

Economic Explorations

CHAPTER 2

THREE KINDS OF MONEY

by Warren Ashe

A grasp of threefold money can only be gained by working from the notions of threefold man and threefold society. We have built into us, into the very idea of humanity, the threefold man: the head, the heart and lungs, and the limb system. This is not new to you as Waldorf teachers. When you teach a class you teach not only the head man, but also the heart-and-lung man and the limb man. It is of central importance that parents learn that this threefoldness exists not only in the classroom, but also in social and institutional life, so that a school, too, has a threefold being, and society at large does as well. The problem is to see it.

As a man stands before you, you might find it hard to see him as threefold because it manifests itself in a sort of distorted form. Just to take it at the skeletal (quite apart from the functional level), the head is rounded, spherical and has enclosing qualities when contrasted with its polar opposite, the limbs. Limbs are experienced in their radiation, going from one bone to the next. Discerning of archetypes is something that must be cultivated. When we speak of the head, the limbs and the rhythmic system, we are speaking of something that is archetypal in man.

Those responsible for the financing of Waldorf Schools can only do their job if they learn to really look at their schools as structural organisms and at the society in which they are embedded and try to discover whether there is a way to work with them parallel to the way the teacher wants to work with the child. This means trying to discern archetypes.

A house divided against itself will not stand. If the finance committee or the Board of Directors of the school is working on quite different principles, on quite different perceptions of life from the teacher in the classroom, sooner or later this dichotomy will force a rift.

To appreciate the threefoldness of society will not be immediate or easy, just as one's experience of living simultaneously in one's head, rhythmic system and limbs is not easy to appreciate. Now, I can at one and the same time be conscious of certain thoughts and have feelings and actually perform actions, so I can coordinate this one being at three different levels; so also in society. If we speak of those well-known three spheres—the economic sphere, the political sphere and the cultural sphere—it is important to understand that although you can distinguish between them, you cannot divorce them from one another. We live within them simultaneously.

Let me show you what I mean. Insofar as we consume things in the maintenance of our physical beings (food, clothing, shelter, etc.), we are living in the economic sphere.

At the same time, we are always relating to one another. We respect certain norms of behavior. We appreciate one another and try not to trample on each other's rights. We are always, semi-consciously, acting politically. We are also a part of a larger society, respecting its laws and deriving benefits from it as well. Insofar as we are social beings, and must relate to one another, we are living in the middle sphere—in the political, or rights sphere.

And finally, each of us is sitting here in splendid isolation, bringing to bear individual judgment, our own opinions, the way we think about our experiences in life. What we make of it inwardly is our own responsibility. In that we are not accountable to anyone, we are free in the cultural sphere.

These three conditions are simultaneous—we experience them all at once. Our problem is to see that they do not interfere with one another but rather blend with one another, and that the principle that prevails in one sphere does not come to prevail wrongly in another.

Rudolf Steiner spoke of the three bywords of the French Revolution: Liberty, Equality and Fraternity as belonging to the cultural, rights and economic spheres respectively. We speak of being totally free only in one aspect of our being—the cultural (spiritual) man, of seeing the necessity for equality in the realm of rights and of being dependent on other people in the economic sphere.

We sometimes like to cultivate the myth of economic self-sufficiency and think that a man can support himself in society at large. Sometimes this idea is created in literature or becomes fashionable. A well-known example is Robinson Crusoe, who is supposed to epitomize the self-sufficient man. A careful reading of the novel reveals, however, that most of his supplies were obtained from the shipwreck. That is, he was provided for by other people. Because of the division of labor in our time, this dependency on others has gone further and further.

Steiner was quite right when he said that in this respect we are all brothers. Are you your brother's keeper? Only economically. Don't try to be your brother's keeper in any legal sense. There you are your brother's equal. In the cultural sphere you want nothing to do with your brother. But economically you are your brother's keeper, and he is yours. We all need one another.

