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**The 'Jubilee-Day'
a path towards a humanly dignified life for the poor of this world
and a path for the rich to contribute towards more fairness and peace**

Dear Nurjahan Begum,

I had the great honor to deliver the laudation for you as recipient of this year's 'Vision Award' at the 'VISION SUMMIT 2009' in Berlin. In this letter now, I would like to report on how your work and your success in fighting worldwide poverty through the Grameen Bank has given me a new perspective for my work and my life.

I really was thrilled to be asked to formulate my appreciation for your achievements, especially in this financial world so dominated by men and by patriarchal values. 33 years ago, you were the woman beside Muhammad Yunus at the initiation of the Grameen Bank, one of the most important international financial institutions we have today - and helped him and his concept from the start-up phase to the sweeping success that it is now.

You do not only stand for the emancipation and the new self-confidence of women in your own country – you also have managed to free millions of women from the poverty trap by bringing the micro-credits of the Grameen Bank into women's groups that practice mutual support. Nowadays, there is not just the Grameen Bank but a whole family of Grameen enterprises that cover almost all areas of life and business. You have made available money – one of the most genial inventions of humankind – to numerous new user groups in this way.

Here, I would like to tell a personal story that showed me how difficult it is for women in the so-called 'developing countries' to get a loan.

2001, I met a woman in Austin, Texas who invested millions of dollars in micro-credits - mainly in Africa - and who also spread the successful micro-credit model of Muhammad Yunus in that region.

When I asked this woman how high the interest-rate and the fees on her loans were, I got the answer – eighty per cent – yes you reading correctly 80 % per annum.

Somewhat flabbergasted I asked for the reason for such high interest-rates. I was told that for the African women 80% was considered a low interest-rate because these women were not even allowed to enter a normal bank. They had no other option than to take out loans from the moneylenders on the street. Usually, these lenders asked 50% **per day**. That would be over 15.000% per annum.

As these women experienced usury as 'normal', 80% interest for them was very low.

Another reason for this interest-rate was - that in Africa many people do not trust their own compatriots. Therefore, 'experts' from the USA were needed to be flown in - to act as loan administrators. They lived in hotels and had expensive travel costs - and these fees had to be paid within the 'interest'.

Now I do not know if this situation still applies. But one thing is for sure – that the poorest of the poor pay the highest interest-rates - worldwide. The projects of the Grameen Bank and other similarly functioning micro-credit institutions have shown that it can be done in another manner, and that women can be trusted with administering as well as receiving loans. The award to Professor Muhammad Yunus of the Peace Nobel Prize as well as the recognition and the worldwide spreading of the micro-credit concept point to the fact that the world is ready for new ideas.

I have been wondering often, how I may connect the micro-credit concept to a theme I have been working on for the last 27 years, i.e. how to re-design our money system so that it can be sustainable and social. My hope that a mutually beneficial combination of our concepts could be achieved was nourished by some information that I gained at the VISION SUMMIT. The Austrian investment banker Leopold Seiler mentioned in his speech – before about 1000 participants – that a few years ago he had collected 100 million Euros to be invested in micro-credits in 'developing countries'. And recently he had worked out how many people were freed from the poverty-trap by this sum. Including the family members - who also gained from the profits of the very small enterprises - he calculated that it was the amazing number of 1.5 million people.

100 million Euros save 1.5 million persons from hunger and from bitter poverty – the relationship just would not leave my mind.

And this connected up with a relationship that I have been using in my lectures about “Re-Designing Money” for the last 27 years. Namely: Every day in Germany - through the amount of interest in all our prices - 1 billion Euros are transferred from 80% of the population who work for their money to 10% of the population who “let their money work for them”. I write “let their money work for them” in inverted commas because, naturally, money does not work. Only people and machines can work! Money is just distributed from the poor to the rich - to a measure that few people envisage - through interest payments.

If 100 million Euros can release 1.5 million people from the poverty-trap, then one billion Euros (10 times as much) could free 15 million people. And this relationship only applies to the interest payments of Germany. If we were to include further European and other rich countries of the North and the upper money classes in the countries of the South, we could free almost everyone from the poverty-trap - with one “Jubilee Day” – and we could eradicate poverty and hunger if we would keep going in this way in a few years. The rich 10% of the population of this world would, thereby, be given a chance to make their first practical steps in the direction of fairness - and peace.

I could not stop thinking about this idea: To ask the wealthy of this world to do without interest payments 1 day per year - this must be possible to implement. Not a Jubilee-Year, but just one Jubilee-Day per year! Not by governmental decree but simply voluntarily.

On the way home in the train, I started thinking that all NGOs – those dealing with monetary reform - to the proponents of social enterprises - to those fighting for an unconditional basic wage, all of them could get moving together once. Even the bankers who are not happy with the system they are serving could join in. A huge campaign could be started with the motto:

**Another Wall to Fall
A Jubilee-Day can do away
with hunger and poverty in the world**

Possibly, the Christian and the Muslim churches could work together and well-known critical economists and Nobel Prize Laureates could support it. I told a couple of friends about the idea and they were all very enthusiastic.

