.



### **Lending-it-forward in Brazil**

**Daniel Havro / Curitiba, Brazil**

Back in Curitiba after the 18<sup>th</sup> Annual Meeting of the Economics Conference in Folkestone in 2019, I started something similar to what our colleague Anita Grandjean presented at the meeting as an example of Youth Bonds.

Almost at the same time, some young (average age at that time was 20) teachers and social therapists I work with asked me to give them some financial literacy advice. Sometime later, a group of consultants from Curitiba asked for a series of workshops on Steiner's ideas in economics. While discussing the price with them, we agreed to have a payment that would cover my needs and also what I needed to organize a workshop for the young people, plus part of the money for a lend-it-forward experiment (the other part was some unexpected money I had available at that time).

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<sup>6</sup> The concept of the threefold of social order is widely found in the work of Rudolf Steiner and refers to his observation that society as a whole comprises an economic life (actual economic activities), a rights life (law and politics) and a cultural or spiritual life (free thinking and spirituality, such as schools, artistic activities and religion).

While starting to record the details of their personal and entrepreneurial financial lives, some young people expressed the wish to save more, but others noticed they needed more liquidity than their current income provided in order to learn and do what they wanted.

One of them is very talented at cooking but had no professional training or background in this regard. She showed me exactly how much she needed to increase her income to do a professional training in gastronomy and then we started to create a contract as the basis for a lend-it-forward agreement and raise funds for this. We decided not to look for the liquidity needed via the institution we work at, because this way her future initiatives might also be kind of trapped there. We worked with an independent budget.

The contract included:

- R\$ 8,125 (around 1,500 US dollars) liquidity and target annual nominal interest rate of 6%.<sup>7</sup>
- Target time for repayment of 4 years (based on her projections).
- All the targets can be revised at any time by the entrepreneur out of the concrete conditions of the initiative and/or inflation communicated to the parts involved with a reasoning.
- No collateral and absolutely no commitment to take an initiative at or close to the institution we work at.
- Repayment of the loan plus the (as close as possible to the) target interests and basic financial literacy advice to another entrepreneur on similar conditions based on the consistency of his/hers expressed need for liquidity to take an initiative, not on blood or fellowship attachments.

Now she is nearing the end of her gastronomy professional training and her entrepreneurial activities related to it are doing well even in this challenging situation during the pandemics. This, because she decided to rent an idle space and equipment at kitchens instead of tying up capital in her own place.

We are discussing the possibility that the repayment to the next person can start now in monthly instalments and how a suitable contract can be made. She has in mind that the next person might be a young man with mental disabilities from a low-income family. In his own way, he has a talent for arts and cooking. With every new loan, the target interest rate might change according to the borrowers' projections and circumstances, even becoming negative if necessary.<sup>8</sup>

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### The Subtlety of English Economics

Christopher Houghton Budd / Folkestone, England

It is a challenge to understand the birth and nature of modern economics, insofar as it is influenced by the English mind. It is generally so materialist, so hard of heart, and so unspeaking of anything outside of material gain and material production. And yet, that isn't its whole truth, nor even, perhaps, the most part of its truth. But one has to dig deep, or be perceptive, or realise when one stumbles on something, if one wants to see the hidden story behind English economics. Keynes's, *Newton the Man*<sup>9</sup> has much to recommend it in this respect. But Keynes was part of what one might call 'deep Cambridge' and the Bloomsbury group. He and his contemporaries were all seeking escape from the constriction of Victorian England, gloomy and structured, Imperialist and living under one monarch for half a century.

In *The Bloomsbury Group*<sup>10</sup> (from which the overleaf images comes), Frances Spalding captures the essence of this time and these people. The extract below tells the crucial story of how English economics, complete with its Aristotle-referencing foundations in the work of G E Moore, sought to find its own ground, independently of religion. To know whether this effort was successful one would have to delve very deep and very subtly into events since the start of World War 1, when the Second Renaissance, as some call it<sup>11</sup>, became drowned out by warfare, and with it the true path of economics as it could have been – a path that in all likelihood would have joined up with or at least echoed Rudolf Steiner's Economics Course. But that is a tale to be told later. Maybe in 2023.

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<sup>7</sup> Although it might seem a high interest rate target for foreign readers, it is low for Brazil considering our interests and inflation situation. The target was based on what she wanted – if successful in her entrepreneurship according to her projections, – to make available to finance the next initiatives.

