

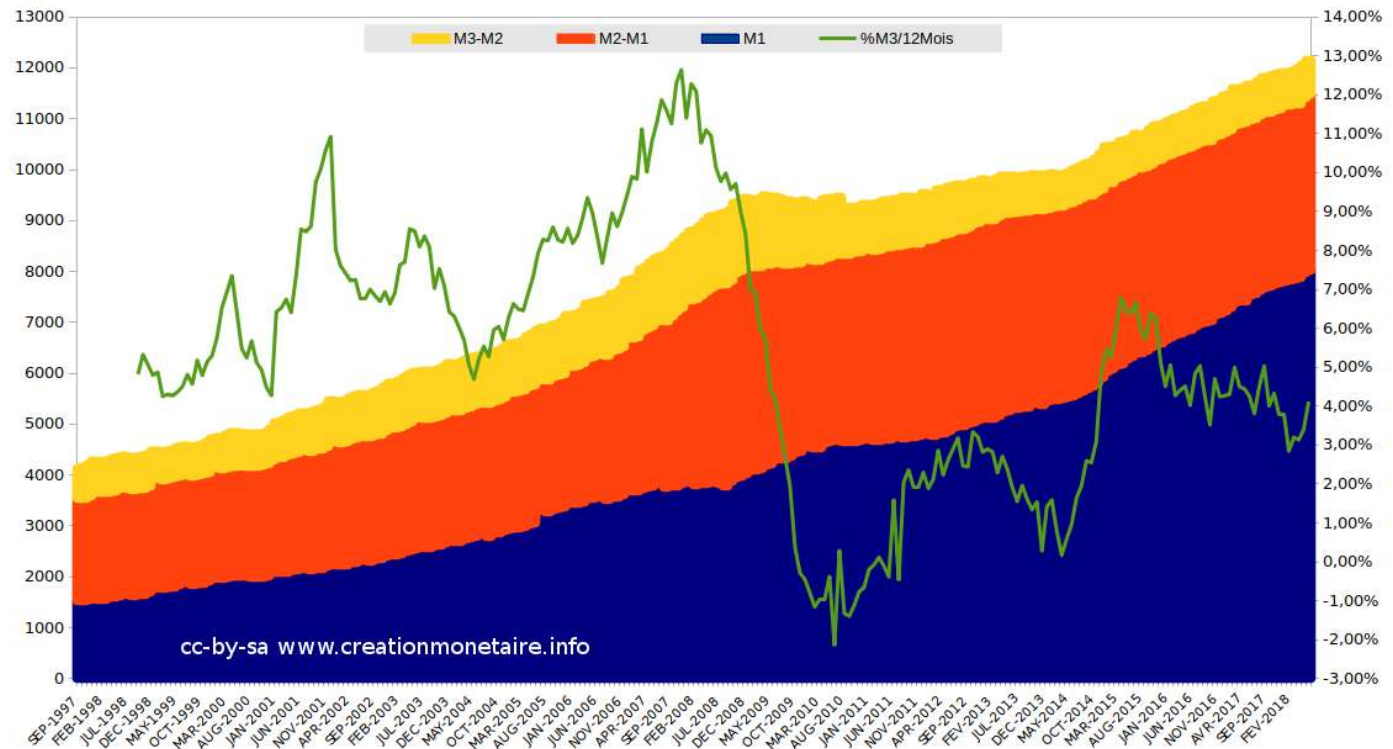


The Relative Theory of Money

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Money creation

- For the moment, money is injected into the economy **only** via private banks via loans (credit). Most money in circulation is **debt**.



The principle of Relativity

- Money is a common **frame of reference** to measure the value of goods/services.
- But if the value of money fluctuates at the same time as the rest, it creates problems.
- New monetary theory: the Relative Theory of Money
- <http://en.trm.creationmonetaire.info/>



