JUNE 2020
LABOR TIME RIGHTS (ORA'S)

A new foundation for social security

Labor time rights unite the labor market with social security. All citizens receive equal rights to working time. These rights are time-units that represent basic salary and basic income in one. They can be traded and converted into a special digital currency: the Ora. Ora economies are capable of reshaping financial markets and enabling rapid transformation to a social and cyclical economy...

HET MENSELIJK VERMOGEN

New: Time Rights

Uniting labor markets and social security

Innovative and Effective

Easy to implement

Reform our economy

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Guide into the June 2020 Issue

The third issue of “The Human Capacity” - magazine for the imagination - designs a new labor market and social security for Thomas Piketty's new Europe. In a manifesto, co-prepared by Thomas Piketty, published on the website www.tdem.eu, he sketches a new Europe consisting of two parts: a new treaty of Europe and a new budget and taxes for Europe. The new treaty stipulates that the participating countries of Europe, not necessarily all EU Member States, will form a new European "Assembly", in addition to the European Parliament, in which national parliamentarians will sit. The meeting will receive a new budget that will be obtained from 4 new European taxes that are additional to the national tax systems. The budget is used to reduce inequality in Europe, in particular to stimulate education. The four new taxes in the manifesto are a progressive income tax and a progressive wealth tax for individuals and a carbon tax for companies and an additional tax for large companies.

The ideas are daring, innovative and stimulating but lack the power of the imagination. And partly because of this, they also carry the seed for failure. To truly renew Europe, a vision is needed that deepens the existing structures of our societies; a vision that gives hope and inspiration to many. In the first issue I worked out the proposal to merge the income and wealth tax into a new type of tax: the capital growth tax. In the second issue, we delved into a new tax for companies, which can replace Piketty's proposed profit tax for large companies and the CO2 tax. In this third issue we will integrate the labor market and social security with the new tax system. We will introduce a completely new, innovative instrument for this: Labor Time Rights.

Johannes WH Janssen

Labor Time Rights (Ora's)

A social security system for the European Union

Preface

Piketty and others wrote a manifesto on www.tdem.eu in 2018 to transform the EU. It contains two main points: a new treaty between European states called the 'Treaty on the Democratization of the Economic and Social Governance of the European Union' (TDEM) which will set up a new 'Parliament' and a 'Budget for Europe' formed by new taxes and spent by this new parliamentary assembly. The budget for Europe, available in the new Assembly, is in Piketty's proposal formed by 4 new European taxes: a tax on the profits of large companies, a progressive income tax and wealth tax and a CO2 tax. This budget must be used to design a European social security, such as a basic income or a European minimum wage.

Some of these taxes already exist in individual Member States of Europe. It makes sense to "copy" them to European scale or add a European component to national tax systems. But these taxes have flaws and are no longer suitable for the 21st century. That is why it is necessary for the new Parliament to draft new taxes, which on the one hand improve relations between European citizens, government and the economy, on the other hand give Europe its own identity and strengthen the debate within the European political space. I have made proposals in the previous issues. The European tax system should consist of two new, innovative taxes. A progressive capital growth tax and a corporate profile tax. These new taxes are regulatory taxes and can be used to combat wealth inequality in Europe and to make the European economy sustainable and cyclical.

However, these tax instruments alone are not enough. They have limitations: although they create hard upper limits and thus create the conditions within our economy as a whole and the business sectors separately will operate, they are not able to regulate the transformation process itself. In other words, to use the 'donut' language of the economist Kate Raworth's: while taxes are capable of reducing ecological (donut) and wealth excesses, it is likely that they cause "at the bottom" a major social breakdown. As a result of this transformation, people become unemployed, lose income, housing, care or other basic services. We have to consider that Europe has too great an ecological footprint. These taxes are capable to "shrink" the footprint, but that will not happen without some form of economic "contraction". However, less consumption

means less production, means less employment, means great social risks. How should we deal with that? How do we guarantee social security in this transformation process?