<sup>8</sup> Depending on the concrete entrepreneur projections the target might be that the next initiative receives a repayment plus interest lower than the previous one needed to start.

<sup>9</sup> Keynes, J. (1978). NEWTON, THE MAN. In E. Johnson & D. Moggridge (Eds.), *The Collected Writings of John Maynard Keynes* (The Collected Writings of John Maynard Keynes, pp. 363-374). Royal Economic Society.

<sup>10</sup> National Portrait Gallery Publications, London, 2013.

<sup>11</sup> Not the references found online, but as meant in the book, *A Second Chance for the World*:

<https://aebookstore.com/publications/associative-economics-worldwide/authors/christopher-houghton-budd/a-second-chance-for-the-world/>

"It should be remembered that all these young men had gone up to Cambridge in the aftermath of a religious crisis, stimulated by among other things, Darwin's *Origin of Species* (1859). The question of religious belief had dominated the movement towards university reform, and, in 1882, with the passing of the Oxford and Cambridge Universities Act, religious tests were abolished and Fellows allowed to marry. Not only did this open up the ancient universities to Dissenters, it also meant that theological speculation was no longer the basis for the teaching of philosophy, or moral sciences as it was called at Cambridge at the time. Once religious teaching no longer automatically linked ethics with behaviour, fresh questions had to be asked as to how and why they should be connected. What was the nature of good? How should you live? What philosophy could be found to support and justify the good life?"



An urgency attended these questions which brought to the fore a desire for a fresh intellectual honesty. In the history of ideas, Bloomsbury takes its place within the wider development of liberal thought. For it was not only in England that certain moral conventions and social customs came to seem stale and outmoded. What distinguishes Bloomsbury, as it developed, from its Victorian predecessors was the emphasis it placed on private life. Whereas the Victorians had paid a great deal of attention to public virtue, this younger generation was to focus instead on personal relations, on the grounds that unless honesty can be found close at hand, it is unlikely to be found in the larger, more public sphere."



### **Associative CryptoEconomics Update** Sebastian Bilbao / Toronto, Canada

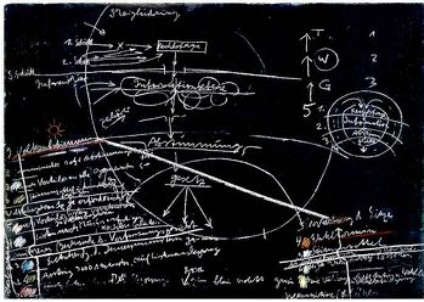
Research on the implementation of Steiner's economic course into fintech (aka Financial Technology) by a small group of colleagues from around the world has been ongoing since circa 2013. This implementation would use a digital Network to interconnect decentralized ledgers (aka blockchains) to form collaborative economic associations and Smart Contracts (programming languages embedded in the ledgers) to enact Steiner's economic indications, such as the three stages of money and true prices.

In September of 2020, I organized an online symposium covering the fundamental concepts of this approach with talks by Christian Gelleri (Chiemgauer, DE), Jon Underwood (seedPay, US), Andres Junge (NotaBene, ConsenSys, CL) and Gopi V. Krishna (Utah Economic Association, US). These talks can be watched here:  
<https://vimeo.com/showcase/7607038>

The following month I was invited, as the organizer of the symposium, to the World Goetheanum Association Annual Meeting, to report on these findings along with Christian Gelleri, Michael Brenner (Weleda, CH), and Aurelio Riccioli (Sardex, IT). Aurelio and I are due to report back at the World Goetheanum Association online meeting in May 2021. To date a few scattered practical fintech models, attempting such an implementation, have been proposed through anthroposophical circles and efforts to realize them are slowly underway by folks at Center For Anthroposophical Endeavours, Utah Economic Association, and a biodynamic farm in Santa Cruz, California.

Besides these, several initiatives with surprising alignment to Steiner's socio-economic indications have been organically emerging in the public crypto community. Some of these are Commons Stack, Token Engineering, 1hive, Giveth, Spirit Foundation, Grassroots Economic Foundation, Blockscience, etc. Most share their roots in the work of Elinor Ostrom, the first woman to win posthumously, the Swedish Central Bank Prize in Economic Sciences in Memory of Alfred Nobel, in 2009 for her work on The Commons. I am an active participant in some of these groups and have been introducing Steiner's concepts ported into a fintech paradigm which I have documented in the following paper ([tinyurl.com/hv3564bt](https://tinyurl.com/hv3564bt)). These groups have been remarkably receptive to associative economics and there are prospects of research grants from these communities to develop Decentralized Autonomous Organizations (digital decentralized forums for governing organizations) as a means to develop governance models for associative economics.

