



Friede-Gard-Preis 2025

Kaoru Yamaguchi

Public Money

Gerd Schuster
Welcome Address
Friede-Gard-Preis 2025



Mission of Friede-Gard-Foundation

- Promotion and stimulation of an alternative to the ruling (but obsolete) neoclassical mainstream
- Our aim is: economic, social and ecological sustainability
- Our ways and means: Friede-Gard-Prize
 - for outstanding scientific contributions to economics (i.e. economic theory) for a sustainable economy and society, within planetary ecological boundaries

Previous Prizewinners

- 2021
- Hermann Haken
 - *Synergetics*
- 2022
- Steve Keen
 - *Minsky*
- 2023
- Jørgen Randers
 - *Earth4All*
- 2024
- Günter Haag
 - *Masterequation*



Peter Flaschel
Bielefeld School

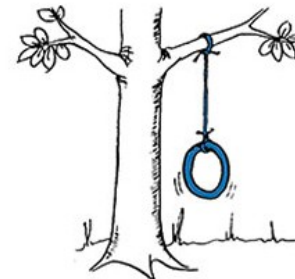
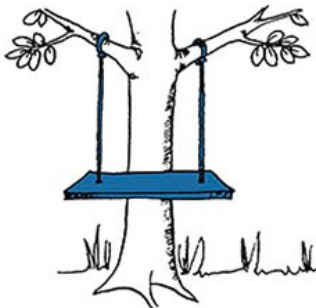
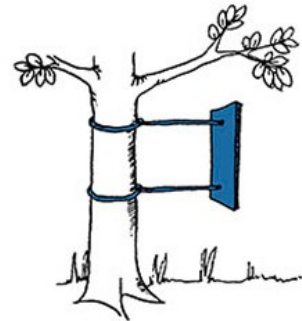
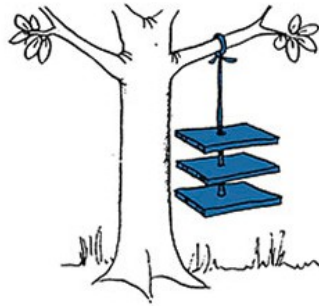


Money in Economics

- Neoclassical Mainstream
 - Money doesn't matter - it is neutral (just a veil before the ,real sphere')
 - Loanable funds (investment only out of savings)
 - Keynesian Economics
 - Money is essential for effective demand (i.e. not neutral)
 - Money has a ,price' (= interest), determines investment
 - Kaoru Yamaguchi (& others)
 - Monetary order is essential for stability of economy
(Neoclass. & Keynes. unstable, Public Money stable)
- = 3 views on money (actually more present in economics)
- => **scientific** debate ...

Money in Economics (cont'd)

- ... best way to debate
-> put ideas into models that allow simulation runs



-> check against empirical data



Money in 'our real' economy

- Not neutral - as Keynes correctly observed
 - Current debt-money system creates money when a credit is given (independent of savings) - loanable funds theory not correct
 - Investments depend to a large extent on interest rate - as Keynes correctly observed
 - Current debt-money system favors boom-bust-cycles (too much lending in boom, too little in depression) - as Yamaguchi correctly showed
- => Monetary order essential for econ. sustainability



Money in 'our real' economy (cont'd)

- Govmt has to issue bonds for investments (that it could have financed out of taxes, if it had not lowered taxes on capital income - to compete in the global ,tax race to the bottom' (still going))
- Debt-money system shifts wealth to top-rich 1% (they get interest from bonds that ,we all' have to pay)
- Govmt debt growing and growing (govmt ,rescuer of last resort' in all crises, e.g. ,too big to fail' banks, etc.- i.e. ,profits are privatized, losses are socialized')

=> Monetary order essential for **social** sustainability

=> *Public Money possible solution (more by J. Huber)*



Friede-Gard-Preis 2025

- **Prof. Kaoru Yamaguchi**
 - for his contributions to an alternative ‚Monetary Economics‘
- Modeling of current debt-money system in neoclassic and Keynesian contexts showing their inherent instability
- Modeling the Public Money system as a sustainable alternative
- Modeling a smooth transition from the current to the Public Money system
- Model sketch of a sustainable economy, called MuRatopian / Green Village





