Growmoney

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Summary

Money is seen as 'solidified trust'. Debt is defined as 'negative freedom'. During the crisis, banks were rescued by governments and, as a result, governments have a lot of extra debt. Our economy is currently growing because banks are creating money with debt; through what they are lending to the government, among other things. The proposition is to change this system.

(1.) The ECB should be granted the monopoly on creating money. In this way, government interest charges will go down considerably, for example, to 0%.

The ECB can be granted the monopoly if both loans and saving money go through the ECB.

(2.) The proposition also pertains to working with differentiated rates when taking out a loan. If you have taken out a loan to, for example, purchase solar panels, you can do this at a negative interest rate. This will make an environmentally-friendly investment profitable more quickly, making it possible to pay for the energy transition.

Companies that take out a loan to increase production capacity are also subject to a negative rate. Prosperity can only grow if production capacity grows. This is how it can be stimulated.

Consumption is subject to a high rate. In this way, it encourages people to not go, or not go too deeply, into debt. This contributes to a sustainable economy.

(3.) Savings could also be subject to differentiated rates. This means that citizens could receive a pension with value retention.

(4.) It is also proposed that governments can only take out a loan from the ECB. This way, one does not become dependent on private banks, buyers of government loans or abroad.

(5.) Too many countries have been at the mercy of international capital markets. It is proposed that currency is traded only through the central banks. The mutual value ratios of currencies are no longer determined on the free market but in consultation between the central banks.

An introduction

My name Is Ton Derks. I am not a scientist or an author but a recreational entrepreneur, a husband, a father and a grandfather. As such, I am in the midst of (corporate) life with a never-ending interest in the world around us. There are things happening in that world right now that a lot of people are worried about, and it seems that we cannot influence them. However, I am convinced that we can achieve a great deal together.

As an entrepreneur (with the corresponding ‘drive’), I know that if you change nothing, nothing will change and you cannot grow (as a person).

As a farmer’s son, however, I also know that growth takes time. If you sow a corn kernel, corn grows. However, when you sow barley, barley grows. Even if you sow barley, weeds will grow. So, you first have to determine what you want to harvest; what you need. There will only be harvest when you prepare the necessary things, sow and maintain them.

I believe in a world where every person is important, where nature flourishes and where entrepreneurs can do business for the benefit of society. This is done in healthy competition with each other, where the government has to determine the rules of the game.

I am certainly not a specialist in the financial world, rather a true outsider. However, I believe that a monetary system should be as simple as possible so that everyone can understand it. Banking must be a dull profession, exercised by the right people.

As a non-specialist, I do not pretend to write a scientific paper. The only thing I want to achieve is that money is used in such a way that the benefits for society are optimal. (After all, I do not work at Goldman Sachs … ☺. I compare building a new monetary system with building a new house. If the house you had built by the previous architect collapses, will you have them design your new house again? The bankers who provided us with the banking crisis and caused countries to collapse are still being asked for advice. Why?).

I am someone who uses imagination. It is up to scientists and politicians to take inspiration from this, to see what can and cannot be done, to determine what is desirable and what is undesirable. I think it is an understatement to say that there is room for improvement.

Motive

As an involved citizen, you think about ‘How can we make our society environmentally friendly?’ The energy transition is a step in that direction, but we can barely afford even this one step.

I am a strong believer in hydrogen-powered cars. I am also a layman in this area, but when I think of solar energy and wind energy, I think of the times when the sun is not shining or the wind is not blowing. There are also times when the electricity produced is not fully consumed. How do we store it? I do not believe in large chemical batteries or cars that become environmentally friendly by running on electricity from those batteries. I view the storage of energy in hydrogen gas as much more environmentally friendly. Moreover, this can be stored locally, so that the pipeline network does not have to be weighted - something that costs billions otherwise.

The energy transition will not succeed unless there is mass production. Producing electricity in an environmentally-friendly way, through wind turbines and solar panels, is starting to get off to a good start. The storage of electricity is another challenge, however, and the main choice at the moment seems to be to transport electricity.

I consider cars a mass product. If cars are able to run on hydrogen gas, then masses of engines are produced that convert hydrogen into electricity, on which the car runs. Fortunately, the question is not whether cars can run on hydrogen gas. In fact, they are already for sale in a showroom. Hydrogen gas is not only useful to supply power for a car, but also that of a house. Mass production would cause a drop in the price of electricity generated by hydrogen gas.

The only thing that still needs to be solved is the mass production of products that convert electricity into hydrogen gas. Or you could turn sunlight directly into hydrogen gas - this would complete the chain.

If all this works, the energy problem will be solved. Not only that, but the water problem will also be solved in this way. Solving the water problem will help solve the food problem.

Many dangerous regimes will also lose their source of income, oil sales, which will prevent them from buying (more) weapons or sponsoring Wahhabites. Peace will be within closer reach. In peace, Third World countries can develop in a manner where people no longer feel compelled to move.

In short, the transition from our society to an energy and environmentally-friendly society can have enormous positive effects. This is the reason why I have delved further into this subject.

For the same reason, I proposed to the Dutch parliament not to buy extra F-35 combat aircrafts, but to invest that money in hydrogen technology. In addition, I think: 'Why should you put a stop to the growth of civil airports in the Netherlands because of the increase in noise pollution, but increase the nuisance of a military airbase such as Volkel?' I have also asked the parliament to promote/require petrol stations to sell hydrogen gas. This is how we solve the chicken-egg problem of the hydrogen gas car.

Delving further into the aforementioned transition, you will see one major obstacle to achieving an energy and environmentally-friendly society: money. Subsequently, I delved further into 'How does money work?'

This is how I came to the following solution: remove money creation from the banks and transfer it to the ECB. Below, I will explain how I see that such a thing is possible.

Initially, I sent an e-mail about this to various governments, after which I looked further into this. The responses have certainly been helpful. I see that we can achieve much more than I initially thought with changes to our banking system. That is why I started writing this book.

As I see it, the change to the banking system is like depositing a new foundation. We are laying the groundwork for something big. Something that will benefit many people and ‘mother earth’!

What is money?

Money = solidified trust.
The purpose of money is to facilitate trade; a means of exchange.

For example, I receive money for my labour, which allows me to buy a product or service that many others have worked on. Money, therefore, offers an efficient method for exchanging. In many cases, we could not imagine how we could trade or exchange without money.

So, why do I call it ‘solidified trust’? In the past, for example, gold served as a means of exchange. The amount of gold is limited, which is why gold continued to be accepted as a means of exchange. No one was able to print gold.

At some point, paper money was introduced. Before that, the central bank had gold in its treasury, which meant that you could always exchange money for gold. This principle was later relinquished. A central bank can now create unlimited money out of thin air. So, why would I work for money? I do that because I trust that the money will retain its value. Without that trust, money can no longer function as a means of exchange and the economy will collapse.

It is therefore not important that the central bank has gold in the safe as an equivalent for all the money. On the other hand, it is extremely important that the central bank can be trusted and will always ensure that the money retains its value.

What is debt?

Debt = negative freedom.
If you are in debt, that means there is someone you owe money to. Some are unable to pay, causing them sleepless nights. ‘Owing money’ leads to different behaviour than ‘having money’. Where do you get money? For example, you will most probably have to work instead of relaxing in the sun. There is nothing

wrong with working, as long as it feels like a choice. However, to become a 'wage slave'...

Even governments have debt. Its own residents and businesses are then forced to repay that debt. Sometimes, there are even children born into the world with a payment obligation. So, there is a tendency (i.e. with politicians) to spend money on 'gratification now' at the expense of future generations.

Context

The atmosphere in our society is that no one wants to be the only one to pay for the energy transition. Fingers are pointed towards large companies which have to pay a CO_2 tax. Citizens see themselves as 'barely having an influence' and think: 'Why should I do anything if others do nothing?' The rich are getting richer. The globalisation of our economy also leads to a sense of powerlessness. China is advancing!

However, why is China advancing? Is the average Chinese citizen getting richer because the Chinese government demands so much tax from the rich Chinese citizens and from Chinese companies? I think it is the other way around. Chinese companies receive free money from the government. They must, however, invest it in the direction determined by the government. The Chinese government can do this because they create money. (Perhaps it would not be unwise for Europe to study what our goal is and how we can learn something from our Chinese competitor in a competitive analysis).

Money creation

How does money creation work? There are two forms:

1. Our central banks create money from scratch; the so-called quantitative easing (broadening of the quantity; increasing the amount of money). By central banks, I mean the ECB and the national central banks, such as DNB in the Netherlands. Electronic money is created electronically, and this money appears on the balance sheet. To keep the balance, government bonds are bought (loans from governments) with the money created from pension funds, insurers, investment institutions and banks. This is how money in the economy increases.

   In addition, central banks also print money. However, this concerns a very small percentage of the total amount of money.

   In Japan, there have been periods of deflation. To counter this, the central bank increased the money supply. People seem to have bought shares on the stock exchange with the money created. You could even call this the partial nationalization of companies. In Europe, if the ECB lends (almost free) money to investment institutions, they will also buy shares. As demand for shares increases, the price increases. This increase in value will not be in the hands of the state but in the hands of the wealthy. People who do not own shares will become relatively poorer. This is a side note, but it is to show how important it is for politics to regulate the use of money creation in the interests of our whole society.

2. The banks create money by lending it out. How does this work? Suppose that someone saves € 1,000 and these savings are put in the bank. Then, for example, the bank sets aside 10% and lends out 90% (= € 900). This person, who has taken out the loan, will spend the money in the economy, allowing someone else to take another € 900 to the bank. The bank will set aside another 10% and then lend € 810. This process then continues. A bank can make € 10,000 from € 1,000 in a number of steps. This system is called ‘fractional reserve banking’.

