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BOOK REVIEWS

SUSTAINABLE SOCIETY: MAKING BUSINESS, GOVERNMENT AND MONEY WORK AGAIN

BY RUDOLF ISLER (TRANSLATED BY MATTHEW BARTON). EDINBURGH: FLORIS BOOKS, 2014. PP.224; INDEX £14.99 (PAPERBACK). ISBN: 9781782501336.[1]

The 2008 financial crisis was an open invitation for heterodox thinkers to propose alternative ways of organising socioeconomic life. In "Sustainable Society: Making Business, Government and Money Work Again" (2014), Rudolf Isler seizes this opportunity to revive an alternative economic order first described in the 1920s by Austrian philosopher –and founder of the "anthroposophy" spiritual movement– Rudolf Steiner (1861-1925). With the concept of "threefold social structure" (rights, economy, culture), Steiner attempted to transcend the dichotomy between regulation and free market in the coordination of economic, cultural, and political affairs. In this 200-page book, Isler takes his readers on a tour of Steiner's theory, with several stops at micro practices embracing aspects of the threefold social order (Waldorf schools, Buschberghof biodynamic farm). By revitalising Steiner's visionary project, this book challenges assumptions about money, work, ownership, and democracy. However, Isler's unclear and superficial analysis fails to demonstrate the relevance of Steiner's proposal in addressing the multifaceted crises of the 21st century.

The first chapter attempts to address one of the book's ambitious objectives: reforming the monetary system. Isler weaves together general concepts from Steiner with a partial understanding of Lietaer's idea of monetary diversity. In essence, Isler argues that all money should be created through real transactions like in a LETS), that money should bear an expiry date, and that all its value should be based on grain; all of which should prevent the decoupling of the financial economy from the real one. The vision recalls Hayek's late proposal for a monetary denationalisation in the form of a money free market where economic agents would naturally select privately created currencies in their daily transactions. Isler only considers complementary currencies as an opportunity to dethrone the state's power over monetary control, which overlooks a fundamental aspect of Lietaer's theory: the fact that currencies do not only compete but complement each other's. Overall, Isler exposes broad opinions about money but does not propose any specific reforms or coherent theory; nothing that would impress readers of this journal.

The following chapters summarise the core aspects of Steiner's economic order: mainly the division between labour and income (Chapter 2) and the administration of land and capital by the cultural sphere (Chapter 3 and 4); and to a lesser extent the primacy of agriculture and its relationship with industry (Chapter 5). Isler then goes on to outline the process of transition towards a threefold social order (Chapter 6), the further development of democracy (Chapter 7), and the education of the youth (Chapter 8). The book finishes with Chapter 8, and there is unfortunately no conclusion for the author to contextualise Steiner's project in the light of today's situation. Likewise, the book starts with a regrettably short introduction (about a page) and an even shorter foreword, giving little information about the author's motives, his understanding of what defines "unsustainable" in contemporary societies, as well as his methodology – part of which is an openly claimed skepticism towards abstract theory.

Essentially, Steiner's framework embraces the three precepts dear to the 18th century French Physiocrats: agriculture holds a central position in the value creation process; the government should take a laissez-faire stance towards the economy; and human societies all follow a natural order, captured in a Fundamental Social Law" that Isler presents "not as a social or moral ideal… but as a kind of natural law" (p.55). The project then involves a gradual deconstruction of the state whose responsibilities would be transferred to a civil society organised in autonomous "associations." Steiner takes a bottom-up approach to change where the empowerment of free individuals would in practice lead to new routines such as a shorter working week (3 to 4 hours a day), a maximum income (but no basic income), or a progressive consumption tax.

Throughout the book, the author takes on a passive role where he only acts as an interpreter of Steiner's thought, aided with lengthy quotes from Steiner's World Economy lectures (1922). This has the benefit of allowing readers to directly dive into Steiner's mind; however, it makes it diffi-

[1] Email: tparrique@gmail.com

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cult to differentiate the disciple's opinion from his master's. This is problematic considering the world has changed significantly during the ninety years that separate the two. For instance, the distrust of governments shared by both Isler and Steiner is difficult to picture while keeping a dual vision of 1922 Austria and 2013 Europe. This space and time discrepancy is perfectly captured in the unconsidered use of the concept of sustainability – present in the title "Sustainable Societies" and throughout the book. Although one cannot blame Steiner for not integrating the environmental aspect into his framework, its absence in Isler's analysis weakens the relevance of the project in times of climate change.

As stated in the foreword, the author's twofold objective is to present the work of Rudolf Steiner, as well as demonstrating its relevance for addressing a range of contemporary societal issues. Concerning the first goal, readers interested in the history of economic ideas will find in this book an intriguing, concise, and approachable introduction to Steiner's thought, albeit with several major drawbacks. Indeed, what is announced as an objective summary of his master's work tends to fall into a partisan presentation that at times reads like a semantic interpretation of sacred scriptures. The author introduces many potentially revolutionary concepts but fails to present a theory that is either logically consistent or adapted to today's realities. Ultimately, Isler fails to provide a convincing argument that Steiner's project represents a viable solution to current economic, social, and political crises. Regrettably, the author's poor writing style makes the form as disappointing as the content; a book that I feel compelled not to recommend.

