

The Less Productive Baker: Understanding Economic Associations

After reading Rudolf Steiner's second lecture in *The Social Future*¹ – about economic associations – Doug, Linda, and Ken sit down together to reach a fuller understanding of what economic associations are, and how Steiner imagined they would work.

Doug: Steiner mentioned economic associations quite often, but didn't really describe them in much detail – except in this one lecture.

Ken: You're right, Doug. Practically everything he said about associations in his book about social threefolding² was added to the new edition of 1920 – which was published a few months after he gave this lecture.

Linda: Well, I must admit I really struggle to visualize what Steiner meant by an economic association. When he talked about joining consumers, traders, and producers together,³ I imagine community meetings. But then he also said that everything is done alongside work,⁴ implying few or no meetings. So which is it?

Doug: Steiner believed that associations were to be based on the insight and interest of people who are directly involved in the economic life – people with knowledge and competence who freely agree to mutually beneficial contracts.⁵ In this lecture, he spoke strongly against a democratic or parliamentary process for associations.⁶

Ken: Yes, Steiner drew a clear distinction between the *principle of associations* and the democratic *principle of cooperatives*.⁷ Under the associative principle, currently active producers – knowledgeable experts and initiative takers – come together to decide how to organize production in relation to what consumers need and want. This is different from the cooperative principle, where people first come together, and *then* decide together what and how to produce. The people who form cooperatives are not

necessarily experts and can sometimes waste a lot of time and effort making decisions democratically.

Linda: I understood him to say in this lecture that capitalism causes many social harms, but that workers' co-ops are not a clear solution – because a co-op essentially replaces one self-serving capitalist by a whole group of these. The self-serving group can't solve our social problems any better than the self-serving individual can.⁸

Doug: Yes, in this lecture Steiner not only spoke against the common ownership of property; he was also against consumer cooperatives and worker cooperatives – all of which he described as forms of “tyranny.”⁹ A tyranny, at least in my mind, is when one group dictates terms to others. So an association isn't any kind of interest group seeking its own economic advantage at the expense of others.

Ken: It would seem we must overcome the self-serving quality somehow, and find ways to *serve each other* – which is the ideal appropriate to the economic life...¹⁰

Linda: I believe if people could only see the big picture, if they could understand how their choices and actions affect others, then they would think twice before making greedy choices that hurt others. To me, associations have to do with overcoming the dissociation that happens as communities grow large and anonymous under a monetary economy.¹¹

Doug: Yes! Steiner spoke about the associative principle as being about studying demand and producing goods that correspond with this observed demand – as a way to bring rationality into the otherwise chaotic free market.¹² So maybe we can best imagine an association as a kind of *consultation organization* – with economic researchers who gather information from people who represent active producers, merchants, and consumers, including investors and workers.¹³ The researchers build up a big picture of the whole economic life, and then facilitate the negotiation of various contracts for parties to sign.¹⁴ I would assume the researchers and negotiators would be compensated by taxes or

in some other way that ensures they remain independent and focused on what is best for everyone.

- Ken: I agree. If the economic life is comparable to the nervous system of the human organism,¹⁵ then maybe economic associations are like *sense organs*. An expert group of researchers gathers information from all economic viewpoints to build a complete picture. Once people *sense* and *see* each other in their economic relations, improvements can be highlighted and solutions can be carried out according to people's insights and interests – through their social will.¹⁶
- Linda: Ok, I feel I'm starting to understand! All the local economic associations link together to form a kind of socioeconomic network. Researchers meet with representatives who work out arrangements that ensure a rational match between supply and demand. That would lead to true prices,¹⁷ would it not?
- Doug: Yes, Steiner's idea of true price was linked to his idea of associations. In a footnote added to the 1920 edition of his book, Steiner says that through the free collaboration of the three members of the social organism, healthy prices will result, and each working person will receive enough to satisfy all their needs¹⁸ until they can bring forth another product – and that such healthy prices arise from a living collaboration of associations.¹⁹
- Ken: In my mind, a true price is one that is just right – a price that is fair to both buyer and seller. The price has to be high enough so the seller receives enough to get their needs met, and it has to be low enough so the buyer still has enough money left over to get all of *their* needs met. So a true price allows *everyone* to get their needs met.
- Doug: Associations bring prices into alignment with observed human need values by increasing or decreasing production.²⁰ If people producing a needed good are not receiving enough to get their own needs met, then that means the price of their product is too low. Arrangements must be made to have fewer people work on the production of this item. Those workers who remain will receive enough to get their needs met if prices rise after supply is

reduced. Meanwhile, other workers are freed up to produce other needed goods.

