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Money gone wild and its taming

From an Understanding of Money-processes
to a Renewal of Cultural-spiritual life

Translated by Philippe Lheureux

Profits explode within the financial industry and capital storms like an animal gone wild all over the earth-ball. Already since the end of the 19th century money has become a commodity and has hereby become somethings abstract. The consequences of this are described by Rudolf Steiner as »a dissolving of concrete human exchanges in social interactions«. With a functional social Three-folding in the backdrop then well in the form of a Cultural life, a Rights life and an Economic life, Stephan Eisenhut sheds light on the ever more threatening economic activities around Hedge-funds, take-overs and fusions. From his considerations in that sense, there results, amongst others, possibilities for reforms into new property-rights that put the means of productions into the hands of collaborating individuals.

The Deutsche Bank indicates, for 2005, an augmentation of its results by 58% on 6.4 billion Euro.¹ In November 2006 Deutsche Bank announced already for the first nine months of 2006 a result, before taxes, of 6,3 billion Euro.² A non-significant part of this profit is due to a certain Anshu Jain, who is responsible for the global markets, for the trade in fixed income securities, for the activities on the currency market and for the foreign exchange business. Especially in the foreign exchange business is the Deutsche Bank known as a leader. About Jain there is the following account in a German newspaper: : »The magazine ›The Economist‹ called him once a ›Bondjunkie‹, who has transformed the money-house into a gigantic Hedge-fund. But the businesses Jain runs, are so difficult to look into, that his position is barely touchable, as long as he is successful.«³

1 www.db.com/presse.

2 Ebenda.

3 www.sueddeutsche.de/wirtschaft/artikel/695/72623

The dominion of Money

Money processes are difficult to look into. For most people it is enough when they have money. But those opaque money processes are defining our lives ever more. They deserve therefore our special attention. The American Brooks Adams describes already a 100 years ago in his book: »The Law of Civilization and of Decline«, that at the beginning of the 19th century the dominion of trades people within the economy had been replaced by the dominion of the banks.⁴ Rudolf Steiner takes this analysis further when he discusses this problematic, in depth, called forth by abstract dealings with money within the global social organism.⁵ And he develops the thought further, when showing that by the end of the 19th century the dominion of bankers »... went over into the dominion of shares, of banknotes as such. And we have arrive in a time where the individual owner of capital isn't any longer essential, but rather the abstract, conglomerated capital itself.«⁶

At that time there was still no modern information-technology, making it today possible for gigantic sums of capital to be moved in milliseconds around the earth globe. The capital movements of the 1920ies in the 20th century were rather minimal compared to those of today.

However already then Rudolf Steiner forms the following judgment: »Hereby human development has arrived at an extreme, at an outer limit. Since from the moment it became money as such that rules, from the moment money becomes the ultimate driving motor, the times have arrived, where realities have to be superseded, – I would dare say –, by the blunt and bare number in the form of money.«⁷

This replacement of realities by money would require a spiritual understanding of money. Misunderstood, the human spirit would only increasingly work as an abstraction force within money. If this abstraction force, however, is taken hold of by the self-conscious human spirit and ever again brought back onto human realities, then money can continue to serve people. If this doesn't happen, then another destructive spirit is unleashed, who seeks to dissolve human realities. It is in front of such a spirit that we stand today.

Money-capitalism as it has developed itself in the 19th century, is seen by Rudolf Steiner as the actual destructive force in social life. The cause of this lies within the properties of money itself, seeking to make everything equal. The making of a work of art requires a totally different approach than the production of a pair

4 Comp. Brooks Adams: Das Gesetz der Zivilisation und des Verfalls, Wien / Leipzig 1907, p. 386.

5 Rudolf Steiner: Soziale Ideen - Soziale Wirklichkeit - Soziale Praxis, Dornach 1999 (GA 337a), p. 145 f.

6 Rudolf Steiner: Soziales Verständnis aus geisteswissenschaftlicher Erkenntnis, Dornach 1989 (GA 191), p. 177f.

7 A.a.O.

of boots. With the first, the spiritual activity stands in the fore, with the second it is the material activity. However both could be sold for the same sum. »Money,« according to Rudolf Steiner, »takes on hereby a certain abstract character in the face of actual life processes«. ⁸ Through this equalizing character of money can land and soil, means of production and of consumption, – which are all very different things according to the various ways in which they each stand within the socioeconomic process –, all become treated in the exact same way. This leads to the fact that people appear, for whom it is solely about acquiring and multiplying money, and to whom it is indifferent if this money represents land and soil or means of production or even means of existence of people.