We need a new a long-term vision in which we set out the economy of the future. I will describe it in the following issue of this magazine: "from consumer economics to participatory economics". But before I can present this vision we need first and foremost, a solid "social security" in society to prevent or absorb this social failure if it should occur in the transformation process. Piketty's suggestions, a European minimum wage, a basic income, are not well developed and lack coherence with the proposed new taxes. There is no coherent vision of a European social security system.

The new system that I will describe here goes beyond a basic income or European minimum hourly wage. My position is that we need to integrate the labor market and social security in depth, whereby income and employment are permanently (re) divided. The heart of the new, integrated system is a new instrument - the working time law and the associated digital currency Ora - are central.

Critics

In the Netherlands the gross minimum hourly wage is € 10.77 (from 1-7-2020, for a 36-hour working week). The amount of the social assistance benefit is linked to the minimum wage (100% for a family, 70% for a single person (€ 7.54) and a cost-sharing standard for multi-person households). This link is unique in the world. Most countries do not have a link between minimum hourly wages and social assistance benefits. Many countries in the world do not even apply a minimum hourly wage and leave wage formation to the market. In Europe, there are still 6 countries that have not introduced a legal minimum hourly wage (in those countries the minimum hourly wage is set in various collective agreements). Germany has only recently (2015) introduced a minimum hourly wage. Although the usefulness and necessity seem obvious, namely to combat the exploitation of low-skilled workers, there are many hesitations and doubts about this system. Employers can "avoid" the minimum standards in many ways. The differences in Europe are big. For a Dutch person the minimum wage is a real minimum, for a Polish labor migrant it is a generous income.

Tax legislation also exacerbates the problems. The high income tax (on wages) drives up wages, increases differences and thus *causes* 'undeclared work' (work invisible for the tax authorities), because the employee and employer both benefit (= more income / lower costs) from tax evasion. Another serious problem is the social harm differentiation of social assistance causes. Unemployed people are vulnerable. If they try to do things together, they are financially punished. Cohabitation is punished. So

many prefer to live "separately" because 2 x 70% is still more than 100%. The tenant standard is a frustration for many households. Also, having minimum basic facilities (housing, care, education) does not play a role in the "struggle" for income and work, which leads sometimes to inhumane situations. In short, the legal minimum hourly wage and the link between minimum wage and social assistance benefit is a law full of gaps and half solutions.

Employers and employees are diametrically opposed when it comes to labor market reforms. Employers want to reduce or abolish the minimum wage; the trade unions (FNV) want to increase the minimum to € 14, -. Employers want to abolish the link between social assistance and wages. Because the greater the difference between social assistance and work, the greater the incentive to start working. A basic income is anathema. Who will still work if he gets "free money"? It is an extremely fruitless conflict of opinion that continues to escalate and polarize.

The Dutch labor market has other major problems. The Netherlands has more than 1 million freelancers. Many people were previously on permanent employment, were fired and were forced to start self-employed. They are hired by companies when they see fit. The differences between permanent and flex workers are big. Fixed provides certainty. Flexible work is surrounded by great uncertainty, both when it comes to job security and social security (in case of illness or unemployment). Due to global competition, "just-in-time" and a "lean and mean" organization is the standard of everything. I.e. an organization that is as efficient as possible with a solid core and a "flexible shell" that is called in on demand. It sharpens the contradictions in the labor market.

According to the neo-liberal view, the labor market is a free market in which the government plays a minimal role. The government only provides a safety net (social security). When people become unemployed, they receive income and help with activation and retraining. This view is limited and narrow. The market itself makes unequal, creates unemployment. This artificial separation between market and government does not tackle the problem of unemployment at source, but only tackles the consequences. Instead of the government "tackling" companies, they "incentivize" only individual unemployed people. It does not lead to more employment, but to stigmatization and dissatisfaction and widens the gap between citizens and government. Companies must be stimulated by the government to become social. Making a profit is of course still allowed, provided the company is social and sustainable.

