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Introduction

The whole human being can no longer be sold, but only part of him, namely his labor-power. And today man is revolting against this too. It is only a continuation of the repudiation of slavery, if in our time it is demanded that the buying and selling of labor-power be repudiated. Hence it lies in the natural course of human evolution for this opposition to arise against labor-power being treated as a commodity, functioning as a commodity in the social structure.¹

This essay is presented in two parts. First, a discussion is presented on the current wage model, in which a worker receives a wage for the labor they perform in an employer/employee relationship. Second, an alternate counter-value model is discussed, in which the worker receives an income from an agreed upon share of profit received from the sale of commodities, in a collaborative association between workers and managers. The second part encompasses how this alternate counter-value model resolves issues of false price, class differences, and shifts labor from 'working for myself' to 'working for society.'

Wage

According to economic theory, wages are defined broadly as any economic compensation paid by the employer to his laborers under some contract for the services rendered by them. In its actual sense which is prevalent in the practice, wages are paid to workers which include basic wages and other allowances which are linked with the wages like dearness allowances, etc. Traditionally, in the absence of any bargaining power possessed by laborers, they did not have any say in the determination of wages paid to them.²

Contrast with what Steiner writes about workers receiving a wage for their labor:

The modern proletarian abhors instinctively, unconsciously the fact that he must sell his labour power to his employer in the same way that commodities are sold in the marketplace, and that the law of supply and demand plays its role in determining the value of his labour power just as it does in determining the value of commodities. This abhorrence of the commodity nature of labour power has profound meaning in the social movement.³

And how receiving a wage enslaves the worker:

To give money to our fellow men only signifies that we are able to hold our fellow men on a leash as a bound slaves and that we can compel them to labour for us.⁴

To understand what Steiner is proposing with the concept of counter-value, it is important to first understand the underlying principles of wage. Our current labor system is one in which the worker gets

¹ Steiner, R., *The Fundamental Social Demand of our Times*, GA 186, Lecture II, The Logic of Thought and the Logic of Reality. <https://rsarchive.org/Lectures/GA186/English/C52/19181214p01.html>

² <https://timesofindia.indiatimes.com/readersblog/lawpedia/concept-of-minimum-wages-fair-wage-and-living-wage-and-need-based-minimum-wages-51504/>

³ Steiner, R. (1977) *Towards Social Renewal*, London: Rudolf Steiner Press (p. 48)

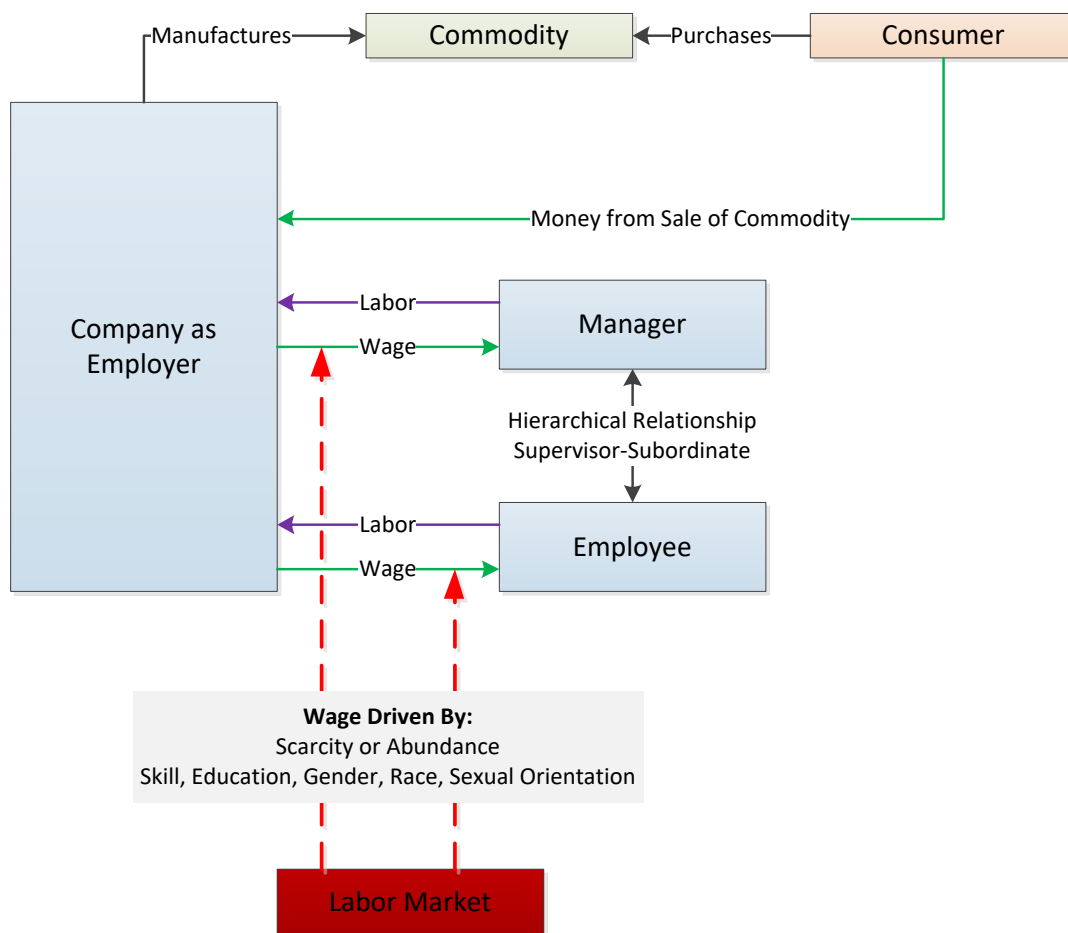
⁴ Steiner, R. (1941) *The Challenge of the Times*, New York: Anthroposophic Press (p. 56)

paid a wage — either hourly, salaried, piecemeal, or fixed price. There are three (at least) fundamental flaws in this arrangement:

1. Negotiation of wage is limited to being within the bounds of what the 'labor market' indicates is a competitive wage based on overt and covert factors.
2. Labor as a commodity creates wage disparity through surplus and scarcity.
3. Worker's 'investment' in the work is minimal: 'it's just a job.'

We will look at these three flaws next in the context of the current wage system, followed by an explanation of what Steiner proposed as an alternative to wage, that being counter-value, and how counter-value eliminates wage disparity and labor being treated as a commodity.

Example of the current wage model:



Negotiation and Competitive Wage

Competitive wage is overtly based on:

1. Location
2. Position
3. Education and Experience

These are overt factors because, among other reasons, recruiting agencies such as Indeed will provide wage information based on where one is seeking work, what position one is applying for, and what education and work experience one has.

Wages are also covertly based on:

1. Gender
2. Race and Ethnicity
3. Age
4. Prior wage

Statistics on the covert factors listed above are typically found in government and private (usually university) studies and are not talked about by companies and recruiting agencies, as they will claim to be gender and race/ethnicity agnostic, but this has almost never been the case in practice.

Overt Factors

Location

For example, a software engineer in Silicon Valley California can make between \$130,000 - \$190,000 per year, whereas in Albany NY, \$70,000 - \$160,000 per year. Louisiana? \$58,000 - \$140,000 per year. (source: Indeed.com, 2023) The primary reason for why location affects wage is the cost of living in a particular region.

Some companies use location-based salaries to keep pay equitable. In this strategy, employees in the same position receive similar take-home pay because their salary accounts for local tax rates and cost of living.⁵

Value-based salaries are an exception to location-based salaries:

Instead of basing pay on location, some companies set remote salaries solely based on the value of the work, meaning people doing the same work get paid the exact same, regardless of where they live. This model gives employees more financial autonomy and makes it simpler to calculate salaries compared to location-based pay. However, value-based salaries can make it difficult for companies to compete in expensive job markets.⁶

As a result of the COVID-19 pandemic, companies began to realize they were being forced into a value-based model as workers were working remotely, and from their remote location the cost of living is cheaper. As a result, some companies tried to cut salaries to return to a location-based model:

In Britain, the law firm Stephenson Harwood recently announced that employees could work full-time from home if they like. The rub: they'll have to take a 20% pay cut. A spokesperson for the firm said in a statement, that the firm: "see[s] value in being in the office together regularly – from the positive impact on workplace culture and teamwork to the training opportunities it provides."

Bigger companies like Facebook and Twitter already cut pay last year for remote employees who move to less expensive areas. Meanwhile, Reddit and real estate

⁵ <https://www.charthop.com/resources/blog/best-practices/location-based-salaries-value-based-salaries/>

⁶ Ibid.

marketplace Zillow have shifted to location-agnostic pay models to determine how much someone should make based on the area they live in. And Google was one of the first companies to create a formula that indicated what pay adjustments would be made depending on where a remote employee had moved.⁷

Workers are also willing to accept a pay cut to work remotely:

...according to Owl Labs and Global Workplace Analytics' "State of Remote Work" report, 46% of workers said they would be willing to take a 5% pay cut to work remotely at least part of the time. Thirty seven percent said they would take a pay cut of over 10%. Meanwhile a study from GoodHire found that 61% of respondents would be willing to take a pay cut to maintain remote working status. Some workers even suggested they would take a 50% pay cut to avoid returning to the office. The same survey found that 70% would forfeit benefits like health insurance, paid time off and retirement accounts to continue remote work.⁸

Who is it that benefits from remote workers taking a pay cut, and in some cases, 'forfeit benefits like health insurance, paid time off and retirement accounts?' Is this cost reduction to the company passed on as reduced prices to the consumer? Or do the reduced salaries of the remote workers line the pockets of upper management? Does the company re-invest their increased profit in the company? Do the reduced salaries of remote workers go to offsetting the labor market demand for on-site employees?

