Algorithm of Sustainability

A Guide to a Fair and Stable Economy for the 21st Century

Jörg Schreiner

„Der größte Feind des Rechtes ist das Vorrecht.“

“The greatest enemy of justice is privilege.”

Marie von Ebner-Eschenbach (1830–1916)

Table of contents

Foreword

What you hold in your hands is not a political wish list. Nor is it yet another analysis of the crises of our time, of which we all have more than enough. What you find here is something else: a blueprint.

Our world seems to be caught in a continuous loop of crises: the financial crisis, the climate crisis, the crisis of confidence, the next financial crisis. We repair, manage, and alleviate symptoms, while we cannot shake the feeling that the foundation beneath our feet is crumbling. This feeling is not deceptive. Because these crises are not a streak of bad luck. They are symptoms of one and the same systemic cause.

At the heart of our economic system lies a flawed logic: a self-destructive feedback loop that inevitably concentrates wealth and power in the hands of a few, while accepting social division and ecological devastation as collateral damage. We have become accustomed to rationalizing this failure as the "business cycle" or "market correction." We decorate the cage instead of opening the door.

This guide does not suggest decorating the cage. It shows how to open the door.

The sustainability algorithm is the technical blueprint for an economic system programmed for stability rather than growth. At its core is an ingeniously simple, ancient idea of justice: what belongs to everyone—the foundations of life on our planet, the land value created by the community, and trust in our money—should also benefit everyone.

What you will discover on the following pages is not a utopian dream. It is a precise, step-by-step roadmap written in the language of economics, technology, and practical politics. It describes in detail how the three levers—liquidity levy, resource rent, and universal dividend—interact to transform destructive feedback into life-sustaining counter-feedback.

This book will confront you with uncomfortable truths and challenge familiar certainties. It will show you why our instinct to demand "higher interest rates" drives our own exploitation. It will explain how an unconditional basic income does not cause inflation, but prevents it. And it will explain why this system means not less, but more market freedom, free from the privileges of property ownership.

The biggest hurdle on this path is not the technical details. The biggest hurdles are our own deep-seated thought patterns and fear of the unknown. This book is an invitation to leap over these hurdles. It is an invitation to imagine an economy in which the self-serving path is automatically the community-serving one. An economy that works with, rather than against, human nature and the ecological limits of our planet.

Reading this book requires courage—the courage to let go of cherished Illusions and reclaim responsibility for shaping our future. But it also offers something in return: clear guidance and the well-founded hope that a stable, fair, and free economy in the 21st century need not be a distant utopia.

It is a question of design. And the blueprints are now before you.

Introduction: Why change anything at all?

Our current economic system brings many advantages, but also major problems that we are all familiar with: ever-widening social inequality, constant concern about economic crises, and the destruction of our natural resources. Many of these problems are not coincidental, but are inherent in the system.

The rule that the more capital you already have, the easier it is to become richer is a classic self-reinforcing feedback loop. And like all such systems—whether in technology or in nature—it inevitably tends toward collapse.

Our economic system is not collapsing just once, but constantly and everywhere: in the acute form of financial crises, hyperinflation, or war—and in the chronic form of mass poverty, social division, and the systematic destruction of our natural resources.

But instead of questioning the fundamental logic of the system, we normalize and rationalize its failure. In the interpretation of the prevailing economy, systemic crises become harmless “business cycles” or inevitable “market corrections.” After each collapse, the car is repaired make shiftly without replacing the faulty engine – and the ever-shorter intervals between disasters are then called “progress.”

The sustainability algorithm is the necessary counterbalance. It interrupts this self-destructive logic at its root by giving the system a stable foundation and a fair direction.

This guide describes more than just a collection of political ideas. It outlines a socio-economic algorithm—a set of rules consisting of precise, transparent, and data-driven processes. Its goal is not to maximize growth, but to ensure the stability of society and the ecosystem. Therefore, the universal dividend is, at its core, an algorithm of sustainability.

Module 1: The Philosophical Foundations (The “Why”)

Chapter 1.0: What It's Really About – A Definition of Capitalism

To understand the algorithm of sustainability, we must clearly identify the system it aims to transform. The term “capitalism” is often vague. One definition that captures its essence is:

Capitalism is a form of government in which the interests of capitalists have top priority.

- A capitalist is anyone who has profitable assets and is interested in increasing them, regardless of the amount of assets they have.
- In this system, fundamental rights—human rights and the protection of our natural resources—must also be subordinated to these interests in case of doubt. This is reflected in political decisions that prioritize asset growth over social stability and environmental sustainability.

The supposed “free market economy” is increasingly being undermined by the growing concentration of wealth and markets. However, a free market is not a market free of rules, but a market free of privileges. Today's capitalism creates precisely these privileges through the power of existing capital, thereby destroying the freedom of the market.

The goal of the sustainability algorithm is to reverse this order of priorities and create genuine market freedom. It establishes a new framework in which the preservation of human dignity and ecological limits is the top priority. Within this framework, markets—freed from monopolistic structures, speculative distortions, and undeserved privileges—can once again fulfill their true purpose: the efficient and innovative satisfaction of human needs.

Chapter 1.1: The basic principle of fair use

All people, including future generations, have an equal right to the Earth's natural resources. The same principle applies to key social resources such as legal tender, the total amount of which cannot be increased by the work of individuals. This gives rise to a simple but profound principle of justice:

People may only use more than the average amount if others voluntarily use less.

Since it is not practical to distribute air, water, Land, resources, and money equally among everyone, a clever mechanism is needed to implement this principle:

1. Everyone pays for what they use: Everyone must pay for the use of scarce resources – according to the value and quantity they use (e.g., for the use of natural resources (excluding residential and commercial land) via land value tax, or for hoarding money via liquidity levy).
2. Everyone gets their share back: The total revenue from these usage fees is distributed evenly back to all people.

The result: everyone becomes both a tenant and a Landlord.

• Those who use above-average amounts of resources (e.g., a lot of land, energy, or money) pay more than they get back. They are net contributors.