This signifies that the concrete interests that one can have for individual products and branches of production are replaced by abstract interests, for which all these differentiations dissolve, namely by money-capital. Under the influence of the global banking economy this has led to the »dissolving of concrete exchanges in human social interactions«. ⁹

Hereby the main problem of modern social life has been formulated: the dissolving of concrete exchanges between people. Not any longer are decisions being made out of the perception of individual life-situations and needs, such as for instance the way in which land and soil or means of production can be put to use, but out of abstract return considerations. Concrete human relations are replaced by abstract, but powerfully active, money-processes, guiding people further into an unfitting course of events.

Is there, in any way, a possibility to escape this unfitting course of events of the modern economy? When following Rudolf Steiner's thought further, then the problem doesn't really lie in the economy, but first and foremost in the art and manner in which the cultural-spiritual life relates to the economy. Contemporary Cultural-spiritual life has itself become as abstract as are the above described money-processes. Such a cultural-spiritual life is not in state of defending itself against money-abstractions working with the same evidence as natural processes, nor can it influence a Rights-life taken hold of by majority decisions, through, for instance, stimulating a true Rights-knowledge, one gained on the basis of a free spiritual life. A central question of common social life is therefore: how could it actually a cultural-

Functionally determined Cultural-spiritual Life, Rights Life and Economic Life

⁸ A.a.O., GA 337a, S. 145 f

⁹ A.a.O.

spiritual life come about that could find within itself the strength for this required self-assertion within society?

A closer look at the functional determination of the notions »Cultural-spiritual Life«, »Rights Life« and »Economic Life« could clarify this.

Under Cultural-spiritual Life, this field of social life in question, is understood as to be primarily brought about by the individual. It is to say: everywhere where in social life something comes into existence through individual capacities, the Cultural-spiritual Life is at work.¹⁰ The management of an enterprise is therefore an expression of the Cultural-spiritual Life just as much as the conception of a good book. In the same way is the baking of a bread an expression of the Cultural-spiritual Life, in as far as the individual capacities of the person in question are concerned.

If however it is more the result of the human activity that is considered, -destined as it is for exchange-, then it is the Economic Life that is highlighted. It is the function of the Economic Life to consider and to shape the processes and the conditions concerning Goods.

In contrast, it is the function of the Cultural-spiritual Life to consider the individual human being and his lives situations. The Cultural-spiritual Life is however not founded upon an individual that can only exist by itself, but above all upon a mutual perception of individual activity.

The Rights Life is concerned with the human being in general, in as far as this general human being requires Rights norms. Out of the Rights Life of certain groups of people, the individual Rights States are formed. The Rights State has the task, to protect the rights norms both inwardly and outwardly. The Rights Life has the function to consider that which lives and expresses itself between people and which can be experienced as disturbing or dangerous. Here it has to intervene in a normative-ordering way. The different functions are either guided by individual considerations or by groups considerations or by the (world wide) commodity processes.

From this functional Three-folding, an institutional Three-folding could be deduced. Without the functional Three-folding in the background, any attempt to shape society would lead into banality. While determining for the three members of the social organism to be differentiated in a proper and healthy way, aren't necessarily the institutions. But whether enough people could

10 That the free spiritual life, or life of the mind, is primarily concerned with the development of human capacities, is because it is only a particular aspect of the spiritual or cultural sphere.

As »half-free spiritual life«, Rudolf Steiner characterizes the field in which the individual human spirit directs itself on the execution of economic activities, see Rudolf Steiner: World Economy Dornach 2002 (GA 340).

deal consciously with those forces brought about in social life, by the different soul attitudes which come forth from people having to take on the three points of view in the various outlined spheres of life. Today predominantly those soul-attitudes make themselves felt which either are determined by the Economy or by the Rights life. It is to say, either everything becomes subjected to a calculating kind of thinking based on commodity processes, or, it could also become the Rights state with its ordering capacity that becomes determining, and which would be experienced over the long run as threatening to individual relations. But either of these directions, would mean to cast out the devil with the help of Beelzebub, while the State can't possibly out of its own principles do justice to individual relations. This proper soul- attitude required for this can only be developed within the Cultural-spiritual Life. The unfitting course within the economy can only be banned when it is completed by a Cultural-spiritual Life, which is capable of recognizing the individuality of another person.