The technologies involved in fintech have gained an infamous standing as senseless polluters and exploited for nonsensical speculation and criminal activities, nevertheless these issues could be mitigated if properly conceived. For instance, the energy footprint of the early versions of cryptocurrencies is beyond obscene. But this is due to a shortsighted method, known as 'mining', which is a practice used to entice speculators into participating in securing the distributed ledgers. This is mostly a moral flaw rather than a technological one, as some currencies have removed mining all together. For instance, the French G1 cryptocurrency network runs using the equivalent of a few lightbulbs on extremely low consumption micro computers. As for senseless speculation and/or criminal activities, Steiner's socioeconomic indications are effective remedies for these and other economic moral hazards. For more information, collaboration or participation please contact [sebastian@econosophia.org](mailto:sebastian@econosophia.org)



## Cryptocurrency and Money

Marcelo Delajara / Mexico City, Mexico

On his recent visit to Mexico, Christopher Houghton Budd was invited to host an informal conversation to consider the topic of 'the integrity of finance' with some local people who had approached him to talk about money and cryptocurrencies, in particular Barnaby Anderson of <https://cleangold.io>. What follows are some of my own reflections as I remember that night's discussion – shortcomings and inaccuracies are my responsibility.

Some people imagine the idea of 'money=bookkeeping' in the form of a cryptocurrency. Why? Because the platforms where transactions are made in this type of currency function as accounting records. Assuming that the huge cost in electricity and equipment, not to mention the time associated with cryptocurrency transactions, can be greatly reduced, then we could be faced with the possibility of registering all economic transactions (as defined by Rudolf Steiner) on a digital platform where money = accounting.

Maybe, but that would only apply to money as a medium of exchange, 'purchase money'. What about 'loan money' or credit? Here the problem is more complex. For example, in the internal evolution of current cryptocurrencies, such as Bitcoin, whose value in dollars is rising – in part because of the increasing cost of validating the transactions, and in part because Bitcoin is a pyramidal scheme – we have a situation that prevents indebtedness. As the value of the dollar falls in terms of Bitcoin, also the value of all goods and services denominated in dollars or in any dollar-convertible currency falls in terms of Bitcoin. This means that the prices of goods in Bitcoin are falling, and therefore there is deflation in the system.

No one in his or her right mind will want to borrow in Bitcoin units because the real value of debt then grows over time. Therefore, it seems that, while cryptocurrencies could serve as purchase money, it would be difficult to use them as loan money. (To solve this problem, Bitcoin would need an authority to increase the amount of Bitcoin at the rate needed to maintain parity with the dollar. However, the current lack of regulation or centralization is precisely its main virtue, according to its promoters.)

An additional reason why it is difficult for cryptocurrencies to function as loan money is that they do not solve one of today's current evils: the anonymous nature of the lender in relation to the borrower and his or her productive project. Thus, even in the case of a non-deflationary cryptocurrency, it seems that it would become necessary to differentiate between purchase money and loan money.

Another issue is whether we should think of the cryptocurrency as world or national purchase money. Perhaps the greatest benefit will come from having national currencies, but now operating on a basis of bookkeeping – alongside 'auditorial' central banks<sup>12</sup> that then interact among themselves in a context of free economically-based international money transactions and flexible exchange rates. For then a world currency could emerge from the harmonization of today's many national economies, each seeking its own light (as Milton Friedman once hinted<sup>13</sup>).

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## Joseph Beuys b. 12 May 1921

May saw the centenary of Joseph Beuys's birthday. Here's a Wikipedia extract concerning his link with Rudolf Steiner, which several of the images in this issue also illustrate by way of commemoration.

The philosophy of Rudolf Steiner became an increasingly important basis for Beuys's reasoning [as] "...an approach that refers to reality in a direct and practical way, and that by comparison, all forms of epistemological discourse remain without direct relevance to current trends and movements."

...materials and actions had specific symbolic value for Beuys. For example, honey is the product of bees, and for Beuys (following Rudolf Steiner), bees represented an ideal society of warmth and brotherhood.