Strangely enough, some believe that the labor market and social security (market and government) should be even further separated from each other. The idea of an Unconditional Basic Income (UBI) completely splits the relationship between work and income. It is a bad idea. "Free money," the complete "cutting" of the income-labor relationship, is a highly idealistic idea that only works in an idealistic society. I do not expect, the much-heard counter argument, that when introduced, people will "sit back" when they receive free money. On the contrary, I expect that the introduction of a basic income will release a great deal of human energy and capabilities. But this does not outweigh another much greater risk: introducing an unconditional basic income into a society as unequal as ours will lead to more, rather than less, inequality in income and work. Introducing a basic income without restrictions into our individualistic and materialistic society will lead to a large underclass that has no access to paid work and only receives a basic income. A class of people is emerging who are "written off". In addition, a wealthy elite of workers and capital owners will become even richer. Basic income is only a good idea if it is accompanied by reforms of the labor market and basic services (care, education and housing). A basic income must not become a disguised privatization of social security.

The reverse is also true: many ideas for reforming the labor market fail because they are not (enough) linked to social security. The idea of a 32-hour working week is too rigid, employment subsidies are ad hoc because they are not linked to social security. Labor participation and social security through a basic income should go together. No one benefits from a free income to survive. People want to participate, they want to participate in the community.

But what about the costs of social security? Studies have shown that if the government spends more money on social assistance, it will be at the expense of employment. The introduction of the basic income also has this effect. According to the CPB, an introduction costs 62 billion and 600,000 jobs are lost. Those costs must be borne by the workers. (Why does labor always bear the costs?) We are in a paradoxical situation. We want to offer more certainty, but that is at the expense of the economy. It seems like a diabolical paradox. If basic security is to increase, this will be at the expense of employment, which should provide us with basic security.

To get out of this paradox, we must move beyond the existing economic "frame". We have to pick up new ideas. The solution is: build a new social security system where social security is based on work and no longer on income. My proposal.

Proposal

Renew and integrate (basic) labor market and social security through **distribution of** Labor **Time Rights** (ORAs).

Explanation

A labor time right is a right to working time and therefore work. It is a right to work and **earn** income. Working time entitlements are expressed in hours. It is therefore not an amount of money but a unit of time. This unit of time is "cashed in" by **doing** work**. It is converted into as basic wage. Th**e (working) time rights are **quantitatively** expressed in Ora, which is derived from Hora (hour). I will often use both **terms (Ora's and labor time Rights)** interchangeably.

A new social security system based on **Labor Time Rights** is not social security in the classic sense of the word. It is much more: it redistributes labor, guarantees a basic income, reforms labor market relations and integrates social security and the labor market.

The time rights cycle

The heart of the new system is the time rights cycle. In this cycle, the government plays an active and regulatory role in the development of employment relationships between employees and employer. This role is primarily aimed at an equal division of labor. The cycle begins and ends with the government. The government "distributes" equal amounts of Ora's to (a selection of) employees / citizens. These are individual "rights" to work that guarantee a fixed basic wage / income. In practical terms, this means that all citizens receive an Ora account at the Dutch State bank on which a monthly amount of time rights (ORAs) are deposited. During an employment relationship between employer and employee, these labor rights can be transferred from employee to employer. This means that all (participating) companies must also have their own Ora account with the Dutch State Bank. With an Ora chip card, the hours worked by the employee are transferred from his Ora account to the Ora account of the employer. The employer receives the statutory minimum hourly wage from the government for these ORAs, which the employer then pays to the employee as a basic wage. The employer of course also pays the salary agreed in an employment contract on top of the basic government wage. But this salary will be less then present salaries. In other words, the wages that are currently still received from the employer alone will be split in the new system into two components: a net basic wage from the government (where no tax has to be paid) and the 'top wage' from the employer. .