The lack for this perceptual capacity shows itself today most clearly from the individual-levelling way in capital-processes work. How does capital come into being? Only through the fact that the individual creative spirit takes hold inventively and organizingly of the economic production and organization, while hereby human labour is spared. Capital is the surplus that comes about when the individual spirit is active productively. It comes into existence out of the Cultural-spiritual Life and not within the economy proper. When now capital becomes commodities, then it drops into the power of the Economic Life.

People have become used to organize the passage of the right of disposal over means of production and money-capital through other people by means of sales contracts. Enterprises are hereby treated as commodities, and money-capital is made available when possibly high returns are envisioned. Enterprises which are not quoted on the stock-market can access capital when they break up the actual property rights of the enterprise and by selling those as shares on the stock market.

Since more than 20 years certain Funds have specialized themselves in acquiring majority holdings or in the complete acquisition of such enterprises having become hereby available on the stock-market: Those so-called Private-Equity-Funds have come lately in disrepute, -despite their claim of bringing mismanaged,

Capital and Means of Production in the power of the Economy

11 In 2006, 360 billion Euro were raised worldwide by these equity funds. This represents 90 billion more than in the preceding year, which in any case was itself a record year. See. »Beteiligungsfonds im Geldrausch«, FAZ, 5. Januar 2006, S. 19.

dilapidated firms through their participation and investments back on track.

The sanitized enterprises are then as a rule sold after five or six years with great profit. The capital at their disposal was in the past collected by these Funds first and foremost amongst very rich investors, the ones who could afford not to shy from new or even unsecured investment opportunities, then later on, amongst more institutionalized investors such as Pension Funds, Insurance Companies and Banks, but also amongst State institutions. In the start-up phase these Private-Equity-Funds could indeed, in the sense of these claims, sanitize firms. They had mostly only access to firms who were rather run down. With their increasing successes, these Funds became also interesting for Banks themselves. While when capital is treated as a commodity, then it has to be directed towards that place where it will receive the highest return for its input, no matter what, it is to say, where the highest interest can be obtained. In that sense, it was a natural consequence that in the measure in which Private-Equity-Funds became successful, the more capital would stream towards them.¹¹ But the more capital becomes available, the more it becomes difficult for it to be invested with high return. At the same time, hereby these Funds are put under considerable pressure, while when their returns drop, their investors will withdraw their capital.

Many Funds will therefore develop ever more brutal methods so as to maintain high returns. The simplest method in that sense is to drop the equity shares during take-over.

Statistics show that equity shares of the Funds drops permanently since 2001. For the firms that were taken over this means that they had to serve increasingly higher debt, paying more and more interest. Then the strategy moved further and further to well-managed enterprises, who in fact didn't need a sanitation at all. Those become then slaughtered in straight line by those Funds. An example in this regard is Henkel's sister enterprise Cognis, which was sold by Henkel for strategic reasons in 2001. Cognis had, before the take-over by Goldman-Sachs and Permira, an equity ratio of over 30%; after the take-over for 2,5 billion Euro these had fallen to 4,1%. Because of that Cognis had to now service loans to the height of 900 million Euro, which through the high interest rates lead in 2002 to an annual loss of 25 million Euro. Additionally, Cognis had to now disburse yearly millions in Consulting Fees to Goldman-Sachs and Permira.

Then investors procured additional capital to the stock market for the enterprise that became increasingly indebted, and from which in any way they cashed already high amounts of special dividends. Although the daily operations of Cognis ran smoothly, it couldn't make any further profits through its high amount of debts. The attempt by investors in February 2006 to get rid of the enterprise failed. Now the firm is being »restructured«, it is to say the less profitable departments are outsourced, and employment is reduced.¹²

The outcome of such investments is the disturbance of economic potential and not its development. The claims and the actual reality of the Private-Equity field are today quite far apart. With the example of the Private-Equity field is clearly shown what happens, when loan money and means of production are treated as commodities. The original idea at the basis of an enterprise, is completely changed in its opposite, leading to »sanitizing« enterprises in an economic downward spiral, when too much money-capital is available. It leads indeed to well-managed enterprises becoming victim of investment strategies and paining under their debts.