It was during the 1960s that Beuys formulated his central theoretical concepts concerning the social, cultural and political function and potential of art. ...Beuys was motivated by a belief in the power of universal human creativity and was confident in the potential for art to bring about revolutionary change. These ideas were founded in [Steiner's] body of social ideas..., of which he was a vigorous and original proponent.

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<sup>12</sup> Auditorial Central Banking: <https://aebookstore.com/publications/chb-collected-works/full-chb-list/auditorial-central-banking/>. Also, see later article on ae guarantee mark in this issue.

<sup>13</sup> "...flexible exchange rates are a means of combining interdependence among countries through trade with a maximum of internal monetary independence; they are a means of permitting each country to seek for monetary stability according to its own lights, without either imposing its mistakes on its neighbours or having their mistakes imposed on it. If all countries succeeded, the result would be a system of reasonably stable exchange rates; the substance of effective harmonisation would be attained without the risks of formal but ineffective harmonisation." Friedman, M. (1966 [1953]) *Essays in Positive Economics*. Chicago: Phoenix.





## From the Convenor's Desk

chb

### Our very own Spend-Outs

I recently met with Richard Masters, who runs Hermes Trust, our partner in Britain. He told me that of their donated funds, they have approximately GBP 400,000, which they intend to spend out over ten years. It occurred to me that the funds of the Economics Conference, where they have been received but not yet used, are in effect also a spend-out arrangement.

### Associative Financial Literacy Website

To facilitate our focus on 'associative' financial literacy, Fionn Meier is developing a new website as a dedicated forum for teachers. From the website:

"In today's rapidly changing world, people need to be financially literate if they are to tread their own paths in life and avoid being victims of their circumstances. Young people, especially, need to be the authors of their own future!

That said, 'financial literacy' is variously understood today. For the OECD, for example, it means educating people from childhood onwards about savings and how to use (and so perpetuate) the *current* financial system. For others it is about accounting, with accounting literacy 'above' finance (see *Colourful Accounting* below). Grounded on double-entry bookkeeping, here it is about understanding financial literacy from the point of view of *associative economics*.

Derived primarily from the contributions of in-post teachers, the aim of this website is to highlight and explore an approach to financial literacy based on the following three topics: 1. The History of Money and Bookkeeping; 2. Accounting and Financial Planning; 3. Careful Choice of Entity."

We will send out a notice when it has been launched: [www.associative-financial-literacy.com](http://www.associative-financial-literacy.com). The financial literacy page on the ECG website has also been amended (for the moment in English only).

### Colourful Accounting

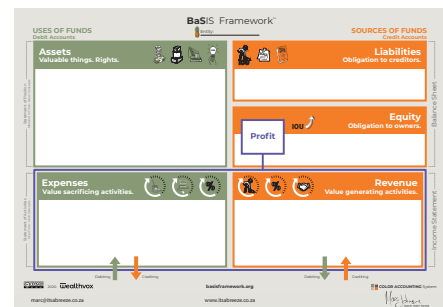
What kind of literacy is apt to Steiner's ideas about money? This question arose because Xavier Andrillon came upon the website of the Accounting Literacy Foundation and its 'Colour Accounting System', for whom accounting literacy is like learning to drive a car. One can then use the car to rob a bank or to go to the beach. It's up to the moral of the person who now knows how to drive. This prompted the following brief exchange with Fionn Meier and myself.

XA: I wonder: wouldn't it be more accurate to talk about economic rather than financial literacy? Financial literacy involves looking at one's balance sheet, cash flows, budgets, etc. When one 'goes economic', one goes beyond and looks at the impacts of one's actions on both oneself and others (e.g. mirror accounting). This is not only my nomenclature, but the nomenclature of any economist trained in economic development. When you look at any project, you always run both a financial and an economic analysis. Both results have to be positive for the project to go forward. Becoming associative involves shifting from a financial (me) to an economic lens (me and the others). So if literacy is to become associative, we could call it accounting-based economic literacy. That said, because you could teach accounting-based literacy with the aim to maximize shareholder value, maybe the goal of true price should always be stated.

CHB: The general concept in use is financial literacy, implying more than accounting. That said, OECD does not include accounting or bookkeeping in its meaning of financial literacy, so accounting-based financial literacy would be more precise to what we do, a.k.a. associative financial literacy. The latter causes one to ask what does 'associative' mean, and then to realise it means associative economics or economics linked to accounting. More deeply, economics on the assumption that money is bookkeeping.