   Electronic money is mainly made by private banks. Electronic money is made electronically. Money creation by the banks when lending money is the result of mutual debt acceptance. The bank’s balance sheet shows that, on the one side, the customer receives an amount in his bank account and, on the other side of the balance sheet, it becomes visible that the customer is in debt. In this way, the bank’s balance remains balanced. The direct relationship between savings and lending money, as ‘fractional reserve banking’ suggests, is less direct nowadays. The ECB does regulate the banking system and also sets requirements that are based on this.

The ‘fractional reserve banking’ system was created when banks were still holding gold in the safe. Back then, their customers brought gold to the bank for safekeeping. In return, they received credit on paper. This piece of paper was then passed on, and the banknote came into existence. The bank discovered that not everyone exercised their right to gold at the same time, i.e. came to collect the gold. This allowed them to issue more notes than they had in gold. Interest was charged on the issued notes, creating an interesting revenue model for the banks because paper was not expensive.

Now that money can no longer be exchanged for gold, this revenue model has become even more interesting for the banks.

Why?

<u>Why do we give banks, private companies, the power to create money?</u>
Creating money is necessary, but can this not be done in a way that is more useful to our society?

The alternative could be to abolish fractional reserve banking. What happens if a bank receives savings, lends out all the money, and the person whose savings it concerns wants to withdraw it again? The bank must then take this money from other savers. This gives a much smaller buffer than if you do not lend all the money.

The alternative, therefore, is not to abolish fractional reserve banking, but to increase the percentage of deposited savings that the bank is not allowed to lend out.

A bank often requires other companies to have a risk-bearing (equity or subordinated) capital of 30%. Otherwise, the bank runs the entrepreneurial risk. Because many banks are 'too big to fail', the government and, therefore, the taxpayers run the bank's entrepreneurial risk. A requirement of 30% equity for a bank also seems desirable to me, at least, if there is no risk-aversion entrepreneurship.

Lowering the lending capacity and increasing the percentage of equity can probably prevent banks from having to be rescued by governments. However, this does not regulate the useful implementation of money creation.

Below, I will discuss an alternative form of money creation that also solves this problem.

Debt

I have defined debt as 'negative freedom'. So, you probably understand that I am not in favour of creating money using debt. What happens now, when we speak of debt, is that a bank charges interest on the money created. If the debt is repaid, the created money is destroyed again. The bank then pockets the interest.

Most created money is created by private banks. To grow the economy, however, money must be created. Looking at the state of our current system, we need debt to grow our economy because if all our debt is paid, our economy will come to a standstill.

Piketty

According to Piketty, inequality in prosperity is increasing. The return on capital is greater than the growth of the economy. The growing inequality is, according to him, a danger to our democracy.

Simply put, the rich are getting richer and the poor get relatively poorer. There is some truth to this, but the suggestion by others that the rich should be taxed more in order to reduce the distance between the rich and poor can be too simplistic. It is populist to call for an increase in taxes for the rich and companies. The goal should not be to make the rich poorer, but to make the poor richer. If the extra burden on companies leads to a decrease in production and innovation capacity, you are affecting the growth capacity of the economy. Corporation tax, therefore, has a much more negative impact than dividend tax, income tax, excise duty, or the high VAT rate. The low VAT rate is intended for basic necessities, however, so I would be careful with that.

What does the rich-poor ratio have to do with money creation? Everything! Who do you think are the owners/shareholders of the banks? Not the poor. So, the banks make profits that are distributed to the shareholders. Perfectly fine! However, what else happens when money is created? Suppose that all goods put together are worth 1,000. Now, I double the money supply to 2,000. The number of goods does not increase; only the price doubles. The person who controls the increase in money supply can thus become the owner of half of the goods. The poor who could buy 1 part of the goods for his money can now only buy half a part of the goods.

My conclusion: to maintain our Rhineland model in the Netherlands, the government needs to be in charge of money creation instead of raising taxes. For the rest of Europe, this is necessary to reduce the poor-rich ratio.

With prosperity, we can think of (a.) equity and (b.) income. This distinction is essential.

The aforementioned money creation has a generic effect. Everybody's money will have less value. If your income remains nominally the same, your income will actually decrease. If you have equity other than money, such as a house, land, etc., this does not need to have a wealth effect for you.

In addition to the generic effect, there may also be effects for specific people.

- It is, of course, true that someone does not have to pay interest on their equity. A person who has no equity but has bought something with borrowed money must pay interest on their loan. This makes poor people poorer than people who do not have to pay interest.

- The interest rate is not stable. Suppose you take out a loan and pay 3% interest. Then suppose that the interest goes up to 6% and you can no longer meet your interest and repayment obligations. What happens then? Suppose your home/business/property is worth € 300,000 and you have a debt of € 100,000. If you do not meet your obligations, a bank will eventually sell your assets. Suppose, in this case, your house/business/property brings in € 150,000. The bank will be satisfied and let the sale continue. You, the one with the debt, suffer a great loss. The person who had the ability to buy your house/ business/property at a low price makes quick money. In this way, too, people with a lot of equity get richer and others see their equity diminish.

  Suppose that a banker knows that the interest rate is going to rise by 3% next week, can they still lend you money? Suppose the interest rate does not rise by 3% next week, but in 3 years, is that allowed? To what extent is a banker responsible for the money they lend to someone who, as it turns out, cannot repay it? To what extent should the bank also bear part of the loss?

This book is not about ethics or moralism. I certainly do not see the morality of a banker as less than the person who takes out a loan. Both respond to the present system.

Perhaps unnecessarily, I state here that I believe that rights are always subject to obligations. When someone takes out a loan, they are obligated to pay this back. When someone gives a loan, they are obligated to consider whether the person they are lending the money to is able to pay it back.

Now let's return to the most important subject of this book and an important part of our monetary system (and banking system), the money creation.

Proposal 1:

<u>Alternative form of money creation</u>
(also a ban for banks to create money)

Does it make sense to grant private companies the power to create money?

What if the banks no longer have the power to create money, how will banks function? Then the ECB must always be in the middle as banks have to deposit money they collect at the ECB and borrow money they need from the ECB.

The consequence:

a. Lending out money: the difference between the interest they have to pay at the ECB and ask of the customer is the remuneration for the work and the risk that one takes.

b. Savings: the difference between the interest paid to the customer and the interest received from the ECB. This can be positive as well as negative.

In this way, banks will fulfil their social function completely differently and their revenue model will change.

Another possibility to make creating money impossible for banks is to require that they only lend what they draw from the ECB or from consumers and companies; just as a private person cannot lend more than they have. Money creation is out of the question here.

If the ECB is always in the middle, this will give the ECB a better opportunity to steer. For the 'customers of the bank', it could be arranged in such a way that they are actually 'customers of the ECB'. The bank is only an intermediary then. Weak banks can then go bankrupt, without having negative effects on businesses and consumers.

My preference is, therefore, for the ECB to be involved in all lending and saving. The bank must act as guarantor for the customer towards the ECB. On the one hand, it is up to the banks to judge whether a customer is 'good for the money', i.e. whether they can get a loan and pay it back. On the other hand, it is up to banks to collect savings efficiently. The bank that offers the most interest to the customer, i.e. closest to the ECB interest rate, will be a merchant. The customer will be 100% certain that they will receive their savings back, without any risk - it is stored based at the ECB, after all.

Circulation rate of money

The amount of money that circulates in the economy is determined by:

1. The number of Euros in existence;
2. The circulation rate of those Euros.

For example, money that is kept in an old sock for years is not actually part of the economy. It is only when that money circulates that it contributes to the economy.

Suppose that the money supply remains the same, but we spend our money twice as fast. This means that the economy doubles. If the production of goods and services does not increase, money is worth half as much. Increasing the circulation rate can cause inflation, decreasing the circulation rate can lead to deflation.

A central bank must not only be able to regulate the amount of money, but also the circulation rate. That can be done through interest.

As previously stated, I consider debt to be ‘negative freedom’. In our system, paying off debt leads to a reduction in the money supply. To keep the economy on track, the money circulation rate must increase.

Just as a consumer does not notice the difference between a € 10 note that has been in my wallet for one week and a note that has been in my wallet for one month, consumers will not notice that the digital money is rotating faster.

Therefore, debt reduction does not need to have negative effects.

Task of ECB

The ECB has only one task: to ensure that the money retains its value. You cannot lose trust in the Euro.

It is very important that the ECB is limited to this one task. Everything else leads to a loss of focus and, ultimately, a loss of trust.

The other tasks are carried out by, for example, politics and the free market. If you do not agree with the outcome, you should not try to place this task with the ECB. There are other means for that.

In this book, we are mainly talking about changing the system of money creation. The flip side of this is that the system of money destruction as a monopoly will also be with the ECB. In this way, the ECB has the power to prevent (hyper) inflation in all circumstances.

Proposal 2:

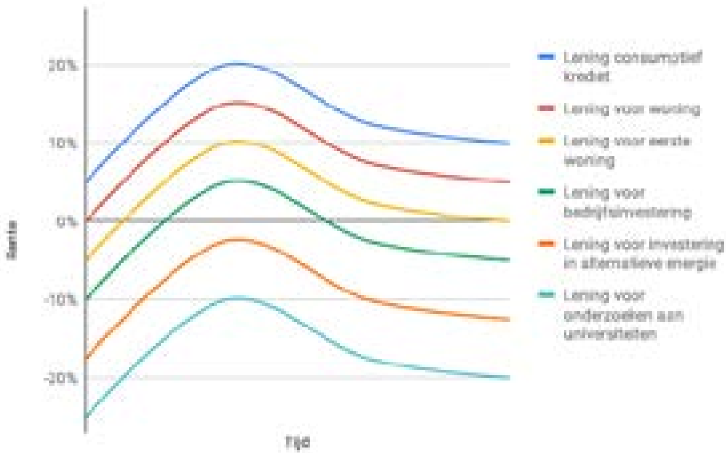
Differentiated rates for borrowing from the ECB

Businesses and consumers borrow money from the bank.