These questions are also relevant to location-based wages for companies that are producing national or international products. The driving motivation, profit, results in companies choosing offshore locations for manufacturing and services because the labor is cheaper.

Location-based wages create inequality and affect the mobility and freedom of the worker – a worker receiving a lower wage because of their work location will find it difficult to move to a more expensive community, particularly if their wage prior wage is used as a factor for their new wage in their new location, discussed later under Covert Factors.

Position

The position that a person holds in a company also determines their wage, again based on competitive labor-wage markets, and is determined regardless of the value the person is contributing to the production of the commodity. It can be easily argued that the secretary managing appointments, keeping documents organized and up to date, minute taking, etc., is as valuable as their manager who would not be able to their job without their secretary. Or the factory worker is of equal value as the CEO – without the factory worker, and arguably without the CEO, the product could not be made. This is not to say that wages should be equal among all positions – certainly one can argue that a person's value is measured by more than just the necessity of the job function that they fill.

As with location-based wage, position-wage also creates inequality and particularly affects low-income earners. As Joseph Fuller and Manjari Raman wrote in the Harvard Business Review:

⁷ <https://www.worklife.news/culture/pay-cut/>

⁸ Ibid.

This pattern of denial and neglect hurts workers in ways that have profound societal costs. No matter how hard or how long they work, many low-wage workers cannot climb out of poverty. We studied the fortunes of 181,891 workers who started low-wage jobs in 2012, and we found that five years later 60% of them remained stuck in such positions. People who had managed to escape those jobs had most often done so by quitting industries such as hospitality, food services, and retail, which are classic low-wage traps. Across industries, women were overrepresented in low-wage jobs and most likely to stay impoverished.⁹

The ‘pattern of denial and neglect’ that the authors are referring to is one in which management devotes “...vastly more attention—when it comes to such basics as hiring, skill building, on-the-job feedback, career development, and mentorship—to salaried workers than to hourly workers, even though the latter constitute more than 40% of the U.S. labor force.”¹⁰

Education and Experience

Historically, a college degree was a requirement to even get an interview for most job openings that were not just manual labor, and even those often required a high school diploma. This has changed over the last decade, shifting the emphasis towards experience rather than education:

The converging trends of a competitive labor market, ballooning university tuitions, new online learning alternatives, and fast-changing job roles has created a tipping point in the perceived value of college degrees. The Burning Glass Institute recently reported that the percentage of jobs requiring a college degree fell from 51% in 2017 to 44% percent in 2021. And according to Gallup, the percentage of U.S. adults ages 18 to 29 who view college education as “very important” dropped from 74% to 41% in just six years.

One big driver of these trends are companies like Apple, Tesla, IBM, Delta Airlines, and Hilton, who no longer require a college degree for an interview. They realize that the mindsets, abilities, and skills gained from life experience can be as valuable as university diplomas in today’s fast-changing world. In fact, requiring diplomas significantly reduces the talent pool, leaving great candidates out of the hiring process before it even begins.¹¹

(Obviously, many kinds of jobs require specialized education: a doctor, nurse, airplane pilot, tax accountant, etc.)

The wage one could negotiate was (and still often is) based on one’s college degree and years of experience, where:

The generally accepted amount of time that work experience equates to degree experience is at a minimum the same number of years and up to double the number of years.

⁹ <https://hbr.org/2023/05/the-high-cost-of-neglecting-low-wage-workers>

¹⁰ Ibid.

¹¹ <https://hbr.org/2023/02/how-important-is-a-college-degree-compared-to-experience>

- An associate degree is roughly equivalent to 18 months to four years of work experience in a related field.
- A bachelor's degree is roughly equivalent to four to eight years of work experience in a related field.
- A master's degree is roughly equivalent to 10 or more years of work experience in a related field.¹²

Different levels of education create inequality, especially with lower-income households that cannot afford the cost of a college education and are therefore confined to lower paying jobs and as has been discussed above, with less opportunity for further education, career development, and life-improvement. Also, many young people are factoring in the cost of their degree with their other life goals:

Conflicting data exists related to how much you will earn with a college degree versus without one. According to research from Georgetown University, the lifetime earning potential of a worker with a bachelor's degree is \$2.8 million. Without a degree the expected earning power is \$1.6 million. But in a study of universities in Massachusetts, college graduates were found to earn no more than high-school graduates. Plus, they must work 20 years to recoup the cost of their tuition, money they could have used to purchase a home, invest, or save for retirement.¹³

There are also covert factors that contribute to income and class disparity as well as job mobility, discussed next.

Covert Factors

Wages are also covertly based on:

5. Gender
6. Race and Ethnicity
7. Age
8. Prior wage

Gender

Unfortunately, gender-wage inequality is still prevalent in our modern society:

The gender pay gap – the difference between the earnings of men and women – has barely closed in the United States in the past two decades. In 2022, American women typically earned 82 cents for every dollar earned by men. That was about the same as in 2002, when they earned 80 cents to the dollar.¹⁴

And (note the bias presented here in the following quote with the use of the phrase 'typical worker', meaning a worker that identifies themselves as a heterosexual):

¹² <https://www.indeed.com/career-advice/finding-a-job/bachelors-degree-or-equivalent>

¹³ <https://hbr.org/2023/02/how-important-is-a-college-degree-compared-to-experience>

¹⁴ <https://www.pewresearch.org/social-trends/2023/03/01/the-enduring-grip-of-the-gender-pay-gap/>

LGBTQ+ workers earn about 90 cents for every dollar that the typical worker earns. LGBTQ+ people of color, transgender women and men and non-binary individuals earn even less when compared to the typical worker.¹⁵

We see how gender-wage inequality affects people of all sexual orientations and how we still very much live in a society in which heterosexual men are the highest wage earners.

Race and Ethnicity

Race-wage inequality continues to be rampant and according to some studies is worsening:

Another defining feature of racial inequality in the labor market is the significant pay disparities between black and white workers. In 2019, the typical (median) black worker earned 24.4% less per hour than the typical white worker. This is an even larger wage gap than in 1979, when it was 16.4%. Controlling for racial differences in education, experience, and the fact that black workers are more likely to live in lower-wage Southern states leaves an unexplained gap of 14.9% in 2019 (out of a total average gap of 26.5%). This is up from an unexplained gap of 8.6% in 1979 (out of a total average gap of 17.3%). Any simple or rational explanation for this disparity is further complicated by the fact that racial wage gaps among men are significantly larger than among women.

Racial wage gaps also have widened amid the broader trend of growing wage inequality, as black workers have reaped even fewer gains from increased aggregate productivity than white workers. While net productivity per hour worked increased 69.6% (1.8% per year) between 1979 and 2019, median wages grew by only 14% (0.4% per year). Over this same time, the median wage of black workers grew at a meager 5.2% (0.1% per year) and the median wage of white workers grew 20.0% (0.5% per year).¹⁶

The US Department of Labor¹⁷ has some disturbing statistics on how nationality affects wage earnings:

Race or Ethnicity	Earnings per Dollar
White	\$1.00
Black	\$0.76
Native American / American Indian	\$0.77
Asian-Pacific Islander	\$1.12
Hispanic Latino	\$0.73
Multiracial	\$0.81

Interestingly, if your ethnicity is Asian-Pacific Islander, you most likely earn more than a white person in the same job, however, all other races/ethnicities earn considerably less, and again, we see inequality, even though we are all human beings and should be treated equally so.

¹⁵ <https://www.hrc.org/resources/the-wage-gap-among-lgbtq-workers-in-the-united-states>

¹⁶ <https://www.epi.org/unequalpower/publications/understanding-black-white-disparities-in-labor-market-outcomes/>

¹⁷ <https://www.dol.gov/agencies/ofccp/about/data/earnings/race-and-ethnicity>

Age

Discrimination based on age is illegal. The Age Discrimination in Employment Act¹⁸ of 1967 is a federal law that protects individuals 40 years of age or older from age discrimination in the workplace. However, the reality is different:

A 2022 AARP study found that nearly one in six adults currently working or looking for work reported that they weren't hired for a job they applied for because of their age. 53% of recent job seekers also noted that an employer asked them to provide their birth date, while 47% were asked to provide a graduation date.

This same study also discovered alarming data that 62% of working adults over the age of 50 believe older workers face discrimination, with an overwhelming 93% believing age discrimination against older workers is prevalent in today's workforce.

While ageism can certainly put older workers of any gender at a severe disadvantage, research shows that it's women between the ages of 55-64 that take the biggest impact from workplace wage gaps.¹⁹

While some of this study is citing beliefs (second paragraph in the above quote) rather than evidence, the fact that people believe they have been discriminated against based on age is disturbing and points yet another covert hiring and wage determination policy that results in inequality.

Prior Wage

Asking about a worker's prior wage is illegal in 21 states:

In 21 states, employers cannot ask job candidates about their salary histories, but employers can nonetheless make inferences based on whether candidates voluntarily disclose them.²⁰

New York is one such state than prohibits asking about salary history, but note that this law was enacted recently, in 2020:

Effective January 6, 2020, Labor Law Section 194-a prohibits an employer from, either orally or in writing, personally or through an agent (directly or indirectly), asking any information concerning an applicant's salary history information. This includes compensation and benefits. The law also prohibits an employer from relying on an applicant's salary history information as a factor in determining whether to interview or offer employment at all or in determining what salary to offer.²¹

However, even volunteering your previous wage is complicated, as a study by the National Bureau of Economic Research found:

¹⁸ <https://www.eeoc.gov/statutes/age-discrimination-employment-act-1967>

¹⁹ <https://www.indeed.com/career-advice/news/confronting-ageism-gender-wage-gap>

²⁰ <https://www.nber.org/digest/202201/how-knowledge-salary-history-affects-wage-offers-and-hiring>

²¹ <https://www.ny.gov/salary-history-ban/salary-history-ban-what-you-need-know>

The researchers conclude that employers see disclosing salary as a positive signal of candidate quality. However, salary history is also a signal of strong competing offers. A disclosure could increase chances of a callback, but decrease chances of getting a high salary offer, conditional on a callback. Candidates, employers and policymakers may thus face tradeoffs using and regulating salary history information.²²

In other words, disclosing your prior wage improves your chance of getting a ‘callback’ – a second interview, but may result in a lower offer being made because now the company knows what it needs to offer as a competitive wage, yet at the same time. Unfortunately the law does not prohibit using the knowledge of prior salary history, it only prohibits *asking* about prior salary history.

