

Finance at the Threshold

By Christopher Houghton Budd,

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This is an important book but not an easy one. Its subject matter is abstruse and difficult: economics and what happened in the global financial crisis (GFC), and how an anthroposophical understanding may shed a deeper light on these large events. These are difficult subjects for anyone to grasp and Christopher approaches them as a technically proficient economist and economic historian. So the book is not an easy read or for the faint hearted, and nor for those without some technical insight and background.

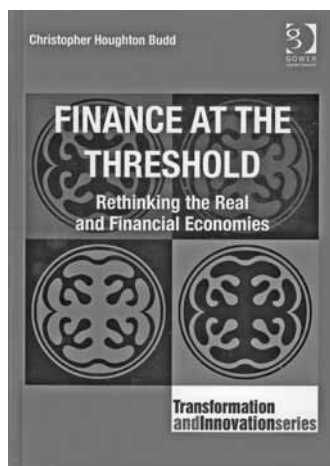
There is an added burden to any reader: it is sometimes quite badly written making difficult arguments needlessly more complex. Sometimes the cat just sat on the mat and there is no loss of depth in saying so. I think Christopher needed a better editor to help him say the many interesting things he has to say more simply. And he also needs a more diligent publisher. For example, an accurate index would help. There is an index but it points to the wrong pages on numerous occasions. A trivial point? Not when you are dealing with a work like this.

However, if you persist, you will find some remarkable things. Firstly, it is a competent and interesting survey of what has happened over the last few years with what is now called the GFC (global financial crisis). There have been many books and articles published on this. I think I have read at least fifty (I should get out more). This is as good as any and better than many: Christopher really knows his onions about this and can talk about it in terms the mainstream world would recognise.

Which makes it, secondly, all the more impressive that he is bringing Rudolf Steiner's insights on world economy and threefolding to bear on this in an entirely appropriate way. He is not saying that everyone else should just wake to Rudolf Steiner and accept what he had to say as the one true way – a very puerile point of view. He is asking how Steiner's ideas can illuminate what is happening now. He is very clear and explicit about this which is admirable in a mainstream book. He does not play anthroposophical hide and seek, nor does he present things in a dogmatic way. His analysis is compelling and persuasive. I think he is right, on the whole, and is pointing to how we might change our thinking around this.

Thirdly, he realises and explains why we are not through the present problems. The GFC is supposed to be a hundred-year event. Something which can be expected once in every three or so generations. That is not true. The next hundred-year event is already in preparation, and we will be seeing it within ten years. Christopher is clear about this and is very explicit why.

Lastly, the book is littered with interesting insights, thoughts, and asides which I hope he will pursue further.



Anyone interested in these things will want him to expand on them and will feel he is mining a rich seam. Will he do it?

So, what is he saying? It is difficult to summarise simply because there are so many aspects to it. But I think his main ideas are:

- The GFC was not a once-in-a-lifetime event but something which is continuing and which will throw up more serious problems in the very short term – within ten years or so.
- It is not in the end a matter of better regulation, or greed and how to curb it, or fine tuning, or moral hazard, or any of this – it is about how we think and understand what is happening and we have hardly started to get to the bottom of that.
- There is a 'real' economy and a 'financial' economy – the first is subject to material constraints and cause and effect but the second is unbounded, virtual and potentially infinite, and it is in this that we have not applied the right thinking which comes from across the threshold – these two economies have become separated: how can we deal with this?
- We have not yet really understood the meaning of globalisation, where there is nowhere within economic life which is 'outside', which is what Steiner already recognised in the 1920s – so we talk globalisation but we think national economies: what does it really mean to change this?
- The financial economy is not like physics and the mineral kingdom even if economics tries to model itself on this – there, the world is as it is whatever we think about it, but in the financial world, we encounter 'reflexivity' where what we think about it *changes* it: this is something very different which we have not yet fully understood.

These are key issues but they do not summarise the book. There is too much in here which reflects Christopher's lifetime of study and persistence around these themes. I do not find much which helps me understand what to *do*. This is a book about how to think and we need those. But I think there is a better book struggling to get out and I really hope that Christopher will persist in this too and write it.

Reviewed by Glen Saunders