The ECB has only one interest rate. The banks work among themselves with Euribor, with different durations. The Euribor rates are strongly linked to the actual rates of the ECB and the expected development of the ECB's interest rates. Risk surcharges apply.

What would happen if the ECB charged different rates depending on the purpose for which the money is borrowed? In the background, however, there is the knowledge that only increases in productivity lead to growth in prosperity. A differentiated interest rate could be requested to speed up social progress:

- For example, loans for research at universities are subject to a rate of -20% (i.e. negative interest!). After all, knowledge can be the basis for productivity growth.
- For example, the interest rate for solar panels and hydrogen gas cars is -12.5%. The bank lends this money for -10%. Suppose the customer has to repay the loan in 5 years time. Suppose one starts with a loan of € 1,000. Only € 650 will then have to be paid back during the entire duration. See how much quicker alternative energy sources are profitable. Yet, consumers and companies will try to make the best deal and thereby make the best possible use of our capitalist system and drive progress!



- For example, the ECB asks the bank for an interest rate of -5% for corporate investments.
- For the purchase of your first house, the interest is 0%.
- For the purchase of the next house, the interest is 5%.
- For the purchase of consumer goods, the interest rate is 10%. The bank, for example, lends this for 12,5%.

This is, of course, political. The ECB does not engage in politics (except, of course, money creation ... ☺). This has been determined by politics.

This rate is variable. So, the proposal is that politics (European Parliament?) basically determine which rates are being charged for what. In the example above, the bank lends money for a car powered by hydrogen gas for -10% and money for the purchase of consumer goods for + 12.5%. If inflation threatens to rise too high, the ECB will raise interest rates by, for example, 1%. In this case, the interest rate for the hydrogen gas car will be -9% and +13,5% for the consumer purchase. With variable interest rates, the bank can influence the amount of money and, as such, inflation or deflation. Securing the value of our money, with a targeted inflation rate of 2%, remains the only task of the ECB!

As mentioned, the proposed system places the monopoly on creating money with the ECB. It also grants the monopoly on destroying money. When debt is repaid, money is actually destroyed. If certain loans are subject to a negative interest rate, the ECB will receive less than it has lent out. This would cause problems on the ECB's balance sheet. This problem is easily solved if you consider the new money to be created.

Prosperity arises through productivity

What is very important for politicians is that they realise that only increasing productivity leads to increasing prosperity. So, the different interest rates should be used (a.) to stimulate productivity growth. You cannot steer a ship that is standing still. If productivity does not increase, the transition to an environmentally-friendly society can hardly be made. Companies then continue to use the means of production that they already have. After all, that is or seems to be the cheapest.

By the way, I do not view increasing productivity merely as increasing the quantity. I also include improving quality. With quality, I do not only include the ‘the basic quality of the product’, but also its environmental-friendliness. You can think of, for example, environmentally-friendly production and also the use (incl. the reuse).

The title of this book, Growmoney, therefore refers to making productivity more environmentally friendly through money creation by the government and the provision of loans with a negative interest rate by, among others, companies and individuals.

Furthermore, I see the proposed rate differentiation as an opportunity (b.) to increase the equity of ‘the common man’. Supposes that for the purchase of your first house the interest rate is 0% and that this will be 5% for your next house. Most people buy a house several times in their lives, but getting started seems to be the most difficult part.

The value of houses is determined by what people can afford, especially because there is scarcity. What people can afford depends on their equity and how much money they can loan. If people can take out a higher loan, houses become more expensive. This seems attractive to the homeowners. People who own a house feel more wealthy because of this. For people who do not own a house, the prosperity gap seems to be getting bigger. For those who do not yet own property, buying a house becomes increasingly difficult. Therefore, the value of houses should not rise too much. In addition, if the starter is encouraged to buy a house through a low-interest rate, the equity of a large group of people will increase.

I see debt as ‘sometimes necessary’, but also as ‘negative’. Debt reinforces the effects of an economic crisis, while equity can help mitigate those consequences.

At the moment, our economy can only grow if the debt increases. Do we want an economy based on debt (= negative freedom)? Do we want an economy in which people and companies with debt continuously transfer money (i.e. interest) to the wealthy?

Politicians versus bankers

Can you trust politicians to decide what borrowed money is to be spent on? That is, after all, what you do if you allow interest rates to differentiate. A counter-question: ‘Can you trust bankers to determine that?’ After all, bankers are currently deciding whether money is lent for production, purchase of shares, purchase of houses (= bubble in house prices), personal loans, etc.

A calculation example

Loan € 100,000 interest -10% repayment period 5 years

	Start balance	Repayment	Interest -10%	To pay	End balance
Year 1	**100.000**	20.000	-10.000	10.000	70.000
Year 2	70.000	14.000	-7.000	7.000	49.000
Year 3	49.000	9.800	-4.900	4.900	34.300
Year 4	34.300	6.860	-3.430	3.430	24.010
Year 5	24.010	21.609	-2.401	21.609	0
Total				**46.939**	

Loan € 100,000 interest 5 % repayment period 5 years

	Start balance	Repayment	Interest 5%	To pay	End balance
Year 1	**100.000**	20.000	5.000	25.000	80.000
Year 2	80.000	20.000	4.000	24.000	60.000
Year 3	60.000	20.000	3.000	23.000	40.000
Year 4	40.000	20.000	2.000	22.000	20.000
Year 5	20.000	20.000	1.000	21.000	0
Total				**115.000**	

You can make repayment schedules in many different ways: e.g. per month or per year; linear or annuity; etc.

However, this calculation example clearly indicates that a negative interest rate (e.g. for the purchase of solar panels or a car powered by hydrogen gas) has a huge influence on the costs and, therefore, the payback period. With a negative interest rate, investments for the environment become profitable very quickly.

Proposal 3:

Differentiated savings rates:

For money deposited at the ECB, different interest rates could also be paid as compensation. I think only two rates are necessary:

a. One rate for pension funds. This rate is 2%. The target rate for inflation is also (maximum) 2%. Money from pensioners, therefore, retains its value.

   Whether this pension is arranged individually or collectively is independent of this. With an individual pension, participants receive what they have paid for themselves. In the event of death, the remainder goes to the next of kin. With a collective pension, the remainder goes to the other participants.

   As prosperity grows, a pension does not increase along with it. This can only be done if the pension fund is also included in e.g. shares or real estate investments. Participants also run the risk of a decrease in the pension. Whether one chooses to do so is a matter for oneself, whether collectively or individually.

b. One rate for the banks that function as intermediaries to companies and individuals. This rate is variable. With variable interest rates, the ECB can influence the velocity of money and, as such, inflation or deflation.

Phase 1

How could we start this soon?

Whether it concerns banks or other companies and organizations, there is always resistance to change. This is human. Bankers are ordinary people, too, and their response will also be very human: “It’s going well, isn’t it?”

It is therefore wise to work on the changes in phases. This is even more applicable because changes to our monetary system should not undermine trust in money.

Phase 1a

At the moment, banks must have a certain amount of equity. This is necessary to ensure that customers get back the money they have lent to banks. If a bank goes bankrupt and customers lose all their money, consumer and business trust in all banks would disappear. This certainly cannot be the case. That is why the government came to the rescue of banks and cost the various countries billions. This should, of course, not be done like this.

When a company, such as a bank, goes bankrupt, the owners of that company must lose their equity. The shareholders are the owners of a company. They are the ones who have made the risk-bearing capital available. For that, they receive dividend as a reward and, possibly, also an increase in the value of their shares; if things go wrong, however, they are also the ones to take the fall. It should not cost the taxpayer anything! In other words, the government should not have to go into debt in order to rescue the banks.

To ensure this, banks must have more equity.

Not all banks meet the requirement to have more equity. Should we, as the public, run the risk of having to rescue them with taxpayers’ money? Society no longer wants that. That is why all banks together are expected to rescue their weak competitors. However, that is not how a capitalist market works. A weak company should be able to go bankrupt. The free market must be able to function. It is no wonder, therefore, that the strong banks do not want to see weak banks rescued from their money.

I think that preventing banks from having to be rescued with public money can be done differently:

Banks that do not have enough equity can no longer create money.

- They transfer all (savings) money that they borrow from customers to the ECB. Suppose they receive 3% interest from the ECB and they offer their customers a 1½% interest. They will have a margin of 1½% with which they must be able to operate their bank.
- All the money they want to lend out, they first lend from the ECB. Suppose they lend out for 4% and they lend it for ½% from the ECB, then they have a 3½% margin to compensate for bank charges and as compensation for the risk they run.
  Banks are currently charging interest on money that they first create themselves. This cost them nothing (= 0% interest purchase). It would, therefore, be logical for the ECB to minimize the rate at which banks can borrow. If the ECB asks for negative interest rates, this money creation system is cheaper than the current system. Banks will then want to switch voluntarily.

In this way, weak banks can be offered an alternative revenue model. The interest rate that is offered or requested for this is independent of the interest that other banks receive when they deposit money at the ECB.

In my view, these are <u>two parallel concepts</u>.

As previously stated, I consider money as ‘solidified trust’. You should not just start experimenting with this. Therefore, I regard a sudden transition from a private monetary system to a public monetary system as undesirable. This would give the impression that there are ‘new uncertainties’. A phased introduction, starting with the weakest banks, can actually contribute to trust in the financial system!