Minimum, Fair, and Living Wage

There are three categories of wage:

1. Minimum wage
2. Fair wage
3. Living wage

These three categories are explained in detail in The Times of India article “concept of minimum wages[,] fair wage and living wage and need based minimum wages.”²³ (Note that all quotes in this section are from that article except as explicitly footnoted.) While this article was written on March 15, 2023, it is referring to how, after India gained independence (Aug 15, 1947), “a Committee on Fair Wages in 1948 [was created] which has defined various concepts of wages which govern the wage structure in the country specially in those sectors which can be termed as underpaid and where workers do not have bargaining power through unions.” The issue of minimum wage is still relevant in India today, as discussed in Mr. Anup Karan’s document “Setting national minimum wages in India: a need-based approach.”²⁴ Karan’s document continues to describe minimum wage based on calculations of food and non-food expenditures. It is a relevant example of how government and corporations control wages, regardless of worker needs.

Minimum Wage

Steiner says this about minimum wage, which is in contrast to state and federal mandated minimum wage and bears no relationship to receive enough to meet his and his dependent’s needs:

...what today is called minimum wage is thought of in terms of the wage relationship. [...] This question will have to be settled in economic life. The question then comes down to:

²² <https://www.nber.org/digest/202201/how-knowledge-salary-history-affects-wage-offers-and-hiring>

²³ *concept of minimum wages fair wage and living wage and need based minimum wages.*

<https://timesofindia.indiatimes.com/readersblog/lawpedia/concept-of-minimum-wages-fair-wage-and-living-wage-and-need-based-minimum-wages-51504/>

²⁴ International Labour Organization, *Setting minimal wages in India: a need-based approach*, by Mr. Anup Karan.

https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/projectdocumentation/wcms_832070.pdf

whoever produces something will have to, in return, receive enough to meet his own and his dependants [sic] needs until he has again produced a like product.²⁵

Does the following concept of minimum wage in the aforementioned article “concept of minimum wages fair wage and living wage and need based minimum wages” meet the requirement to ‘receive enough to meet his and his dependent’s needs ‘? Here is what the article says:

A minimum wage is one which has to be paid by an employer to his workers irrespective of his [the employer] ability to pay. According to the above committee [the Committee on Fair Wages established in 1948] Minimum wage is the wage which must provide not only for the bare sustenance of life, but for the preservation of the efficiency of the workers. For this purpose, minimum wage must provide some measure of education, medical requirements and amenities.

In 1957, the Indian Labor Conference determined how to calculate the minimum wage:

1. “The standard working class family should be taken to consist of three consumption units for the earner; the earnings of women, children and adolescents should be disregarded.”
2. “The minimum food requirements should be calculated on the basis of the net intake of 2.700 calories per adult.”
3. “The clothing requirements should be estimated at a per capita consumption of 18 yards per annum per person.”
4. “In respect of housing. the norms should be the minimum rent charged by the Government in any area for houses provided under subsidized housing scheme for low-income groups.”
5. “Fuel, lighting and other miscellaneous items of expenditure should constitute 20 per cent of the total minimum wage.”

From this formula, accounting for:

1. The cost of food for a 2,700 calorie per day diet.
2. The cost of fabric per yard.
3. The rent charged by the Government for subsidized low-income families.
4. And factoring in 20% for fuel, electricity, and other miscellaneous items.

A very precise minimum wage number can be obtained for any given circumstance and regional cost of living. While the minimum wage is supposed to provide ‘some measure of education, medical requirements, and amenities’, it does not explicitly state what ‘some measure’ means.

This formula does not take into consideration individual needs. ‘Three consumption units’ is determined as: “The normative family is taken to consist of a spouse and two children below the age of 14. With the husband assigned 1 unit, wife, 0.8 unit and two children, 0.6 units each, the minimum wage needs to address 3 consumption units.”²⁶ As noted, earnings by women, children, and adolescents are not factored into the formula.

²⁵ Translation by Richard Masters. Masters, R. (2022) *Rudolf Steiner and Social Reform*. Rudolf Steiner Press (p. 370) of Steiner, R., GA 337a ‘Soziale Ideen. Soziale Wirklichkeit. Sziale Praxis, Band 1’ [‘Social ideas, social reality, social practices Part 1’], https://anthrowiki.at/GA_337a

²⁶ <https://www.livemint.com/news/india/how-government-calculates-minimum-wage-1562997305474.html>

Fair Wage

In contrast to the minimum wage, which the employer must pay regardless of their ability to pay (how this is possible is not explained), a fair wage:

...is linked with the capacity of the industry to pay. The Committee has defined fair wage as follows:

Fair wage is the wage which is above the minimum wage but below the living wage. The lower limit of the fair wage is obviously the minimum wage: the upper limit is to be set by the capacity of the industry to pay.

Here the government loosens its grip on the employer and states that a fair wage is based on the 'capacity of the industry to pay' – in other words, the company determines what they pay to the worker above minimum wage. This is not regulated – the worker has to take on faith that the employer is distributing profit equitably.

Living Wage

A living wage, according to The Times of India article and determined by the Committee on Fair Wages is:

...one which should enable the earner to provide for himself and his family not only the bare essentials of food, clothing and shelter but a measure of frugal comfort including education for his children, protection against ill-health, requirements of essential social needs and a measure of insurance against the more important misfortunes including old age.

In 1957:

Living wage is more than the concept of minimum wage. Such a wage is determined keeping in view the national income and paying capacity of industrial sector. The Committee also observed that since the national income did not support the payment of living wage [, it] should be implemented in three phases. In the initial stage the wages to be paid to the entire working class were to be established and stabilized. In the second phase fair wages were to be established in the community and industry. In the final phase the working class was to be paid the living wage.

The guidelines put forth in 1957 still apply today in consideration of a minimum wage in India.²⁷ Again, a living wage is determined by the company.

The 1957 Conference definition of a living wage is mirrored in other countries as well. For example, in the United Kingdom and New Zealand:

In the United Kingdom and New Zealand, advocates define a living wage to mean that a person working 40 hours a week, with no additional income, should be able to afford the basics for a modest but decent life, such as, food, shelter, utilities, transport, health care, and child care. Living wage advocates have further defined a living wage as the wage equivalent to the poverty line for a family of four. The income would have to allow the family to 'secure food, shelter, clothing, health care, transportation and other necessities

²⁷ <https://www.livemint.com/news/india/how-government-calculates-minimum-wage-1562997305474.html>

of living in modern society'. A definition of a living wage used by the Greater London Authority (GLA) is the threshold wage, calculated as an income of 60% of the median, and an additional 15% to allow for unforeseen events.²⁸

The cliché 'Thrive, don't just survive' is encountered in numerous self-help workshops, leadership workshops, therapy sessions, and even associated with Buddhist philosophy. We can see from these wage models that they all are focused on what it takes for the worker to survive (which may be arguable), so the worker can work another day. None of these wage models enable the human being the 'thrive' with dignity and the means to pursue their goals. What does 'thrive' mean? One way to define 'thrive' is to associate it with feeling 'happy.' A July 7, 2022 article "Here's how much money you need to make to be happy living in the US, according to study" states:

A global study published in 2018 looked at how much money seems to make individuals happy, along with the level that money no longer had an impact on well-being.

While "happiness" is subjective, the study authors from Purdue University attempted to answer this question by measuring emotional well-being, or one's day-to-day emotions like happiness, excitement, sadness, or anger. They also measured life satisfaction — or an overall assessment of how one is doing.

Globally, the study found that the ideal income point for an individual is \$95,000 for life satisfaction and between \$60,000 to \$75,000 for emotional well-being.

In North America, the individual income level for life satisfaction was found to be \$105,000 per year.

For comparison, the annual mean wage for a full-time wage or salary worker in the U.S. is only \$58,260, according to the most recent data shared by the U.S. Bureau of Labor Statistics.

The median household income was \$67,521 in 2020, a decrease of 2.9% from 2019, the U.S. Census Bureau reported.²⁹

Can we then say that the minimum income for 'life satisfaction' in the US is \$105,000 per year? The more general question is, what really is the relationship between wage and 'feeling happy' and is this a healthy way of looking at life?