It is a main problem of the modern division of labour within the economy that too much Capital is created while its meaningful use can apparently not be found. The point of view of the economy, which can only grasp commodity processes, doesn't allow for a meaningful allocation. The dynamic should therefore, by necessity, be reversed in its opposite.

In 2006 2,9 billion Euro have been spend solely for take-overs of firms. This is 16% more than in 2000, in which the New Economy bubble burst and 29% more than in 2005.¹³ Not only Private- Equity-Funds profit from this boom, but even more so investment banks, commercial banks, investment funds and institutional investors such as insurance companies. A real rise in purchasing power has however not been achieved. On the contrary: an increasing fraction of prices of real goods, which are paid by consumers, are to be covered by enterprises as costs for loans and other capital costs. It is therefore not surprising that consumers, although increased productivity, have today barely more money in their pockets as in 1991.¹⁴ If money does not serve the organization of exchanges of achievements, but the commerce of rights of use, then a double run-out appears in the socioeconomic process: on the one hand appear literally par-

12 This example is from Der Spiegel, Nr. 51/ 18.12.2006., S. 74, Chronik einer Plünderung.

13 See: Spiegel Online, 21. Dezember 2006, 10:15; URL: www.spiegel.de/wirtschaft/0.1518.455846.00.html.

14 See. Die Zeit, Nr. 49, 30. November 2006, »Wo bleibt die Kaufkraft - Stagnation seit 15 Jahren«.

Effects on money's purchasing power

king- places for purchase-rights together with stagnating or even diminishing purchasing-power, on the other hand are the prices for these rights-of-use, for enterprises and companies, endlessly driven upwards but without the fact that actual counter-party achievements are produced.

One could expect that the one who sells these rights would again with the thus acquired money buy new achievements. In certain cases this may be, but in the whole the developments show that in fact yet again claims for more money are created, -not for goods-, which then become increasingly invested within markets as Rights (Rights-of-use, Ownership-rights), who, by their claims lock in the economy, not for consumption, but for speculation solely.

This shows quite clearly the current wave of mergers. The most devastating with these developments is that the financial actors become increasingly interwoven with one-another. If, for instance, an enterprise wants to acquire a majority holding over another enterprise, it will borrow money to do so from a commercial bank. The commercial bank will therefore insure its credit-risk, by taking a kind of insurance against credit-risks with a Hedge-Fund in the form of a credit- derivative against payment of a bonus. The Hedge-Fund will then again drive a speculative commerce with these credit-derivatives.¹⁵ At the same time, maybe another division of the bank itself would have invested money in the Hedge-Funds. It leads, on this road, to a fatal, unmanageable intertwining of financial relations that could easily collapse as a house of cards. The financial regulators (Central Banks, International Monetary Fund, Bank for International Settlements) observe these developments with suspicion. The American economist Nouriel Roubini, -who provides, at high fees, through his website www.rgemonitor.com complex information from within the economic and political fields, to Central Banks, to Universities but also to finance and commercial enterprises-, expects for example a collapse of the US-economy in the Spring of this year (2007) with incalculable consequences for the world economy.¹⁶ Such a collapse signifies none other than that the available production capability and potential can't be put properly to use anymore, whereby money would loose its purchasing power. Money as a means of economic exchanges of achievements, won't be able to fulfill its function any longer. An economy based on commercialization of property-rights is to a high degree unstable and inefficient. And while the only

15 Trade with credit derivatives on the derivative market grew from 5% in 2002 to more than 20%, see: Das 20-Billionen-Dollar-Risiko, in: Die Zeit, 31.08.2006, www.zeit.de/2006/36/Hedge-Fonds?page=all.

16 See. Der Tagesspiegel, 8. Dezember 2006, S.3.

alternative that is being seen is to put property-rights related to means of production into the hands of the State, the free market economy easily profiles itself as the only best option to all other economic models.