Countries no longer run the risk of having to rescue a bank. After all, the money that has been transferred to the ECB is secure. It must be arranged that the customer always receives back their money at the ECB. So, when customers borrow money from a bank, they actually borrow it from the ECB. The ECB must, therefore, be entitled to receive this money directly from a customer in the event of the bankruptcy of a bank. In short, the bank is only a conduit; intermediary.

It is possible that the ECB's mandate currently does not extend as far as to lend money directly to businesses and consumers or manage savings from them. The bank will, therefore, continue to arrange this in its own name for the time being. Under private law, it is then agreed that the bank's claims on companies and consumers, i.e. that they have to pay back the money borrowed, are transferred to the ECB as collateral. It is easier with regard to the savings that the bank transfers to the ECB. The bank has a claim on the ECB, so there is no risk there.

I have searched for the ECB's mandate versus the bank's mandate to create money. Nowhere is it explicitly stated that private banks (always) have the right to create money.

On July 26, 2012, Mario Draghi stated in his speech: "Within our mandate, the ECB is ready to do whatever it takes to preserve the euro, and believe me, it will be enough!" This was leadership as leadership is intended. It is now up to the ECB to offer a parallel concept within its mandate to banks that wish to do so, or who are too weak to operate within the requirements for money-creating banks.

Phase 1b

The ECB could immediately give pension funds an interest rate of 2%. Employees who store their savings with a pension fund then know that it will retain its value.

I think the basic idea that inflation should not exceed 2% and that the ECB should aim for this is a very wise decision. After all, negative inflation slows down the economy. People need to be able to rely on the value of money. It is unlikely to have inflation at exactly 0%. (Maximum) 2% is an excellent standard.

Now, the question is how to measure 2%. What kind of goods are included? Do they remain of the same quality or can it increase? Fortunately, there is a deflation of the price of solar panels. Cars are getting better, but not (or not much) more expensive. Doctors can do more and more. House prices sometimes rise by more than 2%. Yet, there is much to be said for maintaining the current system.

Phase 2

If the demands on the amount of equity capital of banks are gradually increased, the banks' ability to create money will gradually disappear. The revenue model of all banks can thus be gradually converted. Slowly but surely, the money creation is going to run through the ECB.

The ECB is less at risk by creating money itself than if a money-creating bank keeps their money there. The ECB can, therefore, lend out money at a cheaper rate when it is placed via the banks; the interest is lower. When a bank can, for example, loan money at a negative interest rate from the ECB and still be able to put it 0nto the market at the same rates, a bank will earn more. More and more banks will then want to switch voluntarily. The ECB can promote this switch by increasing the earning capacity of banks borrowing money from it.

Proposal 4:

Governments can only borrow money from the central bank

At the moment, it is forbidden for the central bank to lend money directly to the governments. After all, the government could easily solve its budget deficit with the printed money, but this is how the government will create hyperinflation. If the creation of money is disproportionate to actual economic growth, hyperinflation occurs.

However, the ECB has been buying state loans since 2015. The central bank buys these government bonds from, among others, the commercial banks. This is how money is invested in the economy.

Even if you have elections in a country, this does not mean it is a constitutional state. For example, a constitutional state also requires the presence of an independent judiciary.

In our legal system, we have the trias politica; the separation of powers. We know the legislative power, executive power and judicial power. We should also apply a similar theoretical classification to our monetary system. Then it would become possible for the government to borrow directly from the central bank. With that, you prevent government debts from leading to dependencies on private banks and to unnecessary costs (= interest) for the government.

It should then be impossible for the government to influence the policy of the central bank. This is necessary because politicians always want to be elected or re-elected, and they might promise all kinds of things for which there is no money. If you can print unlimited money, the entire economy will collapse. So, you have to keep politicians away from the (digital) money press! Any political influence on the amount of money and on the variation in interest rates threatens the stability of our economy.

In my view, therefore, 'the political/legislative authority' should not be able to print money. Monetary financing is out of the question. It is possible to borrow money from an independent ECB. This can be done at 0%, in my view. Any other rate is also possible. That is a political decision. It is then up to the ECB to raise and lower this rate with the differentiated rates referred to in proposal 2.

Politicians know what pressure politicians are under, so they will want to prevent other politicians from turning on the digital money press. I see this self-knowledge as the greatest resistance to the proposal to place money creation exclusively in public hands. If you, as a politician/director, have doubts about a decision, then it is tempting to yield to counter-arguments.

International context

My proposal that only the ECB is allowed to create money in Europe is very radical. It means that banks are no longer allowed to do so. They can currently create billions of euros per year. People have been killed for less…

There will be quite some resistance, and it will not only come from European banks. Banks from other parts of the world, of course, will also see this as a threat. The resistance of the European banks can perhaps still be overcome. International resistance might be easier to evade.

Countries now borrow in U.S. dollars. Inhabitants have to work hard to pay this back, and their government is not able to make other expenses. Of course, these are political choices. However, the U.S. FED can easily print more dollars. The FED is short for Federal Reserve System. This bank is not owned by the U.S. government, but by the participating U.S. banks; in fact, a banking cartel with decisive authority. Almost everyone thinks the FED is part of the U.S. government, but the name is the best marketing trick you can come up with as a banking cartel. Money earned by the FED by reprinting money is distributed as a dividend among the participating private banks.

Being able to create money from scratch and being the most important currency in the world, gives the U.S. or at least, the participating U.S. banks, enormous power. This could backfire if countries, companies and individuals decide not to use or make less use of the dollar; all created dollars would flow back to the U.S. Productivity will not have increased in the U.S., while the amount of dollars have. This irrevocably leads to inflation, possibly even to hyperinflation. If trust in the dollar is lost as a result, this process is further accelerated. In my view, there is no alternative but to lose trust in the dollar. The only way the U.S. can prevent this is to nationalise the FED.

The U.S. government is going further into debt. If people can (digitally) ‘print’ dollars themselves, and therefore also have the option of destroying money, this problem may become manageable. Now, one is heading straight for the cliff. By nationalising the FED, the debt problem can also be solved.

The way I view the FED is that it primarily serves the bankers. The power of the FED is so considerable that it can create money to an extent that it can result in strong inflation. An economic crisis could be the undoing of a president going against the FED.

The FED accepts that banks lend a lot of money to people who can hardly repay it. This is not in the interest of society but in the interest of banks.

It is good for the European economy that the U.S. economy is doing well. If it collapses, Europe will suffer a great deal. The less debt Europe has, the less we will suffer from the shock wave that comes when the U.S. economy collapses again. Since we can see this coming, we have to prepare for this scenario as we speak.

The chances of the euro becoming an increasingly important reserve currency are very high. We must now set up our system in such a way that we will never suffer the negative consequences.

To think a little further outside the box: imagine digital money as an internet concept. What would this entail? With internet concepts you have ‘the winner takes it all’. Google is the dominant search engine with a share of around 97% in the Netherlands.

Suppose that the euro becomes the dominant digital money. Do we want that or do we want, for example, the dollar or the renminbi? What does that mean for Europe’s position in the world?

While we are thinking outside the box, the following: What would happen if, for example, African (or Russian, Ukrainian or Turkish) banks are able to lend out euros? Suppose that they can lend it to small African entrepreneurs with a negative interest rate… This way we can let Africa benefit very quickly from, among other things, the energy transition.

If the only objective of the ECB remains to ensure a stable currency, then it may be useful to switch partially or entirely to the euro - from the point of view of these countries. Exchange rate risks will then be avoided so that trade with Europe can grow and contribute to the economic development of those countries.

Proposal 5:

Exchange money only via the central banks

If trade takes place between countries, mutual payments must be made. This is possible with barter, but it is more efficient with money. But how much is the money of one country worth compared to the money of another?

This is expressed in the exchange rate. The exchange rate is determined in a free market.

As I previously stated, 'money is solidified trust'. This is very subjective. If you are going to speculate with this, very strange things can happen. If you are a major speculator, you can influence the value of the currency and earn a lot from it. All this while the country's economy is collapsing. After all, loss is often gain. Whoever enjoys the gain, benefits from the loss of the other.

In my opinion:

- International trade contributes to prosperity. Products and services are made where this is most efficient. If a glassblower from a faraway country has made a beautiful bottle, I can buy that bottle. I do not have to master that skill myself.

- If countries do not produce enough, the value of the currency drops. If countries export more than they import, the value of the currency should increase. At least, that should be the case.

Rapid exchange rate movements between currencies are undesirable.

I think it would be good to limit direct trade in currencies to trade between central banks. If a bank from one country wants a currency from another, it has to ask its own central bank. The central banks lend each other money. The exchange rate is determined by the production capacity of a country. As long as the production capacity does not collapse, the value of the currency does not collapse. Ultimately, the value of the currency is determined by the number of coins in that currency and the underlying production capacity. Production capacity paid in foreign currency should not be taken into account.

An international institution could be concerned with the valuation of currencies. Another solution is to regulate this in a structure between central banks. What must be prevented is that ‘the kind of people who work at the FED or Goldman Sachs’ take control. There should be capitalists who put the interests of the world population first.

Currently, the Bank for International Settlements (BIS) in Basel plays an important role in this. However, it is a private banking cooperation. Admittedly, one in which non-private central banks are also on the board. In fact, it is a rollout of the private banks that drive the FED to the international arena. This gives bankers the power to manage countries and politics. As previously stated, I think that the system must be changed, namely, that private banks should no longer have any influence. Neither bankers nor individuals associated with private financial institutions may be affiliated with organisations that regulate the banks.

I also believe that the state should have 100% of the shares of the central bank. The ECB is an institution of the European Union.

