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One Hundred Years on: Steiner, Dunlop and Keynes

What if all three had met?

In this edition, we give expression to history as symptomatology – outwardly experienced and perceived events that mirror non-sense-perceptible events, conjecturing that more transpires than meets the eye when it comes to human progress. Richard Cooper leads with an article that wonders how things might now be, had Steiner, Dunlop and Keynes met in 1922. Indeed, this is the question behind the entire issue. In 1919, Rudolf Steiner observed that with the Treaty of Versailles, responsibility for world affairs passed to the Anglo-American community for a period of time.[1] Arguably, that period is now over and this fact stands behind many of today's often contradictory events – the Great Reset, the stalling of the neo-liberal adventure, and – in regard to Ukraine the demonstrable impotence (or cruel abstention) of the USA, the EU and NATO – 'the West' in the negative connotation of that term.

Marcelo Delajara addresses our theme in his piece on *Keynes and Steiner in the Quest for the Stabilization of the World Economy,* in which he directly wonders, in effect, what Keynes would have made of Steiner's ideas about associations and money-as-bookkeeping.

This puts us in mind again of the brief article by Carlos Jaime Loch in *Associate!* September 2020, about Keynes's three 'liquidity preferences', which we published for two reasons: (i) to give an example in Keynes's legacy of a threesome as regards money, and (ii) to link to the question of this edition: Why did Keynes not meet Steiner?

A new regular feature begins with Fionn Meier's update on financial literacy. This time, Fionn draws attention to the troubling fact of worldwide policy using financial literacy to foster egotism in young people, rather than as a tool to promote the unfolding of self-awareness and life purpose.

A second new feature is *One Enterprise at a Time*. When considering an associative approach to modern economic life, it is natural to think at the macro level – what to do with central banks, for example. But the answers may need to be sought at the micro level, just as a river has to begin at a source, a trickle, before whether rushing or meandering it becomes a wide estuary (to recall another image from Carlos Jaime Loch, this one from 2008...) They also need to have implied macro policy consequences, for which they need to be scalable, but not only to the grand scale. Luckily, associative financial literacy provides a means for scaling up *or* down. In this section, Anna Chotzen reviews farmland acquisition, to see if or how, were it multiplied, it would 'crowd out' today's orthodoxy.

Many people suggest that digital money and crypto currencies are on the rise precisely because central banking money has run out of road. But is this the right way to frame the debate, especially when this development is justified, according to its proponents, on the ground that this technology enables 'zero-trust'? *Digi-Money or Money-as-Bookkeeping?* Considers things otherwise.

Sitting in the background of the 100 years' theme is another wrongly-framed debate. The West-East divide created in the course of World War 1 diverts attention from the true choice we have to make: not between capitalism and socialism, but between the materialist conception of history and one based on what Rudolf Steiner calls 'spiritual science', the scientific method applied beyond the sense-perceptible world. So, in outer economic history, what, then, would A *Non-materialist Conception of History* entail?

Such a backwards glance can be a tending of seeds (in the form of thoughts or deeds, as Meg Freeling reminds us in her piece) already sown or about to be, hoping they will not be long bearing fruit for the good of all. For all of us, surely, it is anticipation of this that informs our continual caring of them.

With best wishes, **Kim Chotzen** and **Christopher Houghton Budd**

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[1] *The Mysteries of Light, of Space and of the Earth*, Rudolf Steiner. Anthroposophic Press, USA 1945 [1919].

1922-2022: Of Steiner, Dunlop and Keynes

Richard Cooper/ Rheinfelden, Switzerland*

Rudolf Steiner (1861-1925), D.N. Dunlop (1868-1935), John Maynard Keynes (1883-1946): Steiner a spiritual seer, Dunlop an entrepreneur and 'seer' in his own right, and Keynes a professional economist and public figure, but with the Aristotelianism of G E Moore in the background. All three prominently living the last years of their lives, and all three seeing a world future unfolding around them. Moreover, despite the nationalist antagonism of the time, or perhaps because of it, all three were able to see the need to separate the political from the economic.

To address fully the potentials of economic, political and cultural life, Rudolf Steiner proposed the threefold social order, which was first put before German and Austrian politicians in 1917. He described it as something that "can only be denied by someone who has no feeling for the receptivity of the East-European intellect — fresh as it still was — for healthy social ideas. Instead of a pronouncement of such ideas, however, came Brest-Litovsk."[2] The March 1918 Treaty of Brest-Litovsk had ended the war between Russia and the Central Powers, but, it is argued, laid the ground for the terms imposed on Germany through the 1919 Treaty of Versailles.[3]

Keynes was more mainstream and popular. He produced a series of pamphlets for the *Guardian* newspaper that would look at the economic problems of rebuilding Europe after the war.[4] Supplements were published in five languages and contained new graphical forms of data journalism that "*were the main vehicle for Keynes' views at the time*."[5] Keynes was praised as the mouthpiece of "compassionate economics". He was described as the most effusive of speakers, spellbinding and impish, enchanting his audience.[6] Referring to his famous and at the time best-selling book, *The Economic Consequences of the Peace*,[7] Rudolf Steiner said of him:

"One does not misunderstand Keynes at all when it is said, that the book arose from the concern and fear that England had collaborated in a work from which the destruction of Europe would have to take place to such an extent that England itself might suffer from it in the process. The remarks of Keynes are full proof that nothing of what the future of civilized mankind needs can come out of the political views which have prevailed up to the present time and which have been carried into the so-called "work of peace" by the leading personalities who have still continued to exert their authority over these matters."[8]

Rudolf Steiner's approach to public relations was different. He spoke directly to specific audiences, shaping his lectures to the particular culture and people of the places in which he lectured, many of whom would continue to be inspired by his words throughout their lives. Steiner warned that, to keep the system smoothly efficient, market economics has a specific interest in the perpetuation of its own version of social order, namely, one in which the economic sphere dominates the political and cultural sphere**.** In one sense, what he meant was that away from the populist stage his work could be better digested and taken up by an avant-garde.