The decrease in the employer's labor costs is offset by an increase in the tax as a result of a new business tax to be introduced (the profile tax, (see issue 2). The employers will therefore have to pay much more tax, because the government needs that tax to pay the basic wages. In reality, there is hardly any more money being circulated because time rights are included as a deductible item in the new tax system. The purpose of this seemingly complicated shifting of money operation is to give the government a "method" to shift taxes on labor to taxes on capital and the environment. The profile tax is namely a tax that taxes *all* production factors, while the deductible item only concerns labor. The net effect is that labor becomes considerably cheaper and the use of the environment and capital become more expensive. In this way, the costs of the environment and the social costs of technology (capital) can be passed on to the economy. In short, the basic wage is the "siphon" with which we make the economy social and ecological.

Ora and job market

Labor time rights in combination with tax reforms are changing the face of the labor market. The current labor market is characterized by hard barriers maintained by our tax system (undeclared work, white work and unpaid voluntary work, work that can no longer be paid by the government) and by a sharp division between permanent and flexible work. In the new labor market, the wage tax is gradually being abolished or converted to the profile tax, so that all divisions disappear, and the distinction between permanent and flexible contracts is no longer applicable, because in principle everyone gets equal Labor Time Rights. All forms of labor are thus brought together again into one space of labor relations. There are no more unpaid jobs, no undeclared jobs, declared jobs, permanent jobs or flexible jobs. There are only jobs.

But Labor Time Rights do create a new distinction: a job can be done with or without a Labor Time Rights transaction. A basic labor market is created in which the government takes a guiding role by issuing and taking up Labor Time Rights, and in addition a government-free labor market. The jobs in the basic labor market (basic jobs) are not only subsidized government jobs. Of course, the public sector itself, as an employer, will conduct many time law transactions, but the vast majority of jobs with Labor Time Rights are "regular" jobs at "regular" companies in the private sector, with employees receiving regular wages from the employer in addition to a basic wage from the government.

The distinction between basic job and non-basic job coincides with the distinction between registered and unregistered work. All time rights require mandatory registration of the transaction according to certain set rules. For employment

relationships in which no time rights are exchanged, no hours need to be recorded, Of course, many companies already have some system of working time registration which will be not be abolished.

For an employer, the labor costs of registered work are considerably lower, because the government itself pays the employee's basic wage, so that the employer will pay a much lower salary itself. In case of unregistered work, the government will not pay basic wages and the employee will therefore become more expensive. The higher costs will have consequences for both the employee and the employer. In the case of unregistered work, either the employer loses his deductible item or the employee loses his basic salary. Of course they can share the pain by mutual agreement. And, of course, that pain becomes less relevant the higher the employee's income from work is.

The accounting of Labor Time Rights is a double entry. Both parties, employee and employer record the Labor Time Rights transaction in their own Ora account. Because these accounts are government accounts, enforcement and fraud control is easy to perform.

The ratio between government registered and unregistered work is largely determined by the amount of time rights that a government issues and is an important policy parameter for the government. In principle, *all* work can be registered, but I expect that the issue of Labor Time Rights will be limited at first and will focus on certain groups (unemployed, young people, elderly) and on certain activities (green companies, services in the subsidized sector). The issue of Labor Time Rights will be gradually expanded.

The relationship between registered labor market and unregistered labor market has many facets. The "interaction" between the two markets can be controlled fiscally (via the profile tax). It is expected that the basic labor market will become a natural resource, breeding ground and breeding ground for new ventures, using the basic wage to keep labor costs low initially. Fiscally, from a certain company size, the tax can be increased with which employment can make a "switch" from registered to unregistered. The basic wage allows unpaid, domestic and voluntary work to become normal paid work. This will have great impact on the cultural and care sector who has many voluntary ‘jobs’. A film center can now staff its cash registers with paid employees, a nursing home can offer its volunteers a permanent job, etc. etc. A lot of new and sustainable employment is created. Not only will labor participation increase, but new paid employment will also be created.