My advice is to withdraw the EU from institutions such as the BIS, and preferably also the IMF and the World Bank. These institutions give international bankers an opportunity to exert influence that is too far-reaching. One (perhaps better?) alternative is to agree that these organisations should not include ‘bankers in the broad sense’, i.e. anyone who benefits from the creation of money by the banks. This also means that, for example, members of the FED are allowed to be involved since it is made up of private U.S. banks.

The ECB will have complete independence in the performance of its tasks. The ECB, the national central banks of the Eurosystem (in the Netherlands the DNB, in Belgium the NBB) and members of the relevant decision-making bodies cannot request or accept instructions from any institution. The European institutions and the governments of the member states are obligated to respect this principle and should not seek to influence the ECB or the national central banks.

As long as the bankers are in the BIS, it is the same as ‘grading your own paper’. Basel I and II regulate the conditions that banks must meet. In my opinion, it is absurd that bankers of large private U.S. banks can help determine which rules, among other things, European banks must comply with. These rules must be drawn up by the joint authorities and/or international institutions in the interest of the citizens. Fortunately, the supervision of the banks is carried out by the ECB and the national central banks.

As far as the exchange rate is concerned, I believe that the starting point should be that countries do not have a trade surplus or deficit. With this in mind, the central banks can determine the value of currencies relative to each other on a regular basis. If China has a large trade surplus, the value of the renminbi will increase compared to, for example, the euro and the dollar. If the U.S. has a trade deficit, the value of the U.S. dollar falls against the renminbi and the euro. Added up, it should be exactly in balance.

Consequences of the proposed changes for various parties:

Consequences for the citizen/consumer

Citizens rarely worry about ‘how is money created?’ While this is a very important topic for all citizens, most do not think about it. As someone who saves money, they will receive a low-interest rate when a great deal of money is created. However, it is beneficial for consumers (and also for companies) that the tax burden can reduce if the government does not borrow money from the banks but from the ECB.

The possibility of money creation by private banks (by letting others incur debts) and the huge increase in the money supply are the real causes of inflation and the decline in purchasing power. If the proposed system becomes a reality, the foundation will be laid for the increase in equity and income of the citizen.

The feeling of increasing wealth-inequality will also disappear if the equity of the consumer can grow. So, it is not that the equity of the top-tier rich should be limited, but the equity of the ‘common citizen’ must, relatively speaking, grow. The consumer also sees that the government’s transition policy is becoming successful. This gives confidence in the future.

As long as the citizen can trust that the value of the euro remains constant and their purchasing power is maintained at a minimum, the ‘solidified trust’ will remain present. The road to a better society can then be paved.

Consequences for the ECB

The ECB gets a much better grip on the velocity of circulation and the amount of money. This will enable it to regulate price stability even better than it currently does. This must remain the only objective.

Whether this can be done within the current mandate is not for me to decide. Since price stability (and thus the monitoring of purchasing power and the control of inflation) remains the only objective, it seems justified to me that the current mandate is sufficient. If the current mandate is not satisfactory, it is up to politics to change it.

Consequences for banks

Savings banks can safely deposit their funds with the ECB. Their ‘income’ will be the difference between what they receive in interest at the ECB for savings and what they themselves give to the customer.

General banks have a more extensive service, including loans (possibly with mortgage credit as collateral), payment transactions and other services. There is more risk involved than a savings bank. This is no longer a disadvantage for the saver because the money will always be returned directly from the ECB in the event of bank bankruptcy.

Investment banks, or merchant banks, are also no longer allowed to create money. They invest/speculate with the (savings)money of customers. This is not via the ECB. Customers receive higher reimbursement than if they save money. People deliberately opt for this and know that they can also lose money. The question is whether it is wise for these banks to still call themselves ‘bank’. In any case, it must be clear to the consumer that there is a risk.

Banks would like to continue creating money from scratch, so they are likely to oppose the proposed model. For weak banks (in parts of Southern Europe and e.g. the Deutsche Bank), however, this could be the saving grace. It can prevent a crisis for our economy (throughout Europe).

The proposed system can provide an enormous incentive for the innovation of the banking sector. It is ideal for internet companies to come up with new concepts.

With the new system, banks can no longer be ‘too big to fail’. For the banks, this means that governments no longer have a reason to split them up. If a (large) bank goes bankrupt, this is no longer detrimental to savers. After all, they no longer have their money deposited with the bank, but through the bank, as an intermediary, with the ECB. This way, they know for sure that they will always get their money back.

Because banks can go bankrupt, banks do not have to guarantee each other. It is, therefore, not necessary to deposit money into a fund as this fund was intended to help a weak bank in an emergency.

Consequences for the stock market

Suppose that a company can borrow from the bank at 0% interest and makes a 5% return. The more money a company lends, the more profit it can make. This lever works fine if there is a profit. However, suppose that a company has very little equity and a lot of debt and this company will incur a 5% loss. Then one will run out of equity in no time. The company goes bankrupt.

Care must be taken to prevent companies from having insufficient equity capital. For the creditworthiness of banks, it is important to have insight into what buffer equity each customer has. Banks should then provide insight into what kind of customers they have and what risks they run.

Shares traded via the stock exchange are actually risk-bearing assets. The shareholders are the owners of the company. It should be avoided that it is interesting for shareholders to load a company full of debt. For example, if companies have less than 50% equity, the low ECB credit does not apply. Banks are more at risk with these types of companies and must give those companies a lower rating. A lower rating should then lead to a higher interest rate for those companies.

Moreover, stock market prices are not relevant to the ECB. The free market should be able to do its job on the stock exchange. The value of shares is unimportant to the ECB. Only the stability of the euro is important!

Consequences for pension funds

Pension funds spread their risk. A part of it is still being put away with government loans. In the future, this money could be lent to the ECB at 2%. If the future pension beneficiary chooses not to run a risk, they will know exactly how much money is received in advance. Of course, a pension fund can also, for example, buy real estate or stock. This may be worth more or less and may or may not yield a return. It is up to the individual pension beneficiary or the group to determine how much risk they want to run. What is important, however, is that what has been promised can be honoured.

In the Netherlands, people save money for their pension later. For this reason, pension funds have a lot of money stored. If this money only retains the worth it has now, then those entitled to receive a pension will not receive more pension than they have paid (minus the management costs for the organisation). If pensioners work for 35 years and want to enjoy 35 years of their pension, then they have to pay as much each year as they want to receive in the future. People often want to pay less and receive more. Pension funds are, therefore, forced to make more returns and to display riskier behaviour, e.g. by buying shares. In this way, it is attempted to keep pensions inflation-proof as well as prosperity-proof. So, if the average income in society increases, the attempt is to increase the benefit to pensioners.

In other countries, the pension that is now paid is paid by the people who are now working. This presents quite different challenges, especially with a growing number of elderly people. The problem of value retention of a pension does not play a role there (unfortunately for them).

Consequences for politics

At present, bankers determine what money is used for and at what price. Bankers can do that because they (apparently...) have been legally granted the right to create money. However, would it not make more sense to transfer certain powers to politics when it is necessary to determine what is in the social interest?

Under the proposed system, politics determines the priorities for the use of money by means of high or low-interest rates. As risk-bearing intermediaries, the banks still determine to whom they are willing to lend and against which surcharge on the percentage determined by politics.

In my view, it is not the primary task of politics to transfer money from rich to poor. Politics should create conditions that allow everyone to be able to take good care of themselves and their family. Reducing and preventing unnecessary debt is an important aspect of this. Of course, politics must provide a safety net so that no one ends up in poverty. However, it is primarily up to the people themselves to take care of each other.

If politics work out the proposals properly, the result will be that everyone will earn more. The 90% of the basis of our wealth pyramid, in particular, will benefit from it. Most of the top 10% are not expected to lose out.

Consequences for governments

The EU member states that have the euro as their currency should only be able to borrow money from one bank: the ECB. This is regulated for each country by its own central bank.

The loss of trust in a country and the accrual of interest for a country are then excluded. It seems to me that a second 'Greek crisis' is excluded.

It is absurd what is happening so far. The government lends money on the free market. Then, that free market creates money for which the government has to pay. In addition, there is a dependence on companies. Here, the power should lie with the government.

How do we protect the government against greedy politicians? Politicians give many promises before the elections. All of them cost money. If that money is not collected by means of taxes, the government will become more and more indebted. If the politicians can have money created themselves, we will prevent that debt. However, the economy will collapse due to major inflation. Hence the solution of an independent ECB that is part of the government.

Member states are also not allowed to borrow money from other countries, such as China. The obligation to repay the debt is negative freedom. European countries must remain independent.

The value of ‘solidified trust’, i.e. money, is only sustainable if the critical mass of money is large enough. A small country like the Netherlands could never keep large speculators at bay. For a country and its inhabitants, the euro means that we have a stable currency.

A disadvantage for a country that gives up its own currency is that it is no longer possible to devalue the currency. If the competitive strength of a country within the EU diminishes, one must, for example, reform the labour market, attract investors, etc. This is a process that produces more resistance than devaluation.

As European citizens, we will have to accept that the European government serves the interests of all Europeans. Europe will have to focus its spending on places where it contributes most effectively to economic growth and on places that would otherwise lag behind.

If politicians choose to use the interest-rate instrument for the transition of our society, then Southern Europe is likely to become an energy producer in the long term.

Another important consequence for the government is that people will never again run the entrepreneurial risk of banks. If a bank goes bankrupt, there is no need to step in. The taxpayer will therefore never again be the victim of a poorly managed bank.

Consequences for the power and democracy in the world

If the government is (a lot) indebted to banks, then the power is not with the government but with the bankers.