The “Universal Dividend” as frame of reference

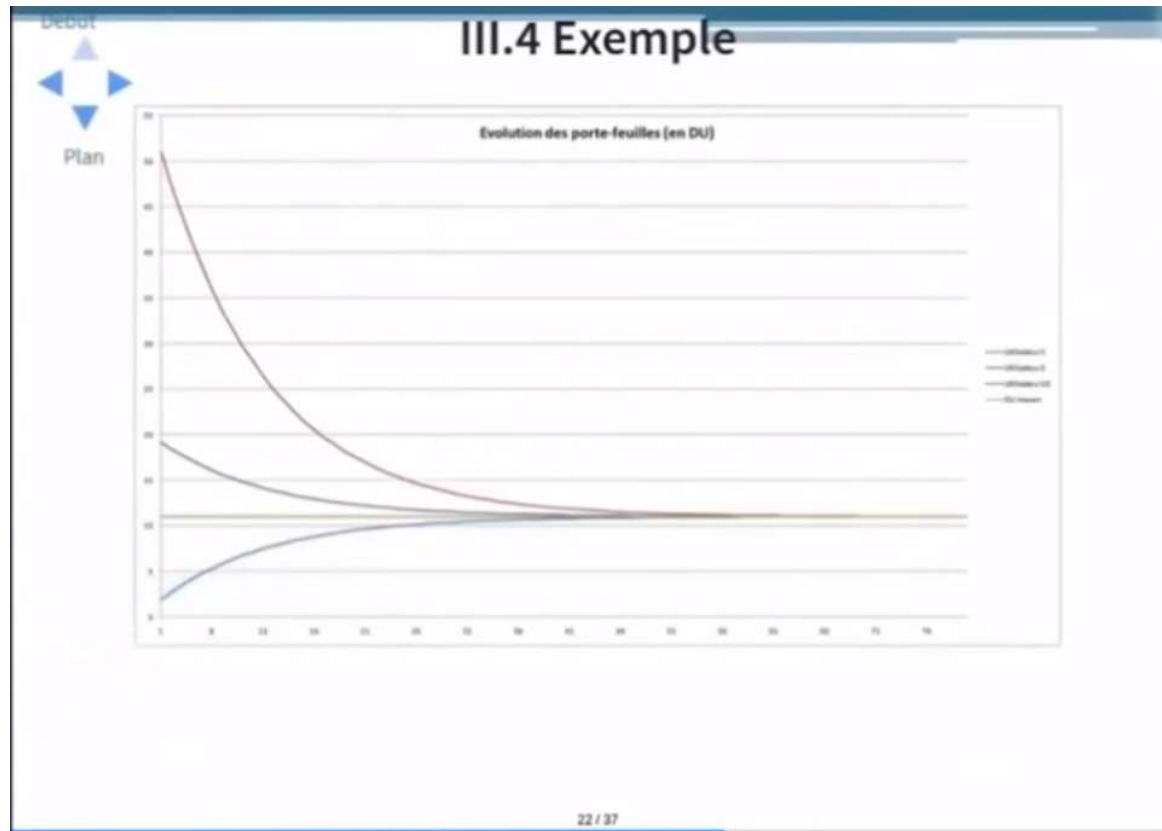
In individual units of money

DU = 10 % * M(t)/3	I1	I2	I3	M(t) Q
300	1500	3000	4500	9000
330	1800	3300	4800	9900
363	2130	3630	5130	10890
399	2493	3993	5493	11979
439	2892	4392	5892	13177
483	3332	4832	6332	14495
531	3815	5315	6815	15944
585	4346	5846	7346	17538
643	4931	6431	7931	19292
	I1	I2	I3	
707	5574	7074	8574	21222
778	6281	7781	9281	23344
856	7059	8559	10059	25678
942	7915	9415	10915	28246
1036	8857	10357	11857	31070
1139	9892	11392	12892	34177
1253	11032	12532	14032	37595
1378	12285	13785	15285	41355
1516	13663	15163	16663	45490
1668	15180	16680	18180	50039
	I1	I2	I3	
1835	16848	18348	19848	55043