FM: I think it's very important to have in mind what you say, Xavier, about conventional financial literacy and economics. With 'associative financial literacy' I think we are able to play our own 'music' and so anyone will be free to follow the concept of the *associative* part.

(By the way, the promise of coloured accounting proved short-lived as this is really only a way of showing in green and orange the assets and liabilities, but within a conventional profit maximising framework, albeit with thought for others. There is no third colour.)





### The Pope, Furlough and Basic Income

As most readers know, the idea of unconditional basic income has found much favour in various quarters, thanks in part to its having been strongly promoted by people who invoke Steiner's name in its support. In my experience, however, this cannot be substantiated<sup>14</sup> and in my own discussions with UBI protagonists they have been unable to do so.

Alas, that genie is now well out of the bottle. The Vatican has now put its weight behind the idea (see recent picture featuring Mark Carney, former Governor of the Bank of England and Lady Fletcher Rothschild beside Pope Francis). But it could also be argued that the covid-justified furlough schemes of the past year, providing, in the UK for example, 80% of income on condition one does not work (i.e. create value), is a case of UBI by stealth.

And yet, I know of no one who has then taken the opportunity to develop him or herself or take initiative. Most, especially young, people I know in furlough have binged on Netflix and continued to worked illegally while receiving state funds. Since they have had nothing to spend it on, they have then stashed this cash in banks (from whom, of course, it has been borrowed in the first place...), where it now sits pushing up the value of real estate everywhere, even before it is spent in an expected frenzy of house buying and property renovations.

### Economics of Farming (from the new web page)

One of the most important aspects of associative economics concerns agriculture (and the environment more generally). Most of the economic and financial challenges facing farming today are due to the 'capture' of economics by an out-dated 19<sup>th</sup> century industrialisation paradigm, combined with the treatment of land as a commodity. Beginning with the land as such, when *not* treated as a 'factor of production' or, worse, collateral for borrowing, how are we to manage land-related resources generally, and agriculture as a specific focus within that wider context? How can economics support and not undermine or determine the nature of farming? What does a farming-friendly form of economics look like? Not many economists ask these questions, still less policy-makers, so this page offers a window into that world. (Below are some references; other material will be mentioned in due course.)

A book: *Seed Corn, the Economics of Farming* (Christopher Houghton Budd)

An actual example: *L'Aubier*, Neuchatel, Switzerland

A working hypothesis: [True Price as a Condition of Sustainability](#) (Xavier Andrillon)

### æ-Mark.com

Pending a major overhaul, the current æ-Mark website (ae-mark.com) has been modified to provide details in English, Spanish, Portuguese and German. The Mark was created in 1998 and works as a self-auditing tool for assessing the associative character of one's undertaking. It is a quality guarantee mark, unlike the trade (i.e. commercial) marks used by other groups seeking to reform corporate life, such as *B Corps* and *Purpose Trusts*. Its background image is of a transformation of economics life from *within*, as it were, by entrepreneurs following out the indications given in Rudolf Seiner's economic course.<sup>15</sup> Its key question is how to capitalise initiative, rather than how to neutralise capital or ownership. As regards the Anglo-Saxon world and the public debate about corporations, much of the background discussion can be found in *The Right-On Corporation*<sup>16</sup> and in *Towards True Pricing and True Income*,<sup>17</sup> which also ask: *Can a share company act associatively?*

Note: In 2004, Arthur Edwards completed a diploma study in which he explored the conceptual basis and macro relevance of the æ-Mark. Titled, *The Viability of Associative Economics*, it is in process of preparation for publication. The æ-Mark also has another, also little-known, claim to fame. My doctoral work, *Auditorial Central Banking*,<sup>18</sup> has a specific structure in that the first section is a review of the literature of the history of finance and monetary economics. (As my supervisor asked: "Why have you reiterated what we already know?" Answer: "Because I wanted to review things from an associative point of view.") The third part is an analysis of the aims, structures and accounts of the six main central bank models (there are neither more nor less). The last part comprised recommendations for the Bank of England. But the second part – the keystone in the structure of the dissertation – was an 'auditorial' central bank (i.e. a central bank that listens rather than speaks, reflects back rather than determines what is going on in the economy; in fact, a central bank to end all central banks) modelled on the æ-Mark. The Mark was not directly mentioned, but the auditorial central bank was designed to meet the Mark's criteria. It was through this lens that I then explored the Bank of England, the New Zealand Reserve Bank, the Bank of Brazil, the Fed, the ECB and the BIS in Basel.