The labor market relations between employee and employer will also change. Each employer will negotiate its own hourly rate with the employee on top of the basic hourly rate. The employee knows that he is always at least assured of a basic salary, which will strengthen his negotiating position. An employer does not have the power to pay anyone less than the minimum (unless, of course, in an unregistered employment relationship).

Ora and the distribution of employment

With the introduction of Labor Time Rights, the distribution of employment is given priority over the growth of employment. That is a fundamental change in government policy. Until now, Member States and the EU itself, but also progressive thinkers such as Varoufakis (Diem25 movement) and Robert Skidelsky, have strongly committed to job growth. They believe that the EU should create new jobs by investing heavily in the green economy. These programs are called Green New Deals or PEP. They believe that programs similar to Franklin D. Roosevelt's New Deal are now needed, designed to deal with the great economic depression of the 1930s.

That was a good idea in the 20th century, but it's not a serious option for the 21st century. The big difference is the dominant role that technology has today. For example, the transition from the fossil economy to a sustainable and cyclical economy is a technological transformation and that ultimately will not create jobs, but will actually cause many jobs to disappear. All new technologies, robots, AI, nanotechnology, gene technology will reduce the total size of employment. Of course, the new (green) technology will create new jobs that are often highly skilled, but it is very likely that a multitude of low-skilled labor will disappear.

Of course, a government can set up large-scale job programs to employ the unemployed and provide an income (basic wage plus supplementary wages). The starting point is usually that it is temporary government expenditure and that all workers will eventually move on to the private sector. But that's a fiction. It will not happen. As a result, public finances become overburdened and eventually job programs are forced to be phased out. No. The challenge of the government today is: how do we ensure a fair distribution of work, where everyone can participate in labor and has the opportunity to earn an income? This can be done by introducing Labor Time Rights.

Employment is distributed through the issue of equal Labor Time Rights to citizens. The nature and manner of the distribution can be elaborated in many ways and is highly dependent on the companies and employees participating in the Labor Time

Rights cycle, both in number and in nature of the companies. The government can attach conditions to the issue and intake of Ora's. She can link the Ora to a generous or strict social security system, allowing trade in Ora's to develop the Ora as a means of payment. However, all these extra degrees of freedom do not detract from the basic starting point: everyone receives equal rights for work.

The implicit objective of Labor Time Rights is that the distribution of employment is a government task that outweighs the growth of employment. Growth of employment is primarily a task of the (market) economy. Distribution is a task of the government. By emphasizing distribution, a labor market will "respond" better and faster to technological innovations. Nobody knows how employment will develop in the future. Whether the amount of labor is becoming scarcer, through technologies such as robots and AI, or the amount of labor is now increasing, for example due to the creative potential that is tapped with the introduction of a basic wage, by continuously focusing on distribution, governments labor policy remains social and just.

The government can also link labor and education more closely by creating the possibility for labor rights to be converted into education rights. This ensures that additional educational efforts are automatically made if the nature of the development of work requires this and other qualities of employees are required.

The difference with the current labor market cannot be greater! Now every crisis leads to high unemployment and increasing inequality. Labor Time Rights, on the other hand, ensure a stable society. And a stable society is again the basis for economic growth. This growth will no longer take place through consumption but through services in the field of education, care, culture, housing and (citizen) participation, about which more later.

I expect that the Ora, especially in the beginning, will mainly play a role in the distribution of low-paid labor. For high-paid labor, with hourly wages above € 200 per hour, the split-off of the net basic wage (of approximately € 8 per hour) has little added value. Neither the employer nor the employee are stimulated by it. There is also no need for division, because this type of labor is usually scarce. Yet there are also considerations to also include highly paid labor "under the Labor Time Rights" regime. First of all, there is the consideration of justice. Everyone has equal rights. But it can also be important for the functions of time rights that we will discuss below: trade in labor rights, time law as a means of payment and integration with social security.

