

# What is Social Threefolding – And Why Do We Need It Now?

This [video](#) introduces social threefolding, the social paradigm developed by Rudolf Steiner, and is suitable for people who have no previous knowledge of this topic.

The presentation consists of three parts:

- I. We begin with a brief overview of some of the ways people may feel dissatisfied about society today, followed by an exploration of the actual, underlying root causes of this dissatisfaction.
- II. Then, based on these root causes, the idea of social threefolding will be introduced in the second part.
- III. And in part three, we will discuss how the paradigm of social threefolding might tackle social problems, with a focus on one problem in particular: housing affordability, the high cost of renting or owning a home.

## Part I – The Roots of Social Dissatisfaction

Many people experience dissatisfaction on many levels. Consider how most of us must spend a large part of our adult life working. As workers, we may find ourselves doing meaningless tasks for some meaningless company within a meaningless system.

In many cases, we work merely for external incentives: our personal and family life, possessions, vacations, and time for ourselves. At work, we may feel unappreciated. And if we want a pay raise, we often have to springboard to another company, so our skills can get evaluated on the labour market, like a commodity.

And especially if our income is fixed by contract, we may struggle to deal with inflation, with rising prices for goods that are often cheaply made, while mortgage and rental costs also continue to rise. We may struggle to work hard and earn enough to lead our desired lifestyle. Yet not work too much, so we have time for our families, vacations, and personal interests.

Pensions and insurance payments can be a big portion of what we earn, but we are not always sure we will receive the payout once we retire or if something happens.

And we are constantly bombarded by advertising, by political and cultural messaging, and we have to deal with misinformation, and the normalization of lies and deceit.

At the same time, there are many personal symptoms. Many people feel isolated, depressed, anxious, hopeless, and helpless – all of which is related to the way our modern society is structured.

Addiction ranges from substance abuse to mental escapism and avoidance through social media and gaming. Violence can be domestic, neighbourhood, national, and international. We might experience discrimination based on race, religion, gender, sexual orientation, or some other identity.

It may be difficult to find truly caring and affordable health service providers. People who truly care certainly do go into these professions, but the system soon puts pressure on them to change and be more corporate and impersonal in the way they deal with people.

State-run schools providing mass education have a wide range of problems – such as lack of attention to individual learning needs, bullying, unhealthy learning environments, unsuitable curricula – to name a few.

In terms of the climate crisis, too little is being done, too late.

And our politicians – it seems no matter whom we elect, they all do a lousy job.

This is just a brief list of some of the symptoms of our social dissatisfaction.

Now, no one is about to suggest that social threefolding is any kind of utopia that is going to fix all our problems overnight. At the same time, however, let us take care not to justify or normalize these social issues. Because, in fact, things have not always been this way, and don't have to be this way in future.

We must be open to the possibility that positive social change is possible.

Now let us turn to the question of the root causes of these symptoms.

Consider this: What if somehow, magically, we *were* to get everything we believe we want and need – at least within the limited structures of our current society? What if we attained a certain desired lifestyle, money, success, friends, and so on? If we are honest: Is it really true that then we would feel satisfied? Or would we still feel like there was something missing? Maybe there is more going on than we consciously realize.

To understand our social problems we must ask: *What is society?*

Clearly, society is not an aspect of nature, not something given to us. It's a product of human beings, of human activities, that is shaped collectively by all of us. Societies differ from place to place, from period to period, and from culture to culture. Society is somehow a reflection of what lives in people, in us.

So our experience of society – whether good or bad – is, in some way or other, a reflection of what lives in us. This includes how we act; how we appreciate one another, or how we don't; how we think. Ultimately, our society reflects how we think. And *this* is really the root cause of our social problems. Our problems have something to do with the way we think.

We may believe that our collective thinking abilities are up to the task of solving today's problems. But are they? So let's take a moment to consider how it came to be that today we think the way we do?

In the Middle Ages, thinking was largely based in religious views. And for some people this is still true today.

However, at the start of the modern age, the scientific view emerged out of the religious one. The scientific view focused on the physical-material world and the laws of nature. This was definitely a good thing, to emancipate ourselves from religious dogma to some extent.

By the 19th century, in some cultures, materialism started to gain the upper hand. Due to the character of science, what was not material or sense perceptible was rejected. Science began to teach that we were a kind of animal. That our origins, we were told, were purely biological and material, and that there was no need any more for hypothetical gods.

So modern thinking took on a scientific character.