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[2] Rudolf Steiner, *Basic Issues of the Social Question, Relevant to the Necessities of Life in the Present and Future*, CW 23, 1919.

[3] "The treaty was the ultimate betrayal of the Allied cause and sowed the seeds for the Cold War. With Brest-Litovsk the spectre of German domination in Eastern Europe threatened to become reality, and the Allies now began to think seriously about military intervention [in Russia]." Spencer C. Tucker, *The European Powers in the First World War: An Encyclopedia*. (2013).

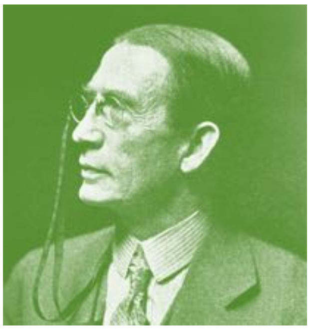
[4] See *Reconstruction in Europe: a Guardian guide – archive, 1922* https://www.theguardian.com/business/from-the-archive-blog/2020/mar/04/reconstruction-in-europe-keynes-guardian-guide-1922

[5] From the Guardian article.

[6] Keynes's obituary in *The Times*: "There is the man himself – radiant, brilliant, effervescent, gay, full of impish jokes." Harris, Seymour E. (2005). *The New Economics: Keynes's Influence on Theory and Public Policy*. Kessinger Publishing. p. xxii, 46.

[7] *The Economic Consequences of the Peace,* MacMillan 1919. A detailed commentary on this book can be found in 'The Consequences of the Peace for Economics', in *1919, Reparations and All That – revisiting Anglo-American Dominion*, Christopher Houghton Budd, search aeBookstore.com.

[8] Rudolf Steiner: *Destruction and Rebuilding*. First published in: *The Threefolding of the Social Organism*, I. Jg. 1919/20, Issue 32, February 1920 (CW 24, pp. 144-148)).



D. N. Dunlop carried his impulse into life shortly before Steiner's death in 1925, when in 1924 he, Dunlop, founded the World Power Conference, which continues to this day.[9] Perhaps straddling both Steiner and Keynes, Dunlop's personality has been described as that of a diplomat *par excellence*. Indeed, we may regard Dunlop's utterance, "The soul finds its greatest joy in making sacrifice",[10] as symptomatic of what a new understanding of the link between the economic and the spiritual might mean.

So, what might such a radical spiritual orientation to economics involve for those personally carrying it? Even though Keynes as an agnostic could perhaps not see as prophetically as Steiner and Dunlop the more far-ranging implications of the economic theory he set in motion,[11] he could indeed see well the dangers, especially the inflationary and socially destabilising consequences of responding to historical crises and war with a flood of liquidity, not to mention that this might also entail a transfer of wealth to an elite). He was at pains to highlight this in *The Economic Consequences of the Peace* (op. cit.):

"Lenin is said to have declared that the best way to destroy the capitalist system was to debauch the currency. By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose."[12]

So, strangely, in reflecting on the three, one finds oneself perceiving Rudolf Steiner and D. N. Dunlop offering positive answers to Keynes's disquiet. How fascinating to imagine a meeting of Dunlop, Keynes and Steiner (see Endnote),[13] when they might have discussed this statement of Keynes in a lecture entitled "The End of Laissez Faire", published in 1924: "Our problem is to work out a social organization which shall be as efficient as possible without offending our notions of a satisfactory way of life."[14]

The question we see running through these dynamics, is one of historical timing. As if, as Dunlop might have imagined, these three were "Friends ... drawn together as naturally as a magnet attracts iron ... it is just as if they had parted an hour before."[15] Perhaps there is a vital lesson here, of social and spiritual initiative; of the translation of ideas into economic, political and cultural will. To be effective, it would seem *seership*, would need to build on a synthesis of skills. In combination, Steiner's far sightedness in thinking, Keynes's contribution to the needs of the time, and what Dunlop called "the joy of sacrifice", striving to see new ways for navigating an economic course with others.

Richard Cooper coaches in the English language and has a special interest in the impulses of Rudolf Steiner's last years.

Endnote: To my knowledge, though Steiner and Dunlop were well acquainted, neither ever met Keynes, which is curious when you know the public presence of the first two in England in the early 1920s and Keynes own high profile situation then and there. How can it be that they did not all meet? Steiner and Keynes in particular were in London very publicly discussing the way forwards after WW1 and the challenge of overcoming the gold standard. Both had (100,000) best sellers at the time: *Die Kernpunkte der sozialen Frage* and *The Economics Consequences of the Peace*. Keynes was a Germanophile with strong links to late Weimar Germany. More intriguingly, Keynes was often the dinner and house guest of Beatrice and Sydney Webb, founders of London School of Economics, hosts of Rudolf Steiner in London and first translators of his social works. And Keynes went camping with the famous Olivier sisters, one of whom, Daphne, took up Steiner's educational work in England. Dunlop at the same time was active in the electrical industry, rather than as an economist. – CHB.

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[9] "For 100 years, the World Energy Congress has leveraged the collective power of the world energy community to turn inspiration into action." https://www.worldenergy.org/experiences-events/world-energy-congress#fullpage1
[10] *D.N. Dunlop, The Science of Immortality*, London,1918, p.122. Thomas Meyer, New Findings on D. N. Dunlop (1868-1935). https://www.perseus.ch/PDF-Dateien/Dunlop_080206.pdf
[11] *A Tract on Monetary Reform*, Macmillan 1923. A key reference for many people in finance, written back to back, as it were, while Steiner was giving his economics lectures. A detailed examination of this book is the heart of a review of central banking and the financial markets since 1971 in *Auditorial Central Banking*, pp. 22-28 (search aeBookstore.com); then again in Chapter 11. 'Deep Accounting' in *Finance at the Threshold – rethinking the real and financial economies.* (https://www.routledge.com/Finance-at-the-Threshold-Rethinking-the-Real-and-Financial-Economies/Budd/p/book/9781138094628)
[12] Daniel Yergin; Joseph Stanislaw. "Keynes on Inflation". PBS Retrieved 30 June 2009. Wikipedia.
[13] See aeBookstore.com for Christopher Houghton Budd's study of Keynes, Marx and Steiner (https://aebookstore.com/publications/chb-collected-works/full-chb-list/beyond-capital-and-labour/) and his forthcoming *Steiner, Dunlop and Keynes – Brothers in World Economy*.
[14] In 2019, *An Improbable Conversation* was staged between Keynes, Steiner and Woodrow Wilson. (https://vimeo.com/352678017/872e4e51f0) Perhaps a second such conversation is needed.
[15] Thomas Meyer, *D.N.Dunlop, A Picture of his Time and Life*, Verlag am Goetheanum, 1987. Irish Renaissance, p.35.