At the moment, private banks have a lot of influence. With China’s economic growth, its influence is also growing.

The implementation of the proposed changes will lead to Europe becoming stronger. This applies first and foremost within Europe, but also outside Europe. If Europe becomes stronger, it may choose to support especially those countries that (want to) develop into a full-fledged democracy.

The euro can be used as a reserve currency anywhere in the world. The risks to Europe are minimal because the ECB can prevent hyperinflation in the proposed system. Hyperinflation could occur if people outside Europe wanted to get rid of the euro en masse.

If a (small) country decides not to have its own currency, they can opt for the Euro. In this way, inflation is kept at bay. Countries that already have the euro and are not members of the EU are, for example, Kosovo, Montenegro, Monaco and Vatican City.

At the moment, the international monetary flows run in a way in which America has an enormous amount of influence. For example, if Europe decides to support Iran and the U.S.A. chooses to ban European companies, they will usually feel compelled to cut their losses.

If these companies were paid indirectly through the ECB, this type of power politics could be avoided.

Consequences for the economy

If banks reduce the money supply sharply, there will definitely be a recession. In the new system, much better than the private banks at present, the ECB is able to control the money supply and the velocity of circulation.

Private banks were able to drive a recession, certainly in a coordinated action that would reduce the money supply. This was a way to influence politics.

During a crisis, equity is not destroyed but displaced. When the ‘average Joe’ gets poorer, the rich get richer.

A crisis can also arise because the banks create too much money. If more money is created than the growth of production capacity, inflation will arise.

If we look at, for example, the last hundred years and the crises we have experienced, all the crises appear to have been caused, or at least enhanced, by the banks. There is, therefore, no reason to maintain the current system. The ECB must be able to do better than the banks.

Consequences for the environment

If politics take control of the private banks and determine what newly created money is spent on, it can be opted to pay for the energy transition. The entire society can also be made more environmentally friendly.

Some individual remarks and suggestions:

- Cryptocurrency such as bitcoin is comparable to a tumour to me. If you allow it to grow, it cannot be removed without causing damage to the economy.

  However, cryptocurrencies do have something positive in my view, namely that no debt needs to be created for its creation. As previously stated, I consider debt to be ‘negative freedom’.

  Of course, every private individual dreams of being able to create money for themselves, but that does not mean that it is wise for a government to allow this. I believe that trust in a transparent government that pursues the public interest can be much higher than trust in a company. After all, a company must make a profit and listed companies tend to seek profit maximisation.

  If the government, just like e.g. bitcoin, can create money without creating debt, then I prefer that version. A low-debt society should be pursued in the public interest. The effect of negative interest rates on loans from the ECB is that the capital loss that this creates at the ECB is written off through money creation. This will reduce the debt.

- Cryptocurrency is great for criminals; there is no supervision. The potential growth of the criminal sector is contrary to the public interest. In my view, a transparent money sector is in the interests of a non-criminal society. After all, financial transactions are the Achilles’ heel of the criminal sector.

  It would benefit the tax morale as well if the government can ensure that everyone pays the tax they are obliged to pay. However, it is important that the government does not demand more tax than is absolutely necessary.

- It is to be expected that social media, such as Facebook, and automation companies, such as Google and Apple, also want to create money. In my view, this should be banned in advance. It is fine, of course, if they were to compete against banks. Just as I am against money creation by private banks, I am against money creation by other private companies. It does not matter whether it concerns dollars, euros or ones own currency.

- Recently, Facebook has announced its own currency, the Libra. Facebook will then become the central bank of the Libra. I view money as ‘solidified trust’, but who trusts Facebook? Facebook becomes an ‘independent country’ with its own currency. Mark Zuckerberg becomes the ‘dictator’ of this country. The inhabitants of this virtual country are followed everywhere by ‘Big Brother Mark’ and are forced to behave as ‘Big Mark’ pleases.

  People have to work for money. However, if ‘Big Mark’ needs money, he simply creates it himself - ‘at the touch of a button’.

  You can, of course, exchange money from Facebook for money from other countries. Only, which currency becomes the dominant currency?

  I think that (i.a.) Europe must fight against such initiatives. They are a threat to democracy. Wealth inequality will increase as a result. Moreover, the goal that we want to achieve with this book, an affordable transition to a sustainable society, can be blocked by this.

  Companies with a lot of money can pay lobbyists. They can also offer politicians the prospect of a job with a generous salary. For example, politicians can become a commissioner at a multinational. However, this is even more true with Facebook. If Facebook can create money itself, politicians can be generously rewarded. In addition, Facebook can determine which messages voters will see. This allows Facebook to influence which politicians are elected and which are not. So, politicians will have to dance to Facebook’s tune. This will be the end of democracy as we know it today. Action should be taken now!

In all likelihood, many banks will be against the Libra. After all, banks can only create money within the standards that the central bank allows. However, the central bank of the Libra is Facebook. Facebook is a competitor of the banks; so, one will have to do the bidding of a competitor... Restricting competition is certainly not in the interest of the consumer. Politics and the central banks of the world must take action against, among others, Libra. I prefer to see that the creation of money by banks is immediately limited and that the phasing, as proposed here, to a completely public system of money creation is introduced.

- When people go into debt, banks create money. However, people do not just go into debt; they want to buy something The economy is now being stimulated with this consumption interest. If the debt is repaid, it puts a brake on the economy. So, the current incentive means a future brake. If a recession comes, a bank runs a higher risk. As a result, banks will lend less money, thus reinforcing the recession.

- Money must be created (and destroyed) in the interest of society. The government serves this interest best. There are all sorts of trends in society that affect the work we (must) do and how we earn our income. I am thinking here of, among other things, robotisation, artificial intelligence, self-driving cars, etc. A lot of jobs will be obsolete and new jobs will be added. On the one hand, money is payment or reward and, on the other hand, a means to buy something. With the pricing, we influence the distribution of scarce resources. As the price goes up, companies earn more and will try to increase production. On the other hand, if the price falls, companies will try to lower production costs. This ensures the continuation of profit and, therefore, the existence of a company. This 'invisible hand' controls our capitalist system very efficiently. However, what happens if there is not enough paid work for everyone due to, among other things, the trends mentioned above? I can imagine a situation where not everyone has to work to get all the work done - or where people work less than they do now. If such a society is created, money creation must certainly be in the hands of the government (/community). Given the likelihood that the above trends will continue, money creation must already be fully transferred to the government. The decision on how new money is to be used can always be made in the future. So, if we think or suspect that a basic

income may potentially be introduced for everyone in the future, we must already lay the foundations for it! The alternative is that most of the income ends up with those who own the means of production and that a large part of society has (far) too low an income. After all, there is not enough (well) paid work if the machines do a lot of work.

- I already mentioned it in the section about negative interest on loans: ‘What is very important for politicians is that they realise that only increasing productivity leads to increasing prosperity.’ I view improving environmental friendliness as quality improvement and, therefore, as productivity improvement.

  I view our capitalist system as the best system for improving productivity. However, the government must provide the right incentives. For example, I believe that the government should set the goal of ‘a sustainable society’. The companies are allowed to determine, in competition, through which means we can achieve that goal.

  Companies are useful organisations for society. They should be treated as such. If they had been government organisations, they would have received subsidies in many cases. Now, they can do without a subsidy and, in all probability, deliver a better product or service.

  In my view, it is not ‘us versus them’: not the workers against the employers; not the employers against the government; not the rich against the poor, etc. It is, ‘How do we organise our society in such a way that it is humane and sustainable for everyone?’

  In my view, politicians need to answer the question, ‘How do we ensure that companies contribute to a sustainable world?’ As I see it, this is only possible through productivity improvement (according to the aforementioned definition). Companies only have sufficient room for investment if they make sufficient profit. A negative interest rate on productivity improvements certainly contributes to this.

  As previously stated, I believe that rights are always subject to obligations If companies make use of the possibility of borrowing money with a negative interest rate, then there should be an accompanying requirement of transparency. This transparency also concerns the tax payment. Listed companies must not only state how much profit they make but also where productivity improvement takes place and how much tax they pay in various countries. Only listed companies that are based in Europe (or the Euro area) and pay their taxes there should be entitled to a negative interest rate.

- Only companies that are useful to society have a right to exist. Each company has a place in the chain; in the ecosystem. Companies supply directly or indirectly to the consumer. After all, if one only supplies to other companies, then those companies supply to the consumer.

  As I view it, government spending must be offset by income from taxes. Ultimately, all expenses must be covered by income. The question then is, 'How can the government best tax society?' If the government starts to tax companies more heavily, the cost price of products will rise or production will relocate abroad. If the cost price of products increases, the consumer will have to pay more. Although a company pays a lot of taxes, it is ultimately the consumer who pays the bill. However, if the production is moved abroad, it usually results in more transport movements. Production outside the EU is often less environmentally friendly, which is bad for our environment. To me, it seems a logical conclusion to do taxation, as far as possible, at the end of the chain. By taxing consumption, you prevent pollution from moving abroad.

  If the cost price of products falls and there is a well-functioning free market, then this benefit ultimately reaches the consumer. It is the government that must ensure that the free market functions properly. If the benefit reaches the consumer, the consumer can pay the necessary tax at the time of consumption. It is an additional positive effect that this will eventually reduce consumption.

  I am in favour of companies paying a low profit tax. This profit can then be invested to the benefit of society. It should only be taxed when the money is taken out of the company since it will then no longer be used for improving productivity (= including making society more environmentally friendly). Taking money out of the company is mainly done by paying dividends and wages.