• Those who use below-average amounts of resources get back more than they pay in. They are net recipients and are rewarded for their careful use of resources.

• With this system, financial gain can only be made through below-average resource use.

The initial effect

Due to extreme wealth inequality in almost all countries, a minority will initialay be net contributors and the vast majority will be net recipients. Over time, however, the new system will increase the proportion of net contributors: by reducing the concentration of wealth among the resource-intensive minority and strengthening the purchasing power of the majority, the universal dividend will lead to a more even distribution of wealth and prosperity in the long term.

The universal dividend (UD) is not unearned income

Therefore, the universal dividend is not “unearned” income. It is compensation for an essential service: a resource-conserving lifestyle. Those who lead wasteful lifestyles are dependent on people who compensate for this waste through their modest lifestyles. The universal dividend is the payment made by the “wasteful” to the “frugal” for this compensatory service. In this sense, living within ecological limits is achievement enough to satisfy basic needs.

The universal dividend puts this principle of fair leasing of our common resources into practice.

Chapter 1.2: The idea of the common good pension (an age-old insight)

The problem (today): The enormous value of well-located land is hardly created by the work of the owner, but primarily by the community. Nevertheless, it is often only the landowner who benefits from this “land rent.”

An ancient insight: The question of who is entitled to the land and its yields is one of the oldest issues of justice.

- The Bible (Leviticus 25:23) states: “For the land is mine, and you are strangers and sojourners with me.” This underscores the idea of divine or communal ownership.
- Economic classics such as Adam Smith (The Wealth of Nations) and David Ricardo (The Theory of Rent) clearly recognized that and rent is a special form of income that arises without the landowner's own Labor and is fundamentally different from profit and wages.

The specific solations proposed (Paine and George):

◦ Thomas Paine (1737-1809) proposed feeding a national fund through a levy on landowners in order to provide every citizen with basic financial resources.

◦ Henry George (1837-1897) argued that a land value tax could replace all other taxes (single tax).

The synthesis: The universal dividend ties in with this long tradition of thinking. It uses the land value levy and, in a purpose-bound form, returns it to society as a universal dividend.

Chapter 1.3: Untapped potential – what could already be possible today

The idea of using common goods for the common good is not utopian. A simple comparison of the current figures shows the enormous financial potential that already lies dormant in our common heritage.

The example of Germany in figures (as of approx. 2023)

Volume (annual or total value)	Meaning & calculation
Income tax * ~ €279 billion	This tax on work finances a large part of our welfare state.
Total value of land in Germany ** **~ 7.0 trillion euros**	This value was created by the community. (Note: We are using a current, conservative estimate here, which is above the €5.5 trillion figure for 2018).
Potential of a land value tax **Estimated at €350 billion per year**	Calculation: An annual tax of 5% on the land value (€7.0 trillion) would generate this volume.

What these figures mean:

The potential revenue from a 5% land value tax is significantly higher than the total revenue from wage and income tax. This clearly shows that:

- It is not a question of “more” taxes, but of a radically different, more intelligent way of financing the community.
- The money for fundamental change is not the problem. It is already there – it is just not being used for the common good, but privatized. We end consumers are currently paying twice. The ground rent mostly goes to the private owners of the land and the taxes to the public sector. This would change with the sustainability algorithm.

The key consequence: the gradual replacement of taxes on labor

This immense financial volume from the land value tax has a direct and far-reaching consequence: it enables the gradual, complete replacement of taxes on earned income (wage and income tax) and the associated bureaucracy.

The strategy is simple:

1 The land value tax on residential and commercial land is gradually increased.

2 At the same time, taxes on earned income are reduced by the same amount—until they eventually reach zero.

In this way, taxation is shifted from what we create (work and performance) to what we all use (limited space and land values created by the community). This greatly reduces the burden on employees and companies, rewards productive activity, and creates a radically simplified and fairer tax system. The financing of the community is no longer a penalty on performance, but a fair fee for the use of our common heritage.

* Source: Federal Agency for Civic Education, tax revenues by tax type (2022)

** Source: Own conservative projection based on data from the Pestel Institute (2018) and price increases in the real estate market. Detailed modeling would be the task of the UD Commission.

Chapter 1.4: Hidden redistribution – Why we pay for inefficiency today

Social inequality is often described as a problem of "top" versus "bottom." But its mechanism is more precise: it is a silent but steady redistribution from those who earn their income primarily through work to those who earn it primarily from the ownership of assets. In economics, this asset income is referred to as economic rent – income without any work being done, which flows from control over scarce resources (such as money, land, monopolies).

One of the largest items on your invisible bill: the interest burden

The most powerful form of this hidden redistribution, alongside Land rent, is the interest system.

- The state pays billions in interest on its debts every year. It finances this interest through your taxes.
- The private sector (companies) pays interest on its loans. These loans are usually much higher than the government's loans. These costs are includet in the prices of all goods and services you buy.
- You yourself pay interest on your loan, your car, your rent (which includetes the landlord's interest costs).

The great paradox: we demand our own exploitation

Now imagine that you demand—as often happens in economic reporting—"higher interest rates" as a supposed sign of a healthy economy. What happens?

1 The interest income on your hard-earned savings may increase by a few euros.

2 At the same time, however, the interest costs of the state, your municipality, all companies, and your fellow citizens will rise. These costs will be passed on to you in the form of higher taxes, higher rents, and higher prices at the supermarket.

The bitter reality: for the overwhelming majority of people, the total amount of interest paid (directly and indirectly) is many times higher than the interest income received. By calling for higher interest rates, they are effectively demanding an increase in their own burden. They are demanding their own exploitation.

The Universal Dividend puts an end to this hidden tax

The UD system reverses this logic by tackling the source of economic rents at its root:

1 The liquidity levy makes hoarding money unattractive and lowers interest rates to a natural, market-driven minimum. The immense interest burden that weighs on the entire economy today, and thus on you as the end consumer, melts away.