Meanwhile, also in the 19th century, the economic forces of capitalism and mechanized industry rose to dominance. People were torn out of their old contexts of small, medieval-style communities, and were moved into cities and set to work on machines. So the old medieval peasant was transformed into what today we may call the modern wage slave. Stripped of their old contexts of meaning, workers took on the new scientific view as ideology.

For this reason, many people now identify with thinking that has a scientific character. Even if we are not trained scientists, many of us tend to prefer rationality over superstition, reason over belief. And this is how many people became cut off, in their thinking, from any spiritual connection to the cosmos, to the divine.

Today it is considered unscientific to talk about anything spiritual or religious. Because spirit is considered incompatible with reason. However, from a certain perspective, this is actually a root cause of our social dissatisfaction – not to say the only cause, but one of the root causes – that we no longer feel connected to what is divine within ourselves, nor to what is divine in the cosmos. We are cut off from ideals, from how something of an ideal, spiritual nature manifests in our everyday life.

Now it may be entirely legitimate for us to blame politicians, corporations, educators, and others for our dissatisfaction with life but consciously or unconsciously, there is a gap within us that cannot be filled by any amount of material possessions or social-democratic political progress. There's a gap that has to do with our fundamental human-ness.

The modern economic and materialist worldview has effectively traumatized our society. What we need now is a spiritual-cultural healing process, on a societal scale.

And so, one question that arises: Is there a way for us to find a new connection to spirit, yet in a way that somehow also satisfies our skeptical, scientific mind? Does there exist any kind of “spiritual science” that bridges spiritual ideals and our rational intellect?

And in terms of outer life, how might this be brought into connection with society today? Our everyday life has largely become decidedly non-ideal, because it has lost touch with its underlying spiritual principles. So how can we reconnect everyday life with appropriate social ideals?

This is what we will explore in the next part, where we turn our attention to the basic idea of social threefolding as a different way of thinking about how we might shape society.

## **Part II – The Idea of Social Threefolding**

At the end of the 18th century, during the French Revolution, social dissatisfaction boiled over. The working classes were so oppressed by the ruling classes, that they had no choice but to rise up. The result was a violent revolution that led to the overthrow and execution of the king – and the establishment of a new society, centred around a democratic national assembly.

During the French Revolution, the call rose up for the three social ideals: *Liberty, Equality, and Fraternity* – which may be rephrased in modern terms as: *Freedom, Fairness, and Fellowship*.

This is what people demanded then – and these three social ideals continue to echo on in people to this day. Today we can hear people calling for *freedom* – we want to live our lives *independently*, according to who we genuinely are. And people also call for *fairness* and *justice* – we want to be treated fairly and equally under the law. And we also feel a strong need to *belong* and *feel accepted* by others, to have a dignified place within society, and be part of social life.

In the early part of the 20th century, during and just after World War I, Rudolf Steiner mapped out a way to shape society so that each of these three ideals could be expressed in a more or less pure form.

For those who may be interested in this history, please check out my video called [The Dawn of Social Threefolding](#).

At the beginning of the 20th century, Steiner expressed his ideas in a form suited to that time. Today, however, society is quite different. Working conditions, for example, are far less Dickensian. Workers have a lot of protections, and we have a more or less functional social

safety net. Life is certainly better, but the deeper social dissatisfaction is still there. There is so much that must still be improved.

So now, let's get into it: *What is the idea of social threefolding?*

Society as it is right now can be described as unitary or uniform, in the sense that we have a single government that is in charge of everything - the economy, our laws and rights, and our culture – at least to the extent that government administers schools, health care, and media.

So in a way, it's a great system, because whenever anything goes wrong, we can always blame the politicians! And next time we can vote them out and vote new people in, who promise to do better! But then they never really do. Because in reality the problems are the fault of the system, not the politicians. Just like everyone else, politicians too are stuck with a bad system. A system that is too large and unwieldy, and that encompasses mutually contradictory aims.

So instead of this unitary system, Rudolf Steiner suggested partitioning society into three members, three areas of social life. Each would be self-governing, with its own kind of administration.

The *economic life* would manage everything related to the production, distribution, and consumption of goods. They would issue currency and manage the money supply, and would consist of a network of associations who operate in free collaboration to manage prices and wages. The economic life would have its own expert leaders, who would be different from the leaders of the government as such.

The government, the state, also called the *rights life*, would have representatives who are elected democratically. Their job would be to establish and enforce fair laws, and to protect people. Which is to say, everything that has to do with purely human-to-human relationships – what rights each person has, and what limits and obligations each person has toward others. The state government would have *zero* responsibility for the economy.