<sup>14</sup> <https://economics.goetheanum.org/research/true-price-instead-of-basic-income>

<sup>15</sup> *Economics*, op. cit.

<sup>16</sup> <https://aebookstore.com/publications/chb-collected-works/full-chb-list/the-right-on-corporation/>

<sup>17</sup> <https://aebookstore.com/publications/associative-economics-worldwide/authors/christopher-houghton-budd/towards-true-pricing-and-true-income/>

<sup>18</sup> <https://aebookstore.com/publications/chb-collected-works/full-chb-list/auditorial-central-banking/>

## A New Departure

*In this section we present a new departure for Associate! – opening a window onto examples of the kind of research discussions that can take place when a shared, if nuanced, understanding of accounting and associative economics is held in common. Two are highlighted here, another example is a discussion currently underway concerning cryptocurrencies and associative economics (see also two earlier items).*

### Interest in Interest

The Economics Group of the Anthroposophical Society in America, which has been meeting regularly online since 2017 has recently been considering differential interest rates in the context of the Economics Course, with particular focus on how they can or should be used to prevent capital from damming in real estate. It has been a valuable exercise and we hope to find a way to share its content more widely.

### Doctoral Proposal Commentary

There are now several (highly rated) doctoral and Masters works completed by Economics Conference colleagues in different universities around the world. As a result, new theses can be previewed by colleagues with the same associative and academic background. For example, a prospective doctoral student in Finland, Toni Kellinsami, recently wrote to me to say: *'I have decided to return to my original focus – efficient markets hypothesis (that market prices contain all information) and related theories. I was also inspired by Xavier Andrillon's thesis.'*<sup>19</sup> So here's a preliminary doctoral proposal. What do you think about it? If you or someone else have feedback regarding empirical work, case studies or data sets, I'll be glad to receive it...

As a result, several people linked to the Economics Conference provided *freely given, uncoordinated feedback*, which illustrated the contribution our own peer review can make to furthering mainstream acceptance of Steiner's key concepts in economics, while making sure our inquiries are exploratory, not dogmatic.

Toni was very happy to receive this. It remains to be seen if he can formulate then conduct doctoral research that adds to Rudolf Steiner's presence in today's academia. More immediately, it raises the question whether we should not simply capture such discussions in their raw state in unpublished format.

## Unexpected Event

I was recently contacted by a PhD colleague, now head of Financial Innovation at the Central Bank of Turkey, reminding me of our 2004 paper published by the Bank of Finland about e-money.<sup>20</sup> I was surprised to find that we, or rather he, had hinted that to come off gold the three functions of money have to "lose their traditional complementarity". Conversely, when the three functions are separated we will have come off gold. One could of course add, that this will not really happen until money's three functions are understood as three kinds.

## aeBookstore Update

[aeBookstore.com](http://aeBookstore.com) has a dedicated imprint, *Associative Economics Worldwide*, the main aim of which is to build a professional literature in the field of associative economics when understood as an emerging school of thought. This entails examining in particular Rudolf Steiner's contribution to finance and monetary economics (as distinct from banking), both for its own sake and in order to place it in the context of current debates and policy discussions – precisely now, that, per Steiner, the 100 years of Anglo-American responsibility for world affairs has run its course, giving rise to two questions: What next? And will Steiner's ideas yet have influence?

The *Associative Economics Worldwide* imprint is especially concerned with the formal work being done in academia by Economics Conference colleagues to explore Steiner's key ideas – *inter alia*, true price, personal (not real) credit, money is bookkeeping, three kinds of money. Its aim is not only to advocate Steiner's ideas but to match his way of thinking.

In my view, a great example of this is Arthur Edwards's MPhil at the University of Buckingham, completed in 2009, on ***Three Kinds of Money – Rudolf Steiner and the Development of Monetary Economics***. With the Bank of England's Chief Financial Advisor at the time, Geoffrey Wood, as main supervisor, this was a *tour de force* project that placed Steiner's three kinds of money in the context of many other threesomes that can be found through a survey of most of today's main schools of economic and monetary thought. In this way, the special nature of Steiner's contribution comes to the fore, not as an unknown or weird idea, but as a valid and credible way of understanding modern economic history. To paraphrase Wood, such endeavours serve to bring associative economics from outlier to trend. Arthur's book will soon be available at the aeBookstore.