It's a Great Day for Economics

Each time, an important moment where associative economics contributes to our understanding of economics generally.

Marcelo Delajara / Mexico City

3: Keynes and Steiner in the Quest for the Stabilization of the World Economy

John Maynard Keynes was a free individual. Social class, sex, nationality or professional affiliations did not restrict his thought and behavior. Although of middle-class upbringing, he made his way to Eton and there he mingled with upper-class students without any inferiority complex. In a time of rigid laws against homosexuality, he dated men openly. He then found his lifetime partner in a Russian woman, whom he married even when many of his friends rejected her. His thinking was not constrained by his nationality when he expressed his views about the reparations Germany was being forced to pay, and wrote about against the position of his own country. Finally, being considered a prodigy by his professors at the University of Cambridge did not prevent him from writing one of the most fundamental critiques on their economic theory: the General Theory of Employment, Interest and Money.[16]

During the 1920s and the 1930s, the ideas that prices will eventually adjust enough to eliminate either scarcity or surplus of goods, that wages will fall to the extent that unemployment is dramatically reduced, and that these developments will lead to stable prices, were firmly established in the economics profession. There was a problem, however: England's economy refused to conform to economic theory. Keynes stepped in, and elaborated a coherent framework of analysis that departed crucially from the prevailing paradigm, yet remained clearly within its boundaries. One new element was that Keynes claimed that governments should use their fiscal and monetary policies to influence changes in the behavior of economic agents such as producers and consumers for the common good of all the population. Rudolf Steiner proposed a different approach in the early part of that period to address the contemporaneous economic crisis in Central and Eastern European countries. In Steiner's analysis, the stabilization of production, employment and prices fully relied on the individual agency of producers, distributors and consumers, albeit grouped and active in associations. He argued that the activity within these associations would make possible the reallocation of employment across economic sectors and industries so that output and prices move towards their desired (i.e. true) levels.

Keynes was already famous when he published his solution to the crises of that time. His ideas had a great influence, which persists even today a hundred years later. Steiner on the other hand was unknown in the world of economics and government, except maybe by a few influential people in Central Europe and, only later, in England (but there mainly as an education reformer and spiritual leader).[17]

This was unfortunate, even if we agree that Steiner's solution was more difficult or that it would take more time to implement. Keynes thought that the origin of the economic situation in England in the 1920s was insufficient aggregate demand: a situation in which low demand prompts firms to produce below their potential, thus depressing employment, wages and prices. The keyword here is 'aggregate'; meaning that the problem was at the overall level of the economy, above the reach of any individual initiative. Keynes saw several problems at that level but essentially pointed to a lack of information and coordination. Individuals did not have enough information and incentives as there was no mechanism that could lead everyone to act in the direction that would bring the economy back into production, full employment and price stability. But this, surely, must have been what Steiner was also thinking about when he suggested the creation and use of economic associations of producers, distributors and consumers to effect any needed changes in employment, production and prices.

While initially elucidated as a flexible, temporary and limited tool, the 'macroeconomic' theory devised by Keynes was later recast in the form of a mathematical model in the US and England. Thus corseted in formulas, not only did it lose its initial qualities, but it also led everyone to think that the state is the only route to economic stabilization in modern complex economies. Therefore, governments have become prominent economic agents, opening the door to an unhealthy relationship between the economic and rights (and even spiritual) spheres of social life. It is true that an economic theory contrary to Keynesianism

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[16] Macmillan, London 1936.
[17] But see End note on p. 3.

also appeared – namely, Real Business Cycles Theory[18] – in which individual behavior is said to generate aggregate outcomes and government policies play only a modest role. However, this mainly recycles ideas of a perfect world where markets function without friction. At odds with reality, this is where modern economics thought is now stuck. Lately, theoretical attempts have tried to reconcile the powerful features of the Keynesian model with today's microeconomic foundations – the so called 'New Keynesian model', in an effort to rescue the role of the government in economic and financial stabilization, but the framework remains ´freely´ working (though not necessarily competitive) markets on the basis of economic agents behaving according to self-interest.

All of this pales when one studies and develops further Steiner's ideas about the role that associations could play in the process of price formation and the stability that this would engender. Paradoxically, this takes one back to Keynes. Any activity of associations of the type envisioned by Steiner would occur in the context of a world economy, where money would be a system of bookkeeping. Keynes seriously proposed an international clearing union based on a unit of account (the Bancor) that would reflect the balance sheet of the entities involved. Unfortunately (but perhaps unsurprisingly) this crucial contribution out of Keynes's free thinking activity was dismissed at the 1944 Bretton Woods meetings, during which the post war international system was conceived and created.[19]

A Non-Materialist Conception of History

chb

Ever since 1917, the world has been caught in the headlights of the idea that we have to decide between the West and East, between capitalism and socialism (or nowadays the West and Islam, or the West and the increasingly dangerous autocracies of China and Russia). However, notwithstanding its seriousness, and whether intentional or not, this is a great charade: the true choice we have to make is between the materialist conception of history and a view of history born of what Rudolf Steiner calls 'spiritual science', the scientific method applied beyond the sense-perceptible world (such as prices, ratios, etc…).