In a Die ZEIT-interview Rakesh Khurana, professor of Corporate Psychology at the Harvard School of Business in Boston, describes how it will increasingly become a problem when enterprises loose their connection to national States, in which they have their origin, through globalization.

»Enterprises«, thus his formulation, »are in the end the product of society. First there is society, then appears the enterprises. And they should therefore improve the lives of those, with whom they have dealings with. They have therefore to be in the interest of society. Otherwise they will loose the trust of those societies, and in the end also their legitimization. «¹⁷ And he urges for the training of managers: »For the training there should above all be the goal, to be in service of the entire community. The economic imperatives should of course be fulfilled, but should subordinate itself to the community.«¹⁸

The requirement put forward by Khurana, eyes in fact the right relationship in which the Cultural- spiritual Life and the Economic Life should come together.

And he recognizes that the property of the means of production should be in the service of society and not in those of egoistical self-interests. But he unfortunately can't see that this would require a groundbreaking change as far as property rights of the means of production are concerned. Without this, his view would remain at the stage of simple moral injunctions and obligations, in favour of societal well-being, to be acquired by future managers during their training, but without an actual economic foundation to do so. Such valuable morals will only drawn under the current circumstances once in the daily economic realities.

It is also not a deciding factor whether the relation to an enterprise and its national origin gets lost, but what is a deciding factor is if the enterprise looses its connection to the Cultural-spiritual Life out of which she was built. While its precisely our societies, organized as they are in national states, who prevent that first true humanism can fully express itself in the life of rights, and second that the individual can do so in the Cultural-spiritual Life.

Capital and means of production under stewardship of the Cultural- spiritual life

17 See. Die Zeit Nr. 51, 14. December 2006, S. 27: A new form of pressure. Today top managers don't serve enterprises any longer, but the investors, says Rakesh Khurana from the Havard Business School.

18 Ibid.

19 An article about a form of structured property right by Heidjer Reetz can be found in this issue from Die DREI.

20 Currently the »Volkswagen System« is under discussion, where escalating corruption has appeared through wheeling and dealing of its management and of its staff representatives. See. also the main article in the FAZ vom 17.01.2007.

When the State doesn't undo itself from the national element while limiting the national element in its culture-creating potential, will the States, or the economic spaces, themselves become caught by economic imperatives and start competing with one another for profit and living- standards.

The creation of a new property-right is not an easy reform-task to solve.¹⁹ The greatest objections will come from the mental attitudes which have recognized, -and used-, in the design of the current property-rights an instrument of control of enterprises, such an objection would be: would one attempt to resolve the contradiction between the owners of an enterprise and the investors, then the result would be mucky interests and corruption.²⁰ Moreover, the enterprise would loose, without the pressure of the capital-markets, their particular dynamics, their edge and competitiveness.

-This requirement for intensifying the market-economic element results, above all, also out of the experience that everywhere where alleged social interests administer means of production there would soon appear encrusted structures. Those would then allegedly have to be broken up by the power of anonymous financial-interests.

Indeed would a new kind of property right have these consequences, when hereby the group as such would be placed over the individual. But this would completely contradict the point of departure proposed here. While what is determining is that the right of disposal remains always in the hands of the individual and concrete human being. In larger corporations this only works, when the different fields over which an individual dispose, are clearly defined.

The problem is that a real understanding for the human individuality needs to be formed first. When such an understanding is not available, then it is either the group that will be determining or it will be the anonymous market-processes. And depending on which of these points of view one stands, arguments will be made for or against one of these viewpoints.

What in fact is the determining factor, it is to say, what emanates from the individuality, will be overlooked.

Another central structural question is how loan-money can be put to use not out of an economic perspective but out of a cultural-spiritual one? The commodity perspective of the economy makes it all rather quite comfortable: the one to receive loan-money, is the one to promise the highest return. An ab-

stract overarching reviewing of what actually happens within the economy as a whole, and if, for instance, makes sense from a global economic perspective to further develop, -or even start-up-, certain production capacities, is not consequential. Indeed, here the corresponding societal organs of perception are missing. To achieve a perception of the economic processes requires that producers, merchants and consumers connect in associations so as to deliberate over economic requirements.