I have put this as un sentimentally as I can because, like the fundamental social law, which we have heard quoted and seen written during this conference, it is meant to be a social, scientific description of society which Steiner has put forward. It is not a prescription like "be nice to one another." It is simply a description of what healthy society needs. It needs the recognition of the three spheres, and with it the acknowledgment of economic interdependence.

This idea is fundamental to everything one thinks of. Let it be a challenge to look at the organization of the school, which also exists at the three levels, or in the three spheres. Can you discern the discrete economic, political, and cultural forms and functions? Instead of giving a direct answer to the question, I suggest we turn to something else, namely money. It's interesting stuff because, although we conceive of it as absolutely material, money is not material at all. In fact, it is one of the least material things. In most cases these days, it never takes a more material form than an electronic impulse in a computer. It is many things at once: a measure of value, a state of value, and so forth. But when it comes down to it, how do we experience money?

There are occasions where you handle the stuff in different forms: plastic money, paper money and coin money, for instance. When we handle the physical representations of money we usually use it to buy and sell things, for transactions, for example, to purchase nuts, raisins and cheese at the local coop. I put the money on the counter and get the food in return. That is a relationship. When I buy the goods I am saying that I want the goods more than the money. The person who is selling is saying, "I need the money to pay for the production of the goods, to support myself and my employees and to purchase more materials in

order to provide more." Every time you purchase something you are in effect ordering it again. This is the essence of an exchange of this kind: It is of mutual benefit and the time is immediate—that is, when the transaction is completed the relationship is completed.

A second experience of money is one where someone comes to you in trouble and says, "I need a couple of hundred dollars just for this week." You lend it to him because you happen to have spare money that you don't need for your own purchases; it is superfluous, and he has a shortage. Because he has a shortage and you have a surplus, you can supply his shortage with your excess under certain conditions. He has to pay it back a week from Saturday, and when he pays it back, because he is a good friend of yours, you are not charging him interest. You are doing him a favor; and, in fact, you would expect that he would do the same for you. This is an implied friendship: You are there to help one another. You will lend him the money and he will pay it back at a particular time. This type of transaction is not instantaneous as purchase money is. Loan money involves a longer relationship.

Conventionally, when we borrow or lend money, we do pay interest and when we do so, we are wiping out any friendly or personal intention in the lending. When you borrow from a bank, it is strictly a business relationship and whatever the interest is, you pay that. At the end of the transaction, you owe nothing to the bank and the bank owes nothing to you. Interest is, in fact, a kind of settling of that moral debt.

Lending and borrowing can take many forms. Sometimes it is not as straightforward as I have described. Sometimes it is a kind of disguised borrowing and lending, as when you buy shares in a company.

A person starting a new company doesn't have the confidence to say that he can borrow 10 million dollars for the next five years and repay it to all his creditors. He doesn't have the necessary superfluous money himself. So instead of asking for a loan, he sells parts of his enterprise in the form of shares to those people interested in the business and who have confidence in him. Instead of getting interest on his loan, the "lender" gets a share of the profits, taking the risk that there will be no profit. If there is no profit, there is no dividend. That is a kind of loan, but it is a loan to an enterprise, not an individual.

When you buy a share of a company, generally speaking, that is for the life durations of you and it and beyond. If the company is taken over, the shareholders will have an interest in whoever takes it over—a financial interest. You can buy and sell your share, so if you need the money back, you can sell your share to someone else. From that arises very quickly and easily a speculative element that no longer has to do with and is far removed from the original intention of those who founded the first limited companies, the joint stock companies of the eighteenth century (the time when these things started).

There is a third experience of money which you may have had. This occurs when you see something happening, or you have a certain feeling about a person, and you want, selflessly, to help the situation. Sometimes it is quite sentimental, other times it can be absolutely objective. Your ten-year-old son is having a birthday so you give him \$5.00. Now, what is the nature of this transaction? (It is a transaction just as much as a purchase is.) The nature of this is that it is entirely one-sided. It originates from a donor; but it involves no repayment, and there is no giving over of a product. This is harder than it seems. It is only a genuine, free gift if you don't put conditions on your little boy. If you say, "No candy, and don't go to the movies either," in a way, that gift you gave him has been severely limited—his sphere of activity is not free.