Since it is certainly not clear how many labor rights a government in the beginning must issue at what guaranteed value, it is obvious to carry out the issue periodically (monthly), so that it can be adjusted to developments in the labor market.

Ora as Social Security

The Ora's are intended to provide paid work for everyone, with the minimum wage guaranteed by the government itself (the base wage). But how certain is it that you will also find (registered) work where you can transfer your Ora's to an employer? What if no employer is willing, despite the tax incentive, - the deductible item from the basic salary - to employ you? What if there are too many Ora's in circulation? What if Ora's supply exceeds demand? First of all, it is of course a "matter" of the government itself. If the affiliation fails, the government can change its policy by reducing the issuance or by more emphatically helping the unemployed find registered work. Nevertheless, there is the possibility that someone cannot find (suitable) work. At that moment the social security linked to time law comes into effect.

There are innumerable ways to "organize" social security with Labor Time Rights, depending in part on the political color of the governance of a society. The design I outline here is just an example. It has a basic income threshold, a maximum Ora credit, and permits trading of Ora's, and guarantees basic goods and amenities by using the Ora as a means of payment.

In this design, Ora's of an Ora-account above a certain threshold value may be converted into a Basic Income. Potential basic wage thus becomes a guaranteed basic income. Suppose someone receives 36 (hours) x 4 (weeks) = 128 Ora per month. After a year without work, the person has 12 x 128 = 1536 Ora in his account. This is a considerable power, which, however, cannot be used without working. A person can sell back all Ora's above this limit (1536) to the government at 70% of the value. After one year of unemployment, basic wage becomes basic income.

There is also a second limit. Ora's cannot be accumulated. If the Ora account contains more than 3 years of time rights (4608 Ora), the government will no longer deposit Ora's into the account. So unlike money, it is not possible to build up a fortune on Ora's. The Ora *cannot* be accumulated, unlike money. Ora's *must* be spent.

What do you do if someone has Ora's but the net worth is less than 1536 Ora's and so they cannot yet be exchanged for a basic income? In our present social security system, assistance is linked to many conditions. The government demands that the unemployed apply for a job, follow labor market processes or other types of activation, education, etc. Some governments reduce the amount of social assistance in case of

refusal or lack of effort. Heavy pressure is exerted to the unemployed to provide some kind of compensation for the money they receive. This is a very objectionable system socially, because it affects the sense of community. It is better not to place the initiative with the government but with the citizen. Let the unemployed himself determine his mode of action:

How? There are a number of options:

- Build a buffer to bridge periods of unemployment (or get some assurance).
- The unemployed person can address the government to fulfill his ‘rights’, that is, ask for active support from the government in order to find a job where he can use his Ora’s. The government must deliver here.
- The unemployed could do unregistered work, if Ora’s are not directly redeemable.
- The unemployed could can start living together. Basic jobs and basic incomes are stackable. I.e. the amounts are not reduced if you live together in a family or other form of cohabitation. Since the costs decrease when you share them, it is much easier to build up a buffer for difficult times.

The unemployed person can also consider two other options:

- He can sell his Ora's to other people.
- He can use his Ora’s as a means of payment to buy basic services (care, housing, education) and basic goods (local food).

Either way, Ora's are a guaranteed asset. The unemployed person knows that he has substantial assets in his account. It just has to find the right way to address it.

We will further explore the last two options below.

Trade in Ora's

As the amount of time rights issued increases, it will become necessary to build in more flexibility in the time rights cycle. This can be done by allowing labor time rights to be traded. Our society consists of many different people with different professions, talents and preferences, who sometimes want to work a lot, sometimes a little. At a specially set up exchange institute, people who want to work more can buy labor time rights from people who want to work less or vice versa. The trade price of the labor time right is not equal to the value guaranteed by the government, but is determined by supply and demand. Selling Ora's on the Ora Exchange provides an alternative "income". The yield is expected to be less than the minimum hourly wage you receive in labor, because the trade price has a value in which both parties (buyer and seller)

gain from the transaction. The salesperson does not have to work and still receives an income, but not as much as he could earn by working. The buyer who wants to work, now realizes extra work with a "lower" base wage because the price of the purchased Ora's has to be deducted.