Dear Nurjahan Begum, you can see how my laudation for you inspired me to further develop the idea on how to support our mutual goal – to get rid of poverty. Without you, I would not have gone to Berlin I would not have met Professor Yunus who made a great impression on me. Nor would I have met your colleague Lamiya Morshed who accepted the prize for you, as you could not come. I would not have heard Mr. Seiler who got the spark of creativity going with his two figures. And I would have never thought up a plan for a campaign that I think might be implemented.

This letter would be incomplete if I did not mention why the Grameen Bank's solution for the problems caused by the interest in our money system is so important. Only in groups who distribute the profit from interest payments among their loan recipients or avoid interest payments by making their loan recipients owners of their bank – like the Grameen Bank, the Mondragon Group in Spain or the Swedish JAK Members' Bank - can a socially and economic fair distribution come about. This solution can avoid the exponential growth of compound interest, and the unfair distribution within society through interest payments – because the fee you are asking for reflects purely the real costs of the loans to the bank. Thus no speculative bubbles can occur. All the attributes that make the present money system disastrous can be eliminated.

Let me shortly explain three (from more than 30) problems how the interest system with its compound interest, nowadays, has an effect on our monetary system – and also one of many possible solutions:

Problem 1: conventional money has an exponential growth through interest and compound interest (hard to avoid) and, therefore, can never be sustainable. This is a mathematical fact – and has nothing to do with morals or ethics. It cannot be solved through morals or ethics. But, without a structure in which interest is redistributed in a more just way, the conventional money system will continually produce speculative bubbles, now on a worldwide scale, because the growth of the real economy of goods and services cannot keep up with exponential growth of compound interest in the money market on the long run.¹ At some time or another, the bubble will burst and will give rise to the social distress we already know so well.

¹ In Germany, in the 50 years after World War II , commerce increased 7 times, while monetary assets 32 times and since the 1980's the difference between these two relevant factors – is growing exponentially.

Problem 2: Few people understand how they pay interest and that we pay different amounts in the prizes of different commodities – on average 40% interest is contained in the prices we pay for our daily lives.

Problem 3: 80% of the population who work for their money pay about twice as much interest as they get; for a further 10%, payment and earnings through interest are balanced out; but the last 10% “who allow their money to work for them” get all that amount as earnings that the 80% are losing.²

Allow me to explain the most genial solution (in my opinion) to these problems, as even nowadays, the central banks are discussing the introduction of “negative” interest or a fee for hoarding money or a circulation incentive, which would replace interest.³

A fee or circulation incentive provides:

1. a stable long-term money system without inflation that can grow to its natural limits but then can also stop growing e.g. in the mature economies of the over-industrialized countries of the North.

A fee or circulation incentive eliminates:

2. the payment of interest in all prices of goods and services and inflation . What remains is the fee for the work of the bank and a risk-premium – that together make up roughly 2.5% as a cost for the average credit.

A fee or circulation incentive will allow us:

3. to stop the redistribution of money from the large majority to a small minority of the population and the growing social polarization in each country and worldwide – a danger for all democracies as it prepares the way for an oligarchy (a rule of the rich) and fascist political systems. The lower 80% of the population would earn twice as much as today and the upper 10% would gain a new - never previously known - security for their life. This would come about through a stable money system without speculative bubbles. Indeed, a win-win situation for everyone.

I realize that this is as difficult to understand as the fact that the earth circles the sun and not that the sun circles the earth, although our eyes see it that way at sunrise and sunset. Applied to money, we experience interest as the most natural thing in the world and have to use our mind and the knowledge of basic mathematics to understand that exponential growth in the money system can never continue over longer periods of time.

² But have you ever seen money 'work'? This picture belongs to the 'Haze around the Money System' that the banks use to disguise the fact that only people and machines can work, while money can only be (re-) distributed.

³ This fee would only be paid by those who do not pass on their money – unless they allow the bank to pass it on for them (to people who need the money as a loan). The bank too would have to pay the fee if it cannot pass the money on. If this case comes up, the bank could deposit the 'superfluous money' in the Central Bank without fees. In this manner, the Central Bank would know exactly if there is too much money in circulation or how much money needed to be created to allow all possibilities of exchange.

Instead of charities gathering the crumbs from the table of the rich - to cast them among the poor, rich and poor would face each other as equal before long. Only when the earnings without work disappear, can the growing polarity cease between rich and poor.⁴

What we need are new models that can show how money can be used in new ways and how it can be designed for different goals, rather than to make more money out of money in order to avoid the historical recurrent crises in our finance and economic systems. This would be the most important goal for such a campaign.

Thank you Ms. Nurhahan Begum for being such a good example, for your courage in leaving the trodden-down path of making loans, for your trust in women and for freeing such a large number from the poverty-trap. I am glad that we were able to celebrate you, even in your absence. Maybe your working partner Ms. Lamiya Morshed has presented the prize to you, in the meantime. For me, this prize will be connected, from now on, with the impulse to reach a new goal – a Jubilee Day. I hope one day to meet you in person.

Yours sincerely

Margrit Kennedy

⁴ A more complete presentation of this proposal can be found on my websites (www.margritkennedy.de, or www.monnetta.org) and in my books that can be downloaded from the Internet in 11 languages. (www.margritkennedy.de/pdf)