Steiner imagined that the heads of the economy and rights life would relate to one another like foreign dignitaries do today – neither would have direct power over the other.

And thirdly, everything related to culture would fall under a third, self-governing area - which has to do with human mental and physical abilities. This includes education at all levels, health care, sports, media, science, art, religion, and so on. This *cultural life* would exist outside of any direct influence by the state or economy – and so all schools, care facilities, research institutes, cultural centres, and media would be independent.

Now this is not to say that there would be three states in one territory, so to speak. It's more like three departments for one business. In this way, each of the three areas would be able to serve its own ideal, without interference.

What is the ideal of the economic life? Well, this area has to do with providing goods to others, with providing others with what they need. In the economic life, we serve others, and others serve us. So this has the ideal of community, of *fellowship*.

The rights life has to do with equality in our human relationships. This has the ideal of *fairness*.

The cultural life has to do with what is unique and individual about each of us. Our unique abilities and talents and how we express these. This is the ideal of *freedom*.

So in contrast to our current, unitary state where everything is muddled together and very little is ideal – a threefold society would allow the three social ideals to emerge, in a more or less pure form, in each separate area. And then it would be up to each person to find the balance that is right for them, in how they choose to relate to each of the social areas. In a threefold society, it's a matter of putting everything into the right place, so each aspect of society can fall under the social ideal that is most appropriate.

At the present time, our social organism is rather disorganized. Everything is muddled together in a uniform, unified economy-based state. Our current economic life administers price setting of all kinds, including worker's wages through a labour market, and property values through a real estate market. In many regions, the economy also operates hospitals and senior care facilities for profit.

Meanwhile, the state – the rights life – administers the money supply, and to some degree manages the whole macroeconomy through government budgets, deficits, and other fiscal policies. The state also operates schools and universities, in addition to its proper functions of law making and law enforcement.

Other functions, like research institutions and media might be operated by the economy or by the state, or shared between the two, depending on the nation or region.

Of course, things might be different in different places – but this gives us a general impression of how things are at present. We may note how the cultural life has no independent responsibilities, since practically all institutions are funded, and thereby controlled, by the economy or state. However, in a threefold social organism, things are organized somewhat differently, according to the social ideals.

The responsibility for the money supply, for example, and the value of money – what it is worth in terms of real goods – falls under the economic life. And at the same time, property is not a good that is produced and consumed, so ownership rights ought to fall under the rights life. So these switch places.

Furthermore, the management of the macroeconomy, including government budgets, moves entirely under the purview of the independent economic life. And wages of workers

would no longer be handled by a labour market, but instead, everything related to labour would be administered by the rights life. So these switch also.

However, the economy would continue to administer prices for goods, through a freely collaborative system of economic associations. And state representatives would continue to make and enforce laws, which aim to be equal and fair to all people.

Now, by reorganizing a bit more, it also becomes possible to create an independent, self-governing cultural life. Schools and care facilities get moved into this area, where they become free of economic and state influences. Funding for these is provided through state taxes and through gift money generated by corporate shares. And the same for research institutions and media outlets. All of these move under a self-governing, free cultural life that is independent of state and economy.

This free cultural life is necessary to prevent society from devolving into a merely dualistic battle between economics and politics. And to give us what we need to heal the root causes of our social dissatisfaction.

Thus a threefold social organism is one that shapes itself into three independent, self-governing areas that administer different aspects of society in a decentralized way. Each aspect can then belong to the social area that corresponds to its ideal – of *fellowship, fairness, or freedom*.

### **Part III – Example of Affordable Housing**

Of course, in a short introductory presentation, it's not possible to go into everything in detail. However, we will now take up one example to explore how a threefold society might work, and then, at the end, we will list several other issues that the threefolding paradigm might be able to address.

So let us now turn to the issue of *affordable housing*.

At the present time, we are beginning to face a serious social dilemma related to property ownership. On one hand, some people work very hard all their lives and make many sacrifices to pay off a mortgage, to own their own home, so they can achieve financial independence – and potentially pass this on as generational wealth to their children or heirs.

On the other hand, there is also an increasing number of especially young people in our society who are not so fortunate, who will never inherit and never be able to earn enough to afford their own home – and neither will their children or heirs – because housing prices are rising more rapidly than incomes.

Furthermore, those people who do own property can often leverage this to acquire even more property. Property owners can become landlords who rent out their extra properties to people who can't afford their own homes. Then the less wealthy renters effectively end up paying for the properties owned by the wealthy. In this way, the rich tend to become richer, while the poor tend to get poorer.

So property ownership creates a social dilemma, because it deepens social inequalities.