The trade of Labor Time Rights makes the labor market more flexible and friendly. Without trade, an Ora is not only a right to work, but can also "turn" into an obligation to work. Because, without trade, income is realized only through labor, and only through labor. Of course, the conversion threshold for converting Ora's to a basic income can be lowered to 0. But it is better and more effective to allow and encourage trade. Trade provides immediate "income". With the trade in Ora's, the system can be significantly expanded to more categories of labor. In principle the state should not force people to work. People are free to decide what and when they will work.

Trading Ora's can also accommodate fluctuations in employment between different sectors. Whether the amount of labor becomes scarcer, for example through technologies such as robots and AI, or the amount of labor increases, for example due to the creative potential that is tapped with the introduction of a basic income, this distribution system will, In contrast to the current labor market, continue to divide income and labor. Presently crisis leads to high unemployment and increases inequality enormously. Labor Time Rights ensure a stable society. And a stable society is again the basis for economic growth. This growth will no longer take place through consumption but through services in the field of education, care, culture, housing and (citizen) participation, about which more later on.

Ora as currency

The use of Labor Time Rights can be further expanded by converting it into a real digital currency. The Ora sounds like Euro, but they are in fact completely different methods of payment. The Ora is a unit of time. The expression "time is money" can be taken literally here. It is the "backside" of money. An economic transaction between producer and consumer (I buy something) is part of a larger cyclical process. The backside of the process is that the consumer can only buy goods or services if he receives an income from work. And the producer can only sell if there are employees who make the product. So the mirror image of the economic transaction is a transaction of labor between employer and employee. That work is paid at a certain hourly rate. So trading is already taking place in time! But the price varies widely. With the Ora we lay a foundation, a hard ground in the otherwise free labor market. That basis in the minimum hourly wage, which is fixed and unchangeable.

Why should we introduce the Ora as a means of payment? The Ora creates a separate (localized) money circuit that offers great opportunities to guarantee basic services to everyone or to strengthen local economies. Of course normal money can do that too. After all, money is also part of a transaction between producer and consumer. Money supports the real economy. Unfortunately, this core function of money has been pushed into the background. The real economy has become the playground of the financial markets, using the economy only to grow wealth and accumulate capital; with growing inequality as a result. In order for new communities to develop, locally but also regionally, nationally continental, yes even globally, it is first of all necessary to introduce a new means of payment that is "decoupled" from this destructive process. The Ora can fulfill that role.

Notice that the Ora distinguishes itself from other new payment methods called LETS (a Local Economic Transaction System). Citizens can use these currencies to exchange goods and services (like the Amsterdam Noppes). The Ora is not a digital currency with which companies can mutually pay for goods and services (such as the Utrecht Euro or the Alkmaar Vix). These currencies focus on economic transactions and are very capable of building a local economy, but they are not suitable for distribution of labor and building cohesive communities. The Stro foundation has developed software called "Other money" that allows them to give money new characteristics, such as a minimum time before you can convert the “other money” back into Euros. It already has characteristics of the Ora, but it does not yet provide sufficient control over the 'money supply' or the criteria for issuing and taking in Time Rights. The software focusses on the individual or the company, and the government plays a relatively minor role.

To build a close-knit community with a local cyclical economy, you need more: the local market, government and democracy must be merged into a tight unity. We want to retain new local employment. We do not want to create voluntary work, but normal paid work. We want the basic services to become "self-evident", guaranteed by the government, which can be accessed quickly without much bureaucracy. We want to be able to steer firmly with regard to maintaining ecological boundaries. We want citizens to be closely involved and to be able to make decisions about the choices that are made locally. We want lively debate and democracy. The starting point of all this is the Ora.