In relative units of money

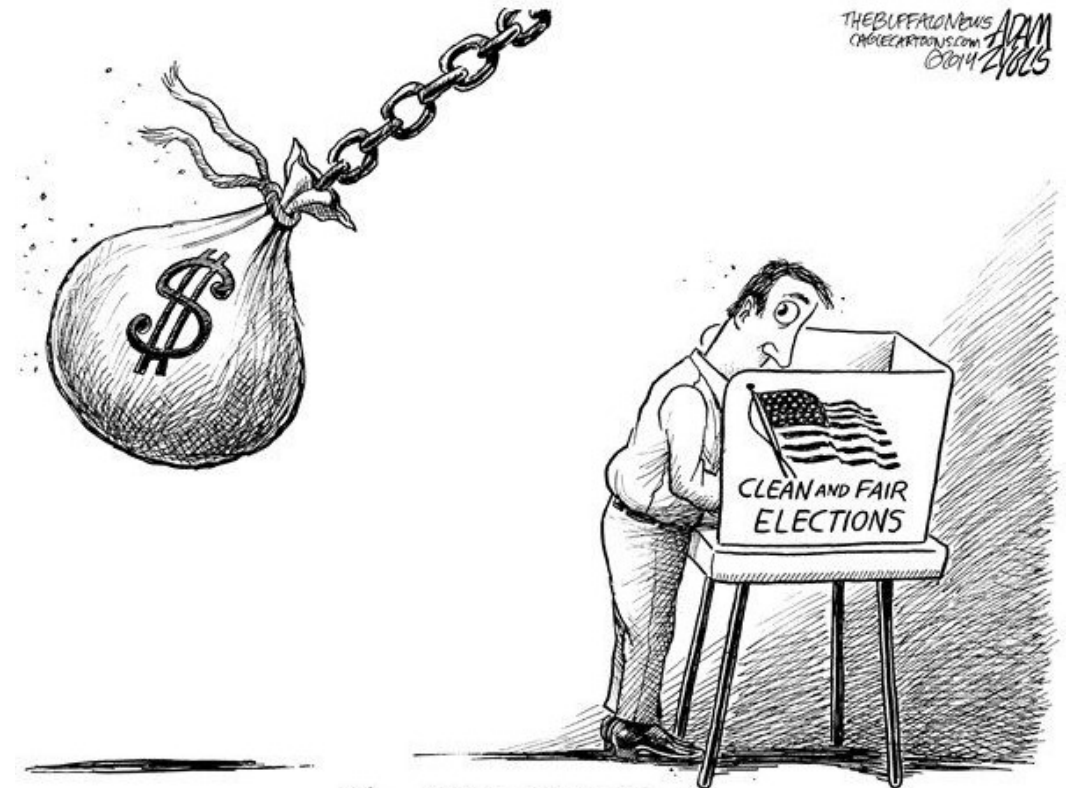
I1	I2	I3	M(t) R
5,00	10,00	15,00	30,00
5,45	10,00	14,55	30,00
5,87	10,00	14,13	30,00
6,24	10,00	13,76	30,00
6,58	10,00	13,42	30,00
6,90	10,00	13,10	30,00
7,18	10,00	12,82	30,00
7,43	10,00	12,57	30,00
7,67	10,00	12,33	30,00
	I1	I2	I3
7,88	10,00	12,12	30,00
8,07	10,00	11,93	30,00
8,25	10,00	11,75	30,00
8,41	10,00	11,59	30,00
8,55	10,00	11,45	30,00
8,68	10,00	11,32	30,00
8,80	10,00	11,20	30,00
8,91	10,00	11,09	30,00
9,01	10,00	10,99	30,00
9,10	10,00	10,90	30,00
	I1	I2	I3
9,18	10,00	10,82	30,00

The “Universal Dividend” as frame of reference



Money as an equal “voting right”

The philosophy underlying this theory is the equal right of each individual to determine **what has value and what doesn't** equally across time, meaning that each generation has an **equal voting weight** in determining what has value (their relative control of the monetary mass).



The WRECKING BALL...

Some of the consequences

- A predictable monetary base
- No more information asymmetry or speculation
- An “embedded” redistribution of wealth (mathematical ceiling on wealth accumulation and mathematical floor on poverty)
- No generation is advantaged by the money creation mechanism
- A philosophy based on economic freedom (no obligation to join the network)



Blockchain and Duniter

- For the moment, it is implemented as a cryptocurrency voluntarily adopted by a community of like-minded people.
- <https://duniter.org/en/>





Some possibilities for the future

- Allow for a type of crowdlending/crowdfunding, managed by trusted financial institutions instead of “debt” money.
- Worker owned cooperatives
- Taxation still possible (civil servants also have a right to the UD)
- Increased stability of the economy
- Responsibility shifted to citizens



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