Thus, our current society stands at risk of splitting into two distinct generational classes: a wealthy property-owning class, and a poor, landless, rent-paying working class. The wealthy, landowning class passes their property to their heirs, creating generational wealth. While the poor remain trapped in generational poverty: effectively becoming a kind of peasant or serf, something like in the Middle Ages.

Thus we find ourselves engaged in a competitive race to own property, because so much depends on which class we belong to. This competitive race is a logical outcome of our current money system, of the way banks currently finance real estate.

Historically, however, this same class division was one of the primary causes of the violence of the French Revolution. And we can hear these same rumblings of resentment and discontent today. Increasingly, the wealthy may find that they have to segregate themselves off from the oppressed masses, that they have to live in separate communities, just for their own safety.

Thus, we are at risk of ending up living in a kind of dystopian society – a bad situation of our own creation. Yet, is there a way to prevent class-based revolutions from recurring in the future? Can we find a more peaceful and equitable approach to property ownership rights?

At the present time, we believe we must choose between two systems that handle property ownership in two different ways: *capitalism* and *socialism*.

Under pure capitalism, real estate prices are determined on the free market, normally by selling to the highest bidder. So property does not go to the one who *needs* it most, but to whomever can *pay* the most.

Meanwhile, under a purely socialistic scheme – like communism or its variations, such as commoning – people might be assigned housing somehow, at more affordable rents, possibly more fairly according to need. But then money may not be available for maintenance and upkeep. So housing can get run down when it is not maintained well, or might be cheaply made to begin with, if there isn't enough investment capital.

In short, under pure capitalism, housing tends to be of a higher quality but expensive; while under pure socialism: cheaper, but lower quality.



So now we ask: Is it possible to imagine a system that gives us the best of both – housing that is both high-quality and affordable?

In a more inclusive, fair, and free threefold society, all this works differently. The independent economic life administers the money supply and provides capital financing. The independent rights life administers property rights that get assigned fairly to different parties. And the third, independent cultural life is responsible for individual abilities and ensuring that everyone has appropriate housing.

So all three areas work together to organize real estate ownership.

At the same time, we must recognize that our current social dissatisfaction stems from our current way of thinking – and so we must be open to thinking differently, if we want to have a better society.

In a threefold society, property ownership is coordinated through a new kind of institution, called a financial community – which I describe in more detail in my book, *Money for a Threefold Society*.

Let us say some person or group of people – called the manager – based on their unique individual circumstances, takes over a particular house that has become available.

The financial community has the power to issue currency, so it can simply print money to acquire the house for this new manager. This works very much like a mortgage, in that the house secures a loan taken out by the manager. However, unlike a mortgage, the whole ownership of the house is split into two parts – the *right to transfer* and the *right to use*.

The manager is assigned the right to use, while the financial community retains the right to transfer – in perpetuity. This means that even if the manager pays off the entire loan, the house still remains held by the financial community, who holds a lien against it, forever.

The financial community is operated by democratically elected representatives, who act in the interests of the local community and society as a whole. This brings the financial community under the control of local people – adding significant transparency, trust, and responsibility, compared to our current banking system.

This rights structure is called a private-social ownership framework. The manager is the private owner, who has the right to use. While the financial community is the social owner – who, on behalf of the local community, retains the right to transfer the property to another manager.

However, the financial community cannot use the property, and the manager cannot transfer it. So both parties must agree about who gets to take over the property next, once the current owner, the manager, decides to move out.

In case of disagreement, the rights life acts as a third-party mediator – ready to make the final decision according to what is fair to both the private manager and the local

community. Furthermore, people in a threefold society always remain free to build their own homes if they wish, which they can then ask the financial community to finance.

In any case, within this framework, property is no longer traded on a real estate market, like with pure capitalism. Instead, the property is assigned to some manager that all parties consider capable and in need of housing that is affordable.

So it's a bit like socialism, in a way, except that the manager is not a renter. The manager is the equitable owner, who is entitled to the equity in the house. The manager doesn't need permission to make improvements, and any increase in value belongs to the manager. And, likewise, if the property loses value, for instance due to poor maintenance, the manager loses this value. So the manager looks after the house as their own, just like with ordinary private property.

So it's also a bit like capitalism. To the manager, their house is an investment as well as a home of their own.

Of course, the manager must pay the financial community a certain fee – called a usage fee, which is a fee for using the non-equity portion of the house that the community finances. But the manager doesn't have to pay off *any* of the loan, if they don't want to. If they do pay down *some* of the loan, they will pay less in usage fees. And if they pay off *the entire* loan, they won't have to pay any usage fees at all. Whatever the manager decides to pay down becomes a kind of safety net for themselves. So if they can't make a usage fee payment, they can simply draw a bit more of their principal, instead of facing default.