The materialist conception of history is quickly and often described in terms of economic relationships as primary, from which derive laws and rights life in general, out of which in turn arises cultural life as ideology. There is a sequence of causation here which is the very opposite of that implicit in Rudolf Steiner's threefold image of society, according to which the spirit comes of itself, the role of rights life is to facilitate this, and that of economic life to resource it. Expressed as a positive policy, how can the initiative of human beings be capitalised such that those who bear them lose no autonomy at the same time that the world accepts them?

A 'slower' explanation of the materialist conception of history would pause at the step prior to the statement about economic relationships being primary. In 1897, George Plekhanov published *The Materialist Conception of History*.* If one gets past the occasional invective in his arguments, the key is how one understands our relationship to the natural world we stand within. Is that a world to be conquered or tamed? To conquer is to think in terms of power; to tame is to think in terms of shared endeavour. More deeply, when relating to nature one has to ask: Do I come from there? Am I born of a clod of earth? Or do I have my origins and therefore my identity elsewhere?

The point of this brief wondering? One's conception of history cannot be divorced from the social construct one occupies and considers right. The materialist conception of history ineluctably will manifest as a world in which we are thought to be born of the earth, of matter. Hence, 'materialist'. If we come to earth 'trailing clouds of glory', as Wordsworth puts it, we can argue over the details of what that means, but we are compelled by our enquiry to create and inhabit a social order in which what people choose to do with their lives in the deeper sense of their biographical potential becomes the 'driver' of everything. What rights are then needed and what resources (what call on the earth) for that to become social fact?

Insofar as Rudolf Steiner's sociology is representative of such a questing, his answer is what he describes in everything known generally as the threefold nature of social life.

** International Publishers, New York, 1964.*

[18] For an overview, see https://en.wikipedia.org/wiki/Real_business-cycle_theory. The entry is typical of the theoretical culture of modern economics, so far removed from what an entrepreneurial approach would look like!
[19] Part of the reason may have been that quite what these entities would be was unclear. Do countries have balance sheets, for example? Would the participants not have to have been corporate in some way? – CHB

One Enterprise at a Time

Whether project or actual business, focussing on an enterprise (of any scale or scope) that is endeavouring to address the actual conduct of economic life with the help of specific insights from Rudolf Steiner.

Financing Farmland for the Future

Anna Chotzen / Burlington, WA. / USA[20]

Anna works for Viva Farms[21] *where she serves as a technical advisor and educator to beginning farmers on financial literacy, business management, and capital and land access. Many are Latino immigrants who have transitioned from farm laborers to farm owners and entrepreneurs.*

The current state of affairs…

Around the world, the agricultural sector is changing rapidly. Farmers are aging, and as they retire over the next 10-20 years, millions of acres of farmland will be up for grabs.[22] Unlike in generations past, nowadays senior farmers often do not have an heir interested in taking over their farm. As a result, many farmers intend to sell their land in order to finance their retirement, which means that the next generation of farmers must be in a position to purchase these farms in order to acquire them. Yet, with land values appreciating as they are, farmland prices are quickly exceeding what most new farmers can afford. Therefore, land access is a major problem for the next generation of farmers.

From land trusts to public agricultural agencies, many people are trying to solve the problem of farmland access with creative leases, conservation easements or low-interest government loans. However, none of these methods solve the affordability problem itself. The reason is that farmland affordability cannot be addressed until we address how farmland is valued.

Today, farmland prices are more a reflection of the land's financial value than its agricultural value. Driven by 'financialization', non-farmer investors are buying farmland for its promising *financial* performance. They are drawn to it for two main reasons. First, it counters stock market volatility. Historically, there has been little correlation between stock market swings and farmland financial returns.[23] Second, farmland serves as a strong hedge again inflation, reducing the overall risk to investors' portfolios.[24]

The financialization of farmland took off at the start of the mid-2000s, when large pension funds and institutional investors began buying up farmland around the globe. Teachers Insurance and Annuity Association (TIAA), a pension fund that manages teachers' retirement accounts, forged the path. By 2012, TIAA controlled over 600,000 acres of farmland in the U.S., Australia, Brazil and Eastern Europe, valued at $2.8 billion; and by 2017, TIAA's holdings had ballooned to 1.9 million acres.[25] Soon thereafter, private accredited investors also started investing in farmland, including celebrity billionaires Warren Buffet and George Soros.[26] Then, in 2021, Bill Gates became the largest owner of farmland in the United States, after acquiring 14,500 acres for $170 million in a single deal.[27]

…and the vision for a new future

Farmland financialization is at the heart of the land affordability problem for new farmers. And yet, I think we can borrow the technical structure of financialization – that is, many investors collectively financing land – and repurpose it to promote farm viability and facilitate land access for the next generation of farmers. If employed with the right intention, I see collective financing of farmland in this way as the missing link that will allow land to pass from one generation of farmers to the next. On the one hand, financing the land collectively would enable young farmers to access land in spite of high prices. On the other hand, this financing arrangement would provide senior farmers with a viable exit strategy that provides for their retirement needs while making their land available to new farmers.

Based on this idea, I am embarking on a research project to explore a new model of collective farmland financing, with the hopes of defining a clear path forward for farm transfer. As I am currently conceiving it, the model entails several steps. First, farmland would need to be transferred into a corporate entity – such as a limited liability company (LLC) in the United States. This initial transfer would take place either

[20] For more information about this project, including how to support it, please contact annachotzen@gmail.com.
[21] https://vivafarms.org
[22] https://farmland.org/keeping-farmers-on-the-land-read-more/; https://cdn.odi.org/media/documents/11635.pdf, pp. 7-8.
[23] https://info.acretrader.com/hubfs/AcreTrader%20Farmland%20Investing%20Whitepaper.pdf, p. 8.
[24] Madeleine Fairbairn, *Fields of Gold: Financing the Global Land Rush* (Ithaca and London: Cornell University Press, 2020), p. 6.
[25] Fairbairn, *Fields of Gold*, p. 5.
[26] Ibid.
[27] https://landreport.com/2021/01/bill-gates-americas-top-farmland-owner/

by a retiring farmer transferring the land into an LLC that he or she sets up, or by a funding institution purchasing the land outright from a retiring farmer and then putting it into a separate entity.

