

Future concept of a natural economy

A way to achieve sustainable global prosperity in harmony with nature

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Contents

Introduction.....	3
Part 1: The Goal – the Natural Economy.....	4
The Natural Law of Growth and Decay.....	4
Vitamoney: creating money through life itself	4
Freedom from tax, reduction of bureaucracy and greater incentive to be productive.....	5
Stability of money value through planned decay	5
New financial services	5
Unemployment is transformed into self-determined time	6
Old people are very welcome!.....	6
Protection of the environment and food for the world	6
Ownership of land	6
Equalization between poor and rich countries	7
A self-regulating system	7
The world’s greatest and most peaceful revolution.....	7
Part 2: The way – thank points and vitamoney	7
Thank points because everybody wins	7
Tasks	7
Solution	7
The system is simple.....	8
Reflection	8
Vitamoney – rehabilitation of the economy.....	9
Tasks	9
Solution	9
Asset exchange (AE).....	10
Asset protection in the event of a monetary crash.....	10
New definition of the value of the thank.....	10
Repayment of government debt.....	11
Outlook	11

Introduction

There need not be an opposition between economy and ecology. This concept shows a feasible way of solving the burning economic problems of our time step by step and leading humankind to lasting prosperity in harmony with the laws and needs of nature. It is not just a question of redistributing scarce resources, which nobody in fact would give up voluntarily. It is rathermore a question of linking win-win situations, which finally make the welfare of those involved inevitable.

The Natural Economy is based on the natural law of growth and decay, which is mostly overlooked in our one-sided growth mania. This has led to the disastrous situation in today's world. By integrating the cycle of growth and decay into the economy, we no longer work against nature but together with it. We thus accomplish a change of paradigms from the previous minus-sum game, which only produces losers, to a plus-sum game, in which everyone wins.

In its fully developed form the Natural Economy provides

- an unconditional basic income for every person,
- an unconditional state income for every country and
- a Compensation and Environment Fund for rehabilitation purposes.

Implementation can take place in small steps without any risk. It begins in economic networks which give their members a competitive advantage over the outside world, thus motivating others to copy them. After the critical mass has been achieved, individual countries will begin to introduce a complementary currency on a national level. The economy of these countries will have a competitive advantage over the other countries. Other countries will follow until the Natural Economy covers the whole world.

Nobody is harmed by this process. The rich remain rich and those who used to be poor become prosperous. There will continue to be differences but poverty and economic misery will not be possible in such a system.

The Natural Economy is independent of the form of government. Ideally it might help to bring democracy to the world.

The author is aware that all this appears completely utopian in today's situation. In the following he will carefully describe the process in logical steps. The first part describes the goal, that means the Natural Economy in its fully developed form. The second part deals with the feasible way to this goal.

Part 1: The Goal – the Natural Economy

The Natural Law of Growth and Decay

Everything in the world from the atom to the galaxy follows a cycle of growth and decay. These life cycles differ solely in their length. The natural cycle of growth and decay is inevitable. All human efforts to escape it have only ended in death. For the sake of gold, which was estimated to be a means of payment with a stable value, almost all the native peoples of America were exterminated in cold blood. Today gold mining causes devastating damage to the environment. The attempt to create money with a stable value, which if possible also accumulates interest, regularly leads to disasters which we know as wars, stock market crashes or inflation.

Life is transitory, death is constant: that is one side of the coin. But, on the other hand, living nature manages a feat which economists can only dream of: eternal growth in a limited space. This eternal growth, this eternal process of becoming is inseparably linked to eternal decay.

If we want to have even the slightest chance of creating better life circumstances for all people and our fellow creatures on this earth, we will have to integrate this cycle of growth and decay voluntarily and deliberately as a firm part of our economic system. Anything else is only patchwork politics. But once we have accomplished this change of paradigms in our thinking, all economic problems connected with money will almost solve themselves. For immediately from that time on we will no longer be working against nature but together with it.

Vitamoney: creating money through life itself

Our present money is mainly created by loans. Assets and debts grow exponentially through interest and compound interest. Due to the natural law described above there are bound to be repeated collapses of the financial system.

In the Natural Economy the creation of money takes place through life itself. It is, so to speak, a gift of life to every person. For this reason – and to distinguish it from our present currencies – we will hereafter call this vitamoney the “*thank*”. For simplicity’s sake we will temporarily define the value of the thank as identical with that of the euro. This temporary definition will later be replaced by a new one which better corresponds to life.

The rules for creating vitamoney are as simple as you can imagine. Society creates 3,000 thanks for each person every month. The first 1,000 thanks is their personal, unconditional basic income. *A thousand thanks for being with us!* The second 1,000 thanks is an unconditional state income and the third 1,000 thanks go to the Compensation and Environment Fund (CEF) for rehabilitation purposes. There is thus an additional pool of money equal to the total state income available for the environment. Protection and rehabilitation of the environment will develop into the most lucrative sectors of the economy.