Ken: Right! And if a price is too high, then *other people* in society must pay too much for the item and so, in turn, *their* earnings won't be enough to get all their needs met. Associations must find a way to engage more workers and increase the quantity, bringing the price down. Either way, by adjusting production, prices – even on the open market – are made to correspond to real human need values. This is Steiner's idea of a true price.

Linda: Yes, I can definitely see how changing the quantities brings about a real economic change, as opposed to just changing prices. As Steiner points out, whenever labour is exchanged for money and treated like a commodity, there is a tendency for the price of labour to increase – because workers want to afford more goods and services to get their needs met. But labour is a big part of the cost of production, so when wages go up, prices of goods and services also go up. Then, faced with higher prices, workers demand higher wages again. So wages and prices chase each other upwards in a continuous inflationary cycle – even though workers often make no real gains, in terms of having more real things.²¹

Steiner suggests we put a stop to this cycle by having the rights life regulate labour independently of the economic life. Government sets expectations for labour – the manner and amount of work that is to be done.²² But what does this actually mean?

Ken: Well, maybe we could discuss a practical example? To start off, let's say the rights life determines that a full-time worker should work 7½ hours a day and that the standard hourly compensation should be \$30 an hour. This works out to \$225 per work-day. In other words, the rights life decides that this amount is enough for a person to live comfortably and get their needs met. Once this standard compensation is established – as a matter of rights – then the prices of all goods and services would have to be brought into line with this figure by the associations.

Linda: Interesting. Ok, so on this basis, what would the true price be for a particular good, like a loaf of bread? As you know, our local

Sunny Vale Wholemeal Bread currently sells for \$6.75 a loaf. Is this the true price? And if not, what would the true price be?

Doug: Well, Sunny Vale has two commercial bread ovens and two bakers making this kind of bread. Together they produce 150 loaves of bread each workday. And since both bakers work full time, their standard wage – according to what we just said – would be \$225 a day, or \$450 for the two bakers together. So \$450 to produce 150 loaves of bread means they would earn \$3 per loaf.

Linda: So then, I guess \$6.75 is too much?

Ken: Not necessarily. This is the retail price – what the consumer pays – and this money also has to cover the costs of ingredients, operating costs, capital costs, and taxes. So at \$6.75 a loaf, it might be reasonable that each baker receives only about \$3 a loaf in the end as their personal share. So actually, \$6.75 might be a reasonable price for a loaf of this kind of bread.

Linda: Ok, but don't we also have to look at things from the consumer side as well? If someone earns the standard wage, is \$6.75 a loaf cheap or expensive?

Doug: Good question! All right, if someone receives \$225 a day for working 240 days a year, they would receive a total of \$54,000 a year as a standard wage. What percentage of this, do you think, is reasonable to budget for groceries and household needs?

Linda: I would say a quarter of total income is reasonable.

Doug: Ok, so let's say a person earning a standard wage of \$54,000 spends 25% of this on groceries. Using my calculator ... that works out to \$13,500 a year. Now, about how many loaves of bread does a person need in a year – on average?

Ken: I'd say about 30 loaves a year.

Linda: Sure, that sounds about right.

- Doug: Ok, 30 loaves at \$6.75 a loaf divided by the total grocery budget of \$13,500 a year works out to 1.5%. So a person earning the standard wage would spend about one and a half percent of their annual food budget on bread. What do you think, does that seem reasonable?
- Linda: It's difficult to say. Maybe? It depends on the costs of everything else – of other groceries, as well as housing, utilities, transportation, insurance, healthcare, and discretionary expenses.
- Ken: Actually, just this morning I was talking about the cost of living with one of the bakers – the one just down the street from me. I always enjoy walking to the bakery early in the morning because I just love the warmth and the aroma of freshly baked bread...
- Linda: Oh yes, that smell! There's nothing quite like fresh bread!
- Ken: So true! She told me how her business is doing very well – she sells about 100 loaves each working day. But Doug, if you say that the two bakers together only produce 150 loaves a day, then that means the other baker must only be producing 50 a day?
- Doug: Yes, I suppose that's right.
- Ken: Ok, so if my local baker sells 100 loaves and gets \$3 each, she makes \$300 each working day – and assuming 240 working days a year, that's \$72,000 annually – which is well above the standard wage. Meanwhile, the other – less productive – baker sells only 50 loaves and only makes \$150 each working day, which is only \$36,000 a year – quite a bit less than the standard. My local baker can certainly get all her needs met – and can afford a lot of discretionary purchases – but what about the less productive one, who doesn't earn enough – who doesn't get all their needs met? Life must be hard for them, given the high costs of living... What could be done to make things fair for everyone?
- Linda: I suppose the rich baker could redistribute some of her wealth to the poor baker. Maybe we should make her pay higher taxes?
- Doug: Well, I don't know about that. Steiner advocated for an expenditure tax, not income taxes.²³ So this wouldn't make sense.