## Dissemination. Ideas please...

Now that the **aeBookstore** is up and running, providing a valuable resource for those interested in understanding associative economics in our times, the next step is to focus on dissemination. Perhaps readers of *Associate!* can help in this by drawing attention to the website or particular books on it when opportunity presents itself. Author, publishing and distribution arrangements are currently being finalized so that we can give dissemination a more deliberate footing, but perhaps you also have ideas as to how to promote this aspect of our work. We'd love to hear from you.

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<sup>19</sup> [True price as a condition of sustainability](#), op. cit.

<sup>20</sup>

[https://www.researchgate.net/publication/24089487\\_Electronic\\_Money\\_Free\\_Banking\\_and\\_Some\\_Implications\\_for\\_Central\\_Banking](https://www.researchgate.net/publication/24089487_Electronic_Money_Free_Banking_and_Some_Implications_for_Central_Banking)

### Do we need to get strategic? And what would that strategy be?

We are fast approaching the centenary of Rudolf Steiner's *Economics Course*, one of his professional courses and said by some who took part to have been one of the most challenging. For example, a close collaborator of Rudolf Steiner's, Guenther Wachsmuth, wrote:

"Those who listened to the spoken words of the Economics Course will still remember what tension of consciousness and difficult thinking were demanded as in a few hours such an abundance of concentrated substance was provided. I remember especially the comparison which occurred to me out of the intensity of the demands of the forces of thinking and will in contrast with the ease of following the colloquies of Professor Brentano at the University of Munich or those at Oxford University before the war... Here again, as in so many other spheres, Rudolf Steiner knew how to awaken the dynamics of a living thinking and a creative will."<sup>21</sup>

But where are we? What advances have been made? There are, of course, several banks that claim a link to Steiner's ideas, though one wonders how, given Steiner's views on banking, generally and the central problem of collateralised instead of personal credit! But then banking is not economics. There are also many foundations with links to Steiner's ideas, but, again, unless they are spend-outs, how do foundations, any foundations, square with associative economics? Passing on their net income, yes, but how is this income generated? Indeed, when it comes to finance, how widely is Rudolf Steiner's true contribution known? And how is it perceived?

As concerns economics itself, where are the courses at secondary or tertiary education levels that are predicated *directly* on Steiner's ideas, rather than via hybridization or interpretation, often based on 'closet' socialism or merely informed by relativism and social democracy?

Lastly, if one were to devise or extrapolate macro-policies from the economic and financial behaviour of institutions and organisations based on Steiner's ideas about farming, education, medicine and so on, – what would those policies look like? And what chance would they have of adoption? Is there, in fact, any agreed view as to what such policies should entail – as regards monetary policy for example, or money issue, income taxation or pension fund operations? And if not, can associative economics ever displace the current orthodoxies, whether of the Left or Right? As we approach July and August next year, would it be an idea to draw up a list of all the key concepts in the Economics Course, then match them to instances where they have been successfully applied (in terms of the Course)? Conversely, of the many undertakings where associative economics is the claimed reference, what kind of policies and economics do they represent when seen with a cold eye?



I ask these questions from the Convenor's Desk insofar as that gives me an overview, but also in my professional capacity – ranging from entrepreneur to academic and active in settings that aver Steiner's ideas as also those that decidedly do not. In the 1970s in England, an article in *The Observer* referred to Steiner's overall work as "the movement everyone tries to forget" (although 'ignores' would have been a more accurate word). Is this also to be the fate of associative economics? And if not what steps, strategy, actions are needed to ensure otherwise?

***It would be interesting to hear readers' responses to this long list of questions, so I invite you to do so. In 250 words, what do you see as the key thing that needs to happen in order for associative economics to get on the map? Conversely, what is it, do you think, that hinders or hampers its recognition?***

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### Readership and Participation

*Associate!* has a range of readers. Some are 'enquirers'; for example, they have been in touch by email or attended a course. Others are active in the Steiner movement and have more 'buy in' or have studied Steiner's economic ideas. Yet others dare to act in the name of these ideas, representing them to the best of their ability; these are what we call 'colleagues' in the Economics Conference of the Goetheanum, a standing conference. Please visit <http://economics.goetheanum.org/home/> for information on the work of the Economics Conference in German or English.

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<sup>21</sup> Wachsmuth, Guenther. (1955) *The Life and Work of Rudolf Steiner*, New York, Whittier, p. 457.