Freedom from tax, reduction of bureaucracy and greater incentive to be productive

The second 1,000 thanks are sufficient to pay for all state spending, including health care and social security. A rough calculation proves this: 1000 thanks x 12 months x 80 million people makes 960 billion thanks. This is just the amount in question today (in the example of Germany). Taxes and social security contributions are not necessary. Furthermore, the state does not have to pay any social benefits because every person is already provided with a basic income. This automatically means a huge reduction of bureaucracy.

The combination of basic income and tax-free earnings results in a great incentive to produce quality. Free from financial compulsion, everyone can choose the training which suits them best. The higher the qualification, the better the pay. Therefore lifelong learning is worthwhile in combination with shorter working hours and, on the other hand, higher quality work. Everyone has the possibility of developing into a unique life entrepreneur. Less qualified work is anyway being done increasingly by machines.

Stability of money value through planned decay

Since money is created every month, the money supply would continually increase, which would result in inflation – i.e. unintentional decay. Therefore in the Natural Economy a decay levy of 5.6% is made on the amount of money on each person's account. That is exactly 50% per year. Thus, exactly half of each thank has vanished after one year. Nevertheless, investments which maintain their value are possible (see below).

If there should still be a need of cash, it can be realized by using a dynamic currency, whose value changes in relation to the thank and which is paid at the daily rate. Simple and practicable models are available for this.

Another rough calculation can be of help to estimate the absolute money supply and the stability of value connected to it. The total amount of money in bank accounts is currently estimated at 4 to 5 billion euros. The money supply in the Natural Economy will level off at just this amount, with the monthly creation of 3,000 thanks per person balancing the monthly loss of 5.6%. This is the case with approx. 60,000 people, for 5% of 60,000 is 3,000. Multiplied by about 80 million people, this amounts to total assets of 4.8 billion thanks. This is also exactly the amount that exists today. Thus, the value of money ought to be much the same as today.

The money supply created by a country will always be in proportion to the size of the population. Thus, the value of money will be the same in all countries. There will no longer be any cheap countries.

New financial services

The decay of money gives rise to new financial services. Anyone who wants to maintain their assets has to be active either in granting loans or investing in businesses. As a lot of people are likely to want to save the value of their money, the provision of loans will probably be very great. Because of the law of supply and demand it will scarcely be possible to ask for interests on loans. And especially with interest-free loans the win-win situation is obvious. The lender has maintained the value of his assets and the borrower does not pay any interest. Banks and other providers of financial services offer loans and business investments in real

time. The money immediately goes to where it is needed for unused money would mean a loss.

Unemployment is transformed into self-determined time

In the course of ongoing rationalization it is senseless to fight unemployment. And why should we anyway? Too much has been produced up to now in any case. Industry is struggling to find markets and the rubbish heaps are getting larger. That will now come to an end: the basic income means the end of enforced labour and compulsive production of superfluous goods.

We will all be given more free time. How we use it is up to each of us. There are numerous possibilities: holidays, education, art, music, handicrafts, sport, research, voluntary work ... or simply having more time for others.

The working atmosphere will be excellent everywhere, for nobody will be forced to work. The employers and customers will recruit staff. Work is meaningful and pleasurable – otherwise it will not happen. By definition illegal work will no longer exist because there are no taxes.

Old people are very welcome!

Financial provision for old age is already assured alone through the basic income. Anyone who wants more income might have already invested money (see “New financial services”) or works a little after retirement. The development towards being a life entrepreneur anyhow blurs the dividing line between work and retirement. Old people contribute to the state income and the CEF just as young people do. We can look forward gladly to the forecast demographic change.

Protection of the environment and food for the world

Environmental protection and food for the world are not questions of being able to but of wanting to. And “wanting to” can be brought about by financial incentives in a free market economy. The Compensation and Environment Fund (CEF) makes an additional pool of money equal to the total state budget available in every country for repaying old debts and dealing with contamination of the environment. For this reason the most lucrative branches of the economy emerge in this sector. The solution to these problems is thus only a question of time.

Ownership of land

Because of the transitoriness of money land will probably not be sold any longer but leased for a long period. That is a source of continual income for the owners. However, ownership of land will be subject to strict environmental conditions. Anyone who lives on or cultivates their own or leased land will easily fulfil these requirements. But ownership of large amounts of land which is not cultivated ecologically will soon become a burden and will not be a worthwhile investment. It is likely that land owners will hand over their land to society, which will then take care of its renaturation.