It also wouldn't make sense to combine the two bakers into the same company and then pay them equally for equal hours of work – because Steiner was also against paying workers by the hour for their labour.²⁴

Ken: Ok, but to me the most important question is: *why?* ... *Why* is one of the bakers less productive than the other?

Linda: This could be due to any number of reasons, like improper training, incapacity or disability – or maybe just plain laziness. But it would seem to me if the reduced productivity was not the fault of the worker, they shouldn't be penalized. A disabled worker should receive a guaranteed livable income supplement.²⁵

Doug: Or, the reduced productivity could be due to the physical equipment. If the bread oven is too small or isn't working properly, it might need to be replaced.

Ken: Good point! So what if the association – working in conjunction with the local financial community²⁶ – were to ensure that both commercial bread ovens in town were adequate, and also that both bakers were competent and capable?

Linda: Maybe they could provide loans for retraining, or for updating equipment and technology? Theoretically at least – if one baker can produce 100 loaves a day, so can the other.

Ken: Or perhaps there is some other highly skilled baker out there somewhere who could be brought in to replace the less productive baker – who might be better suited to some other profession instead? If the bread oven is registered with a financial community, they could use their right to transfer to pass it to a more productive baker. And, as a condition of use of the commercial bread oven, the financial community might stipulate production guidelines of some sort.²⁷

Doug: Brilliant! This is exactly the job of the economic association – to put their research into action through a production contract. If both of our bakers here in Sunny Vale produced 100 loaves of bread each workday, then the quantity of bread produced would increase. Based on the standard wage of \$225 per workday set

by the rights life, each baker would only need to earn \$2.25 a loaf – instead of \$3 a loaf – to get their needs met.

Linda: This lower payroll cost should bring down the price of bread for everyone, right?

Doug: Yes of course. Hmm, let me see ... Given that some costs of production are fixed and others variable, by reducing the per-loaf cost of payroll, I would estimate that the retail price of bread might drop to something like \$5.40 a loaf – although the actual price would obviously depend on the specifics of supply and demand.²⁸ But if we assume \$5.40, what impact would this have on everyone's annual grocery budget?

Ken: Well, if we run the same numbers as before ... if a person buys 30 loaves of bread at \$5.40 a loaf, as a percentage of the standard grocery budget of \$13,500 a year ... that works out to only 1.2%. That's a bit lower than the 1.5% we had worked out before. Maybe the researchers at the economic association would find that this corresponds better with real human need values?

Linda: Very interesting! So if I understand all this correctly, now both bakers produce the same – 100 loaves of wholemeal bread – and also earn the same – \$225 per workday. So there is no longer a rich and a poor baker. And yet the price drops from \$6.75 to only \$5.40 for everyone in town! So everyone can get more of their needs met – because they have more money left over after paying for bread!

Doug: You're right, Linda. And all this is done without having to tax the rich or combine the businesses into one and pay people by the hour for their labour. Instead, the economic association works in conjunction with the financial community to make production more efficient, and then everyone gets their needs met – especially if the same procedure can be followed for as many goods and services as possible.

Ken: This seems like a fair approach to establishing true prices and reducing wealth inequalities. If competent, efficient people are producing goods and services cost effectively, each worker and

each consumer can get their needs met. In this way, prices become just right.

Linda: And at the same time, workers are not being paid per hour for their labour. Labour is not considered a cost of production and is instead fair compensation – arising as a fair share of the proceeds of sale.

Ken: So what can we take away from our discussion today?

Linda: Well, I suppose what I learned is that it may not make sense simply to help poor people by transferring money to them from rich people. The problem may not be the money; it may have more to do with the underlying quantity of goods that are being produced. In a way, what matters most is that prices are low enough compared to what the rights life establishes as a fair standard – yet high enough that working people receive enough to get their needs met.