The experiences with today's entirely overpowered economy seems to send such a considerations into the field of illusions. However, considering the economic model that has established itself after the Second World War in Germany, it appears that there are indeed elements that show that deliberation and coordination between economic partners is possible and that they even bring economic advantages, while in many aspects the German national economy showed itself to be superior to the Anglo-Saxon approach to the economy.²¹ In any case was this model, sometimes called »Germany Inc«, a mixed King, in which the elements of Economic, Rights and Cultural- spiritual Life are not clearly separated. Within such a German model of concertation, national interests can be relatively well defended against other economic interest-groups, while political pressure tools can herein be put at work as well. Hereby however, such a model resorts to national group-interests, which then as a matter of fact start to collide with other national interest-groups.

Characteristic of this is the statement by the Hessian Prime Minister Roland Koch, who considers it to be a mistake, that the German Inc is given over to foreign capital, investors and interestgroups. »The mutual capital entanglements of concerns, banks and insurance companies«, according to a summary by »Manager Magazine« of his statements, »had also had its good sides. Always did they offer protection against foreign take-overs. And maybe would the German economy in its old formation as a power-block have been assertive.«²²

The fast dissolution process of the German Inc in the last few years shows that the Anglo- American interest-groups in the form of an internationally organized capitalism have shown more superior. The protection from foreign take-overs, wished for by many German politicians, would have been reachable only through a modern form of property-rights that has the capacity to exclude commerce with enterprises itself.

»Germany Inc«:
a mixed King

21 At the time a network of foreign investors, banks and industry concerns came about.

22 See Manager-Magazin, Heft 12/2006, S. 162.

23 When the national element isn't conceived in relation to the individual but to the group, then this leads in its most radical forms to a kind of national-socialism. There the Cultural Life of a People became most tightly connected with the State and the »German Economy«. National-socialism represents therefore the complete opposite to what is here presented through the social Three-folding idea. The notion of »Cultural Life of a People« relates with Steiner to a spiritual language area. This spiritual notion points to a society open to all people. Opposite stands the blood related people's concept of the national-socialists leading to a closed, race-based society.

24 Rudolf Steiner underlines these aspects in »The Threefold Social Order«, Die Kernpunkte der sozialen Frage, Dornach 1976; GA23, S. 142.

The German national economy is one of the most productive economies in the world. In terms of value, its exports surpass year after year even such giant economic areas as the US, China and Japan. This is in fact an expression that in Germany a concentration of capital-intensive manufacturing takes place. This is however not an expression of the fact that the property-rights of the corresponding means of production are in hands of Germans and that the profits can be disposed of by Germans. When the »German« Daimler-Benz took over the American Chrysler, this led to irritations in the US. Equally so does it lead to irritations in Germany when large German firms are being taken over by foreign companies. Herein expresses itself the justified resentment that the means of production have something to do with the culture of a people, while culture is anchored over the individual into the national language and cultural space.²³ In his book »The Threefold Social Order«, Rudolf Steiner makes clear that a greater capacity to influence and to be spiritually more fruitful by a certain culture towards an other only becomes a problem when such a culture is enforced through political or through economic power.²⁴ The world loved Germany, when, -in Goethe's time-, although still a political and economic dwarf, it was seen as a cultural giant. In the measure in which German grew into an economic giant and started to act as a political power, it became, first and foremost, for the Western world a problem, which could consequently only be neutralized by appropriate counter-measures. Part of this is Germany's embedding into the European economic system and the internationalization of German firms. In this case, it is indifferent if it is foreign firms taking over German enterprises or if it is German enterprises taking over foreign ones. The result is always a dissolving of those companies' national origins.

The Charioteer

Rudolf Steiner's typical point of departure envisions a lively exchange between economic life and cultural-spiritual life under the exclusion of the political state. The state has in this view merely the role to create the conditions so that this can happen, but should not itself step up as an active participant, while according to its own field of activity it can only represent group-interests. The transformation of property rights over means of production and the management of surpluses are, according to Steiner, in fact matters and questions for the cultural-spiritual sphere. While those questions can only be taken up fruitfully for

the collectivity, when out of individual perception it is decided, in which hands the management of an enterprise should be laid and how resulting surpluses should be utilized. In contrast to current developments, would in this way the influence increase of a people's cultural identity on the use and allocation of capital.

