

A Better Money System

Transcript of Charles Eisenstein's interview

<https://charleseisenstein.org/video/a-better-money-system/>

What could an alternative system look like?

Would the current system need to collapse to make way for the new?

The current system has to go through a collapse, unless you believe that infinite growth is possible on a finite planet. The system is growth dependent, so there is going to be a collapse in one form or another. It could be more gentle or it could be more severe. What has to happen though, is to change a couple of things.

One would be to change the agreements, the story by which money is created. I'm not going to go through the whole story, but essentially it's created at the central bank level through the purchase of interspersing securities on the market creating new money. And then on the next level lending by commercial banks and other institutions that make money available for businesses and people to use. All of it, each of those steps generates or is accompanied by debt. When money is created, an equivalent amount of debt is created that bears interest, so more money is owed than has been created. That has to change. There are other ways to create money, I mean the government could just print it. People think that that is what happens now, but no, it's lend into existence, governments borrow it into existence. But they could just make it, they could just print it. Or money could be created with negative interest, reversing all of the pernicious effects of usury. So I'm not going to go into the details now, but there are other ways to create money.

The other really important thing that over the years since I've written about it I've become more and more enthusiastic about is a universal basic income, which basically is a living wage paid to everybody regardless of their contribution to society. Essentially it says everybody has a share in the wealth that we have inherited, but from nature and from culture. I should not have a greater right to the benefits of Thomas Edison's inventions than you should have. You know, this was in the past, this is our cultural inheritance. So everybody then should have essentially a basic income that's enough to survive on. So then we no longer live in a context of scarcity and you no longer have to base your life choices on survival. So we would unleash a tremendous flood of creativity. Like what would you do with your life if you didn't have to survive?

It would also transform the economy, because today you can operate a business understanding that there are people who will do degrading labor because they have to, to survive. So there is no design incentive to create jobs that are meaningful. That would change. If you were going to start a business you would have to make sure that the work you are offering people is so fulfilling, so interesting that they would rather do that than sit in front of their television eating potato chips.

I can talk a lot about universal basic income, I mean many people will object, "Well if people aren't made to be productive and to work then they won't. They will just sit around and drink beer." But is that true? Is that really who you are? It comes down to a question of human nature. I think that the human nature that we see in our current society isn't the real human nature. It's the response to artificial scarcity. But by nature we are beings of the gift, because we are so gifted ourselves.

On some level we understand that we didn't earn the earth. We didn't earn the sun. It wasn't through our hard efforts that we invented the ability of seeds to grow. We didn't invent water. We are so richly gifted that our default state is gratitude. You know, you didn't earn your mother taking care of you. Like that was all a gift. And because we are so richly gifted we feel gratitude and we desire to give in turn. We desire to give it forward. Everybody.

Everybody is like that if you take away all the pressures, if you take away all the programming. I mean you see this even in a wealthy people. They have gotten everything that they thought they wanted. They making a million dollars a year, but if they are not doing something that is meaningful to them, beautiful to them, they are going to feel – and maybe you have had this experience – feeling like, “I’m not living my life. I’m living the life I’m paid to live, but what about my life?” So this is a different dimension of human nature that we need to invoke and to implement. We need to create conditions for that part of human nature to blossom.