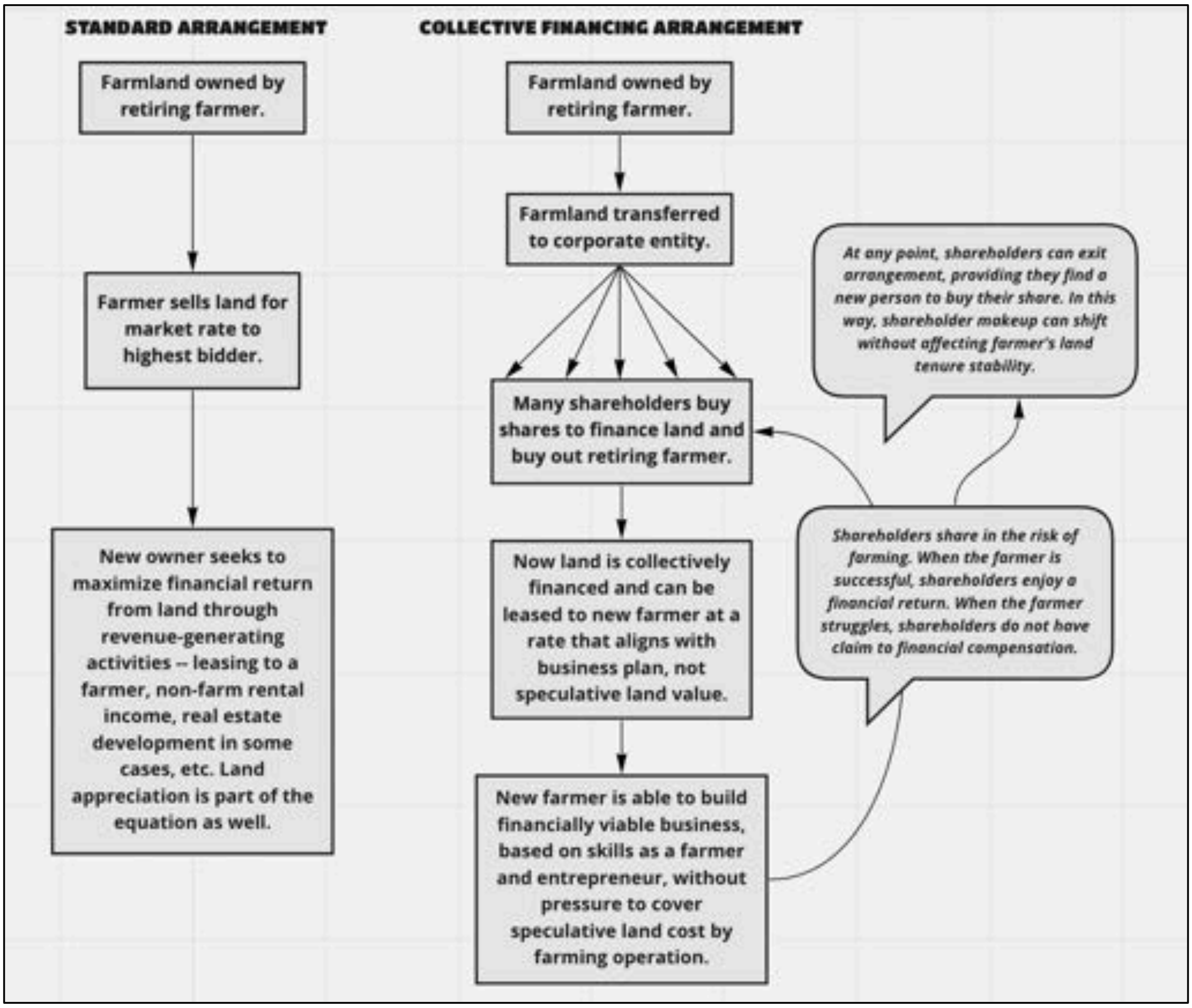
Second, shares would then be made available for purchase, as an opportunity to invest in the future of agriculture. Over time, the purchase of shares would finance the entire value of the farmland. Any potential return on investment for shareholders would then be based on farmers' future success, not on land appreciation.

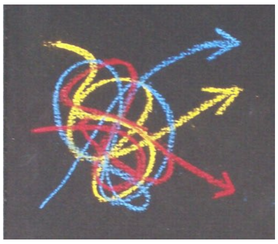
Third, once protected and financed, the land would be made available to a new farmer through a lease structure and rate based on their business plan and financial projections, not based on financial land values. With the land collectively financed, new farmers would be able to farm without having to cover the high cost of land out of their farming operation. They would not have the land as an asset on their balance sheet, but nor would they have a mortgage as a liability.

I have three primary goals for this initial research phase:

1) Determine the best-suited legal entity into which farmland can be transferred in order to protect it from speculation, keep it for farming and facilitate collective ownership and financing.
2) Determine the precise financial arrangement that allows the public (i.e. individual investors, community members, institutions, etc.) to finance the land collectively.
3) Design a generic lease or other tenure structure that guarantees the necessary autonomy, long -term tenure, and affordability that farmers need to build successful farming businesses.

If I can show that this model can work technically, I then aim to test it in real-world scenarios of farm transfer, to see if it solves the problem of land access for the next generation of farmers. I'll start with farmers I currently work with, and also explore how it applies to other global contexts, collaborating with partners who are asking similar questions. Farmland unaffordability is a universal issue. Solving it would have widespread impact for farmers and consumers around the world.