Friede-Gard-Stiftung awards the

Friede-Gard-Preis 2025

to

Prof. Kaoru Yamaguchi, PhD

– born June 24th, 1946 in Hyogo Prefecture, Japan –

for his outstanding contributions to a ‚Monetary Economics‘, acknowledging the dynamics and nonlinearity of the economic reality and free from neoclassical foundations, especially for

- a system dynamics model of the current Credit Money Order, showing its tendency to cycles of credit floods and credit crunches,
- a system dynamics model of an alternative Public Money Order, building on ideas of Irving Fisher, as a sustainable monetary order,
- a system dynamics model for the smooth transition from the current to the Public Money system,
- a model sketch for a more sustainable economy, called MuRatopia/ Green Village.

Allenbach, den 14.07.2025

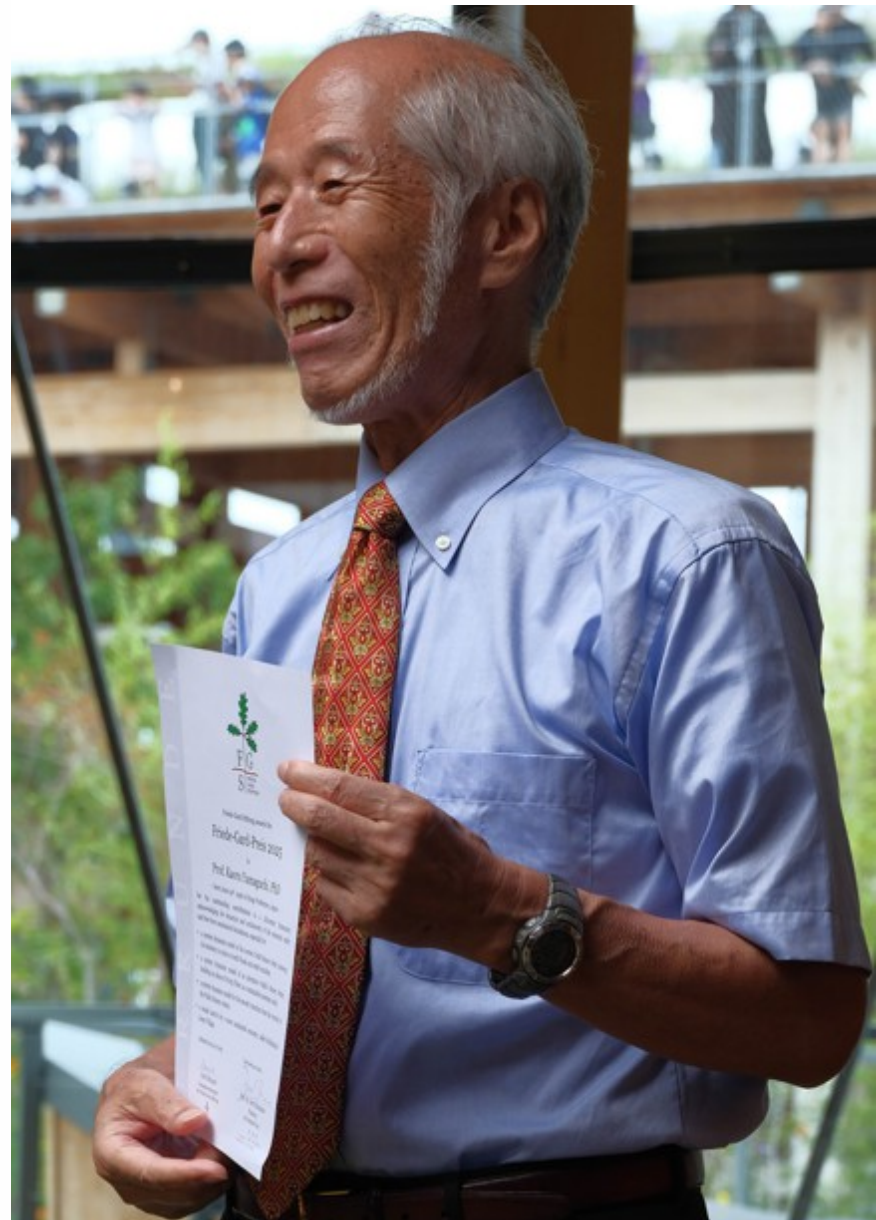
Gerd Schuster
Vorstandsvorsitzender
der Friede-Gard-Stiftung