Timothée Parrique

Uppsala University, Sweden
Email: tparrique@gmail.com

SAVING THE MARKET FROM CAPITALISM

BY MASSIMO AMATO AND LUCA FANTACCI. CAMBRIDGE: POLITY PRESS, 2014. PP. VI+164; INDEX £15.99 (PAPERBACK) ISBN13: 978-0-7456-7256-4. [2]

This book constitutes a very topical contribution on monetary reform, and particularly on new economic arrangements which, contrary to community currencies, operate at a global scale. Breaking away from the now dominant tendency of community currency proponents to focus on the issues of upscaling and translocal impact, this book's main goal is to suggest new clearing systems which will separate between the market economy and finance, with the aim of making both the international and local/regional economies sound with the help of a respective means of exchange. While their proposals can relieve the economic crisis that we are currently going through, it keeps conventional currency systems intact, leaving the very structure which has churned out this crisis as it is without being corrected. However, they do pointing out how experiences with local complementary currencies can make their users aware of what is at stake with those hard currencies and stimulate them to study more audacious plans such as that of Positive Money UK.

This book's relevance is its questioning attitude on the current relationship in which the creditors dominate debtors, rejecting the current logic of the finance market which churns out unearned income to lenders. The authors mention the current liquidity crisis in which newly-created money is not lent-out to boost the real economy but to fuel speculations and to buy government bonds. They also underscore that creditors need to spend to allow debtors to earn enough money to repay and presents the European Payments Union which worked between 1950 and 1958 whereby this obligation was really practiced to build up a reciprocal economic relationship at the international level among member countries. Building on a vocabulary familiar to the readers of this journal, the authors point out relocalisation, reorganisation and cooperation as key elements for the revitalisation of local economies, they refer to Keynes' word "fetish of liquidity" to depict the anti-social character of finance market and they argue that the need to get capital from abroad "should correspond to a demand for commodities from abroad." They then go on to explain the liquidity trap and present the advantage of an international currency system like the "Bancor" proposed by Keynes against which community currencies would work symbiotically.

The authors then go into proposing their solutions: setting up a European clearing house, called the European Stability Mechanism (ESM), with the aim of balancing each country's imports and exports, charging commissions not only to debtor countries but also to creditor ones to help them keep the balance as close to even as possible. Hoarding the surplus is, thus, discouraged while spending it to buy goods and/or services from other countries "in debt" is encouraged, promoting the balanced economic development among member states. Finally, they argue that local complementary currencies as well as local credit systems should be implemented. The latter would operate in a similar way as the ESM whereby countries would be replaced with local businesses, thus delivering a different set of advantages such as: access to cheaper loans and more clients, an increase in turnover, and the strengthening of local self-sufficiency. The involvement of ordinary people and local authorities is also suggested as a way of enhancing its usefulness and the prospective advantages of joining a local complementary currencies (i.e. easier access to credit free from traditional banking system, attraction of new local customers, an increase in turnover) are explained as a means of creating a cooperative and symbiotic economy instead of competitive one. Finally some stakes are shown, such as the impossibility of imposing a credit clearing system as well as the need of consultation with users, the need for an appropriate management system and for cooperation among different local complementary currencies.

The biggest strength of both proposals is to free the money creation from bankers' own profit-seeking purposes. Each economic player will be entitled to "create money" up to their own limit and subject to other terms and conditions and this process will be completely free from interventions from financial institutions, injecting enough amount of liquidity into the economy to satisfy stakeholders' needs. Also, their embedded mechanism of keeping balance as close to zero as possible sounds positive to me, as hoarding will be discouraged and those with money are obliged to let go of it to avoid commissions. Given the fact that money is currently created as bank credit, its accumulation results to the deprivation of liquidity from debtors who are forced to go bankrupt and, thus, to face the miserable consequences due to the unavailability of money supply. Therefore, such a balancing mechanism is expected to play a crucial role in establishing reciprocal economic relationship among all the participants, at both the international (ESM) and the local level (local complementary currencies).

Unfortunately, and as captivating as these proposals may be, the book comes somewhat short in explaining how such a paradigm shift might occur, ignoring how their proposals implicate a series of changes in people's behaviour. First of all, such a system's negative attitude toward hoarding money is quite challenging, if not shocking, to ordinary people's conventional mind-sets. Even though the languishing crisis has awoken people's attention on finance, it would require huge efforts to convince them that piling up money is synonymous to driving others to the verge of bankruptcy and impoverishment. Both proposals, based on reciprocity, force creditors to consume other members' goods and/or services as an act of solidarity, which can be defying to some people who have never questioned the very design of the financial system which is itself responsible for social malaises such as bank crises and the income gap. Also, involving the utilities industries (such as electricity, gas and water) would be crucial for their successful implementation, as every local business needs such services.

For this programme to succeed, it is, therefore, important to provide an alternative financial education as an eye-opener to them, giving them the chance to discover that money is always created as bank credit (i.e. debt), forcing each economy to be in the red to get enough supply of money. It will be important to prepare a set of educational kits and to start a campaign to both highlight the advantages that could be brought about by such new proposals and to raise people's awareness on these critical faults of our money system (e.g. such as the one which has been conducted by Positive Money in the UK with some achievements). And, while utility services are fundamental for local businesses, they are usually provided by big corporations, some of which have been privatised. A radical reconsideration would be indispensable to question the authenticity of market fundamentalism in this sector and to invite them to use this means of exchange.

Bearing these facts in mind, I believe that this is a very interesting contribution in debates around monetary reforms. A proposal which, albeit of its significant shortcomings, remains quite is intriguing, especially for those interested in community currencies and focused on local level changes.

Yasuyuki Hirota

Researcher,
University of Valencia, Spain
Email: miguel@ineval.org

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[2] Email: miguel@ineval.org

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