

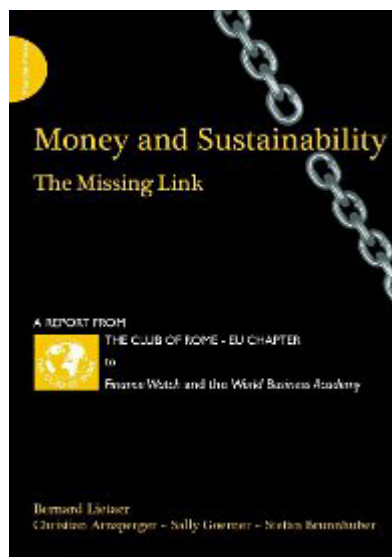


Extract of The Club of Rome EU CHAPTER

<http://www.clubofrome.eu/publications/article/money-and-sustainability-the>

# Money and Sustainability - the missing link

- Publications -



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**Bernard Lietaer, author, financial expert, and co-designer of the ECU (the monetary mechanism that later became the euro) presented compelling arguments to show that there is a structural flaw in the current monetary system that generates all the current problems and repeated financial and monetary crises, including the eurozone crisis. It is also ecologically unsustainable as it encourages climate change and over-consumption.**

Mr Lietaer presented his arguments during a lecture, hosted by the Club of Rome's EU Chapter in Brussels, to launch the Report from Club of Rome: Money and Sustainability: the Missing Link.

**Summary:** [Click here](#). for an Executive Summary of the book.

**Get a copy:** In order to buy a copy of Money and sustainability: The Missing Link please follow this link.

**Money and sustainability website:** [www.money-sustainability.net](http://www.money-sustainability.net)

**For more information about the Club of Rome's EU Chapter:** <http://www.clubofrome.at/cor-eu>

**Link to Finance Watch:** [www.finance-watch.org](http://www.finance-watch.org)

**Link to World Business Academy:** [www.worldbusiness.org](http://www.worldbusiness.org)

## **Current monetary system is inherently unstable and destructive**

The Report acknowledges that money has ignited an explosion of entrepreneurial and scientific innovation, but says it is structurally unstable and that current problems cannot be solved by simply tinkering with the system. "It would be naïve to think that innovations are magic bullets to solve all our problems. We can no longer afford to overlook new currencies that could promote sustainability", said Bernard Lietaer.

The Report describes how between 1970 and 2010, there were 145 banking crises, 208 monetary crises, and 72 sovereign debt crises - in other words a total of 425 systemic crises - an average of more than ten each year. The current Greek crisis is simply the last in a long line.

Mark Dubrulle, President of the EU Chapter, which organised the lecture said "Almost everything is for sale in most EU countries. Austerity is imposed at all levels... We hope the book will inspire many a decision maker and opinion leader to change course."

## **The solution: the creation of complementary currency systems**

The Report says monetary instability could be solved by creating complementary cooperative currency systems (generically called the 'Civic') to work in parallel with conventional bank-debt money, counterbalancing its negative effects. It outlines eight examples of cooperative currency systems that can address issues such as healthcare, education, climate change, and employment.

Bernard Lietaer and his co-authors also suggest **a solution to the current Greek/Eurozone crisis** based on Greece creating complementary urban or regional electronic currencies to run parallel to the euro which the country would retain for international business. The civic/euro exchange rate would be determined in the online market.

Interestingly, this week Deutsche Bank proposed a very similar solution - the creation of the 'Geuro', a complementary Greek currency to help it restore an internal competitive economy.

## Five elements which make the current monetary system unsustainable:

The Report outlines five elements which make the current monetary system unsustainable:

- Banking loan practice amplifies boom and bust cycles:
- Discounted cash flow practice in investment leads to short-term thinking
- Compound interest imposes compulsory growth in a finite world
- Positive interest rates concentrate wealth at the top and impoverish more people. This threatens democracy with more support for anti-democratic parties, as occurred in recent European elections.
- Current measurements show social capital is being eroded, particularly in industrialised countries. Recent scientific studies show that money tends to promote selfish and non-collaborative behaviour.

Speaking at the meeting Ian Johnson, Secretary General of The Club of Rome said "This book articulates many of the Club of Rome concerns. Let there be no doubt that our financial system is in urgent need of major overhaul. We tamper with it at the margins at our own peril."

At the lecture, the Club of Rome EU-Chapter presented copies of the Report to Finance Watch, a European public interest association focusing on finance, and the World Business Academy, a non-profit network of business leaders which promotes responsible leadership.

## Summary:

For a summary of the book, [please click here](#).

PS:

*Bernard Lietaer is an international expert in the design and implementation of currency systems. He has worked as a central banker, fund manager, university professor and consultant to governments, multinational corporations and community organisations.*

*The Club of Rome EU Chapter aims to build bridges between civil society representatives in Brussels, the EU institutions and the Club of Rome at world level.*

## Money and Sustainability - the missing link

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*This event is part of the Club of Rome campaign: 2052: shaping our future to stimulate ideas on shaping the world in a sustainable way. The Club of Rome is a global think-tank, composed of individual members and over 30 National Associations. For more information: [www.clubofrome.org](http://www.clubofrome.org)*

Money and Sustainability: the Missing Link is published in English by Triarchy Press. For more information, please contact Caroline Milner: caroline at triarchypress.com. It is also being translated into a dozen other languages.