By Govert Schuller.

**Ons Geld**

Ons Geld (Our Money) is a Dutch foundation promoting sovereign monetary reform. Its motto is “Money Creation for the General Welfare” and proposes four changes to the current, dysfunctional money system, which proposal is basically the same as what for example The American Monetary Institute [1] and The Alliance for Just Money [2] propose in the USA:

1) Money should only be created by a democratic and transparent agency which acts on behalf of the general interest.

2) Money has to be created free from debt.

3) Money should be spend in the real (non-financial) economy before it gets into financial markets and real estate bubbles.

4) Banks should not be allowed to create money [3].

**Citizen’s Initiative**

With this program in hand Ons Geld together with the economist and monetary expert Ad Broere, and the satirical theater group De Verleiders (The Seducers) started a citizen’s initiative which gathered about 100,000 signatures–comfortably more than the required 40,000–to get the issue of money-creation on the political agenda. What helped the initiative was the theater production Door de Bank Genomen (Taken by the Bank), which satirized the banking world and its practices.

The summation of their joint appeal reads as follows:

The financial system is unstable which has adverse effects on the economy and society. That instability is related to the creation of money which is today mainly in the private hands of commercial banks. The financial system can be improved by making money-creation into a public task.

The right and duty of money-creation lies in principle with the government, not with private parties. The benefits of money-creation should be used for social goals. In this way the government will be in a better position to meet its obligations, in particular its responsibility to secure minimal living conditions for its population and the spread of wealth.

We appeal to the Lower House to take a stand in favor of the rights and duties of the government in regards to money-creation and its resulting benefits, and to ensure that that the government will reinstate its exclusive right of money-creation by bringing into circulation debt-free Euros, which would be created by a newly constituted public authority and be spend into circulation or offered as interest-free loans [4].

**Public Hearing**

The successful initiative resulted first in a public hearing about the money system conducted by the permanent commission on financial affairs of the Tweede Kamer (Dutch lower house). There were two panels. The first one was composed of the two directors of Ons Geld, Martijn van der Linden and Luuk de Waal Malefijt; the scriptwriter and actor in the satire “Taken by the Bank”, George van Houts; and the legal expert Edgar Wortmann. The second panel consisted of a financial regulator, Reinier Pollman of the Authority on Financial Markets; a banker, Teunis Brosens of ING; a representative of the central bank, Jan Marc Berk; and two academicians, Dirk Bezemer and Klaas van Egmond [5, 6].

The first panel gave an exposition of its monetary reform proposals and during the second panel a debate developed between Dr. Bezemer and Dr. van Egmond about the necessity of reform.

Van Egmond made some passionate points in favor of reform. He seems to be totally on board with monetary reform, which seems to be a boon for the reformers as he is not only a respected sustainability scholar, but also a founding member of the Sustainable Finance Lab at the University of Utrecht and, most importantly, a member of the influential Dutch think tank The Social Economic Council (SER).

Actually van Egmond co-wrote a working paper with Dr. de Vries titled “Dynamics of a sustainable financial-economic system” [7], which presents a “dynamic simulation model” in which the recent insights into the nature of bankmoney by Dr. Richard Werner [8] were incorporated.

The model provides the ‘laboratory’ setting in which the discontinuities and associated socio-economic un-sustainability of the current financial-economic system can be studied and the feasibility of more sustainable alternatives can be explored.

Van Egmond is arguably the third scholar to model the sovereign money proposal after Drs. Benes and Kumhof at the IMF [9] and Dr. Yamaguchi from Japan [10 ]. They all come to positive conclusions regarding the proposal:

(1) Much better control of a major source of business cycle fluctuations, sudden increases and contractions of bank credit and of the supply of bank-created money. (2) Complete elimination of bank runs. (3) Dramatic reduction of the (net) public debt. (4) Dramatic reduction of private debt, as money creation no longer requires simultaneous debt creation (Benes & Kumhof, 2012: 1).

**Parliamentary Debate**

The second result of the initiative was a parliamentary debate in the Dutch House of Representatives [11], where on March 22, 2016, the following motion was carried in a 108-42 vote (with the whole faction of the ruling party the VVD voting against):

Ascertaining that deeper research of the role and function of banks in money-creation and other functions is necessary;

Considering the need of a serviceable banking system with less risks for savers and taxpayers;

The government requests The Netherlands Scientific Council for Government Policy to issue an opinion about the functioning of the money system including all forms of money-creation by banks and also include the advantages and disadvantages of alternative systems of money-creation and the amount of profits generated  through money-creation [12].

**Report**

Three years later, on January 17, 2019, the council presented its work to the Dutch minister of finance. The 301-page report is titled “Money and Debt: The Public Role of Banks” and was accompanied with a 15-page synopsis [13, 14].