2 The land value tax/levy skims off the speculative ground rent that is currently passed on to you in the form of exorbitant rents and real estate prices.

The result: a net relief for over 90% of households.

The elimination of the enormous hidden interest and pension burdens will make goods and services cheaper and reduce the state's need for taxes. The combination of this massive relief and the payment of the universal dividend means that the vast majority of households will end up with more money in their pockets, even if everyone receives a basic income that covers their living expenses – not because “the rich” are being robbed, but because the system of silent redistribution from labor to property is being ended.

The universal dividend is thus the disclosure and abolition of the largest hidden tax we pay today: the compulsory levy on unearned income from assets.

Chapter 1.5: Why the Global South Must Lead—The Algorithm of Sustainability (AoS) as a Development and Sovereignty Model

The Misplaced Debate: A Blueprint Stuck in the Wrong Room

For too long, the debate about systemic economic reform has been a luxury of the wealthy North. It is discussed in academic seminars and political salons in Berlin, London, and New York—places deeply invested in, and benefiting from, the very system in need of transformation. This has created a paradox: those with the most intellectual resources to design a new system have the least immediate incentive to implement it, fearing the loss of hard-won comforts.

The Algorithm of Sustainability (AoS) breaks this deadlock by flipping the script. **Its first and most natural implementers are not the indebted, comfort-bound economies of the Global North, but the agile, forward-looking nations of the Global South.** This is not a concession, but a strategic and moral insight.

The Structural Advantage: Leaping Over the Old System's Wreckage

Countries like Rwanda, Kenya, or Costa Rica do not need to *dismantle* a collapsed system; they can *build anew* on a cleaner foundation. They possess key advantages that make the Algorithm of Sustainability not just viable, but optimal:

1. **Lower "Transformation Pain":** In societies with a high proportion of absolute poverty, the immediate effect of the Universal Dividend (UD) is not a philosophical debate—it is tangible liberation from daily survival anxiety. The fear of losing unsustainable luxury consumption patterns (a major psychological block in the North) is absent. The Algorithm of Sustainability offers a direct, measurable step up in dignity and security.

2. **Financial Habits that Mitigate Inflation Risk:** In many countries, significant portions of the population are "unbanked" or hold savings in non-monetary forms (livestock, goods, community ties). This means the **Liquidity Levy (LL)**, a key stabilizing tool, operates in an environment where its initial effect on massive digital cash hoards is less pronounced, allowing for a smoother, controlled introduction of new monetary dynamics.
3. **Sovereignty Over Land and Resources:** Many nations retain stronger communal or state ownership frameworks for land and natural resources. This provides a clearer starting point for implementing the **Land Value Levy (LVL)** as a common-good mechanism, rather than fighting decades of privatized entitlements.
4. **The Power of Pragmatism:** Post-colonial development has been a story of imposed models—structural adjustment, extractive debt, growth-at-all-costs mandates. The Algorithm of Sustainability offers a model born not from Western hegemony, but from universal systems logic. It is a tool for **sovereign development**, enabling nations to escape the dual traps of colonial debt and neo-colonial growth imperatives.

The Algorithm of Sustainability as a Post-Growth Development Model

Traditional development theory is a ladder: "poor" countries must replicate the industrial, resource-intensive growth of the "rich" to "catch up." This ladder is broken—ecologically suicidal and based on a destination (Northern overconsumption) that is itself in crisis.

The Algorithm of Sustainability proposes a different path: **development as stability, not as catch-up growth.**

- **Goal:** Not maximizing GDP, but ensuring **affordable basic necessities for all** (food, shelter, energy, healthcare, education) through the UD and intelligent resource management.
- **Means:** Using the Algorithm of Sustainability levers (LVL, LL) to create a self-financing cycle of domestic purchasing power and investment, decoupled from the need to attract speculative foreign capital or exploit natural resources for export at any cost.
- **Outcome:** A resilient, circular national economy that prioritizes the well-being of its citizens and the regeneration of its ecosystems over abstract growth metrics.

The Domino Strategy: From Pioneer to Beacon

The implementation of the Algorithm of Sustainability in one pioneering nation is not an isolationist act. It is the first domino in a peaceful global transformation.

1. **The Pilot as Proof:** A successful implementation—measured in stability, poverty reduction, and ecological regeneration—becomes an irresistible beacon. It provides hard data against fear-mongering and abstract criticisms.
2. **Economic and Moral Pull:** As described in Module 5.6, the "pull effect" begins. Skilled diaspora return, ethical investment seeks stable ground, and citizens in neighboring countries demand the same dignity. The model spreads through attraction, not coercion.
3. **Reforming Global Trade from the Ground Up:** A pioneer nation, part of a "Fair Standards Zone" (Module 4), is no longer a price-taker in a race to the bottom. It sets the terms: trade

with us on the basis of our high social and ecological standards, or face countervailing duties. This turns the current power dynamic of global trade on its head.

A Direct Invitation to Forward-Thinking Leaders

This book, therefore, is not merely an analysis. It is an **open-source blueprint and an invitation**.

To the policymakers, economists, and civil society leaders of the Global South: you are not the intended beneficiaries of a Western savior's plan. You are the **essential pioneers**. Your nations have the courage, the need, and the structural opportunity to build the first post-growth, stability-based economies of the 21st century.

The Algorithm of Sustainability offers a path to:

- **Financial Sovereignty:** Escape the debt trap and speculative capital flows.
- **Food and Energy Sovereignty:** Prioritize regenerative, local cycles over extractive exports.
- **Social Sovereignty:** Build cohesion through the shared dividend of your common heritage, not through divisive scarcity.

The old system is a sinking ship. The lifeboats are not reserved for first class. The nations that build the first new, seaworthy vessels will define the future. This manuscript is offered as the shipyard's plans.

The Algorithm of Sustainability awaits its first builders. The world awaits its first proof.