The Labor Market

Labor is currently treated as a commodity; hence we have a 'labor market', and like a commodity, labor is viewed in the context of supply and demand. The Oxford dictionary defines the labor market as "the availability of employment and labor, in terms of supply and demand." As a result, supply and demand determine to a large extent the wage (or price) the employer must offer because of market competition:

²⁸ https://en.wikipedia.org/wiki/Living_wage

²⁹ <https://www.fox9.com/news/heres-how-much-money-you-need-to-make-to-be-happy-living-in-the-us-according-to-study>

The law of supply and demand states that when the demand for a good or service is higher than the supply, prices are likely to rise... The law also indicates that if a commodity's supply is higher than the demand, prices tend to fall.³⁰

When there is a surplus of labor for a particular job, this is considered an employer market and the wages offered by the employer tend to go down:

An employer-driven market is when business owners call the shots in the hiring process. This is when employers can dictate and negotiate salaries and benefits. This happens with the slowing down of economies, the rise of unemployment, and the increase in people looking for work.³¹

Conversely, in a “Candidate Driven Market”, the wage the employer offers tends to go up because of the scarcity of talent:

The Candidate Driven Market is when applicants have the upper-hand and get to choose where they want to work. They also have the opportunity to negotiate for better pay and perks. This is due to a rising economy where companies are competing for the top-caliber talents out there.³²

And:

Candidates are often receiving multiple job offers, as well as their current employers trying to offer more for them to stay on as their employee. It’s not just about salary, but the whole package. Candidates have such a choice that they are able to command more competitive salaries, flexible working patterns, stronger study support and a full career development plan. If a client can’t offer what a candidate is looking for, they’ll ultimately lose them to a competitor that can.³³

The need for skilled workers is increasingly in short supply as:

According to a report by IMF³⁴ [International Monetary Fund], the tech talent shortage will swell to more than 85 million tech workers by 2030, which in turn can potentially translate to lost revenue of over \$8 trillion annually (Source: Korn Ferry³⁵). The United States does not produce enough IT graduates every year. ... The high demand is led not just by sectors like tech, media, and financial institutions. It also includes smaller companies looking to streamline their growth and build innovative products as well as services. Health and education saw a steep rise in their demand for skilled tech experts.³⁶

³⁰ <https://www.indeed.com/career-advice/career-development/how-does-supply-and-demand-affect-prices>

³¹ <https://www.linkedin.com/pulse/candidate-driven-market-vs-employer-driven-how-get-best-moses-neuman>

³² Ibid.

³³ <https://www.pagepersonnel.co.uk/our-expertise/finance/candidate-driven-market>

³⁴ <https://www.imf.org/Publications/fandd/issues/2019/03/global-competition-for-technology-workers-costa>

³⁵ <https://www.kornferry.com/insights/this-week-in-leadership/talent-crunch-future-of-work>

³⁶ <https://gaper.io/tech-talent-shortage/>

Thus, we see that not only supply and demand affect wage, but the demand for *skilled labor* creates an additional affect on the wages an employer must pay to be competitive with other employers – in other words, it is a candidate market. Conversely, in an employer market, because there is a surplus of workers, employers often raise the skill requirement without a commensurate increase in wage:

Research shows that employers often raise requirements during times of high unemployment, leveraging slack in the U.S. labor market to demand higher levels of credentials without commensurate compensation—even though workers without credentials or at different skills levels may be very well able to succeed at those roles.³⁷

All of this is to point out that when labor is treated as a commodity, it results in a labor market where wage is determined by supply and demand, and depending on the ratio of supply vs. demand, either the employer or candidate is more in control of determining wage as well as other benefits such as vacation time, health care, work environment, and so forth.

We also observe that because of a high demand and low supply, wages often exceed the needs (even for a secure, comfortable life) of the wage earner. Conversely, low-skilled work is often in great supply:

Data shows that, on average between 1980 and 2010, more than two thirds of the US labour force does not have a college degree, meaning that the majority of the workforce are living off wages that have not kept up with rising living costs.³⁸

The low-skilled worker's wage reflects this 'supply', resulting in the worker often not earning enough for even a minimal existence because the supply is so great. We also see here how skill is entangled in this relationship of supply and demand. The more skilled the worker, the more they can demand as a wage, and, as skill increases, supply typically decreases, thus the employer has to offer a higher wage, assuming of course a demand for the required skill level. Certainly, a highly skilled worker can become obsolete as technology and other developments occur that reduce or eliminate the need for that skill – in other words, demand decreases or is altogether eliminated.

Labor as a commodity creates a supply and demand labor market, and when combined with skill level (related to education and experience), the result is a wage imbalance that adversely affects low-income wage earners. As we have seen earlier, low-income wage earners have less opportunity for education and are often given less skill training by management. This maintains, if not in fact worsens, the ability for the low-income worker to attain the skills necessary such that their 'labor as a commodity' is more competitive in the labor market and move into a higher wage position.

It's Just a Job

The labor-wage system created by treating labor as a commodity disconnects the worker from their work – in other words, the worker often has no relationship to the value of their work nor does the worker feel valued. Work becomes something that we do to receive a wage so we can continue living – we work for ourselves, not for others, which is discussed in more detail later in the section on counter-value.

³⁷ <https://equitablegrowth.org/is-there-a-skilled-labor-shortage-the-economic-evidence-on-skills-gap-and-labor-shortage-concerns/>

³⁸ <https://www.lse.ac.uk/research/research-for-the-world/economics/why-low-skilled-worker-wages-have-stagnated-even-while-the-economy-has-thrived>

This results in dissatisfaction and despondency and directly affects productivity:

Just 30% of employees are engaged and inspired at work, according to Gallup's 2013 State of the American Workplace Report, which surveyed more than 150,000 full- and part-time workers during 2012. That's up from 28% in 2010. ... A little more than half of workers (52%) have a perpetual case of the Mondays — they're present, but not particularly excited about their job.

The remaining 18% are actively disengaged or, as Gallup CEO Jim Clifton put it in the report, "roam the halls spreading discontent." Worse, Gallup reports, those actively disengaged employees cost the U.S. up to \$550 billion annually in lost productivity.³⁹

Being disengaged from our work also affects our sense of identity, which at least in part is often related to our work. It is interesting to note how historically, our surnames have correlated with our work identity:

The most popular surname in Germany and Switzerland is Müller, while in Ukraine, it's Melnik; both are words for a miller. In Slovakia, the most common last name is Varga, a word that means cobbler. And in the UK, Australia, New Zealand, Canada and the US, it's Smith — as in blacksmith, silversmith, locksmith, gunsmith. These names date back as far as the Middle Ages, when a person's job was such a defining characteristic, it became their literal identity.⁴⁰

While this is much less the case nowadays, one's work, particularly when correlated to skill level and high wage, "have become a significant marker of identity in a more nuanced way."⁴¹

"That is especially true among the 'educated elite,'" says Wilson. "For people who have a certain type of job and certain class, it often becomes how you identify yourself and how others identify you."⁴²

Note that overly identifying oneself with one's work can lead to "enmeshment":

...those who do let their jobs consume their identities may be doing so at their own expense. When people invest a disproportionate amount of their time and energy into their career, explains Wilson, it can lead to a psychological state called 'enmeshment', where the boundaries between work and personal life are blurred.⁴³

A worker's sense of dignity and their work-identity are closely related:

Both subjective and objective viewpoints have also pointed towards the ethical dimension of meaningful work as a shared focus. Individual's relationship to and perception of their work as integral to identity and self-esteem; the role of autonomy to pursue one's aspirations; and the value of work that contributes to social well-being

³⁹ <https://www.usatoday.com/story/money/business/2013/06/30/americans-hate-jobs-office-perks/2457089/>

⁴⁰ <https://www.bbc.com/worklife/article/20210409-why-we-define-ourselves-by-our-jobs>

⁴¹ Ibid.

⁴² Ibid.

⁴³ Ibid.

have been emphasized (Michaelson et al. 2014⁴⁴). On the other hand, in line with the objective dimension, organizations would then be responsible for providing such conditions and have the moral responsibility to ensure the realization of autonomy, dignity, and freedom through meaningful work (Bowie 1998⁴⁵; Wolf 2010⁴⁶). Meaningful work can, therefore, be considered a 'moral and institutional imperative (Bailey et al. 2019a, 483⁴⁷).⁴⁸

In the above quote, notice how 'the realization of autonomy, dignity, and freedom' becomes the responsibility of the organization (the employer) and how this realization is also tied to meaningful work. (The springer.com article "Examining the Role of Dignity in the Experience of Meaningfulness: a Process-Relational View on Meaningful Work", published August 23, 2022, quoted above has 155 references to the word 'dignity.' It is well worth the read.)

The correlation between a worker's sense of dignity and how the worker is treated in the workplace, and the primary reason for job dissatisfaction, is clearly stated in a 2022 CNBC article and offers a solution: 'meaningful conversation.'

The No. 1 reported cause of dissatisfaction with the job experience is characterized as "unfair treatment at work" – the lack of a culture that emphasizes respect, community, and contribution acknowledgement. Unfair treatment includes many kinds of workplace issues, Gallup's report states, from mistreatment by coworkers, inconsistent compensation, and corporate policies, to biases and favoritism. ...

According to Harter, for organizations that want to focus on better management, the first step is simple: "We need to teach managers to have at least one meaningful conversation every week with each person they manage."⁴⁹

What then is a 'meaningful conversation'?

A meaningful conversation involves a discussion between two or more people on a subject important to one or more of the participants. This contrasts with meaningless conversation, which may involve the weather and other kinds of 'small talk'.⁵⁰

A meaningful employee-manager conversation might include:

- Appreciation for the work being done.
- Explaining / reminding why the work is important to the company and the consumer.
- Suggestions on improving that worker can make, especially in the context of how those suggestions benefit the worker in their career path.

⁴⁴ Michaelson, C., M. Pratt, A. Grant, and C. Dunn. 2014. Meaningful work: Connecting business ethics and organization studies. *Journal of Business Ethics* 121: 77–90.

⁴⁵ Bowie, N. 1998. A Kantian theory of meaningful work. *Journal of Business Ethics* 17: 1083–1092.

⁴⁶ Wolf, S. 2010. *Meaning in life and why it matters*. Princeton University Press.

⁴⁷ Bailey, C., R. Yeoman, A. Madden, M. Thompson, and G. Kerridge. 2019b. A review of the empirical literature on meaningful work: Progress and research agenda. *Human Resource Development Review* 18: 83–113.