So now I can imagine how true prices can come about if all three members of a threefold society work together in a healthy way. The economic life researches prices in relation to human needs and administers various contracts. The rights state sets out the conditions for labour and a fair living wage. And society ensures that capital assets are managed by competent people. Through the living interaction of the three areas of social life, prices will be healthy and everyone will get their needs met.

T. Michael Cox
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Notes

¹ Steiner, *Soziale Zukunft* [Social Future] (CW [Collected Works] 332a), second lecture given in Zurich, Switzerland, on 25 October 1919.

² Steiner, *The Core Points of the Social Question* (CW 23).

³ Steiner stated that “associations ... join people together from circles of consumers, traders, and producers according to purely economic viewpoints” (CW 23, p. 14).

⁴ Steiner indicated that associations should *not* resemble parliamentary meetings: “In agreements from person to person, from association to association, everything takes place alongside work. All that is necessary is that the alliance corresponds to the insights of the workers and the interests of the consumers.” (CW 23, p. 15).

⁵ Steiner described how associations arise out of the insights and interests of people:

Within an association, a general harmony of interests can prevail out of expertise and practicality. It is not laws that regulate the production, circulation, and consumption of goods, but rather people – out of their direct insight and interest. People can have this necessary insight through their participation in associative life; goods will circulate in their corresponding values due to the way interest must mutually balance interest in contracts. (CW 23, p. 14).

⁶ Steiner clarified that neither the cultural life, nor the economic life, ought to be organized according to democratic principles:

[The economic life], as well, cannot be judged democratically – regarding the way business should be done – by every person who has come of age, but only by those who stand within some branch of industry or other, who have become competent in a branch of industry, who know the interconnections, how this branch of industry connects with other branches. Professional expertise and proficiency are the conditions through which anything fruitful can come about in the economic life. (CW 332a, pp. 41–42, TMC Trans.).

⁷ According to Steiner, it is of paramount importance in our times to gain insight into the “radical difference” (CW 332a, p. 49) between the cooperative and associative principles:

Anyone who bases themselves on the cooperative principle will claim that people only need to get together and make decisions out of their commonality, and then they can manage production processes. So first one decides about the association of people, the joining together of people, and then one wants to produce out of this common joining together, out of the community of people. The idea of the three-membered society bases itself on reality and says: first there must be people who can produce, who are competent and proficient. The production process must depend on these people. And these competent, proficient people – they must join together and look after the economic life on the basis of that production that flows from the initiative of the individual. – This is the real associative principle. Production takes place first, and then, on the basis of the joining together of the producing persons, what is produced is brought to consumption. (CW 332a, pp. 48–49, TMC Trans.).

⁸ Steiner believed that cooperatives cannot solve our social problems any better than capitalistic organizations can:

For their part, socialist thinkers have recognized how even through [cooperatives] we would achieve nothing other than putting in the place of a single capitalist a number of capitalistic producing workers. And these capitalistic producing workers would not be able to do anything different than the individual

private capitalist. Therefore, we must also reject workers' productive cooperatives. (CW 332a, p. 43, TMC Trans.).

⁹ Steiner spoke against the nationalization and communalization of means of production, adding how it was unfruitful to form consumer and worker cooperatives:

So we can't nationalize. We can't communalize either. Nor can we achieve anything fruitful by founding consumer cooperatives in which people who need to consume certain items get together. Those people who regulate this consumption and, accordingly, also want to regulate the production of the goods to be consumed will – even in the view of socialist thinkers – become, as consumers, tyrants of production. And so the understanding has already become widespread that both nationalization and communalization, as well as administration through consumer cooperatives, become a tyranny of consumers. Those who produce would come into complete tyrannical dependence upon those who consume. So then, some people think that workers' productive associations – workers' productive cooperatives – could be founded as a kind of collective administration; where the workers would join together and produce for themselves according to their opinions, according to their principles. (CW 332a, pp. 42–43, TMC Trans.).

¹⁰ Steiner considered mutual service as essential to the economic life: “Within economic institutions, one person turns to another because the one serves the interest of the other” (CW 23, p. 50). Furthermore, in an essay published in 1906, Steiner described how society ought to be organized in such a way that we serve others and live from the service others provide us. The more society is structured like this, the healthier it is. This was articulated as the *Main Social Law* [Soziale Hauptgesetz]:

The wellbeing of a totality of people working together is the greater, the less the individual claims the yields of their achievements for themselves, that is, the more of these yields they give over to their coworkers, and the more their own needs are satisfied, not from their achievements, but from the achievements of the others. (CW 34, “Geisteswissenschaft und soziale Frage” [Spiritual Science and Social Question], p. 213, TMC Trans.).