Module 2: The Technical Core Model (The "What")

Chapter 2.1: How the Parts Work Together: Liquidity Levy (LL), Land Value Tax (LVT), Land Value Levy (LVL), and Universal Dividend (UD)

Our current system is based on a paradoxical logic: interest and ground rent are the reward for the owners of money and land making these vital resources available to society in the first place. But why do we have to reward them for this? Why don't we punish the opposite instead—the non-use and hoarding of these common goods?

This is precisely where the algorithmic cycle of the universal dividend comes in. It replaces the old principle with a new one:

The principle of intelligent usage fees:

Instead of rewarding the lending of money and land with interest and ground rent, we levy a fee for their non-use or hoarding. The liquidity levy is the fee for hoarding money. The land value tax or levy is the fee for leaving land fallow or speculatively withholding it.

The result is a revolationary shift in motivation:

- Money is no longer lent primarily to earn interest, but to avoid the costs of the liquidity levy.
- land is used productively to cover the costs of the land value tax.

This simple change in incentives puts an end to the artificial scarcity of the vital resources of money and land. It stops the automatic concentration of wealth among those who already have a lot, thereby removing the basis for exponential economic growth, chronic austerity, and systemic over-indebtedness. Within this new framework, markets can finaly fulfill their actual purpose: the efficient satisfaction of human needs.

How it works

The liquidity levy and the land value levy, in the broadest sense (i.e., including radio licenses, etc.), feed into a single pot. From this pot, the universal dividend is distributed to everyone. This money flows into the economy: it is spent on food, rent, services, and goods.

The crucial cycle: the money spent ends up back in the accounts of other people and companies (at the bakery, the landlord, the craftsman). So it is not consumed, but circulates. The liquidity levy is then payable again on these credits, which replenishes the pot for the next UD payment.

Stability through a closed loop:

Since money circulates within the system, the total amount of all legal tender (the money supply M1) remains constant. This also means that the revenue from the liquidity levy is stable and predictable at a fixed liquidity levy rate. The only entity that can actively change these values is the central bank: it has the option of increasing/decreasing the money supply M1 or adjusting the percentage of the liquidity levy in order to stabilize the economy. (We explain how this works in Module 3).

The result is a self-sustaining, stable cycle that can be monitored and controlled by the central bank.

The Law of dynamic adjustment:

In the core model of the sustainability algorithm, the liquidity levy (LL) acts as a stabilizing regulator. In conjunction with the universal payout, this leads to a fundamental systemic effect: the monetary assets of all personal UD accounts tend dynamically toward the average in the long term.

- Those who hoard below-average amounts of money receive a high net credit from the UD. Their savings rate is high, so their assets grow disproportionately fast—they catch up.
- • Those who hoard above-average amounts of money pay more liquidity levy net than they receive UD. Without significant new savings, their wealth shrinks relatively—it approaches the mean.

This automatic control loop ends the redistributive effect of compound interest and replaces it with a mechanism that tends toward greater distributive justice and macroeconomic stability.

Chapter 2.2: "The central bank as 'manager of the cycle'"

Its main task is to ensure the stability of the system. It has two main tools at its disposal to achieve this:

- It controls the money supply (M1): As is the case today, it can put new money into circulation or withdraw money from circulation. This is its primary instrument for ensuring price stability and combating inflation or deflation. Liquidity levy provides it with a direct and extremely effective tool for this purpose. (How this interaction works in detail is explained in Chapter 2.7.)
- It determines the amount of the liquidity levy: This is its tool for controlling the revenue for the universal dividend (UD). Its goal is to find a rate that enables a universal dividend sufficient to cover living expenses.

This separation of responsibilities is crucial. It means that the amount of the universal dividend and the control of the money supply are two independent levers. The central bank can reduce or increase the money supply to counteract inflation and deflation, while at the same time increasing the liquidity levy to secure the revenue for a universal dividend that provides a living wage.

In practice, however, particularly during the introductory phase in economicalay strong countries with high financial assets, these two levers can interact dynamically. In such a transformative phase, the strategic priority can be temporarily shifted from strict inflation control to securing basic services while allowing for a corrective price increase. The details of this process are explained in Chapter 2.8.

The universal dividend ensures basic security for everyone in essential areas. Adjustments in overall demand then take place primarily in the area of non-essential consumption. This protects the system from political abuse and economic overheating without jeopardizing the existential security of citizens.

Important: These two objectives are decoupled from each other. The central bank does not act arbitrarily, but according to fixed, transparent rules:

1. How liquidity levy works technicalay – simply and automatically

Implementing liquidity levy is less complicated than it sounds. Think of it as an automatic, daily account maintenance fee that is immediately returned to you.

- Calculation: Every day, the central bank's computer system calculates a fixed percentage (e.g., 0.02% in the begining) of the respective end-of-day balance for each daily available credit balance in the legal currency (central bank CBDC, checking account, e-money account, call money account).
- Booking: This amount is automatically debited and transferred to a separate collective account for the universal dividend.
- Refund: The income from the liquidity levy is paid out immediately and evenly to all eligible citizens. To avoid conflicts with other transactions, this entire process (calculation, booking, payment) takes place within a clearly defined time window, idealay at night when payment transactions are suspended.
- Separate accounting of resource rents: Revenue from land value levies and leases for the use of natural resources (such as forests, water bodies, mining licenses) is managed separately from the liquidity levy and is usualay paid out to eligible parties at longer intervals (e.g., monthly). This separation ensures transparency regarding the origin of the funds.

2. Impact on the credit market: The decisive incentive

The liquidity levy creates the conditions for a market-driven interest rate. The key lies in investor behavior:

- An investor will lend their money at an interest rate of close to 0% if the expected loss due to the liquidity levy (through hoarding) is higher than the (low) interest rate waiver.
- Example: With a liquidity levy of 0.02%/day (7.3%/year), it is rational for an investor to lend their money at an interest rate of 0% p.a. rather than hoarding it and losing 7.3% p.a. through the liquidity levy.
- The price of loans (the yield curve) is determined solely by supply and demand for loans (money lent). If demand for loans is low, interest rates can easily become negative. This dynamically adjusts the amount of credit to the needs of the economy.