⁴⁸ <https://link.springer.com/article/10.1007/s41463-022-00133-5>

⁴⁹ <https://www.cnbc.com/2022/08/12/job-unhappiness-is-at-a-staggering-all-time-high-according-to-gallup.html>

⁵⁰ <https://uk.indeed.com/career-advice/career-development/meaningful-conversation>

- Asking if the worker would like to participate in additional training, not just for their current job but with the goal of developing the worker’s career path, particularly promotions within the company.
- Asking how management is meeting the needs of the worker in the context of the worker being able to get their work done with efficiency and quality.
- Asking if the wage the worker is receiving is sufficient to meet their needs. Life situations change – people get married, babies are born, medical situations arise that are not covered by insurance, parents need elderly care assistance, and so forth.

Particularly the last bullet item, asking if the wage the worker is receiving is sufficient to meet their needs, is one of the primary differences between a labor-as-a-commodity wage system and a counter-value system, which is discussed next.

Public Relations and the Media

As an additional point, it may seem that corporations are addressing the issue of minimum wage, as the title of this May 13 2021 article suggests: “McDonald's boosting starting pay to \$11-\$17 an hour at company-owned restaurants.”⁵¹ However, near the bottom of the article, thankfully this was pointed out in the article:

The changes to McDonald’s pay structure, however, do not apply to its franchisees, who independently operate about 95% of its 14,000 restaurants in the United States, according to The New York Times.⁵²

Touting this boost in starting pay, while the fact is that this boost affects only 5% of the McDonald restaurants, is not necessarily McDonald’s fault but that of media reporting. Certainly, McDonald’s cannot control the wage a franchise pays its workers, so it is doing what it can for the 5% of restaurants it directly owns, and the media made a rather deceptive announcement of McDonald’s boosting starting pay.

The point of this short section is that the reader must research for themselves what the media and the company’s public relations department are saying when it comes to ‘good news’ about wage.

⁵¹ <https://ny1.com/nyc/all-boroughs/business/2021/05/13/mcdonald-s-boosting-starting-pay-to--11--17-an-hour-at-company-owned-restaurants>

⁵² <https://ny1.com/nyc/all-boroughs/business/2021/05/13/mcdonald-s-boosting-starting-pay-to--11--17-an-hour-at-company-owned-restaurants> The New York Times article referenced in the link is found here: <https://www.nytimes.com/2021/05/13/business/mcdonalds-wage-increase.html>

Counter-Value

In this section, rather than speaking of wage, the term ‘remuneration’ is used, as it expresses the idea that what the worker receives as counter-value for their work is the agreed upon share of proceeds from the sale of commodities. While the actual counter-value would technically be a share of the commodities produced, this is unrealistic. In most economies today, money is used as the means of exchanging commodities, therefore the counter-value, or remuneration the worker receives, while still in the form of money, is not a wage. Instead of a wage for labor based on money being received for the labor treated as a commodity, a counter-value model is a remuneration based on a share of the profit from sales, where money is used as the vehicle that represents that share. Given that money is the usual form exchange nowadays between seller and consumer, money is a natural means to bridge profit and remuneration and preserves the concept that money is only used as a vehicle for the purchase of commodities. The remuneration in counter-value is coupled to the share of profit from the sale of commodities rather than the labor itself. This eliminates not just the whole idea of wage but also labor treated as a commodity. Furthermore:

When no-one is any longer recompensed for his work, then money will lose its value as a means for acquiring power over work. There is no other means for overcoming the misuse that has been perpetuated with mere money than by forming the social structure in such a way that no one be recompensed for his work, and that provision of the means of existence shall be achieved from an entirely different source. It will then naturally be impossible to use money for the purpose of compelling anyone to work ... Money must never in the future be the equivalent for human labour, but only for inanimate commodities.⁵³

The last sentence in particular, “Money must never in the future be the equivalent for human labour, but only for inanimate commodities” can be confusing when the counter-value is itself expressed in terms of money. A very clear distinction must be understood. Wage is ‘money given for an equivalent amount of human labor’ while counter-value is ‘money given that represents a share of the proceeds from the sale of commodities.’ This preserves Steiner’s point that money should be used ‘only for inanimate commodities.’ One might argue that wage does express that, albeit abstractly, but this is a false argument because wage is almost always fixed, whether one works hourly, piecemeal, or in a salaried position. Wage is never tied to profit except through abstractions like limited bonuses.

Shifting from a supply and demand competitive wage system as discussed in the previous section to a counter-value approach has the direct effect of eliminating wage disparities and thus class disparity:

...since Steiner emphasizes all come to the table as free and equal collaborators, not as workers and work givers, then workers might have to agree to management’s share just as much as management would have to agree that of workers.⁵⁴

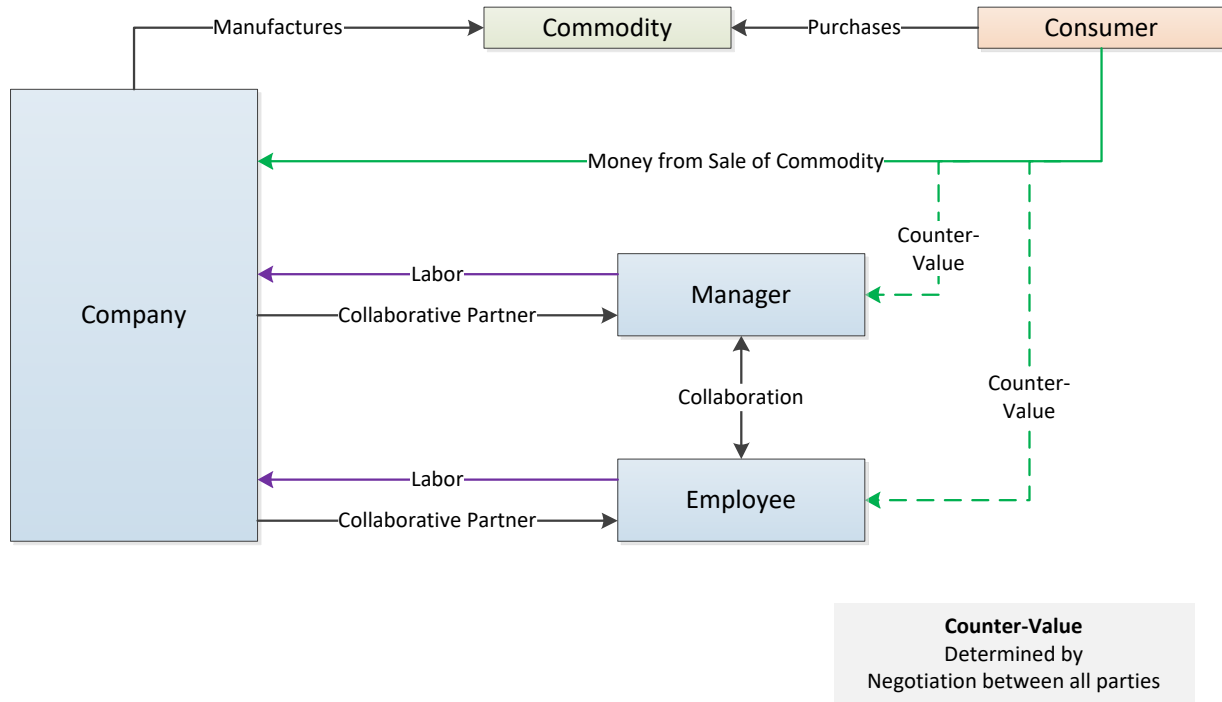
This rebalances the disparity we see currently in wage compensation. Also, the entire concept of a labor market is eliminated. In addition to providing the worker with an income that meets their financial needs, there are several less tangible effects:

⁵³ Steiner, R., (1941) *The Challenge of our Times*. New York: Anthroposophic Press (pp. 59-60)

⁵⁴ Masters, R., (2022) *Rudolf Steiner and Social Reform*, Rudolf Steiner Press, (p. 370)

1. It gives the worker the sense that they are being treated with dignity.
2. The worker gains a sense of meaning for their work.
3. Production and quality are improved because the worker is invested in the success, not just of the company, but of their coworkers.

Example of the counter-value model:



What is the Actual Concept of Work?

...the concept of the work giver must actually disappear through socialization. For someone can only be a work giver if he is a work owner, and a work owner there simply may not be. There can only be a work leader, which means people who are active in the organization of the work, so that the manual work knows how to apply his work power in the best way and so forth. Of course the work in an enterprise cannot run on in such a way that everyone simply does what he pleases. Leadership must be there, the whole company must be penetrated with spirit / intellection, but these are no work givers, they are work leaders, which means workers of another kind. The greatest value is to be placed now on grasping at last the actual concept of work. For in reality a work giver who does not himself collaborate does not belong at all the enterprise, but is actually a parasite on the work.⁵⁵

It is ingrained in us that we (most commonly) work as employees and that we have a manager overseeing our work and making decisions about our work. This model percolates up the chain, such that managers are supervised by upper management who in are supervised by executives who in are

⁵⁵ Translation by Richard Masters. Masters, R. (2022) *Rudolf Steiner and Social Reform*. Rudolf Steiner Press (pp. 166-167) of Steiner, R. 'Betriebsrate und Sozialisierung' ['Works councils and socialisation'], https://anthrowiki.at/GA_331

supervised by the C-level ('C' meaning 'Chief') people in the company – the Chief Operating Officer, the Chief Financial Officer, the Chief Executive Officer, and so forth. If there is a sense of collaboration between the worker and their manager, it is only by the conscious intention and skill of the manager.