¹¹ Steiner pointed to rifts arising between people, resulting from the evolution of the monetary economy over recent centuries out of the older, natural economy – and indicated how these rifts can be overcome through economic associations:

And how close the consumer was to the producer in the old natural economy – where one was dealing with real goods! How distant is the person who deals with money from those who work to ensure that this money can yield interest! Rifts are opening up between people. People are no longer close to each other under the monetary economy. This, above all, must be taken into account if we want to understand how the working masses – regardless of whether they are intellectual, whether they are physical workers, like those who actually produce – must in turn be brought closer to those who also make business possible with capital investments. But this can only happen through the associative principle – through people joining together as human beings. The associative principle is a demand of social life, yet a demand such as I have characterized it – not like the

kind that often functions in socialist programs. (CW 332a, pp. 51–52, TMC Trans.).

¹² To bring about fair prices, Steiner suggested bringing greater rationality to the free market through the work of associations:

An institution must step into the place of today’s chaotic market – one through which people’s needs, people’s consumption, are generally not tyrannized, as they are through workers’ productive cooperatives or through large socialist cooperatives – and instead, one through which the consumption of people is researched and then, accordingly, determinations are made as to how this consumption ought to be met.

For this, it is necessary that, under the influence of the associative principle, the possibility is really created of producing goods in such a way that they correspond to observed needs – that is, institutions must exist with people who study these needs. (CW 332a, p. 57, TMC Trans.).

¹³ Steiner indicated that associations must also bring together those who own property and those who do not:

And let us try this, even once, despite all the prejudices, with an association of those who currently do not own property with those who do. If no forces other than economic ones intrude, then the owners will necessarily have to balance the value provided by the non-owners with equivalent countervalue. (CW 23, p. 16).

¹⁴ In the third *Social Future* lecture, given in Zurich on 26 October 1919, which focused on the rights life, Steiner emphasized the importance of contracts to the work of economic associations:

Associations should form within the economic cycle, as I explained yesterday. Professional classes will face each other; producers and consumers will face each other. What happens there – in terms of purely economic facts and measures – will be based on contracts that the associations sign with one another. In the economic life everything will be based on contracts, everything on mutual achievements. There, corporations will face corporations. There, expertise and competence must be decisive. There, it doesn’t matter what opinion I hold – let’s say if I’m an industrialist – about what significance my particular branch of industry should have in public life; no, I won’t be able to decide anything about that once the economic life is independent – instead, I will have to achieve something within my branch of industry, I will have to sign contracts with the associations of other branches of industry, and they will have to offer me counter-achievements. Whether I’m able to get them to provide these counter-achievements, that will determine whether I can bring forth my achievements. Contractually, a proficiency association will be established. These are the facts. (CW 332a, pp. 88–89, TMC Trans.).

¹⁵ Steiner compared the economic life to the nerves and senses of human physiology: “This economic life must be an independent member in and of itself within the social organism, as relatively independent as the nerve-sense system in the human organism is

relatively independent” (CW 23, p. 46); and: “the economic member ... appears within the social organism like the head system appears in the whole human organism” (p. 49).

¹⁶ Following a discussion of the archetypal phenomenon of economics, Steiner pointed to the work of individuals with social will in establishing healthy prices:

The archetypal phenomenon, the archetypal appearance in this area is that today profit-making alone puts someone in a position to say to themselves: You can produce a certain product because it will have a certain value within the human community.

The market that has this significance today will undergo restructuring once a real principle of association becomes embedded within our social life. Then, the impersonal demand and supply of the market, separate from the human being, will no longer decide whether a product ought to be produced or not; then, out of these associations, through the social will of the people involved, other personalities will emerge who will occupy themselves with examining the relationship between the value of a produced good and its price. (CW 332a, pp. 56–57, TMC Trans.).

¹⁷ In German, Steiner used the terms “gesundes Preisverhältnis” (CW 23, p. 131) and “richtiger Preis” (CW 340, p. 82) – which might be translated as healthy price, right price, correct price, proper price, or true price.

¹⁸ The German word “Bedürfnisse” – used by Steiner and translated as “needs” – encompasses the necessities of life as well as our genuine wants and desires.