  If companies do not have to pay or only pay a low income-tax/corporation-tax, they have more of a buffer. There will be no need for subsidies. I view pumping money around as inefficient and often ineffective. As a government, it is almost always much better to set strict goals and to give companies the freedom to determine how they can achieve them. Another possibility to ensure that companies have a better buffer is to shorten depreciation periods. If companies are allowed to write off tax for a shorter period of time, the profits and therefore the tax that they have to pay in the short term will be reduced. With more equity, companies become more agile. If the government makes this possible, then it is perfectly safe to demand that companies become more environmentally friendly. To adapt to those requirements, companies have the capacity. Subsidies will not be necessary.

  Politicians sometimes say that companies have to pay more tax.

They suggest it is ‘fair’ to the citizen. They often also suggest that this means that citizens have to pay less tax. However, what is overlooked here is that companies include their costs in the price of the product or service. Ultimately, in all cases, the consumer is going to pay. This may give companies located elsewhere a competitive advantage. This means that products are procured from further away. The costs for the environment are often not calculated in the cost price of the product and, therefore, not charged to the consumer. High taxes for the companies here lead to a shift of production further away and to more pollution from transport. It is, therefore, better to tax consumption.

- At the moment, I gather from public opinion in the Netherlands and elsewhere that people are against multinationals and against banks. Multinationals, such as Shell, would not pay corporation tax. Banks have cost the taxpayers a lot of money and when money is earned again, the directors will once again start making a grab for it. Jealousy and envy rarely lead to good decisions.

  Companies, including multinationals and banks, are very useful to our society. The government only needs to ensure that the incentives for the companies and the managers of those companies are set up in a way that the companies start exhibiting the desired behaviour. There is (usually) nothing wrong with the people and the companies; the incentives are wrong! Suppose that companies only have a future if they become environmentally friendly. Then shareholders (= the owners of a company) have an interest in becoming environmentally friendly. What would happen if all company engineers started working for environmentally-friendly products and services?

At the moment, oil companies have a lot of oil in stock. Of course, they are very keen to convert this into money for their shareholders. After all, this is what management is judged on. However, what would happen if the government required that hydrogen gas be sold at every gas station? Without that sale, the licence for that gas station will be revoked. Naturally, they will then try to not only sell hydrogen gas but also try to make money out of it. Our capitalist system then ensures that hydrogen gas becomes cheaper and more attractive.

In short: it is up to the government to make it clear that we are moving towards an environmentally-friendly society. It is also up to the government to use all the resources and means at its disposal; from legislation to, among other things, money creation. The trick is to do this in such a way that it encourages companies, not destroy them.

- I think we should look at debt differently. Years ago, there were moments where I was not able to pay the bills. At the time, debt is much more than a negative bank balance. It determines your well-being. It determines what you can and cannot do. There, in my opinion, money is not only a means of exchange, but money is also a determining factor for your freedom. Most people can only earn money by working hours. Debt is what turns you into a 'work slave', having to repay the organisation you are indebted to.

  I believe that politics should strive to ensure that people are free. I think that the attention of politics should focus on, among other things, making the population richer that forms the basis of the wage structure. How can politics prevent people from getting into debt? How do we create/maintain a culture in which debt is seen as negative? I am thinking of:

  - Scholarship. It would be good if students who graduate without delay can leave the institution without debt.
  - Prohibiting advertising for credit cards and other organisations that tempt people to indebt themselves.
  - The accumulation of wealth, e.g. in one's own house/apartment, should be encouraged.
  - Etc.

- Furthermore, I think that money is still just an abstract concept for many young people. They do not really experience its value. Almost all of their money is digital. They have to learn how to deal with money, with the help of a mentor. I think they should be protected against ‘negative freedom’, against debt. If minors are not allowed to take on debt, they are more likely to be unable to pay their bills. Not being able to pay bills is a very instructive experience!

- In my opinion, 99.9% of all people are of good will. They want what is best for their family, relatives, neighbours, as well as for all other people and the earth. It is up to the government to structure our society so that people feel safe, feel responsible and behave responsibly. The way I see it, property and the possibility to lose this property contribute to responsible behaviour. In this book, I advocate against debt (= negative freedom) and for the increase in wealth for everyone. One should not be handed this, but be able to earn it. Only then will it have value. By ‘being able to earn’ I do not mean a situation in which both parents have to work 60 hours a week to be able to keep their finances afloat.

  ‘Being able to earn’, not only for yourself but also for your family, relatives, environment, etc., gives people meaning. Caring for your loved ones, being useful to them, is in one’s nature. Giving people money without expecting anything in return only leads to boredom and discontent.

  By ‘being able to lose’, I do not mean that people who lose everything should not be given a second chance. Just as parents have to let go of their children, the government must also give people the freedom to make mistakes. However, if someone does take a fall, they must then be nurtured again.

- I view the government as an organisation that belongs to all of us and is to the benefit of all of us. It must organise the monetary system for the benefit of all of us. In line with this, I do not view democracy as a ‘dictatorship by the majority’ but as a governance structure for the benefit of all of us. Rules are there to be observed. They must be just. Just in the public interest and not too painful in the individual interest. If people have freely chosen to make stupid financial decisions, they may just as well go bankrupt. After this, however, they should be able to start over and to get their affairs back in order.

- The ECB's profit is now transferred to the participating central banks. In my view, it is better to transfer it to the EU. After all, the primary task of politics is to ensure that a country is managed sensibly. In our capitalist system, everyone tries to improve their own position. This is also beneficial for the collective. However, there are always people and countries/regions that are (yet) unable to come along. It is also up to politics to decide on the redistribution issue. In the case of the ECB's profit, it is not illogical for Europe to use this money to strengthen the weakest links.

- I think governments should be able to borrow newly created money without paying interest. This system benefits all taxpayers.

- If there is going to be a 'trias banca', there is much to be said for a country's debt to the ECB not being more than, for example, 50% of the GNP. The repayment term should then be a maximum of 10 years. This prevents children from having to pay off the national debt that their parents have made.

  If countries have more debt than e.g. 50%, they have to pay e.g. 1% interest on the excess. If they have more debt than e.g. 60%, they have to pay e.g. 2% interest on the excess and 1% on the debt between 50 and 60% of the GNP - the interest rate increase can be continued in this way. This would put a brake on too much government debt. The trick is that this is not only laid down in agreements but that everyone adheres to it; the large countries, as well!

- If the ECB now takes over all current government loans, a negative interest rate could be applied to all loans of e.g. -5%. All countries will then benefit from this measure. This would be a method for, for example, Greece and Italy to get rid of their debt. Every country also benefits from the absence of a new euro crisis. Future government loans could be at a 0% rate.

- What would happen if EU spending were to be paid out of the VAT percentage? Suppose that the first few percent of the VAT revenue are for the EU. Every country then pays exactly according to their financial capacity. Suppose that Europe is paid by paying e.g. the first 3% of VAT to Europe. Everyone will view this as a fair system. After all, everyone pays according to their financial capacity.

  Suppose that the EU also receives part of the money created by the ECB with negative interest rates (e.g. the budget allocated to space travel). This also gives the EU more room for manoeuvre, without the rich countries having to pay for it.

- An ‘ever closer union’ can never be an objective of the EU, at most a means. The more say citizens have, the more involved they will be. Someone who can influence their fate will have less stress.

  In short, I believe in European cooperation/integration where that is most efficient. Everything else must be organised as closely as possible to the citizen. Perhaps I am wrong about this. I think it would be a good idea for the EU to investigate why our English neighbours voted in favour of Brexit on 23 June 2016. They certainly did not do so because everything in the EU is always going so well. What was not done well by the EU? What could be improved? What can European officials and politicians learn from this?

  Should the basic attitude of the EU not be that of a serving attitude toward to the member states? How can this be reconciled with making the European institutions more democratic?

  The euro, the (energy) transition and the promotion of prosperity for the whole of Europe are, of course, a focus for the EU. Let us hope that the EU proves itself now!

  I have mixed feelings about Europe. I feel European, but also Dutch, from Brabant, resident of Volkel and resident of the most beautiful spaceship of our galaxy. I would like to be democratically governed. However, is that the case? Are we governed from Paris and Berlin or from Brussels? Should large countries also comply with the rules? Germany determined that the European external border did not apply and that refugees were welcome in Germany. A country that cannot maintain its borders is not actually a country. The motives were very humane. Only, the effect was that there was a loss of trust in Europe. If there is an agreement together and someone wants to deviate from it, then that must be discussed with the others. When something is imposed without consultation, trust is lost. This trust is hard to gain but easy to lose. Hopefully, the euro can contribute to trust in the EU. I hereby urge all politicians to consider a system for money creation by the ECB in which the politicians can neither determine nor (want to) influence either the interest rate or the amount of money to be created.

It is very important that politicians cannot influence the policies of the ECB. After all, politicians will always promise more than they can deliver or more than might be responsible. This is done to ensure that the citizens vote for them. If politicians take irresponsible decisions, it will be at the expense of the stability of the euro. It is the citizens who will suffer as a result! To prevent this, we need to find a system that is similar to the ‘trias politica’; a ‘trias banca’. The executive ECB must remain independent of politics in its implementation. Politics must, however, provide political steering. In the proposed system, this steering is taken over from the private bankers.

- As I view the growth of the Chinese economy, this is both a consequence of the market system and a consequence of the Chinese monetary system. In China, the government does not borrow money from private banks and pay interest on it but simply creates it itself. So far, this has led to enormous growth. However, there are also risks. China is not a democratic constitutional state and will not be in favour of a ‘trias banca’. They have the advantage that there are no voters who force the politicians to go for the short-term gain of the voter. The separation of the right to decide where the money is spent and the right to determine how much money is in circulation is, therefore, less important there than it is here with us. Yet, this can also cause unwanted bubbles in China, which could also be prevented by working with a ‘trias banca’. The difference with Europe would be that their politicians were not democratically elected. In addition, I think that there is (partly) monetary financing in China. I find monetary financing (= printing money to spend this as a government) out of the question. European governments have to pay back the money they borrow from the ECB! This prevents inflation.