A summary of the report and the response by Ons Geld you can find [here](https://www.monetaryalliance.org/dutch-report-on-money-and-debt-and-its-reception-by-ons-geld/) [15].

**Footnotes**

[1]. Zarlenga, Stephen. 2009 (2006). “[Presenting the American Monetary Act](https://www.monetary.org/wp-content/uploads/2010/11/amacolorpamphlet.pdf)”. Valatie, NY: American Monetary Institute.

[2]. The Alliance for Just Money. “[Mission](https://www.monetaryalliance.org/about-us/)“. 7 Mar 2019.

[3]. Various formulations in different amounts of bullet points were developed by Ons Geld since its inception.

[4]. Wortmann, Edgar. 2015. “[Burgerinitiatief Ons Geld](https://pubs.onsgeld.nu/legacy/burgerinitiatief.pdf)“. Ons Geld, 21 April 2015.

[5]. Jourdan, Stanislas. 2016. “[Dutch Parliament Hearing about money-creation sparks Debate](https://positivemoney.org/2016/01/dutch-parliament-hearing-about-money-creation-sparks-debate-in-the-netherlands/)“. Positive Money, 13 Jan 2016.

[6]. Permanente Commissie Financiale Zaken. 2016. “[Roundtable on the Monetary System in the Netherlands (with English subtitles)](https://www.youtube.com/watch?v=ERhXjd984Q0&feature=youtu.be)“. Video file. 14 Oct 2016.

[7]. Van Egmond, Nicolas D. & de Vries, Bert J.M. 2016. “[Dynamics of a sustainable financial-economic system](https://www.researchgate.net/profile/Klaas_Van_Egmond/publication/289980168_Working_Paper_Dynamics_of_a_sustainable_financial-economic_system_Klaas_van_Egmond_en_Bert_de_Vries/links/5693d27b08ae820ff0728912.pdf.)”. Sustainable Finance Lab Working Paper. Utrecht University, The Netherlands.

[8]. Werner, Richard A. 2012. “Towards a New Research Programme on ‘Banking and the Economy’ —Implications of the Quantity Theory of Credit for the Prevention and Resolution of Banking and Debt Crises”. International Review of Financial Analysis, 25/5 (December 2012): 94-105.

[9]. Kumhof, Michael & Benes, Jaromir. 2012. “[The Chicago Plan Revisited](http://www.imf.org/external/pubs/ft/wp/2012/wp12202.pdf)“. IMF Working Papers 12/202. Washington: International Monetary Fund.

[10]. Yamaguchi, Kaoru. 2012. “[On the Monetary and Financial Stability under A Public Money System (Revised): Modeling the American Monetary Act Simplified](http://www.muratopia.org/Yamaguchi/doc/Monetary%20Stability%28AMI%29.pdf)”. Paper presented at the 8th Annual AMI Monetary Reform Conference in Chicago, USA, Sept. 20 – 23, 2012. It was originally presented at the 30th International Conference of the System Dynamics Society, St. Gallen, Switzerland, July 22 – 26, 2012.

[11]. “[Burgerinitiatief Ons Geld](https://debatgemist.tweedekamer.nl/debatten/burgerinitiatief-ons-geld?)“. Parliamentary Debate at the Dutch House of Representatives. Video file. 16 Mar 2016.

[12]. “[Gewijzigde motie van het lid Merkies](https://www.tweedekamer.nl/downloads/document?id=12d9ce62-a7fe-4b1e-9050-d552d8ec5687&title=Gewijzigde%20motie%20van%20het%20lid%20Merkies%20%28t.v.v.%2034346%2C%20nr.%205%29%20over%20een%20onderzoek%20door%20de%20WRR%20naar%20de%20werking%20van%20het%20geldstelsel.pdf) (t.v.v. 34346, nr. 5) over een onderzoek door de WRR naar de werking van het geldstelsel”. Tweede Kamer, vergaderjaar 2015–2016, 34 346, nr. 16.

[13]. WRR. 2019. “[Geld en Schuld: De Publieke Rol van Banken](https://www.wrr.nl/binaries/wrr/documenten/rapporten/2019/01/17/geld-en-schuld---de-publieke-rol-van-banken/rapport-100-geld-en-schuld-de-publieke-rol-van-banken.pdf)“. WRR Raport No. 100. Den Haag: Wetenschappelijke Raad voor het Regeringsbeleid. 15-page [Synopsis](https://www.wrr.nl/binaries/wrr/documenten/rapporten/2019/01/17/geld-en-schuld---de-publieke-rol-van-banken/R100+Geld+en+Schuld+-+Synopsis_web.pdf) of the report.

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