¹⁹ In his book on social threefolding, Steiner articulated his true price formula as follows:

Only through an administration of the social organism that comes about in this way, in the free collaboration of the three members of the social organism, will a healthy price relation of produced goods emerge for the economic life as a result. This must be such that each working person receives as much equivalent countervalue for a product as is necessary to satisfy all their and their dependants’ needs until they have again brought forth a product requiring the same amount of labour. Such a price relationship cannot be established by official means, but must *arise as a result* from the living collaboration of the associations active within the social organism. (CW 23, p. 108).

²⁰ Steiner emphasized the necessity to effect real economic change by altering quantities produced, not merely by adjusting prices:

The needs that exist at any given time must be studied, and then arrangements for production must be made. If an item somehow develops a tendency to become too expensive, then that is a sign that too few people are working on that item. Negotiations must be made to transfer people from other branches of production to this branch of production, so that more of this item is produced. If an item has a tendency to become too cheap and its producer earns too little, then negotiations must be initiated so that fewer people work on this item. (CW 332a, p. 58, TMC Trans.).

Note that it is necessary to transfer workers from one branch of production to another because labour is a human-to-human rights relation. When another person provides me with goods and services, I effectively owe that other person what they saved me from having to do to provide these for myself. So under a system of division of labour, it is a matter of fairness and equality that each working person is obliged to contribute their own skills, effort, and living body to provide what others need. It would be unfair to create separate social classes of working and non-working persons, because the latter would not be contributing equally. Therefore, rather than being made unemployed, workers must be transferred to other branches of production where they can produce goods and services needed by others in society. And if, through advancing technology, society finds itself requiring less labour overall, the rights-state can reduce the length of the work week for everyone equally.

²¹ Steiner pointed to the inflationary spiral that necessarily results when labour is paid for like a commodity:

... the moment labour is paid for in the same way as goods, in the same way as achievements, labour must of course strive – through struggles – to get better and better pay, better and better remuneration. But the money that labour receives as remuneration, that has the same effect on price formation as the mere increase of money in circulation. (CW 332a, p. 53, TMC Trans.).

²² Steiner described how only the products or achievements of labour – not the labour itself – is relevant to the economic life. Labour itself is a matter of rights:

In other words, expending labour – that’s something that doesn’t come into question socially at all; however, that which comes into being through the expenditure of labour, that is what comes into question within social life. We must look at what arises through labour. That has value for the community. Therefore, even within the economic life, only the product that is brought forth by labour can come into question. And the economic administration can only concern itself with regulating the mutual value of these products. Labour must lie completely outside the economic cycle.

Labour must lie on a legal basis, on the basis – which we will discuss tomorrow – where each person who has come of age has to judge every person who has come of age, facing them as an equal. The kind and hours, the character of labour is determined by the mutual rights relationships among people. (CW 332a, pp. 54–55, TMC Trans.).

²³ For further information about Steiner’s ideas about tax reform, see *Money for a Threefold Society*, Chapter 32 (Cox, 2024). In this situation, we may imagine the retail price of bread to include an expenditure tax – which, for the sake of argument, might be about 40% of the total retail price – and then what each baker personally receives – such as \$3 a loaf – would not be subject to income tax.

²⁴ In comparing one person who plays sports to another person who chops wood, Steiner pointed out that although both may expend the same amount of labour, only that of the wood chopper has social significance (CW 332a, Lecture 2, pp. 54–55). This example clarifies how labour, in itself, does not belong to the economic life; only the *achievements*

of labour belong, in terms of the goods and services that are thereby produced. In itself, labour – as well as compensation for labour – belong to the rights life, to the life of human-to-human relations.

²⁵ For more about guaranteed livable income supplements, see *Money for a Threefold Society*, Chapter 32 (Cox).

²⁶ The idea of a financial community is introduced in *Money for a Threefold Society* (Cox). A financial community issues an alternative, economic money and finances productive assets within an ethical private-social ownership framework. This ownership framework balances the needs of individual and society in a healthy way and brings about the gradual separation of state and economy.

²⁷ A financial community can stipulate production requirements in an *ethical registration agreement* at the time of asset registration – for example, as a condition for accepting the private management of a commercial bread oven that is financed by the community. Such ethical registration agreements may be negotiated by a financial community independently, or in conjunction with economic associations. See *Money for a Threefold Society* (Cox).

²⁸ If, at a price level of \$5.40, it is discovered that bakers earn more than \$225 a day, the economic association might determine that the price of this particular kind of bread is still too high compared to consumer needs, so more bakers ought to be engaged to produce a larger quantity in order to put downward pressure on the price.

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