3. What happens to cash?

Cash remains legal tender in order to preserve personal freedom and privacy.

The trade-off: a free exchange rate

To keep the system stable, there will be a free exchange rate between cash and daily available balances in the legal currency (such as bank money in bank accounts or a digital central bank currency).

- Why? Because these credits are subject to liquidity levy, they will have a slight value advantage over cash in trade.

- The result: this difference makes simply hoarding cash to circumvent liquidity levies unattractive and expensive, as a surcharge would have to be paid for the exchange. However, freedom of choice remains.
- The practical incentive: The universal dividend is also paid out exclusively as demand deposits, which further increases its practical usefulness and attractiveness.

The decisive guarantee of acceptance: the state as the first and most important pillar

The technical stability of the system is ensured by a simple but powerful legal lever: all binding payments to the state—taxes, duties, fees, and fines—can only be made in the legal currency. Since the liquidity levy is de facto a government fee on the use of liquidity, it is the first and most important of these mandatory payments.

At the same time, the universal dividend is also paid exclusively in this currency. This symmetrical construction creates an immediate and irrefutable demand for the daily available credit balances:

1. Every economic actor—whether an individual or a company—must hold assets in the legal currency in order to meet their obligations to the community.
2. Every citizen receives their universal dividend from common property in precisely this currency.

This cycle guarantees that the legal currency is not only the legal tender but also the only economicalay rational means of payment for all transactions within the economy. It links the individual's obligation with the individual's right to fair compensation, thus ensuring system-wide acceptance and stability.

Chapter 2.3: Practical implementation of resource rent

The collection of resource rent is not a rigid model, but can be adapted to the circumstances of each country. The goal always remains the same: the value created by the community should benefit the community.

Two ways to socialize ground rent

- **land value tax (LVT) and land value levy (LVL):** This is the way forward for countries with predominantly private land ownership. The owner retains the land but pays a monthly levy on its value.
- **State lease model:** In this model (successfulay practiced in Singapore, for example), the land remains in public ownership. Users pay rent for the rights of use. The rental income can be used directly for public expenditure and universal dividends. This can generate higher and more direct revenues. A hybrid of both models is possible.

1. Automated and fair assessment of land value

Determining land value does not have to be a complex process:

- **Automated estimation:** land value can be estimated largely automatically based on data such as previous sales proceeds, location, development plans, and infrastructure connections.
- **Independent expert committee:** This committee only becomes active if one or more owners or possessors object to the automatically determined value. A fee could be charged for filling such an objection in order to limit frivolous objections and cover the costs of the review. This system ensures efficiency while guaranteeing fairness.

2. Auctioning of usage rights and licenses

The best way to determine the market price for scarce public goods such as radio frequencies, mining licenses, or emission rights is through a transparent auction. The proceeds flow directly into the universal dividend pot in the form of monthly lease payments. This ensures that the community receives the full market value.

Chapter 2.4: The universal dividend (UD) – The social dividend

In the UD system, the universal dividend is not charity, but rather a concrete monetary dividend that every citizen receives for their share of the country's common resources. It is the result of intelligent management of common property.

1. The universal dividend as a unifying element

- Advantage: It saves a ton of administrative costs, which can then be used for other government stuff.

2. Amount and dynamics of the universal dividend

The amount of the universal dividend isn't a fixed political thing, but a math thing:

Universal dividend = (revenue from liquidity levy + revenue from land value levy) / number of people who qualify

- The universal dividend scales: it grows with the system's revenue. A successful country that manages its resources wisely can automatically pay its citizens a higher universal dividend.
- Transparency: everyone can understand the revenue and the calculation. This creates trust.

The universal dividend radically simplifies the welfare state. It consolidates a multitude of existing, bureaucracy-intensive transfer payments (such as basic income support, child benefit, housing subsidies) into a single, transparent payment.

3. Who receives the universal dividend?

The universal dividend (UD) is paid to every legal resident, regardless of age, employment, or income. This universality is crucial because it:

- Reduces bureaucracy: There are no means tests.

- Ends stigmatization: Everyone receives it; it is not “poor relief.”
- Emphasizes community: Everyone has an equal share in the common heritage.

4. Universal dividends and the question of work

A common misconception is that universal dividends would discourage people from working. The opposite is true:

- It frees people to work: It enables people to reject low-paid, precarious jobs or to become self-employed.
- It values care work: It recognizes unpaid work (childcare, nursing) socialy and financialy.
- It creates bargaining power: Employees can negotiate wages and working conditions from a position of strength.

The universal dividend is therefore not the end of work, but the beginning of a new, more self-determined work culture.

5. The universal dividend as the foundation for ecological sustainability

This economic change is not happening despite, but in harmony with, the consistent protection of our natural resources. The universal dividend decouples individual livelihoods from resource-intensive economic growth. For the first time, a society can make ecological decisions without fear of social upheaval. A shrinking but circular economy does not become a social catastrophe in a UD system.

6. Ultimate stability: the universal dividend as a social buffer

The universal dividend is more than just a payment; it is an unbureaucratic, automatic stabilizer for society as a whole. Even if economic performance were to decline temporarily—for example, due to necessary ecological changes—the universal dividend would ensure that everyone could afford the necessities of life. The adjustment then takes place not out of fear for one's livelihood, but largely voluntarily in the form of non-essential consumption. This makes society more crisis-proof and capable of action, even in turbulent times.

Chapter 2.5: Honest Markets: Liability and Risk

The universal dividend creates the macroeconomic conditions for stability. For markets to truly function for the benefit of all within this framework, two clear, immutable rules are needed:

1. The principle of full liability (no bailout)

- **Principle:** No uninvolved party may be held liable for an investment loss or unrealized profit. Every market participant must expect that neither the state nor taxpayers will cover their losses.
- **Consequence:** This rule puts an end to the “too big to fail” phenomenon. Companies, banks, or funds that speculate with high risks and fail must bear the consequences and may

disappear from the market. This disciplines investment behavior and prevents risks from being passed on to the general public.