(That might be quite right and appropriate with a ten-year-old, by the way.) You may wish to limit your gift and make it conditional or a non-gift. Emotionally that gift might depend on his nature, his gratitude. Maybe it will no longer be a gift if he simply takes it and puts it in his pocket and walks off without saying "Thank you." (Some parents take gifts back if that happens.) Money is a true gift insofar as there are no expectations or conditions attached to it. It can be a tinged gift if you put conditions on it.

When we support our children in their economic dependence it is a form of gift; they need to be supported even though they are not productive. Mostly there is a kind of unspoken acknowledgement of freedom in the giving. "I will support my children to the best of my ability, and the object of doing that is to make their lives as full and healthy as possible so that they will have as much freedom as possible in the long term when they are no longer dependent."

Usually this is a very unconscious thing. It is so built in that we laugh at jokes such as appeared in the New Yorker recently: the cartoon depicted a wealthy old gent who had his young, preppie son on a couch in front of him. The caption read, "George, today you are 21 years old and you owe me \$209,000.00, and I'll take payment over the next five years." We don't lend our children whatever it costs to raise them.

Education is also given; that is, education (as opposed to training) is provided for one way or another without specific hope of economic return. (This is not to say that there aren't loans for education.)

Now that we are aware of the three kinds of money, can we use them in the management of schools? Does it make any difference as to what kind of money you are actually dealing with when you run a school?

First of all we might ask, "Economically, what is the function of the school?" Good question. Do you produce a particular good or service for the marketplace? Some people are of the opinion that education is such a service. If it is seen as an object of buying and selling, a vendable item, then its nature will change considerably. Most people acknowledge that really it is not a commercial service, except in its highly specialized forms such as vocational training.

We sometimes hear, in Anthroposophical circles, that "education is a free gift." What do we mean by education? If you train someone in a particular skill for a particular commercial function, it is still education (a particular form of metamorphosed education), and it is a commercial service. But in the case of children, there is a different attitude and activity. It isn't a specialized mutual purpose; it is a much freer and broader activity which we call education. We are here to enrich human beings so that they can make of those riches what they will. Education is a cultural activity, not a saleable commodity.

Can we, therefore, write off the school as an economic body? No. A school is an economic consumer of material objects from chalk to chintz. It should receive gift money in order to use it as purchase money and for salaries. This last use raises a host of new questions.

Is the school a political body? Every organization that exists must have connections and relations to other people. Incomes are something which always express relationships. It is not assumed that we all must have equal salaries because we are equal before the law. But many of you may know that when you get into the area of salaries with colleagues, it can be a very touchy and delicate subject, something that people don't talk about easily, because it involves their very relationships. On the one hand, it is unwise to dictate rules, and, on the other, you can't let things go without saying anything. One is looking for principles that will guide objectively and fairly, and these are hard to find. If we speak of three kinds of money, can I say that a

salary is purchase money? People commonly speak of buying and selling their labor.

Rudolf Steiner specifically said that there are three things that should not be made the object of purchase: labor, capital and land. He would find a money market, like the land market, an unhealthy phenomenon.

It is easy and comforting for us to say, "Steiner said," and build everything on that, but we should have a little appreciation and understanding of it. Why should it be so bad to treat these things as commodities?

If you sense your own labor as being something you can sell to the highest bidder, that labor is immediately detached from you. Regardless of what work you are going to do, it is for the sake of income. People have that experience all the time. There is no pleasure or satisfaction in their work. There is no sense of being involved in it because it is only there in order to gain money—you prostitute your labor. If, on the other hand, you do it from personal commitment, if you sense that you are receiving money so that you can work, then the work becomes a personal, creative, important thing. It can be imbued with the consciousness of being done for someone else, and the salary comes as an enabling factor, not a reward or compensation. If the teacher in the classroom senses and experiences his money as enabling him to teach, he will have a different attitude toward the teaching.