Associative Financial Literacy

The MAIA Awards

Fionn Meier / Winterthur, Switzerland

A regular glimpse from the associative-financial-literacy.com website

MAIA is a new organization that supports global initiatives related to financial literacy. For this they created an award for the best Financial Literary project: The MAIA 2022 AWARDS.[28] Having briefly looked at almost all of these projects, I have not been surprised at what I discovered. Once more, it shows where the world is heading *without* associative financial literacy: None of the financial literacy projects advocates bookkeeping knowledge, despite the fact that money and modern finance cannot be understood without understanding double-entry bookkeeping. And even though all these projects stress the need for young people to know more about money and how to handle it – something that Rudolf Steiner argued for a hundred years ago (see article in next issue of *Associate!*).

What is concerning, however, is the one-sided and superficial approach of all of these initiatives. Although the projects and their websites all look very different, at their core they all teach the same thing: How to budget, save and invest. The ultimate goal is always to enable the students to participate in the financial markets and to make money with shares and buildings. As one nominated project explicitly states:

"…there is an alternative to working your butt off for decades and retiring when you're worn out: it's called financial independence, and it means being able to cover life's essentials and afford the luxuries you want without having to turn up to a job each day. Imagine: the freedom and flexibility to work if, when and where you like, go travelling, spend time with family or start that business you've been dreaming of. And with enough time and a way to earn, it's achievable for most people through the power of passive income."[29]

Of course, this idea is very attractive for many young students (just like basic income!). But this will not help them to understand what money and finance is, or how to use it to undertake the journey of their own destiny. It will just foster their egotism. Similar quotes can also be found on the websites of other projects. For example, one other author states: "They say that love is more important than money, but have you ever tried to pay your rent with a hug?"[30] While the MAIA itself states: "*It is more important today than ever before for the whole world to know how to use money better and become part of the financial system."* This is actually what is behind the project: Becoming part of the system, but not understanding it, let alone asking how it might become more human.

Trapped in Tropes

Global Money Week 10th Anniversary

On 21 March, the OECD launched the 20th Global Money Week with a two-hour webinar, comprising back-to-back set-piece scripted presentations from central bankers and financial specialists from all over the 40 plus countries of the OECD world. No time was given to the 450 participants to ask questions and none of the questions sought by the organisers beforehand were tabled.

As if trapped in their tropes, every speaker stressed the need from as early an age as possible (meaning the first day after kindergarten) to understand that one earns through education and hard work, to distinguish between wants and needs, to save, and to know the difference between income and borrowings. Describing financial literacy as "an accelerator of financial education," they emphasised simplicity, scalability, relevance and resilience, noting that these things would make the conduct of monetary policy more effective.

The entire event was sponsored by the *Financial Times* Financial Literacy and Inclusion Campaign, Flic.[31] One would have thought that all their concerns on the part of young people would be addressed by a course in bookkeeping, but in all the two hours, not one of these champions of financial education (some responsible for the high school curricula in entire countries) mentioned bookkeeping. Not once. Not even an allusion. And when pressed to reply, there was no response….

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[28] Not 'maya', but Money Awareness and Inclusion Awards. https://maiawards.org/insights/news/the-maia-finalists-40-best-financial-literacy-projects-of-2022/

[29] https://www.penguin.com.au/books/money-school-9781760890223

[30] https://www.amazon.com/KI-Stocks-Second-Income-Stupid/dp/9811462097

[31] https://www.ft.com/content/7efbd339-b02c-4c3b-a707-f9ee1f433f05

Digi-Money or Money-as-Bookkeeping?

CHB

From time to time, we find ourselves dialoguing with different groups researching modern economic life in terms of Rudolf Steiner's ideas. To illustrate the challenges this involves, the following item critiques one such discussion in the USA.

My doctoral work and stuff since took me to the heart of today's financial system, based as it is on double-entry bookkeeping, albeit used for egotistical purposes – especially to make money out of money. This is the main attraction of Bitcoin et al, that its value can go up without any real value being created – just like the Shenandoah/Blue Ridge episode in 1929 and many similar. Of course, the US government and all others are concerned about this in their role as managers (they think!) of financial life. But if they thought more carefully about that role, and if they took to heart Rudolf Steiner's ideas, they would see that their role and all challenges to it are based on the idea that money as such is something, so it can go up in value without the need for any real value creation in the background. Bitcoin is destabilising in that regard, but so is central banking itself insofar as its own fiat monies are collateralised to land.

For Rudolf Steiner, the way out of this situation is to understand that money in our time is bookkeeping. So, just as one can use inches to quantify how long a piece of wood is that one wants to buy, but the inch itself cannot be ought and sold (stretched or shrunk), just so money can only ever represent something and does not exist unto itself. Steiner also said that money not only has three functions, as all economics teaches, it also has three qualities:

> "The main attraction of crypto currency is tax avoidance, and tax avoidance is one of the main motives of human life." – David Rubenstein, Co-chair of the private equity firm, The Carlyle Group. The *i newspaper*, 24 May 2022

Functions	**Qualities**	**Accounting**
Means of exchange *representing goods*	Purchase money	Income/Expense accounts
Store of value *representing capital invested in enterprises*	Loan money	Balance Sheet accounts
Unit of Account *means of converting excess capital into money to spend*	Gift money	Closing Entries

These three elements give 'money-as-bookkeeping' concrete expression, so that through clear and shared accounting one can free money from its use as a thing for egotistical gain (money for nothing). This would be a direct derivation from Steiner's *Economics Course* – a large part of the focus of the Economics Conference of the Goetheanum.[32]

This work includes direct discussions in policy contexts aimed at introducing Steiner's ideas into today's monetary debates, in order that people can see how to go beyond today's idea of money-as-a-thing, akin to regarding the heart as a pump.

I say all this because, speaking professionally, I am in no doubt that 'money as bookkeeping', both as an idea and as lived experience, confines all the anguish about money and its deleterious effects on socio-economic life to a matter only for those who do not walk that talk. If one wants to address this area in associative economic terms, therefore, one should put the focus directly on Steiner's ideas and how to implement them. This will not only make the whole realm manageable, but it will bolster the soul; whereas 'money-as-thing' and everything linked to that, whether memos or bank balances or market reports, can only undermine the soul, facing it with things it cannot cope with. In this sense, too, no-one will need to seek a way of making money out of nothing and so the huge damage done to the environment in order to meet this 'need' is also obviated.