Trier, den 14.07.2025

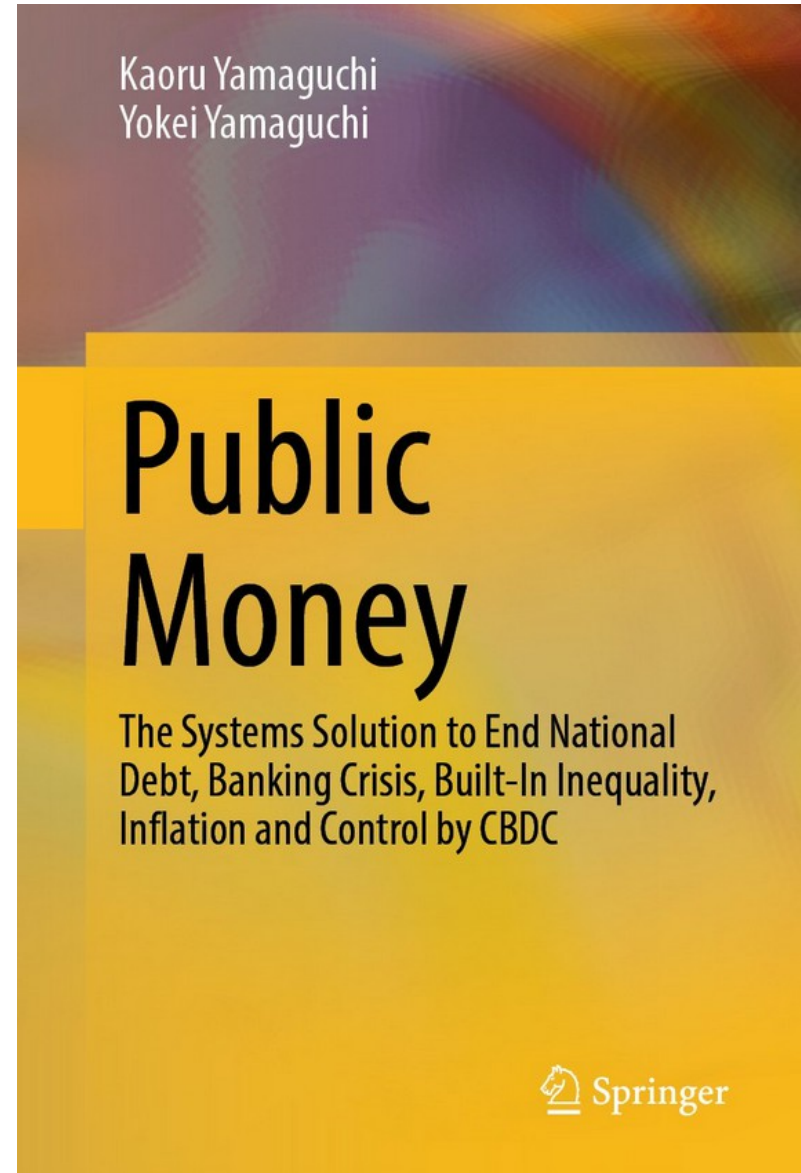
Prof. Dr. Dorit Schumann
Präsidentin
der Hochschule Trier

HOCHSCHULE TRIER
HOCHSCHULE
TRIER



Prof. Yamaguchi has more to offer

- Economic analysis of debt-money as means of (political power) control
- EPM Electronic Public Money as digital money securing privacy
- UTS Uniform Tax System as simple, transparent & real-time system with low burden for all of us
-> system of sustainability





Possible way forward

- Transition to Public Money can be used to get rid of most of government debt (J. Huber)
- Necessary money can be created without loading interest burdens on government
- Public Money could be combined with a Circular Economy for securing sustainability
- **Appeal to all of you:**
„Join our efforts! It's high time!“
- *Thank you for your attention*