Equalization between poor and rich countries

The industrialized nations have a surplus of goods and are seeking new markets. Through the monthly creation of money the previously poor nations will have enough money to buy goods, technology and know-how. In doing so, they will be able to adjust their development gently. Subsequently they will produce most of their requirements themselves. The economy will calm down, which will, in turn, spare the environment.

A self-regulating system

The system regulates itself. If goods are scarce in one sector, their prices will rise. If they are essential goods, the basic income alone will no longer be enough for subsistence. Consequently, some people will want to work more. The best job offers are to be found in sectors where goods are scarce. These goods will, in turn, be produced in increasing quantities. Prices will fall until the balance is restored.

The world's greatest and most peaceful revolution

What sounds so simple and logical when you read this is possibly the the greatest and most peaceful revolution in the history of humanity. Each of the points addressed above has only advantages for all those concerned and nobody is harmed. And all that automatically contributes to sustainable global growth because we are no longer trying to work against nature but with it.

But how can we achieve this change of paradigms gently and peacefully?

Part 2: The way – thank points and vitamoney

Thank points because everybody wins

Tasks

The challenge consists of establishing a concrete project which is in line with ruling laws and can start on a small scale. This should solve critical economic problems on a regional level or at least help to alleviate them. The benefit has to be so great for the participants that they will gladly recommend the project to others. In this way it will snowball and spread through personal recommendation.

The economic problems which need to be solved

Many towns have hardly any money. Necessary work cannot be carried out or is done by unpaid volunteers. More and more people are becoming unemployed despite their skills which could benefit others. Firms and the self-employed do not receive enough orders although they provide good services. The demand does in fact exist but people do not have enough money.

Solution

Thank points - a system of discounts and bonuses geared to public welfare creates new recognition, appreciation and motivation for civic commitment. Projects which could not be financed before become possible and relieve the public purse. New dimensions of visibility,

CSR (Corporate Social Responsibility) and customer retention are opened up for trade and commerce.

The idea...

Whenever people invest energy in community life, they create values – values which benefit everyone. The more we do for the community, the more value we produce and the richer we will all become collectively.

If we want to be rich as a society, we should thus promote public spiritedness and make it so lucrative that people of all ages will literally be fighting to perform tasks in the public interest.

Thank points bring people from all generations together. They make civic commitment visible and promote mutual value added. Thank points can be exchanged for help from neighbours or discounts.

The system is simple

Every participant has 100 thank points credited to his thank account by the community each month. *Thanks for being with us!* The thank points can be used as thanks for gifts.

Thank discount. Member firms give member customers a discount on their purchases and the customers, in their turn, express their thanks in thank points (1 thank point for 1 euro discount).

Help from neighbours. Mr A mows Mrs B's lawn. She gives him thank points for this. Mr A can use the thank points as thanks for coaching for her son, etc. Young and old strengthen their social contacts and networks and have fun helping and thanking each other. We keep together and find strength in unity.

One world sponsoring. When purchasing products, member firms donate part of the purchasing price to a humanitarian or ecological project. The customer gives thank points as thanks for the donated amount and in addition receives benefits which the project gives to donors (discount products, trips, certificates, one-world shares etc.)

The government, federal states, municipalities and non-profit-making organisations can create further thank points as thanks for civic commitment. Important services that are no longer affordable because of empty public coffers can thus be performed by voluntary helpers, who can then profit from a wide range of benefits.

A planned cycle of waxing and waning creates stability.

Since thank points have to be created continually, they also have to vanish again, as nature teaches us. Therefore approx. 5% of all thank assets go back into the cycle every month.

Reflection

In the thank point project the target currency – the “thank“ – is reduced to discount points, which you can exchange or give to people in your private area. We are thus in line with ruling laws since discount systems are widespread, with discounts of 50% or more being quite common.

The basic income of 1,000 thanks has been reduced to a monthly credit note of 100 thank points. In this way everyone can take part immediately, on the one hand, while, on the other, there is still sufficient incentive to get additional thank points through civic commitment.

Thank points are not a **complementary currency**. You cannot buy anything with them but merely get a price reduction in the form of a discount. You can only use thank points in the private area as thanks to neighbours for their services.

The project promotes a large number of activities, which are above all desired by political and social bodies: civic commitment, neighbourhood help, public spiritedness, own responsibility, economic promotion, CSR, cutting costs for the public coffers, joint activities for young and old, financing of humanitarian and environmental projects.

Therefore thank points create win-win situations for everyone. The project can start on a regional level and then grow.

You can find further information at www.dankpunkte.de

Vitamoney – rehabilitation of the economy

Tasks

A national or international complementary currency called “thank” will be created on the basis of the Natural Economy and the experience gained with the thank points. It must be possible to introduce it in individual countries. It is to be implemented step by step in annual stages so that corrections can be made at any time, if necessary.