The true concept of work requires a consciousness among all the workers in a company that people are not employees but rather collaborators in the work. Managers are not supervisors but rather leaders whose skills are needed in the training, production, distribution, and sale of the commodities being made. In corporate life we often hear: 'I wish I worked in your group; your manager is amazing.' This collaborative consciousness should not be the result of simply being in a group with a particularly good manager. Instead, all workers, whether performing physical labor or spiritual (thinking) labor, must work collaboratively.

A Negotiated Counter-Value

A collaborative approach re-aligns the remuneration a worker (from the factory floor to the CEO) receives, eliminating wage and class disparity, particularly when there are agreements between all workers on the counter-value (the share of profits) received by each worker. Isn't it more rational, rather than paying CEO's 399 times that of a typical worker⁵⁶ (2021), a remuneration is agreed upon by all workers? In a negotiated counter-value system:

There might at least be a general consensus within a firm that a degree of unequal sharing be acceptable provided no one's remuneration ever exceeds four times any else's. Or six times. Or whatever. Those with greater experience or responsibility, those who have to 'take the job home with them', could perhaps have a higher share for their additional troubles, in addition to those with higher needs. It would be down to all co-workers to agree [on] these things.⁵⁷

And:

...what is advocated here is ... the abolishment of the wage system in favour of a contractual sharing system in respect of the common achievements of management and labour. ... A contractual sharing system – in no sense a wage system – expresses the value of what has been produced in a way which changes the workers' social position in relation to other members of society. This position is completely different from the one which arose through one-sided, economically conditioned class supremacy. The need for the elimination of the class struggle is therewith satisfied.⁵⁸

Such consensus and agreement are certainly doable today, obviously most easily in small businesses, and would be a model of how Steiner's proposals on how counter-value and collaborative work relationships can be implemented.

Why do I Work?

A worker who is paid a wage may go to work harbouring resentment when they know just how much profit the firm is making out of their efforts. As such they are less likely to

⁵⁶ Economic Policy Institute, "CEO pay has skyrocketed 1,460% since 1978" , <https://www.epi.org/publication/ceo-pay-in-2021/>

⁵⁷ Masters, R. (2022) *Rudolf Steiner and Social Reform*, Rudolf Steiner Press, (p. 371)

⁵⁸ Steiner, R. (1977) *Towards Social Renewal*. London: Rudolf Steiner Press (p. 123)

be conscientious in their work, less likely to go to work with any feeling of service to others. On the other hand, if one's work and one's income were somehow separated, one's work would then be motivated by a social mindset, by the meeting of human needs.⁵⁹

Steiner points out that in our current wage-based, labor-as-a-commodity system, we work for ourselves so that we can receive a wage that allows us to live.

To this day, every wage-earner in the ordinary sense is a man who provides for himself. He gives only so much as he wants to earn. In fact, he simply cannot be giving as much to the social organism as he might give, for he will only give so much as he wants to earn. In effect, to provide for oneself is to work for one's earnings, to work "for a living." To work for others is to work out of a sense of social needs.⁶⁰

And:

There are many people who, to all appearances, are not working for themselves; and yet, in reality, they are. A lawyer, for example, is to all intents and purposes working for his clients. Part of his work may well be selfless, but the real question is one of earning his living.⁶¹

While the commodities produced by my labor may meet the needs of society, the primary impetus for working is always based first and foremost on my needs – I work for myself, and by inference, the wage I desire is based on what I want to earn rather than on what I contribute to society.

Conversely, in a collaborative counter-value system, my motive shifts - I work for the needs of society.

Instead of people 'working for a living', instead of them expecting to be paid for simply turning up to work, a collaborative, sharing paradigm encourages all to do a good job to meet the needs of customers. Personal income will then ensue.⁶²

The distinction here may be difficult to understand as I am still receiving a remuneration. Several factors come into play.

First, it is the Rights domain that requires that this remuneration is a negotiation of the sharing of proceeds:

...Steiner proposes the sharing approach be something workers are entitled to by right. The manager / worker relationship is not a purchase / sale relationship in the economic domain; it is a rights relationship. And within this rights relationship, the right to a sharing of proceeds approach would ideally prevail.⁶³

⁵⁹ Masters, R. (2022) *Rudolf Steiner and Social Reform*, Rudolf Steiner Press, (p. 161)

⁶⁰ Steiner, R. (1972) *World Economy*. Rudolf Steiner Press; 3rd edition, Lecture 3 (p. 44)

⁶¹ Steiner, R., *The Temple Legend*, GA 93, Part I, Lecture 10, <https://rsarchive.org/Lectures/GA093/English/RSP1985/19041223p01.html>

⁶² Masters, R. (2022) *Rudolf Steiner and Social Reform*, Rudolf Steiner Press, (p. 367)

⁶³ Masters, R. (2022) *Rudolf Steiner and Social Reform*, Rudolf Steiner Press, (p. 170)

Second, the counter-value remuneration that is negotiated meets my needs, including the needs of dependents. Granted, this concept is based on the somewhat of an obsolete single-income family model, but keep in mind that the single-income family model became obsolete because of the very fact that the worker (be at a man or woman) could not alone earn sufficient income to support their family!

Third, I am working in a collaborative partnership with my coworkers and those guiding the work, management.

Fourth, the remuneration I receive would not be expressed as a fixed amount (this harks back to the wage model) but rather as a share of proceeds, i.e., profit, which correlates to consumer demand:

And:

If I base my labor on consumer demand, with regard to what humanity needs, I stand in a free relation to labor, and my work is a sacrifice for humanity. Then I will work with all my powers, because I love humanity and want to place my capacities at its disposal. That has to be possible, and is possible only when one's living is separated from one's labor. And that is going to happen in the future. No one will be the owner of the products of labor. People must be educated for voluntary work, one for all and all for one. Everyone has to act accordingly. If you were to found a small community today in which everyone throws all one's income into a common bank account and everyone works at whatever he can do, then one's living is not dependent on what work one can do, but rather this living is effected out of the common consumption. This brings about a greater freedom than the coordination of pay with production does. If that happens, we will gain a direction which corresponds with needs.⁶⁴

Please note that the above quote is Steiner's early (1905) concepts of labor, and the idea of throwing 'all one's income into a common bank account', i.e., income pooling, is something Steiner abandons in his later writing and lectures on income.

All of this has the effect that I, in my work, have a direct relationship to the commodity being produced and the need that society has for that commodity. Indeed, when society no longer has a need for the commodity, it becomes obvious that other work must be found where there is a societal need for a different commodity. If this requires retraining, the Rights domain ensures (through the application of excess capital from the Economic domain) that I can obtain the required skills with further education in the Spiritual-Cultural domain while my needs are still maintained. A full discussion of how this works is beyond the scope of this essay, but I will quote Steiner here as a seed for further investigation:

Of course this also involves quite another social need. We must see to it that the worker is not restricted to one solitary manipulation throughout his life, but is able to turn his hand to other things. ... You can use up the surplus capital [...] to instruct and educate the workers in one thing or another, so as to be able to transplant them into other callings.⁶⁵

⁶⁴ Steiner, R., *The Social Question and Theosophy*, part of GA 86d, Lecture given on 26 October 1905, Berlin, <https://rsarchive.org/Lectures/GA068d/English/Singles/19051026p02.html>

⁶⁵ Steiner, R. (1972) *World Economy*. Rudolf Steiner Press; 3rd edition, (p. 71)

Why do Young People Work?

It should be noted that one's relationship to work, that 'my work is a sacrifice for humanity,' is not necessarily the foremost reason for working. Young people are often seeking work that "contribute[s] to what they believe is their wider purpose." While this work can still be indirectly related to 'a sacrifice for humanity,' it is not the primary reason:

Many workers no longer want to just do work—they want to do good. Some 70% of Americans say they define their sense of purpose through work, according to a recent study by McKinsey & Co. Millennials, in particular, are looking for opportunities in their work to contribute to what they believe is their wider purpose, the study suggested.

Welcome to the new American workplace, where having a positive impact and embracing a sense of purpose are mandatory for attracting younger workers, who demand that employers demonstrate purpose beyond profit.⁶⁶

In addition, many young people want to find work that aligns with their values:

According to a February 2023 survey of more than 1,000 Millennial and Gen-Z-aged young people conducted by the workwear brand Carhartt, nearly half (48%) of the respondents expressed uncertainty in their future career paths. A similar percentage of respondents (44%) reported that "finding a job that aligns with my values" was their top challenge in today's job market.⁶⁷

Experience is another factor, even if one has a sense of one's purpose and what one values:

Gaining different types of experience is invaluable, as it allows you to develop essential skills and knowledge that can help you in your career. It can help you network with industry professionals and build relationships that may benefit you later. Taking the initiative to gain work experience at a young age can strengthen your job application and give you a competitive edge over other candidates.⁶⁸

Also, while many young people know what they want to do for work, they also do not feel that the education they have received prepares them for work:

In terms of readiness for the future of work, young people were far less positive when asked about the usefulness of school. Approximately 56% of young people know what they want to do for work in the future, however they do not feel supported by their education system, and 44% fear that their skills or knowledge won't be in demand in the future.⁶⁹

⁶⁶ Time, 5/13/2022, Employers Take Note: Young Workers Are Seeking Jobs with a Higher Purpose, by Bruce Horovitz, <https://time.com/6176169/what-young-workers-want-in-jobs/>

⁶⁷ Forbes, 3/28/2023, Why More Young People Are Exploring Jobs That Connect To A Greater Purpose, by Mark C. Perna, <https://www.forbes.com/sites/markcperna/2023/03/28/why-more-young-people-are-exploring-jobs-that-connect-to-a-greater-purpose/>

⁶⁸ Indeed Career Guide, <https://uk.indeed.com/career-advice/career-development/types-of-experience>

⁶⁹ The Forum Network, <https://www.oecd-forum.org/posts/53006-young-people-don-t-feel-ready-for-the-future-of-work>

The concerns of experience, purpose, and values, coupled with the failure of education to give young people the necessary skills they desire, is justification for the changes Steiner proposes in how all three domains work together to truly facilitate our individual and free choice in our work life.

