

## **MPhil / DPhil Fundraising Proposal – Arthur Edwards**

This document outlines a proposal to raise funds for research entitled *Money in a Global Economy*<sup>1</sup>.

### **1. The Subject and Its Relevance**

In a financial world that is no longer anchored in gold, there is a need to find an overarching imagery through which economic life can become coherent. The evidence of the 20<sup>th</sup> century points to the fact that gold, as a device for financial orientation, has become anachronistic; yet the need for financial common ground (arguably its true role) has not. How then is this common ground to be found? For in the absence of an agreed framework, one can expect to experience a world of increasing volatility. The perceived harmful effects of volatile finance will create pressure for regulation, which, given the global nature of economic life, will be only effective across the board if implemented globally (the creation of the Euro and the European Central Bank could be seen as a pre-cursor to world scale financial management). An institutional solution (inevitably subject to political considerations) would thereby be imposed on a problem that is essentially economic. Is an economic rather than a political approach feasible or does the global nature of finance inevitably lead one on to a one-world-state (called by some other name perhaps)?

The genesis of this issue can be identified in our understanding of the nature of money, which through the 20<sup>th</sup> century has been shorn of its traditional foundations as the form that money takes has changed. The essential thesis of this research is that accounting, particularly when understood in its deeper role, can provide humanity with the orientation no longer afforded by gold. Such an analysis would show that money in its contemporary nature is an articulated phenomenon composed of three elements. These three elements become apparent in accounting and equate to Rudolf Steiner's monetary economics. Were humanity's understanding of money (and by association economic activity) to be grounded in this way, political considerations could be left aside. For accounting is universal in its fundamental nature (though it may take different forms) and, because it brings with it a certain discipline, affords a more neutral basis for the conduct of global economic life than any arrangement that is informed by external regulation (which inevitably comes with a national colouring).

### **2. Background Information on the Research**

The idea for this research arose from a paper entitled "Citizenised Central Banking – From Gold to Golden Rule", presented at a conference in July 2006. In brief, this paper considered the development of central banking in evolutionary terms with an eye to the idea that its intrinsic purpose was to bring balance into economic life and this could eventually be achieved through the co-ordinated activity of those responsible for economic undertakings (rather than, as now, through institutional intervention on their behalf).


On the recommendation of Charles Goodhart (Professor of Banking and Finance at the London School of Economics and former member of the Bank of England's

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<sup>1</sup> see separate document

Monetary Policy Committee), the proposal (along with the original paper) was sent to Professor Geoffrey Wood (of Cass Business School, Buckingham University and special adviser to the bank of England on Financial Stability), who felt that it merited further research and offered to act as doctoral supervisor. He suggested that he do this in his capacity Buckingham University where the scope would be freer in form and content terms.

### **3. Arthur Edwards, Dipl. A.E.**

Arthur Edwards has spent much of the past seven years engaged in activities that seek to further an associative approach to economics (see next section), both in a theoretical and practical sense. This has included obtaining a *Diploma in Associative Economics*, hosting seminars, journalistic activity, offering introductory workshops and presentations in economics (especially for young people), participating in wider academic conferences, engaging in research, establishing an enterprise eligible to use the  *Quality Guarantee Mark*, teaching courses in financial literacy in schools, offering consultation, creating an online discussion forum and co-editing a journal, *Associative Economics Monthly*. A more extensive description of this activity is available on request.

By undertaking this research he aims to bring academic scrutiny to the associative approach and thereby to better link economics to accounting. His longer term goal is to promote the role of financial literacy in economic curricula such that young people are provided with the skills they need to put into practice their own initiatives.

#### **Biographical Sketch:**

Born in 1969, Arthur Edwards graduated from *Oxford University* in 1991, and then spent three years working with young adults with learning difficulties before travelling in Europe and teaching at a *Waldorf School* in Berlin. On returning to the UK he established his own business working as a cook and then became involved in the fair trade movement, as convenor of the *Oxford Fairtrade Coalition* and as a regional representative for *Shared Interest*, which provides loans and banking services to organizations that aspire to trade fairly. In 2000 he founded the *Oxford Economics Forum* and for the past 5 years he has been working directly with associative economics, completing a diploma in 2004 on *The Viability of Associative Economics* and establishing the *Talking Economics Project* as a means to communicate economics as an ongoing conversation. He has given workshops on money at various international youth conferences around the world, convened seminars and regular public discussion fora in the UK and written a paper entitled *Citizenised Central Banking: From Gold To Golden Rule*. He has a particular interest in accounting and financial literacy, especially in schools, for which he has developed a role-playing activity entitled *Building The Road You Are On*. Married with one child, he currently lives in the West of England near Bristol.

### **4. Associative economics**

Associative economics constitutes a new paradigm in economic thinking. It stems largely from the insights of Rudolf Steiner's 1922 course in economics, but now given contemporary form. Practical in essence, it provides a means for economics to

reground itself in business through the language of accounting and to pay heed to the modern circumstance of global economy, which calls for a wider awareness of the deeper nature of economic relationships. More information is available on request.

## **5. The Associative Economics Research Fund**

Where contributions cannot be made directly to an individual account they can be made through the *Associative Economics Research Fund*, a not-for-profit charitable entity under UK law. Cheques and money transfers should be made via Richard Masters at Hermes Trust, The Old Painswick Inn, Gloucester Street, Stroud, GL5 1QG, +44 (0)1453 763900, hermes.trust@freeuk.com. All other enquiries should be made directly to Arthur Edwards or through the Centre for Associative Economics +44 (0)1227 738207.

## **6. Budget – Amounts Sought**

While the costs of previous research activity (including a one year Diploma study) have been borne almost entirely by Arthur Edwards (with some minimal grant funding), the amounts sought here aim to fully cover the projected costs of the proposal, which include both academic fees and realistic living costs. Initial funding is sought for a two-year MPhil research degree at Buckingham that can be extended to a DPhil as further funding becomes available.

### **MPhil Funding (Two years)**

Buckingham Academic Fees	£ 17,600
Travel	£ 2,400
Office	£ 2,400
Research Literature / Conference Costs	£ 2,000
AME Research Fee <sup>2</sup>	£ 25,200
Total over two years	£ 49,600

### **DPhil Funding (one further year)**

Buckingham Academic Fees	£ 8,800
Travel	£ 1,200
Office	£ 1,200
Research Literature / Conference Costs	£ 1,000
AME Research Fee <sup>2</sup>	£ 12,600
Total	£ 24,800

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<sup>2</sup> This amount is the equivalent of the *Economic and Social Research Council* living allowance (outside London).