

Finance at the Threshold

Because of its great importance for our understanding of the modern financial industry, here an English book is shown that is unfortunately not yet translated into German. The author, Dr. Christopher Houghton Budd writes as proven professional. He has dedicated his entire life to the financial industry and is to be found much in the world. Professor Geoffrey Wood of the Cass Business School in London provides the book with an appreciative foreword.

Houghton Budd describes the ongoing financial crisis since 2007 as a threshold event. It is not about the problems we have to solve today somehow, but a deep rift between the past and a future in which the thinking and behaviour valid till now are no longer valid. It depends on whether we are able to cross this threshold, or if we shrink back from the abyss. The financial crisis clearly shows that the monetary system is a matter of thinking and must be questioned epistemologically. Houghton Budd relies on monetary analysis of Rudolf Steiner. Today's crisis is, as the crises of the 20th Century, the result of not taking up this analysis. Houghton Budd follows Steiner's theses not because he wants to represent them, but because the modern financial system is only understandable through them.

The new financial and economic thinking must be gained detail by detail. Houghton Budd has achieved this because he is thoroughly professional and well thought through and permeated by the Steiner's associative economics. More so than the real economy, the financial services industry makes evident the need for associative organisational forms. It has broken beyond national boundaries and seeks a fully global context. It is in the nature of money that it wants to make a single world economy, even if there are different currencies.

In social theory, the concept of sovereignty plays a major role. Houghton Budd shows, in accordance with Steiner, that sovereignty passed from the gods to the temple priests and kings, and finally to the banks. The goal must be but now that every individual human being ("the citizens") becomes the bearer of sovereignty. That means that each person must issue his own money and be the source of his own credit, so that the value of money is always based on recognition by the rest of humanity. The issue money and credit creation are then done by the specific activities of buying and selling ("trading") and credit (investing), all tracked in accounting. New "central banks" – citizenised money creation – would not regulate money creation, but only reflect it, make it visible. In this sense, there are already functioning financial systems such as the Local Exchange Trading Systems (LETS).

Steiner has predicted that too much capital will arise. This has occurred in full measure, in the form of too much liquidity circulating in speculative financial transactions around the globe. If this development is not corrected by new financial instruments, the market can only correct itself from time to time by way of spectacular failures. Such financial instruments have in modern terms to be something like the jubilee year in ancient Israel or money given for the construction of medieval cathedrals. [For example,] a constant, never-ending and systematic depreciation of capital (financial assets) in favour of the education system is needed.

Houghton Budd writes as an Englishman for Anglo-Saxon readers. However, his book is so important – for financial professionals as well as for all people who aspire to associative economics – that a German translation of this highly 'actual' work is urgently required. The special nature of the English line of thought precisely on this issue is also interesting and instructive for German-speaking readers.

Rudolf Isler (Nr 4/2012 of the journal Gegenwart)

Christopher Houghton Budd: Finance at the Threshold – Rethinking the Real and Financial Economies
Gower Publishing, Farnham 2011 ISBN 978-0-566-09211-4, 239 S. € 70.-
Siehe auch www.christopherhoughtonbudd.com und www.associative-economics.com/