I am aware that some argue that digital currencies are a match for Steiner's ideas, but for this I can find no evidence. Indeed, much of what I see advocated in this way is somewhat uneducated in my view, and is seen as such by experts. 'Money-as-bookkeeping', on the other hand, especially when translated into accounting, meets with quite a different response. It is also of importance that when that discussion begins it turns very quickly towards Aristotle. This is even more significant once one recognises that what Steiner says qua economist (his twin theory of value, for example) overcomes an error on Aristotle's part, an error compounded or repeated by Thomas Aquinas in his work as regards economics and money.[33]

Forgive this intrusion, but it concerns me greatly that those who know or ought to know Steiner's economics course spend their energies chasing after the chaos caused by the simple fact that people do not treat money as bookkeeping, but as a commodity to be bought and sold or a thing to be stored and hoarded.

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[32] See titles under https://aebookstore.com/publications/associative-economics-worldwide/.

[33] See Steiner's lectures on Thomism, *The Redemption of Thinking*, Hodder-Stoughton, London 1956. Also, https://aebookstore.com/publications/chb-collected-works/full-chb-list/aristotle-thomas-aquinas-rudolf-steiner/

Commentary + Correspondence

Notwithstanding the generally unassociative nature of modern existence, instances of little shoots can be discerned appearing despite the weight and depth of concrete all about them. Tender growths that might become tomorrow's favoured plants…

British Land

(Partial source, Wikipedia.)

'Free trade' is a more nuanced idea than one might think. It is also often not just an idea in economics text books, but a still live historical 'event'. One of the biggest property companies in Britain, the British Land Company, for example, was founded in 1856 as an offshoot of the National Freehold Land Society formed in 1849 by the two chief architects of the freehold land movement, Richard Cobden and John Bright.[34] Both were ardent supporters of a movement to extend enfranchisement.

However, in Britain at that time to qualify for a parliamentary vote it was necessary to be a landowner. So, the main object of National Freehold was to facilitate the acquisition of small plots of land by people generally. To do this the British Land Co. would purchase land and then resell it on the best terms to any customer who wanted to buy it. With the eventual extension to universal suffrage, this ceased to be the company's raison d'etre, and it began to operate as a normal business in the latter part of the 19th century.

'Normal', of course, means treating land as a commodity, speculation, land-banking, and creating and dealing in false economic values. This in turn tends to mean rents are derived from the inflated capital values of the properties in their portfolio. This 'normality' notwithstanding, the economic fact remains that traditionally and as the underlying reality, the amount invested in property has to be a function of what the user of the property can afford from the use he or she makes of it. This truth will out, especially when the revenue linked to that, what the user's customers can pay, falters – as is now the case in many countries worldwide. For then property values have to be come 'true' again.

And so, it was that in November 2020, British Land wrote down the value of its portfolio by almost £1bn (approx. 15%) after retail income fell due to the Covid pandemic in Britain. Both board and shareholders presumably hope that such 'corrections' remain 'blips' in the larger scheme of things, and that the 'upward trend' will return as soon as possible. But what happens when everyone tries to live from rising real estate values? On average a game of *Monopoly* lasts three days…

New Thought Forms

Meg Freeling / Columbus, Ohio, USA

Like the story of Jack and the Beanstalk, this article is a prelude to a subsequent one concerning Walter Johannes Stein, who like Jack is an adventurer who plants magic seeds and discovers that they grow to produce many new marvels – and perhaps how the seeds disappear for a while until other adventurers come along and again plant these marvelous magic seeds. For our immediate purposes, such seeds can be seen as what Owen Barfield[35] calls 'new thought forms'. In his article, *Equity between Man and Man*,[36] Barfield traces the fascinating history of equity from Icelandic sagas through English jurisprudence to a special second system of courts known as the 'Courts of Equity' or the 'Courts of Conscience' before spilling over into economics and appearing as a liability on the balance sheet to refer to 'equity' in an enterprise or a piece of property.

Then Barfield gives an example of how such thought forms work today: "[The] transition from cash-finance to credit-finance is inevitable and beneficial; what is disastrous is the application to the latter of forms of thought proper only to the former – through lack of ability to create fresh forms of thought. The obligation which is produced by a 'promise to pay', and the corresponding right called 'credit' – these things have become actually confused in men's minds with physical objects. They are indistinguishable from 'money', and money is still thought of by most people as an aggregation of physical objects." He then says, "...anyone who has ever attempted to inculcate an idea with even modest pretensions to being *new*, will

[34] See https://aebookstore.com/publications/chb-collected-works/full-chb-list/economic-biographies/
[35] With backgrounds in both economics and law, Owen Barfield was one of the original translators of Steiner's economics course into English.
[36] *https://www.owenbarfield.org/read-online/economics/equity-between-man-and-man/*

understand what an important part of the task is this establishment of a suitable form of thought." One such seed-like thought form that deeply impressed Owen Barfield was Rudolf Steiner's introduction to his understanding of loan money. In essence, Steiner said, *"'A' lends 'B' money. There you have a relation between two persons."* Out of this recognition of an objective relationship between two persons, Steiner builds a profound understanding of the role of loans in the modern economy and Barfield builds a coherent understanding of the relation between economics and jurisprudence (especially in England) through the concepts of equity and the new role of consciousness in human life.

In the subsequent article, to appear in the next issue of *Associate!*, this story will be followed up in regard to the unique relationship that worked very productively between Walter Johannes Stein and Daniel Dunlop, as they planted certain seed-forms of thought for seeing and understanding the world as one economy. On this occasion, it sets the stage for the following observation.

How, in 2022 have the planted seeds fared?