These two principles create an honest market in which prices reflect the true costs and risks. This has an immediate ecological and social steering effect:

- **In the internal market:** Companies that violate high environmental and social standards are held accountable by the justice system. At the same time, they lose their employees, who—financialay secure thanks to the universal dividend—no longer have to put up with poor working conditions. The state ensures compliance with the rules, while citizens ensure demand for products that are automatically fair and environmentalay friendly.
- **In international trade:** The compensatory tariffs described in Module 4 ensure that imports from countries with low standards are automatically more expensive than sustainably produced goods. The result is a transparent, self-perpetuating cycle of sustainability: A "cheap product" based on environmental destruction or exploitation becomes the most expensive product on the shelf. A regional product that has already internalized the true costs becomes the cheapest and most attractive option without the need for costly seals and bureaucratic controls. The market regulates itself for the benefit of all.

2. The principle of risk-return ratio

Principle: The potential return on an investment must always be in reasonable proportion to the risk taken.

The spectrum: This spectrum ranges from:

- **High risk (such as playing the lottery):** An extremely high but very unlikely return is offset by a virtualay certain total loss of the investment.
- **Very safe (e.g., long-term loans to solvent debtors):** Here, profit and loss are expected to be close to 0% because the risk is minimal.

Effect: This natural relationship is often distorted in today's system by government guarantees and bailouts, among other things. The universal dividend restores it. It ensures that safe investments do not yield high returns (as the liquidity levy makes hoarding unattractive) and that risky investments must bear their full risk. This directs capital into productive, real economy investments with sustainable return expectations.

These two principles create an honest market in which prices reflect true costs and risks, and in which success is rewarded and failure is not absorbed by the community.

Chapter 2.6: Determining the amount of the universal dividend – A transparent algorithm

The question of the “right” amount of the universal dividend (UD) is not answered arbitrarily by politicians, but through a transparent, data-driven process. The goal is to arrive at an amount that ensures basic needs are met.

1. The virtual shopping basket of basic needs

An independent commission (consisting, for example, of nutritionists, doctors, sociologists, and statisticians) defines a virtual shopping basket of what is considered “essential for life.” This includes:

- **Food:** Daily minimum requirement of calories, proteins, etc.
- **Housing:** A certain number of square meters per person at the average rental price.
- **Energy:** A basic allowance for heating and electricity.
- **Clothing, ransportation, communication:** Basic requirements for participation in social life.
- **Health insurance:** The mandatory contribution is includet in the universal dividend (UD).

2. The automatic price monitor

Software automatically calculates the amount of money needed to purchase this basket of goods on a daily basis, based on current statistical price data. This is the theoretical reference value for a universal basic income that would secure a person's livelihood.

3. The three stop switches for the increase

The gradual increase in the universal dividend is stopped as soon as one of the following three criteria is met:

- **Criterion A (need):** The theoretical reference value of the software is achieved.
- **Criterion B (stability):** A predefined stability indicator from the implementation roadmap (see section 3.4) is achieved. Economic stability is a priority.
- **Criterion C (acceptance):** A large proportion (e.g., 90%) of recipients of conditional social assistance voluntarily waive this and switch to the (even lower) universal dividend. This is the strongest evidence that the combination of UD level and unconditional freedom is perceived as sufficient.

4. Adjustment and fine-tuning

- **Price changes:** If the prices in the shopping cart change, the algorithm automatically adjusts the liquidity levy to maintain the purchasing power of the universal dividend (up or down).
- **The acceptance factor:** If criterion C (acceptance) occurs before criterion A (need), the universal dividend can ultimately be set at a value below the theoretical reference value,

e.g., reference value x 0.9. This is legitimate, as this amount is obviously sufficient for the vast majority of people.

- **Individual hardship cases:** For people with special needs (e.g., due to serious illness), health and long-term care insurance will cover additional costs, which will be financed by the universal dividend. This process ensures that the amount of the universal dividend is fair, stable, and democraticalay legitimate.

Chapter 2.7: Impact on inflation

One argument frequently cited against a basic income is that it would trigger inflation. Is this true?

Price shifts vs. inflation

It is true that the introduction of a universal dividend would shift the price structure—but this is not the same as general inflation.

- The consistent protection of our natural resources will make many raw materials more expensive.
- Supply and demand will cause wages for necessary but unattractive jobs (e.g., in nursing, skilled trades, agriculture) to rise.

These changes are intentional steering effects, not systemic errors.

The key point is that if a household spends more on a product that has become more expensive (e.g., meat), it will have to save elsewhere if its income remains the same. The same applies to the economy as a whole. Demand shifts, but overall economic demand does not necessarily increase.

The control loop of money supply management:

- **Inflation (too much money chasing too few goods):** If the prices of the simplified basket of goods (see section 2.6) rise evenly, this is a sign that the money supply or its velocity has increased too much. The central bank responds by withdrawing more money through the liquidity levy than it distributes as a universal dividend. The difference “disappears” from the system, the money supply M1 shrinks, and inflation is curbed.
- In the event of deflation (too little money inhibits the economy): If prices fall evenly, this is a sign of a shortage of money. The central bank creates new money and distributes more than a universal dividend than it coluects through the liquidity levy. The money supply M1 is increased to stimulate the economy.

This automatic control loop replaces complex and often sluggish interest rate policy with direct, transparent, and effective intervention in the money supply. In addition, the “basket of goods” relevant to monetary policy can be reduced to essential goods, which makes the measurement of price stability more accurate.

Conclusion: The universal dividend does not trigger inflation. It replaces undesirable price stability (based on environmental destruction and low wages) with a new, desired price structure. At the same time, it provides the central bank with a precise tool in the form of liquidity levy to effectively prevent genuine, demand-driven inflation.