The euro and the thank will exist side by side for an indeterminate period to assure the smooth course of international trade.

From the start the unconditional basic income, the unconditional state income and the Compensation and Environment Fund will be built up step by step.

With the help of the complementary currency the “thank“ a sufficient amount of euros will be released so that **the public debts can be repaid within a few years. All assets must be secured in the event of an international monetary crash.**

Solution

In the following the solution is worked out for the example of Germany. It can be applied analogously to other countries. Unlike the thank points, the introduction of vitamoney necessitates changes in the law.

The **first phase** of its introduction will take place in **five steps**. The duration of each of these steps is open but in this example we assume one step per year. Step five implies a 50% introduction of vitamoney, which means that the thank and the euro will circulate side by side in equal amounts. Step one begins with a basic income, state income and CEF income of 100 thanks respectively. The **minimum percentage of thanks** is 10%, which means that every commercial supplier has to accept at least 10% of thanks as payment. Of course, a larger proportion of thanks can be accepted, for example to gain competitive advantages.

Transactions in thanks are tax-free. The percentage of thanks increases annually until step five is reached with a basic income of 500 thanks and a minimum amount of 50% of thanks.

Through these measures all cost in euros are cut by at least half. Due to the basic income and exemption of the thank transactions from tax the citizens' liquidity is increased. Purchasing power increases and with it sales. Therefore state revenue will probably fall less than state spending. This improves the nation's primary balance (the amount of the budget deficit or surplus without interest charges). Because of the increase in value added the general quality of life in the country improves.

Firms within the vitamoney currency area have a competitive advantage over those outside. This strengthens the domestic economy and motivates other countries to follow suit.

Asset exchange (AE)

Asset exchange (AE) serves to **repay all government debt** and to **protect private assets** in the event of an economic crash.

This is a **bilateral commitment** to change annually 1% (in step 1) to 5% (in step 5) of all euro assets into thanks. A voluntary higher exchange of assets is possible. The Compensation and Environment Fund is in charge of the asset exchange.

Asset protection in the event of a monetary crash

Because of the bilateral commitment asset exchange is a highly effective method of protecting assets. In the event of a monetary crash or runaway inflation, the exchange of assets will continue on the basis of the assets existing prior to the crash by paying out 5% of the original euro assets in thanks for a period of 20 years. In this way **all assets** and naturally also **all financial provision for retirement is secured**.

Example:

From 100,000 euros 5% are exchanged in step five, i.e. 5,000 euros into 5,000 thanks. Should the euro suddenly collapse resulting in the total loss of euro assets, 5,000 thanks will continue to be paid out annually from the Compensation and Environment Fund for a period of 20 years.

Protection of assets can only be assured if assets are registered. This means that capital flight is not worthwhile. As yields of much more than 5% annually can currently be obtained, the capital assets are maintained in spite of the asset exchange. Living costs can be covered or tax-free transactions performed with the thanks exchanged. Asset exchange thus has advantages for all those involved in stable economic situations as well.

New definition of the value of the thank

Up to now we have had the definition of the euro and thank as being equal in value. But as soon as the value of the euro changes significantly, this definition is no longer apt and has to be replaced by a different one. Our new definition is as follows: **20 thanks is the value of a man hour for a worker with average qualifications**. This definition corresponds to human life and guarantees the same price level worldwide in future.

Repayment of government debt

The euros obtained through asset exchange will be used for repaying government debt. In Germany the debt amounts to approx. 1.5 billion euros, resulting in interest payments of some 75 billion euros annually. Assuming total assets of 4 billion euros 5% – 200 billion euros – will be changed into thanks in step five. There thus remains an amount of 125 billion euros per year for debt repayment so that government debt will have been repaid after 12 years at the latest.

After repaying its own country's debts, the CEF uses the money for repaying other countries' debts. This guarantees that even economically weak countries will be able to repay their debts within a short time.

Outlook

According to our current way of thinking, only half the amount of vitamoney should be introduced at first to assure smooth international trade and possibilities of correction. This means that the advantages of the Natural Economy will only be experienced to 50% at this stage. However, it is also possible to achieve improvements in the sector of traditional loans. For example, there also exist other schemes for an unconditional basic income, fighting poverty etc., which can run parallel in any case.

The **second phase** – the 100% introduction of the Natural Economy – can only be implemented through a joint resolution by all countries. To achieve this, more will be necessary than “just” a new economic model. But the vision of a peaceful world community, in which the dignity of the individual is as unimpeachable as the dignity of the whole – including that of nature which feeds us, is growing in our heads and hearts –and will be realized in the world outside.

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