The acquisition of an enterprise always represents an economic means of violence.²⁵ When such an acquisition isn't any longer possible, this kind of investment opportunity can any longer be supported by the rights sphere, which now excludes such a possibility. Capital can only be invested in the expansion of production-potentials. The expansion of the production-potential has its limits within the needs and demands of people. Theoretically could an industrial production be expanded to the demands of the whole of humanity. In certain fields this could maybe make sense. It could however not come about, that out of a particular area in which a definite cultural group of people is so strong, that through its investments it would cover greater and greater parts of the world's demand, while hereby producing ever greater amounts of capital surpluses. That is why it is necessary that only a part of the produced capital goes into expansion and transformation of the production-potential. The rest should be allocated within a cultural group of people for purely spiritual activities. Only this is the best guarantee for a peaceful coexistence of the different cultural groups over the world.

The economic life that develops under a strong cultural group would in this way become healthily intensified, and not, -such as is the case today-, intensified in a tumorous fashion.²⁶ A problem arises, in the difficulty to consider that the capacity of the cultural-spiritual life to transform labour so as save on labour, emanates from a different source than the capacity that has to be available to use the new space created by the saved labour in a meaningful way.

The rational, calculating thinking required by modern economic life, is at the same time the result of a spiritual development within humanity and hereby itself an expression of the cultural-spiritual life. But this development, which expresses itself in the whole of the natural scientific thinking, has at the same time arrived at an end-point.

The situation that causes capital to be driven like an animal gone wild over the earth-ball, while pulling the charioteer behind it, rather than to be steered and put in bounds by him, is

25 The acquisition of enterprises in foreign countries, represents in a way the use of an economic means of violence against another nation.

26 In World Economy, Rudolf Steiner (GA 340) distinguishes three spheres of activity of money: Purchase Money, Loan Money and Gift Money. And he shows that within a global economy, what previously national economies tried to balance out through exports, can today only be balanced out within these three spheres of activity of money. In this context the concept of aging of money is developed. What is meant is that only Loan Money, -in fact Capital-, ages. If Capital receives an age, it is therefore granted a capacity to age, it is to say it receives a definite duration till it can be put to use productively in the economy, and a point in time from which on it should be transferred to the free spiritual life. I understand Steiner's thought in such a way, that he seeks to create an instrument through Capital processes, who come about through an infinite number of individual decisions, could become visible and assessable within an economy as a whole. There can be instances, where the aging point of certain capital can be newly determined, depending on the fact if too much or too little is being gifted. The gifting processes themselves will remain entirely bound to individual decisions.

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the outer image of this development. This animal gone wild can not simply be steered and put in bounds by establishing an abstract system. Putting in bounds carries the prerequisite that a new I-strength, (out of a properly understood individualization process, while grasping the human inner nature in its full reality, it is to say, as a spiritual reality, of a real spiritual substance, which, once grasped, overcome the »limits to knowledge«, and accesses an objective spiritual reality - translator's note) be developed. This I-strength, I-identity is related to the ability of perceiving the truly individual in other people.²⁷ The stronger this ability will develop, the more future oriented will the cultural- spiritual life be that comes out of it.

While all that is truly new and innovative can only find its way into social life through the individual. Such a spiritual life will be the precondition that in the Rights Life there will be found a majority, sufficient, to understand the benefits for a new and articulated property right. Without a change in property right, a taming of money won't be possible. Without a renewal of the spiritual life there won't be a new property right possible either. Groundbreaking changes in the Rights Life require a confidence-inspiring Spiritual Life. With the renewal of Cultural-spiritual Life each and everyone can start in whichever place they are. In economic enterprises, this is as much possible as institutions which constitutionally belong to the Cultural-spiritual Life.

Precisely economic enterprises, in which a different kind of Life of the Mind is cultivated, can show that the point of view of the sphere of the Life of the Mind has in no way to step aside in the face of the Economic point of view. This however requires a different, sometimes unusual kind of effort, because society has become used to an economy, detached from the human being, who on the other hand impose it selves as if with a natural necessity. The point of view of the Life of the Mind, therefore, has to always be enlivened through actual current inner activity.

27 See. In this regard the article from Thomas Brunner in this present issue of Die Drei. Essential view points about the perception of the I-force can be found in the same issue that deals with the Twelve Original Worldviews by Ralf and Corinna Gleide.