In addition to Stein and Dunlop, and their biographers such as Johannes Tautz and Thomas Meyer, Owen Barfield himself sowed many such seeds, his work on equity being a case in point. Barfield died in 1997, aged 99. Twenty years later in August, 2018, the Economics Conference of the Goetheanum[37] sowed some seeds of its own… or were they delayed sproutings from the 1930s? At its annual meeting in Folkestone England, it produced a 'To Do' list that included the following tasks:

- Promote and enable the teaching and practice of associative financial literacy for young people, their teachers and other questing adults.
- Devise an accounting/bookkeeping standard matched to three kinds of money.
- Establish a "True Price Watch" organization.
- Encourage direct lending groups.
- Promote the idea of spend-out foundations.
- Start "Youth Bond" initiatives.
- Create an "MBA Not" program based on associative economics.
- Further the creation of associations.
- Create a "Gift Watch" to track how surplus is flowing.

As we approach the centenary of Steiner's lectures (themselves a veritable nursery bed!), maybe it's time to see if any of them are starting to bear fruit or have the prospect of doing so. Some are waiting for the right time, people and circumstances. Others are perhaps there but not quite yet in their ideal form. Of course, covid has and continues to be an overwhelming, even bewildering experience; but maybe we can find a fresh wind to give these possibilities new impetus.

Concerning Contracts

Ann-Marie Finch in England wrote to say that: 'In 'Fog and Clarity: Understanding the Threefold Nature of Society' (*Associate!* February 2022), Fionn Meier makes a point that appears to be a different understanding, from what I have read in one of Steiner's lectures and in my own personal recent experience, on the subject of 'work contracts'. I wondered why Fionn had placed 'contracts' in economic life while Steiner appears to be placing them in the rights/political life? He writes: "From such a simple consideration, it becomes possible – not as an ideology, but from observation and thinking – to understand that society has a threefold nature. Contracts, for example, can be used for the exchange of goods and services whereby both parties involved benefit. This is economic life."

In *Inner Aspect of the Social Question* Rudolf Steiner remarks: "I have often pointed out how in modern times labour-power has become a commodity. Ordinary wage contracts are based on that; they derive from the assumption that labour-power is a commodity, and they are determined by the amount of labour which the workman renders to the employer. A healthy relationship will arise only under the following conditions: the contract must by no means be settled in terms of so much labour; the labour must be treated as a rights-question, to be fixed by the political State; and the contract must be based on a division of the goods produced between the manual workers and the spiritual workers. Such a contract can be

[37] See https://economics.goetheanum.org

based only on the *goods produced*, not on the relationship between workmen and employer. That is the only way to put the thing on a healthy footing."[38]

Furthermore, my own personal experience of work contracts recently is that I cannot rely on the government to set the unit of account/price/rate of pay for my services, as it would be less than what I need to live and to pay my social costs. In fact, creating a draft contract myself then completing it with my employer also included three months of clearly defining the details in practice as my employer is new to this role. This would suggest that what Fionn wrote may not be wrong, per se, as there does appear to be an element of '...the exchange of goods and services whereby both parties involved benefit.' However, I do think that there is a 'rights' issue inherent in the process of creating a work contract.'

Fionn's response: "I think one needs to look very carefully at the issue. For me the quote from Steiner which I presented is straightforward: 'Because everything in economic life must be based on mutual service, and because these are dependent on different things, everything in economic life must be based on the principle of contract. In the future we must have cooperatives, associations in economic life, which base their mutual services on the principle of contract, on the contracts they conclude with each other. This principle of contract must dominate all economic life and especially economic life within the consumer cooperative, production cooperative and professional cooperative. A contract is always temporary in some way. If no more services are rendered, then it no longer has any meaning, then it loses its value. The whole of economic life is based on this.'[39]

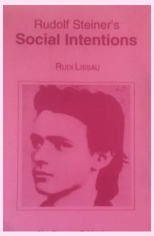
He clearly states there that contracts belong to economic life. However, we need to be aware of what Steiner also says about economic life. For him, it is crucial that neither labour nor capital belong to economic life. So neither labour nor the ownership of a company should be exchanged against money. Thus, the quote you bring is absolutely in line with my argument. Labour needs to be regulated by rights life via laws. The labour available needs then to be a 'given' for economic life, like the climate, for example.

If one thinks that in setting up a contract with someone there is also a feeling for justice that is important, this is true. The human being is not 'splittable', we always have thinking, feeling and willing together. But the feeling of justice will not itself lead to true prices. For this we need to form associations where people share their experience of their economic situation. I hope that makes my argument clearer."

Finally

Oliver Brandli (oliver.braendli@icloud.com) invites readers to visit his website and make comments regarding creating a healthy economy. https://anthro.world/en/can-we-create-a-healthy-economy/

PUBLICATIONS



Rudolf Steiner's Social Intentions*
A remarkable resource
chb

Though only a tiny booklet, *Rudolf Steiner's Social Intentions* is a valuable collection of remarks and references by Rudolf Steiner on many socio-economic topics. Compiled by Rudi Lissau in the 1980s after he trawled every then known publication in German, it includes many radical statements. In Lissau's words, chief among them for our times are these two. First, the importance of effecting 'the circulation of capital which allows many initiatives to come into being without creating positions of permanent power.' (p.27 with a reference date of 21 March 1919,) A counsel, surely, against the formation of pools of capital (deposit-taking institutions and foundations) and therefore those who control them. Second, 'and so we arrive at [one of] Steiner's most damming statements… bankers are usurers.' (p.8 with date of 11/12 October 1919)

Attention is drawn to these observations because it is clear that an economy subject to the dynamics of pooled capital – i.e. an economy based on bank deposits and foundations – cannot by definition be associative because such institutions preclude and obviate the direct decision-making and management of money flows that would belong to associations. A priority for associations would not be the usual focus of food pricing, but the capitalisation of many, many initiatives, including of course myriad farmers.

* https://aebookstore.com/publications/associative-economics-worldwide/authors/books-by-rudi-lissau/rudolf-steiners-social-intentions/

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[38] *Inner Aspect of the Social Question*, Rudolf Steiner Press, London CW 193.
[39] *Education as a Social Problem*, 24.6.1919, CW 331.