Chapter 2.8: The transformative phase: inflation as a corrective measure

The gradual introduction of the Algorithm of Sustainability in a highly indebted industrialized country is likely to trigger a phase of structural price adjustments. This is neither a mistake nor a cause for panic. Rather, it is the necessary correction of decades of misguided development.

Our current monetary system has created a huge nominal credit pyramid that is decoupled from the real economy. Permanently positive interest rates forced this exponential growth. The sustainability algorithm puts an end to this dynamic.

The combination of liquidity redistribution and a possible phase of moderate inflation will result in a **'great adjustment'**:

- **Excess financial assets** will lose value in real terms.
- **Excessive debt mountains** will become more bearable in relation to the real economy.

The result is an economy whose total assets once again correspond to its actual production potential. Our priority in this phase is not to prevent every price increase, but to secure basic provisions for all through the universal dividend and the control of the basket of basic necessities. The reduction of speculative ballast is the price for a permanently stable and fair economy.

Strategic control during the transition phase

The central bank is pursuing a dual strategy during this phase:

1. **Protection of basic services:** The stability of the basket of basic necessities (Chapter 2.6) is the top priority. The amount of the universal dividend is adjusted so that it always remains affordable.
2. **Allowing adjustment:** At the same time, the controlled real loss in value of speculative financial assets is not actively combated. This is a deliberate side effect aimed at restoring the health of the economy.

This process is not permanent. Once the amount of credit has stabilized at a sustainable level that corresponds to the real capital requirements of the economy, the stable equilibrium described in Chapter 2.7 will take effect.

Module 3: The Implementation Roadmap (The “How”)

Introduction

The universal dividend is not an overnight revolution, but a carefully planned evolationary process. This roadmap outlines the steps to introduce the model gradually, stably, and with democratic legitimacy.

Chapter 3.1: Phase 1 – Preparation and feasibility (years 1–2)

Thorough preparation is crucial before implementation begins.

1. Formation of an independent Algorithm of Sustainability commission:

- This commission is composed of independent economists, representatives of the central bank, tax experts, ethicists, IT specialists, and representatives of civil society.
- Task: Preparation of a detailed feasibility study.

2. The feasibility study:

- Data analysis: Precise survey of the current money supply (M1), land values, and the potential of other resource rents.
- Modeling: Economic simulation of the effects of different liquidity levy (LL) and land value tax (LVT) rates on inflation, economic growth, and the amount of the universal dividend (UD).
- Legal review: Review of constitutional compatibility.
- Technical concept: Creation of a rough concept for the necessary IT infrastructure.

3. Broad public debate:

- The report is presented to the public and discussed in a national dialogue. The goal is an informed democratic decision.

Chapter 3.2: Phase 2 – Gradual, indicator-driven introduction (from year 3 onwards)

The gradual introduction is a direct response to a legitimate criticism: such a profound change is a system change whose consequences are difficult to predict in full. Responsible politicians are rightly wary of such a risk.

Our approach: not a leap, but a staircase

Instead of a “big bang,” we propose an evolationary process that minimizes risk and builds trust:

1. **Controllability:** Each step is small and can be stopped or reversed immediately if undesirable developments occur. Some of the indicators required for this are listed in section 3.4.

2 **Learning ability:** Society, the economy, and politics can observe and understand the effects in real time.

3 **Democratic legitimacy:** Any increase in rates is legitimized by positive data, not political pressure. The population experiences the benefits (rising universal dividend, falling taxes on labor) gradually and can agree to the path.

This approach makes the universal dividend politically enforceable because it removes the fear of the unknown and enables decision-makers to act without incurring incalculable risk.

The staggered increase in tax rates

The financial basis for the universal dividend will be gradually increased through separate and staggered increases in the land value tax (LVT), the land value levy (LVL), and the liquidity llevy (LL). This serves to minimize risk and enable a precise analysis of the economic effects.

1 Starting point for the land value tax and land value levy:

- The land value tax and land value levy initialay replace the existing property tax. If no such tax exists, a moderate rate of, for example, 0.5% per year on the land value is applied.
- At regular intervals (e.g., every four months), the land value tax/land value levy is increased by a further 0.5% per year.
- Stop criteria for the land value tax/land value levy increase: The process is halted as soon as one of the three general criteria (A: demand met, B: stability at risk (see section 3.4), C: acceptance achieved) is fulfilled. In addition, the increase can be stopped in urban areas as soon as the land value tax has replaced all other taxes (approaching the “single tax” model).

2. Starting point for the liquidity levy (LL):

- The liquidity levy begins with a rate that corresponds to historical considerations for securing circulation and is below the expected interest rate on loans, e.g., 0.02% per day (approx. 7.3% per year). The GDP growth rate, which correlates with credit demand, can serve as a guide for subsequent adjustments. The liquidity levy should always be at least 0.02% per day below the GDP growth rate.
- Only when the land value levy has reached its maximum and the UD level has not yet reached the target value is the liquidity levy gradually increased until one of the stop criteria (A, B, C) is met.

This approach makes it possible to identify the critical values for each levy separately and to bring the system to the desired level with maximum transparency and control.

Chapter 3.3 The gradual replacement of the tax system: From complexity to simplicity

A key feature of the gradual introduction is the parallel dismantling of the current, inefficient tax system. This will take place in clearly defined phases:

1. **Replacement of social spending:** From the outset, the universal dividend replaces a growing portion of tax-financed social benefits (basic income support, child benefits, etc.). The budgetary resources thus freed up can be used for other purposes or returned to taxpayers.
2. **Replacement of property tax:** The land value tax and land value levy immediately replace the existing, complex property tax.
3. **Replacement of taxes on labor:** With rising revenues from the land value tax and resource leases on urban land, wage and income taxes as well as non-wage labor costs will be gradually reduced. This will directly relieve the burden on employees and companies and strengthen purchasing power.
4. **Further simplification:** In the final vision, the land value tax could become a “single tax,” as envisaged by Henry George, replacing almost all other taxes.