This is very different, and much more forgiving, than a mortgage, where the owner pays down the loan with interest over a long period such as 25 or 30 years. With a traditional mortgage, after many decades of austerity – years of being property rich and cash poor – a person finally owns the full title to their home.

However, in a threefold society, people never own the full title in this way - because the financial community, on behalf of the local community, retains the right to transfer in perpetuity. This ensures that the property is used in a way that is compatible with the values of the local community. It's a slightly different concept – because it balances the needs of both the individual and society.

Finally, when the manager decides to move out, the manager and local financial community – and possibly the rights life – together decide who the next manager will be. In some cases, they may decide to pass it to the children of the previous owner, if this is the decision that makes the most sense. In any case, the house value is assessed and then the new manager is responsible to compensate the previous manager for the assessed equitable value – not the market value – of the home.

So if the person has taken good care of everything, and if they have paid down some or all of the principal during the time they were the manager, at the end they will receive a cash

payout. People can, if they wish, pass this cash to their children or heirs, even though, in some cases, they don't pass along the actual real estate itself.

In this way, real estate does not become a way to accumulate generational wealth. But at the same time, there is no need to be concerned about this, because each child, each individual, can acquire a house on their own, without regard to the economic status of their parents. As a result, everyone is free to live their own life, without having to live a life of austerity and sacrifice for the sake of their children – who in a threefold society, will be fine on their own.

This is just one example, explained very briefly, with many details left out. The same approach would also cover commercial or agricultural real estate for companies and farms, as well as other kinds of property, such as vehicles or equipment.

So now the question arises: how can we bring this new private-social ownership framework into existence?

First of all, there is no need for any kind of sudden, violent takeover of property and the means of production. Rather, all that is necessary, to begin with, is to create an alternative money system that aims eventually to replace the money that is issued by governments. This alternative money – issued by financial communities and supported by people on a grassroots level – is what makes this new private-social ownership framework possible.

This new, more fair property rights system will grow incrementally – one piece of property, one house at a time – as people decide to use the new money system provided by financial communities. As people choose to use the alternative money system, the new ownership framework will grow. Thus, social change will come about gradually, through organic evolution, not through revolution.

And in this way, society will eventually find a dynamic threefold balance of freedom, fairness, and fellowship. But this requires new thinking; it requires a paradigm shift.

All this, and much more, is explored in *Money for a Threefold Society*, which takes the reader through many examples using narrative stories and conversations involving fictional characters. See the [link](#) in the description below.

This book indicates how life might be better under a threefold society, including:

- how practically to create a stable, alternative money based on the value of economically productive assets.
- how to de-commodify labour, so workers are no longer treated like wage slaves.
- how to fund independent schools, care services, independent research, and media using vouchers – giving people a genuine free choice of institutions and organizations.

- how to establish fair prices and wages through a collaborative network of free economic associations.
- how to manage the macroeconomy independently of governments.
- how to create a simpler and more fair tax system by abolishing income taxes, corporate taxes, and most other taxes in favour of a single sales tax. This means taxing only expenditures on goods and services, not investments or gifts.
- how to ensure that everyone gets their basic needs met through guaranteed livable income supplements.
- how to restructure corporate ownership through a new kind of investment called finite shares, which are similar to the usual corporate shares, except that they expire after so many years, and then transform into a source of corporate gift money for the free cultural life.
- how to implement price interventions so that prices include externalities – such as environmental pollution – and then use the funds raised to improve life in practical ways.
- and finally - when a monopoly company manages some transportation or telecommunication infrastructure that is owned by a financial community - how to regulate such monopolies through fair and transparent consumer contracts.

In this way, *Money for a Threefold Society* paints a big picture for a possible social future.

In conclusion: *Why do we need social threefolding now?*

Social threefolding offers a new way forward for our society that attempts to address our current social dissatisfaction at its root. It means reconnecting us to what is ideal in life, to what lives and strives within us, by separating society into three distinct, self-governing social areas, each with its own social ideal – of freedom, fairness, and fellowship. And then this different social system can offer us novel approaches to problems that our current systems are unable to solve.

Thank you for listening!

If you enjoyed this presentation, please share, leave a like, and consider starting or joining a conversation in the comments section. For more information, check out *Money for a Threefold Society* – see the [link](#) in the description below.

- T. Michael Cox  
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