The problem of how one determines another's income—what is the right way to do that—is really a question of how we handle our relational money that is amongst us for our use in order that we may teach. This money is not a gift—if we don't want to teach we will receive no money. It is much more conditional than that. It is also not purchase money. Maybe it's best to look at it as loan money.

I bring this forward as a tentative idea. If we think of salary money as loan money, what form does the repayment take? It is not in the form of legal tender, dearly; but if you think of more educated pupils as being the fulfillment of a contract, a fulfilling of obligation, it isn't exactly a payment and repayment, but there is a reciprocity. It is the same sort of reciprocity that borrower and lender have. The whole question of interest and so forth disappears; there are no profits, but still it is a kind of mutual dependence which is not simply an exchange. Furthermore, you may not consider voluntary salary cuts as free gifts. It's what you call a survival sacrifice.

What is the school's position in regard to gift money? Now we can get to a much-debated point. This is the question of tuition. Should the school charge for its services? Should the school depend (like a beggar) on the charitable donations of others? What other possibilities are there?

If you are going to make up a budget, you have to be able to depend on income. You have to be able to calculate the income to have a secure budget. Having a secure budget is not the same as having a secure physical existence.

About four months ago I visited five or six schools in the San Francisco Bay area. All of the schools in the Bay area—every single one of them—had a nervous-looking deficit for this year and all of them based their income on schemes that reckoned to have so much per student in tuition fees. If I were to go to the school in Bristol, in southwest England, which does not charge fees, and were to look at their budget, I'm sure that I'd see a deficit there too. Neither of the methods is in itself more secure. If you charge per head, you may be eliminating large numbers of parents; if you leave it to gift, you may be encouraging

irresponsibility, because when people receive free education, they have no idea of what it costs and feel no responsibility for helping others to have it.

Is there no other way to think of providing income except as fees chargeable or gifts hoped for? Are these the only possibilities for tuition? Maybe one of the problems is that, when it comes to the garnering of income, most schools do not have the social and financial organ necessary to do it in a healthy manner. What particular organ might be developed within each school for the economic support of Waldorf Education? This will be the subject of later deliberations.

When dealing with school budgeting, it is important that members of the finance committee and Board members reflect on their own personal experiences of dealing with money and are aware of the three kinds of money, how they function, how they create relationships.

To reiterate, purchase money is the expression of mutual interest, instantaneous and finite. Loan money is an expression of mutual benefit over an extended, specified period. Gift money gives the recipient complete freedom in its use to affect a broader circle. Cultural activity, made possible through gift money, affects the economy through the input of ideas and stimulation of economic activity. Education is largely responsible, for example, for the development of people who in turn can develop innovations for the economy.

Rudolf Steiner once spoke of money as the "spirit realized." He meant that free capital, or profit, is the economic ramification of spiritual power. It is the intelligence, the thought, the drive, the energy that make production, distribution and consumption effective. These are all the result of human spiritual activity.

Here we see how the three spheres of society relate to one another. The spiritual sphere feeds the economic: New ideas and talent generate profitability, and the profits go back into the cultural life to generate more spiritual activity to flow in turn back into the economy. A symbiotic relationship exists between the two, and between them always should be the political sphere, that sphere of norms and relationships, without whose existence the two could not be independent of one another.

Let me say that when I put these ideas forward, I don't claim expertise. I am quite willing to be contradicted and shown a different point of view. We are all feeling our way in education matters. Rudolf Steiner gave several series of lectures on education, but there are very few indications on financial or economic and social methods. There are no nicely worked out models. You must be creative and perceptive yourself, if your school is to make progress in financing Waldorf Education.

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