So-called “Menial Labor”

As mentioned in the synopsis at the beginning of this essay, what if the worker who is performing so-called menial labor?

It must come to pass that even the man who is working in the most remote corner at a single screw for some great machine need not put his whole self into the contemplation of the screw, but it must come about that he can carry into his workshop the feelings which he entertains for his fellow-men, that when he leaves his workshop he finds the same feelings, that he has a living insight into his connection with human society, that he can work even without actual pleasure in his production, because he feels he is a worthy member in the circle of his fellow-men.⁷⁰

Unfortunately, this sense of worthiness is often affected by our implicit biases.

Implicit bias, also known as implicit prejudice or implicit attitude, is a negative attitude, of which one is not consciously aware, against a specific social group. Implicit bias is thought to be shaped by experience and based on learned associations between particular qualities and social categories, including race and/or gender. Individuals’ perceptions and behaviors can be influenced by the implicit biases they hold, even if they are unaware they hold such biases. Implicit bias is an aspect of implicit social cognition: the phenomenon that perceptions, attitudes, and stereotypes can operate prior to conscious intention or endorsement.⁷¹

These biases work both ways. The Harvard educated lawyer looks down on the secretary with only a High School or Community College education. Conversely, the secretary may not feel ‘as smart’ as the lawyer they work for a variety of factors, education being one of them, but income inequality is also another implicit measure of how we self-evaluate ourselves as being ‘smart’.

Furthermore:

Comparisons are a natural human tendency... In fact, we do it all the time: we compare our current situation with where we came from, we compare our current self with our former self, we compare ourselves with others in our age group, and we compare our knowledge and abilities with others in our field.⁷²

Our implicit biases coupled with our human nature to compare ourselves to one another make it very difficult to work collaboratively and to see each other as equals. These are probably the two most important things to overcome if we are to truly achieve a collaborative work environment and to be able to confidently negotiate a counter-value.

⁷⁰ Steiner, R., *The Social Future*, Lecture III: Legal Questions. The Task and the Limitations of Democracy. Public Law. Criminal Law. GA 332a, <https://rsarchive.org/Lectures/GA332a/English/AP1945/19191026p01.html>

⁷¹ American Psychological Association, <https://www.apa.org/topics/implicit-bias>

⁷² <https://wp.nyu.edu/mind/2021/02/27/why-do-we-compare-ourselves-to-others/>

Working in the Spiritual/Cultural Domain

The remuneration one receives when working in the Spiritual-Cultural domain is very different from that of working in the Economic domain:

Everything necessary for the maintenance of the spiritual organization, including remuneration, will come to it through the free appreciation of the individuals who participate in the social organism. The sound bases for the spiritual organization will result from free competition among the individual capable of spiritual work.⁷³

In practical terms, this remuneration can be provided by individuals, groups (such as a church members), companies or specific organizations, such as the National Endowment of the Arts.⁷⁴

As with commodities and whether they are needed by society or not, here we see that spiritual contributions are “recompensed by those who have need of” the contribution. An obvious example is members of church who are nourished by worship and a sermon. Other examples include those who perform other sacraments such as marriages and baptisms. But a person’s need for spiritual contribution is much more far reaching: an inspiring lecture, a concert, an art gallery, a book, counseling, a 12-step program, an education program; the list goes on and on.

Free Columbia in Philmont NY is a living example of work in the Spiritual-Cultural domain being supported through free appreciation:

Free Columbia is a community-oriented and community-supported cultural initiative. We give our work to people who want it and, in the process, we get support from people who are inspired to give....This is how we understand “Free Culture” — the work is freely created, the work is freely accessible, the work is freely supported.⁷⁵

However:

What someone practices in the field of spiritual life is his own affair. What he is able to contribute to the social organism, however, will be recompensed by those who have need of his spiritual contribution. Whoever is not able to support himself within the spiritual organization from such compensation will have to transfer his activities to the political [Rights domain] or economic section.⁷⁶

If someone is not receiving sufficient counter-value in the Spiritual-Cultural domain, they need to “transfer [their] activities to the political or economic section.” ‘Free appreciation of individuals’ is declining both from individuals --“Giving by individuals totaled an estimated \$319.04 billion, declining

⁷³ Steiner, R. (1977) *Towards Social Renewal*. London: Rudolf Steiner Press (p. 114)

⁷⁴ " The National Endowment for the Arts is an independent federal agency that funds, promotes, and strengthens the creative capacity of our communities by providing all Americans with diverse opportunities for arts participation." (<https://www.arts.gov/>) Though this should be in the purview of the Spiritual-Cultural domain, not the Rights (government) domain!

⁷⁵ <https://www.freecolumbia.org/about-free-culture>

⁷⁶ Steiner, R. (1977) *Towards Social Renewal*. London: Rudolf Steiner Press (p. 79)

6.4 percent in 2022 (a decline of 13.4 percent, adjusted for inflation)⁷⁷ -- and from major donors, as the Fundraising Effectiveness Project (FEP) reports:

Over the last ten years, the stability of donors who contributed over \$5K drove a 69% increase in total donations. Now, these major donors are also demonstrating significant decline, donating nearly 10% less in Q1 2023. As these donors account for nearly three quarters of total dollars donated, their decline will amplify volatility and uncertainty for charitable organizations in 2023.

While total new donors continue to decline, donor retention has also shown significant weakness at the beginning of 2023. Retention decreased across all donor categories in Q1, with recaptured donor retention falling almost 20% from an already low level.

The weakness in donor retention was compounded by a steep drop in new donors and dollars given by new donors, creating a troubling paradigm for charitable organizations. New donor counts fell by nearly 20% and new donors gave 34% less in Q1, reinforcing sector reliance on long-standing donors (though this group also declined by 5%).⁷⁸

The Rights domain in no way requires that any and every person in the Spiritual-Cultural domain has the right to negotiate sufficient counter-value to meet their and their dependent's needs for their work in the Spiritual-Cultural domain. The remuneration is "through the free appreciation" of that person's work, and if it is not sufficient, that person must find remuneration by finding work in the Rights or Economic domains!

Entitlement

There is often a sense of entitlement by people working in the Spiritual-Cultural domain, and Ernesto Pujol, writing for The Brooklyn Rail, states this very bluntly: "Entitlement to creative failure is part of America's exceptionalist fantasy about its undeniable right to abundance and waste..."⁷⁹

Conversely, there is also the view by the 'consumer' that art (and education!) should be free. And not just free in the sense that your tax-payer dollars support a museum or gallery, such as the Smithsonian's Washington art museum and the National Gallery of Art – you may not be paying for an admission ticket, but you are still paying through your taxes even if you never visit one of these federally funded institutions. As Sebastian Modak said: "Knowledge and art, like air, should be free to all."⁸⁰

And there are good reasons for this view, as Megan Spurrel stated:

Imagine how much better our society would be if museums were free to everyone. Seriously, imagine it: people of all ages and walks of life having a free pass to the world's

⁷⁷ [https://philanthropy.iupui.edu/news-events/news-item/giving-usa:-total-u.s.-charitable-giving-declined-in-2022-to-\\$499.33-billion-following-two-years-of-record-generosity.html?id=422](https://philanthropy.iupui.edu/news-events/news-item/giving-usa:-total-u.s.-charitable-giving-declined-in-2022-to-$499.33-billion-following-two-years-of-record-generosity.html?id=422)

⁷⁸ <https://afpglobal.org/early-2023-fundraising-results-reinforce-diverse-strategy-urgency>

⁷⁹ The Brooklyn Rail, *The Cult of Creative Failure*, by Ernesto Pujol, <https://brooklynrail.org/2017/10/art/The-Cult-of-Creative-Failure>

⁸⁰ <https://www.cntraveler.com/story/why-all-major-museums-should-be-free>

revolving door of installations, exhibits, and thought-provoking commentaries. I only see potential for positive change.⁸¹

The issue comes down to the accessibility of the works created in the Spiritual-Cultural domain (past, present and future) and the understanding that these works have the potential to be nourishing to one's being. If we feel that such works should be freely accessible, then those with the means can remunerate the cultural workers adequately. Steiner's proposal of replacing wage with counter-value and shifting the work relationship to one of collaboration would be a big step toward enabling everyone, for their part, to have the means to compensate those working in the cultural domain.

Living Associations

When people speak of Steiner's associative economics, it is often related to the associations between producers and consumers, and often in the context of international commerce. In Masters' translation of GA 337b, we read (my brackets and italics):

The old misguided ways need to be abandoned where entrepreneurs sit up on high and, at best, behave paternalistically, while on the other side there are workers organized into trade unions...This gap must first be bridged, and this cannot be done otherwise than by preparing real associations, *real associations which consist in associating people from one side – from the entrepreneurial side, the management side, the spiritual worker side – and from the other side, the workers*. In the first instance [management on one side and workers organized in trade unions on the other side], an economic, a really social, economic association which embodies co-operation between consumers and producers cannot be formed.⁸²

As Masters points out, all workers in the enterprise, "...need to discuss, collaborate, associate. It is not a case of management simply dishing out remunerational fait accompli to workers."⁸³ This association principle "finds expression, first of all, within the microcosm of a single enterprise."⁸⁴ This microcosm of association is very much an essential requirement for moving to the next stage in associative economics, that of economic associations between consumers and producers, and lastly, on the international stage, between enterprises and thus to a true associative global economy.

⁸¹ Ibid.