- Banks are keen to lend money to governments. Governments are particularly inclined to borrow a lot of money when there is a war or the threat of war. This creates debt and dependence. Banks can make a lot of money. History teaches us that banks are happy to lend money to all parties involved in a war. It sounds absurd, but ‘banks have an interest in war or at least a threat of war’. If money creation is no longer done by the banks but by the ECB, then this financial incentive for war or the war industry will disappear. This applies if the government can borrow from the ECB.

- Banks are keen to lend money to businesses and consumers. If companies have too much money, they borrow nothing or little. The same applies to consumers. If one has little debt, the bank has little power. Sometimes a crisis is good for the banks. After all, businesses and consumers will then borrow money and pay interest. Banks can create a crisis themselves by first limiting the volume of money.

- Currently, most of the money is created by private banks. Whoever has money has influence. Politicians are easier to influence by people and companies (banks) with money than by people who have good ideas that are in the interest of society. An oil company is more likely to lobby to store CO_2 in the soil than to use fewer fossil fuels. The Stone Age did not end because the stones ran out. The oil age will not end because the oil has run out. The oil age will end, despite the lobbying of a number of multinationals. Similarly, private banks will start a lobby against the ideas in this book. That does not mean that the ideas are not good for our society. As a company, however, you will not simply relinquish your right to create money.

- Banks have an interest in the government levying a lot of taxes. Why is that? Banks are keen to lend out a lot of money. If you lend it to the government, the government should be able to pay it back. This is possible if there is substantial taxation. In fact, taxation can be seen as the (partial) transfer of money from companies and individuals to the banks. If the government itself created money, taxes could be reduced. Tax cuts are an incentive for the economy.

- At the moment, a lot of goods are being transported around the world. Free trade promotes prosperity around the world. However, is this good for our environment? Would it not be better to have an import rate of, for example, 4%? Then less energy is lost by transport. Suppose you lower taxes, then the import rates will not be at the expense of the purchasing power of the population. After all, import rates are not paid by the exporting country, but by the population and the companies of the importing country. Import rates are therefore common tax increases. If a more environmentally-friendly behaviour can be provoked by raising the (import) tax here and lowering (another tax) somewhere else, then I do not think there is anything against that.

Nowadays, you can use Alibaba for small orders from China. As a consumer, you will not pay VAT and no or hardly any postage. This may benefit the wallet, but it is certainly not good for the environment. A solution other than an import rate would be, for example, to charge VAT on imported products at a minimum of € 10,- per product. In this way, free trade will continue to exist, but you will avoid the unnecessary burden on the environment.

- A carpenter has more tools in his toolbox than just a hammer. He most probably also has a saw that he can use. The same applies to politicians. Wealth inequality should not be dealt with by taxation. One has to change the system which has been promoting this wealth inequality so far.
- Taxes can be reduced if government money creation takes place. However, I would prefer to subsidise the energy transition and the further sustainability of our society through the interest-rate instrument.
- In my view, a government should strive to be free of debt, i.e. pay off its debts. If there is a crisis, we can then borrow money and pursue a stimulating economic policy.
- Who has the power to regulate a market? For whom? I think that markets should be regulated by the government. Large companies have a lot of money and utilise this to use their influence. If large companies can influence the regulation of the markets, they will try to do so in such a way that they can earn more and take a larger share of the market. This is at the expense of smaller companies and promotes wealth inequality. This is true of the energy companies and, for example, of the banks.
- Growth must benefit society. However, that is a task of politics (not of the ECB). It is therefore up to politics to regulate the markets. As in all markets, politics must ensure that the base of the business pyramid must be able to operate soundly in the money market, as well. The base consists of small, innovative companies and SMEs. These ensure a solid middle class. If a redistribution issue with regard to income remains, the ball is in the court of politics. First of all, however, it is necessary to design a market in such a way that it is not the top but the base that benefits.

- Growmoney focuses on achieving growth. With that growth, our society can be made more environmentally friendly. Money creation by the ECB combined with a negative interest rate for environment-enhancing products and services are mere means with which to make this possible. Productivity can also be improved by reducing the skimming of companies' profits (= to pay less corporation tax). In the case of family businesses, the transfer of the right of ownership of the family business should not be subject to tax. Only when money is taken out of the company should it be taxed! This gives you strong companies that can fiercely compete against each other. Prices will fall in this tough competition, which benefits the consumer. If companies can make a profit, there is nothing wrong with the government imposing strict environmental measures on them. If entrepreneurs give themselves a high income, i.e. take money out of the company, there is nothing against taxing it. That applies, of course, as it does to any high income.

  It may seem like I am in favour of low taxes for companies, but that would be a bit too simplistic. I am in favour of low taxes for everyone. However, the government needs money, so we will all have to pay taxes. The government is the referee and the coach of the free market. The government must steer the market towards environmentally-friendly production. The government is there for the common good, and this, of course, includes everyone. In my view, the government must create the conditions in which all people can grow their equity. At the very least, people must be guaranteed a minimum income. When people commit themselves, they must be able to earn more than that minimum income.

  All the money that the government spends comes from tax revenues. The question is, therefore, 'On what and when does the government levy taxes?' The answer to this question must not be inspired by envy, not wanting to grant it or the like. The answer must be inspired by, 'What is in the public interest?' Only productivity growth leads to prosperity growth. That is why I think that taxes should be imposed in such a way that productivity growth can be maximised. Of course, within the framework of productivity growth, the government must ensure that productivity growth is properly targeted, i.e. towards sustainability.

Conclusion and request to everyone

I would like our society to become environmentally friendly. As a layman, I view hydrogen gas as the solution to store energy and to then generate electricity again. Of course, there are several other solutions. However, how are we going to pay for it? This is what kickstarted my search for the creation of money. I am increasingly struck by the enormous consequences it has (for the entire world!) when a government no longer has to borrow money from private banks. All the interest that is saved can be spent on useful things.

Furthermore, if negative interest rates were to be applied when citizens and companies want to borrow money to generate hydrogen gas, then the energy transition does not even have to be paid by the government/taxpayer.

Every year, a lot of money is destroyed (= debt repaid). In addition, a great deal of money is being created. Do you have any idea how you could use 1,000 billion euros of money creation differently in a short period of time than is currently the case and what the positive effects of this could be? Now, instead of looking one year ahead, look ten years ahead. Imagine the amazing improvements we can make as a society!

As an entrepreneur, I believe in entrepreneurship and the capitalist system. In competition, we drive progress. With the interest rate, the government can easily control the free market and make full use of it. I now feel myself to be a 'revolutionary social capitalist'.

Of course, I am not a scientist. I am merely an entrepreneur who wants society to offer a nice place for everyone and for nature to continue to take its place. I expect politicians to steer towards a sustainable society, where life can be good for everyone.

The interest-rate instrument can be a very powerful tool for European politicians to achieve this goal. This tool is currently in the hands of bankers, which means that a very important control tool is not used optimally.

This book is not a book against bankers, but one in support of a just society. The bankers also have an important role to play in that society.

Please share this book and these ideas! If you are a professor or a politician, would you please have this proposed line of thinking studied to see if it offers a possible solution? To those who are decisive: will you help ensure that the basis of our financial system becomes something that contributes to a healthy society?

As an entrepreneur, you strive for innovation. When you introduce a good innovation, people will think later on, ‘How did we ever do it without this product or service?’ Successful ideas often stem from a very simple basis, which makes it hard to imagine that things used to be different. I hope that we can say the same later on, that we do not understand why we used to have money created by banks.

This book will be available in Dutch and English, at first. It is free to download at www.growmoney.eu. I want to offer this book in all European languages on this website. Could you, with your name attached to it, translate it into another language? Then all European politicians and citizens will be able to familiarise themselves with these ideas in their own language.

This is the first version of this book. As previously stated, I am not a banker. What am I overlooking? Where can there be improvements? Are there obstacles that I am missing? If you have any comments, please send them to info@growmoney.eu.

There is an old proverb, ‘If you want to go quickly, go alone. If you want to go far, go together’. I wrote this book by myself. Sponsored by our company, BillyBird, operator of nature and recreation parks, I will have it printed and made available to members of the European Parliament. The trick is to now have a movement that embraces this. I want to be insignificant in this. As mentioned, I am a recreational entrepreneur, and I want to stay that way. This book, perhaps more a ‘social-capitalist manifesto’, will certainly be discussed during lectures in the various European countries. Would you like to speak there on my behalf? Please let me know.

If you would like to help manage the website or do something else in support, please do. If you have suggestions on how we can finance a movement, please let me know.

Together we will succeed!

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How often do we think about the question: ‘How is money created?’

Why are some private companies, the banks, allowed to create money? Would it not be better for this to be done by the ECB? The author, Ton Derks, views money as ‘solidified trust’ and debt as ‘negative freedom’. Based on this, the aim is to create a monetary system that benefits society, contributes to the prosperity and well-being of all, reduces the debts of governments and helps to facilitate the environmental transition and, as part of that, the energy transition.

This book is written specifically for members of the European Parliament. All members elected in May 2019 will be offered this book. However, insight into the world of money is also useful for other politicians. The same applies to students. In the course ‘Social Economy’, you usually learn about how the economy, including our monetary system, is organised. However, the course only becomes really interesting if you start thinking about how our economy can be organised differently.

Last but not least, this book is interesting for all people who want to know how money is actually created, as well as the influence(s) thereof on one’s own life, society and the world.

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