With the very first means of payment, such as gold coins, money was "backed" by the value of the means of payment. Later, when bank notes where introduced, the value of money was backed by states' gold reserves. In recent decades, in the digital age, we

have been creating money from nothing, usually in combination with taking on a debt. We are now going even further to combat the Corona crisis. We give money to everyone (we simply scatter it from a "helicopter") without receiving anything in return. We have arrived in completely unknown territory with many uncertainties. No one can estimate whether the danger of inflation or deflation will come. Everyone has their own views on the future, but the common line is, we are not sure of anything! And that's not a very reassuring thought for building a society. The Ora is different. The Ora offers security. For the Ora's cover is formed by human labor. It is stable in value. An Ora is a negotiable working time right. Moreover, we do not create money to destroy it. Ora's are not issued by the central bank, but by the government. There is balance in the system. And balance offers security.

Ora Economies

In Ora economies, the Ora is used as a digital payment method. There are no coins or bank notes. The Ora’s are only moved between accounts. In case of labor transaction: between an account from employee to employer. When Ora's are used as a means of payment for goods and services, Ora's are transferred from the consumer account to the producer account, in which the store (as an intermediary) may add its own margin. Which goods and services can be sold and bought depends on the choices and the objectives that the government wants to achieve with the construction of the Ora economy. An Ora exchange can be traded between citizens. The Ora accounts are not held with private banks but are accounts that every citizen has with a state bank. The government deposits Ora's into civilian accounts. And recaptures Ora's through employers' accounts. The Ora is a government instrument and is primarily intended to ensure broad basic functionality of the community. The Ora economy is relatively closed and can therefore be shielded from the financial markets. Any government scale, any society can create its own Ora accounts, set its own goals, and come up with new applications.

Ora economies will have to find the right balance. Unlimited money creation is out of the question. We have to follow an unambiguous time cycle. The citizen gets Ora's from the government. Citizens use the Ora’s, so they are moved to companies. The companies exchange them. We strive for a balance in which the issue and intake of Ora's are equal. In other words a situation where the amount of money creation and money destruction are equal.

The Ora can be used on a **national scale** to reform the labor market and social security. An outline is given above of how a national Ora can be used to reform the entire labor market and to guarantee solid basic services. With the Ora’s we realize

basic jobs, a basic income and we provide basic goods and basic facilities. Ora’s cannot be used to go on vacation to Italy, because you cannot exchange them there. (Italy may also have Ora’s, but they cannot be exchanged for Dutch Ora’s). However, they can be used to buy cauliflower from a small Ora-certified supermarket that receives its products from local farmers.

The EU can introduce the Ora on a **European scale** in addition to the Euro. These two coins can support each other. The European Ora could become the heart of a European employment policy and / or a European basic income. Regional employment can be stimulated by converting European subsidy flows into issuance of Ora’s, whereby the regional Ora’s cannot leave the region.

But the Ora is expected to start with many **small-scale** applications on a local scale. The Ora can revitalize local economies. The Ora can be used well to keep labor in the local economy within a closed circuit. To build the local economy, companies can become "Ora-certified" if they sell local products (from local farmers). Settlement is the same as with an ATM. You pay with the Ora machine. The value of the Ora as a means of payment is equal to the guarantee value for companies. New businesses may emerge that are specially organized for the Ora economy. But it is of course also possible for existing companies to apply for an Ora certification. In the beginning, a good and thoughtful admission policy will be necessary to successfully introduce the Ora into the community.

Time rights, Ora's, have more applications than distributing of working time. For example, we can introduce educational Ora’s, educational rights that are awarded to every 18-year-old and grant the right to education (time) during life (an education permanent). Young people have a great need for education and require little care. Conversely, the elderly have a greater need for care and less for education. So why not convert education rights from the age of 50 to Care Ora’s that can be used to purchase care. Countless variations are conceivable, small and large, in which the participation of citizens is increased. Ora's can truly merge the community into a united community. Ora's can be used to transform the consumer economy into a participatory economy. But more about this in the next issue.