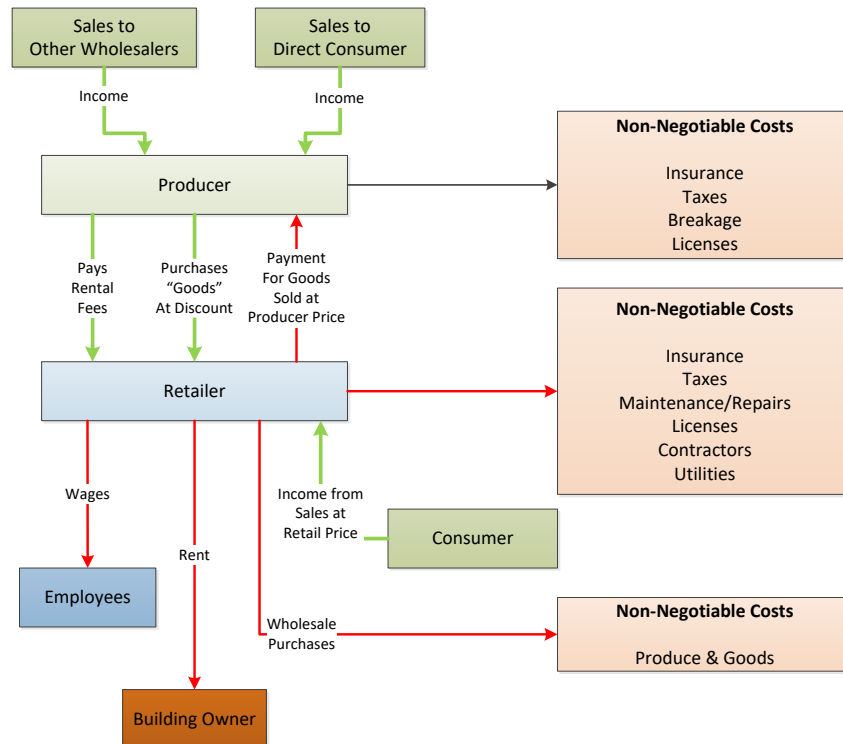
⁸² Translation by Richard Masters. Masters, R. (2022) *Rudolf Steiner and Social Reform*. Rudolf Steiner Press (p. 368) of Steiner, R., GA 337b 'Soziale Ideen. Soziale Wirklichkeit. Soziale Praxis, Band 2' ['Social ideas, social reality, social practices Part 2'], https://anthrowiki.at/GA_337b

⁸³ Masters, R. (2022) *Rudolf Steiner and Social Reform*. Rudolf Steiner Press (p. 368)

⁸⁴ Ibid.

An Example

A meaningful (and granted somewhat complex) example is a real-world scenario of an enterprise that offers both retail sales and a producer-kitchen in which producers can use the space, equipment, and foods in their own production of commodities such as bread, sandwiches, soups, prepared meals, desserts, and so forth. The following diagram illustrates a typical relationship between the retail enterprise and a single producer using the kitchen space:



In this diagram, we note several things:

1. The retailer charges the producer rent for the kitchen space and equipment usage, as well as for purchases of goods provided by the retailer in the production of the producer's commodity.
2. The retailer pays a wage for the labor of the employees.
3. The retailer pays a fixed rent.
4. There are non-negotiable costs to both the producer and retailer. These are non-negotiable because the costs are dictated by other parties – the government, the insurance companies, the licensing companies, the town (permit costs) the inspectors, other wholesalers.
5. Note that I have not put rent as a non-negotiable cost, for reasons we will discuss shortly.

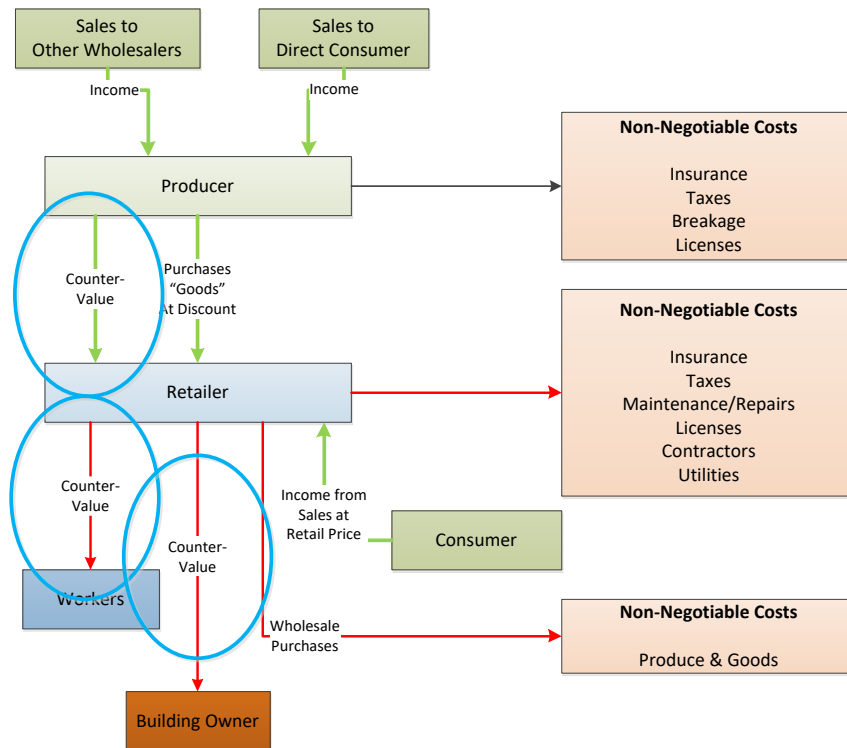
We can look at several counter-value and a negotiated share between the 'worker' and the enterprise relationships with Steiner's proposed system:

1. The rent the retailer charges the producer can become a counter-value, as expressed as a negotiated share of the proceeds from the sale of the producer's commodity. This creates a realistic living relationship between the producer and the consumer – if the producer encounters a downturn or upturn in commodity sales, the counter-value the retailer receives reflects this reality. Certainly, the retailer can discontinue the relationship with the producer if, as reflected in

a decrease in this counter-value, consumers no longer want the commodity the producer is making.

2. The workers (no longer seen as employees except for state/federal tax requirements and insurance laws) receive a counter-value for their efforts, which include supporting the work of the producers, manning the cash register, ordering from wholesalers, keeping the books, and so forth. This is an associative relationship with the managers and possibly the Board members of the retailer if the retailer has a Board. As with the producer-retailer relationship, the counter-value the workers receive (workers and managers and owners!) is a negotiated share of the profits of the retail business.
3. The retail workers and producers should all engage in the negotiation of the share of proceeds.
4. Lastly, in a living counter-value relationship, the building owner receives rent that is a negotiated share of the retail profit, and again, when profit from the sale of commodities goes up, the counter-value received for 'rent' can increase, and the converse would be true as well.
5. It may be ideal when everyone, workers, producers, and the 'landlord' all negotiate together.

The following diagram illustrates where these counter-value relationships can exist:



(Note the line "Payment For Goods Sold at Producer Price" has been removed from the previous diagram because it is now accounted for in the counter-value relationship between the producer and retailer.)

When a living counter-value relationship exists between the producer, retailer, workers, and building owner, what happens is that the system becomes much more dynamic and supports the activities of each part. The counter-value the producer gives to the retailer now can fluctuate based on real life events – fantastic sales or reduced (perhaps due to a family emergency) sales. The counter-value the retailer gives to the building owner can now fluctuate realistically based on real life events – great retail sales or a short-term decrease in profit (for example a skilled manager has been hired that, in the long

term, will increase profits through efficiency, wholesaler relationships, and other 'spiritual-thinking' innovations.) The same applies to the worker-retailer relationship and the negotiated counter-values found there.

And most importantly, everyone is free to decide whether to stay in the association based on (among many factors of course) the real, living counter-value they receive and whether it meets their needs – the needs of the producers, retailer, workers, and 'landlord.'

Yes, this looks a lot like a profit-sharing model. As described earlier in this essay, one of the differences is that negotiating a counter-value is a right mandated by the Rights domain. Furthermore, there is nothing that prevents one from negotiating a minimum counter-value or a maximum counter-value, although this does tend to revert the model back to a wage and rent model. A critical component of counter-value is in the very nature of the relationships themselves: relationships of collaboration and partnership between the producers, workers, and the 'landlord' which a profit-sharing model does not typically encapsulate. Instead of isolated negotiations between retailer and 'landlord', retailer and employee, producer, and retailer, all come to the table to iron out collaboratively the fair counter-value of each party.

Conclusion

There is of course much more that can be said about the Economic domain as well as its relationship to the other two domains, Rights and Spiritual-Cultural. This essay focuses specifically on shifting from a wage-based system of labor-as-a-commodity to a counter-value system. This is often a confusing topic, particularly in clearly explaining what counter-value both is and means to the various parties in relationship to each other. Richard Masters succinctly summarizes much of what has been discussed here:

...Steiner lays out particular tools for steering remuneration in this more equitable direction: (a) the rights domain confers the right to a share of company proceeds, (b) associative dialogue between workers and management arrives at a distribution they are content with ('an agreement as to the share each of the persons who jointly produced the product is to receive'), and (c) associative dialog between the enterprise and its customers, with a view to aiming for 'fair price'.⁸⁵

Also, I have specifically avoided all discussion of price and its variations, false price, fair price, and true price, which are very much affected by how labor is treated. These details, and other aspects of the Economic domain, are left for my next book, *Social Renewal: The Economic Domain in Light of the Works of Rudolf Steiner*.

⁸⁵ Masters, R. (2022) *Rudolf Steiner and Social Reform*. Rudolf Steiner Press (p. 370)