Cost neutrality for society

For end consumers—that is, all of us who ultimately pay for private and public services—these measures are cost neutral. There is no net burden, but rather a redistribution of taxes:

- Away from burdensome taxes on labor and consumption.
- Toward a tax on unproductive resource hoarding.

The result is a radically simplified, more transparent, and fairer system that rewards productive activity instead of punishing it.

Chapter 3.4: The Stability and Success Monitor – New Standards for a New Economy

The gradual introduction of the universal dividend is not measured by gross domestic product (GDP). GDP measures the level of economic activity, not its quality or sustainability. Instead, success is measured using a catalog of concrete goals that are crucial for quality of life and stability. These goals are the stop switches and guard rails for the gradual increase in tax rates. The process is slowed down or stopped when negative trends emerge.

The key criteria for success:

1. **Security of basic services:** The supply of essential goods and services to the population—in particular food, housing, energy, and healthcare—must be guaranteed at all times and affordable for all through the universal dividend. (Highest priority).
2. **Stability of total debt:** The aggregate debt of private households, businesses, and public budgets (in economicalay strong countries) should not increase. A decline is a positive signal for defusing financial bubbles.
3. **Reduction of social transfer bureaucracy:** Tax-financed expenditure on bureaucracy-intensive social benefits (such as unemployment benefits, basic income support, housing

benefits) must be significantly reduced, as they are becoming increasingly obsolete due to the universal dividend (UD).

4 **Broad wealth creation:** The monetary and real estate assets of the vast majority of private households must grow. This is the key measure of the success of the redistribution of economic rents, which have so far mainly benefited the wealthy minority.

5 **Preservation of purchasing power of the universal dividend:** The universal dividend should be calculated at least so that it compensates for possible increases in the cost of essential goods and services. The aim is for the universal dividend to reach a level that secures a decent standard of living, provided that no other indicators suggest otherwise (see section 3.4).

6 **Infrastructure quality:** The quality of public infrastructure (transport networks, digital networks, education and health facilities) must at least be maintained and improved in the long term. It should be adapted to actual needs.

7 **Noticeable reduction in bureaucracy:** There must be a measurable reduction in regulations and administrative burdens, particularly in the areas of tax Law and social Law. Effective emissions trading within a zone of fair standards (→ Glossary) would, for example, render most of the fragmented regulations on energy conservation superfluous. The revenue generated from this could also facilitate international cooperation as a further pillar of the universal dividend.

Conclusion: This catalog replaces the pursuit of growth at any price with the goal of a resilient economy that serves the well-being of people and the protection of the planet. It makes the progress of the “algorithm of sustainability” project transparent, verifiable, and democraticalay legitimate.

Chapter 3.5: The technical framework – The Algorithm of Sustainability AoS

The introduction of the universal dividend is not governed by political arbitrariness, but by transparent, algorithmic processes. This ensures stability and fairness and protects the system from abuse. The core components of this framework are:

1. The distribution algorithm: Calculating the universal dividend

Universal dividend (UD) = (income from liquidy levy + income from land value levy / number of eligible persons

This algorithm ensures that the “social dividend” from our shared resources is paid out to everyone in a mathematicalay fair manner.

2. The stability algorithm: controluing the money supply

- Input: inflation rate (measured by the basket of basic necessities).
- Rule: IF (inflation > target range) THEN (reduce M1); this removes money from circulation and curbs inflation.

This central bank control loop replaces complex interest rate policy with direct and effective intervention.

3. The stop switch algorithm: Gradual introduction

AS LONG AS (universal dividend (UD) < reference value) EXECUTE:

gradually increase land value levy or liquidity levy;

STOP IF (criterion_A = TRUE); // Reference value reached

STOP IF (Criterion_B = TRUE); // Stability at risk

STOP IF (Criterion_C = TRUE); // Acceptance achieved

This process ensures that the gradual increase in the universal dividend is data-driven and minimizes risk.

Summary: This algorithmic control makes the universal dividend a predictable and stable system in which the rules are clear to everyone and the results are transparent for everyone.

Chapter 3.6: The predictable resistance and how it can be overcome

The introduction of the universal dividend will not fail because of technical details, but because of organized resistance from those whose business models are based on scarcity and speculation with money and land.

1. The opponents: A strong but small coalition

The resistance is mainly led by asset managers in the financial industry, large landowners, and speculators. For them, the universal dividend is a threat to their current income because it:

- Makes returns from pure money ownership (through the liquidity levy) unattractive.
- Skims off the speculative increase in land value (through the land value tax and land value levy).
- Demystifies their entire business model, which is based on controluing scarce assets.

2. Their tactics: fear and disinformation

Their arguments will be emotional rather than factual. They will frame:

- The liquidity levy as a “punitive tax on savings.”
- The LVT as an “act of expropriation.”
- The universal dividend as a “socialist redistribution utopia” that will lead to inflation and economic collapse.

3. The strategy for success: education and a broad alliance

To overcome this resistance, the universal dividend must be positioned as a project of the democratic majority that is being blocked by a small privileged minority.

Transparency as a weapon: Every argument must be refuted with the clear facts and models of the feasibility study.

Mobilize the broad coalition of supporters: The universal dividend benefits an overwhelming majority:

- Employees (through lower taxes on labor).
- Tenants and young families (through reduced land speculation).
- Innovative entrepreneurs (through cheap loans, and customers with purchasing power).
- Society as a whole (through ecological stability and less poverty).

Identify the conflict: The question is: Should the proceeds from our shared resources benefit a small elite or the entire population?

The battle for the universal dividend (UD) is not a technical one, but a political and ideological one concerning the question of justice and the sovereignty of democracy over the economy.

Chapter 3.7: The biggest hurdles are not arguments, but instincts – strategies for dealing with ignorance and intuitive rejection –

The introduction of the universal dividend will fail not only because of organized resistance from the elites, but above all because of two quieter, more powerful forces: deep-seated ignorance and an instinctive rejection that often closes the door to rational arguments. This chapter analyzes the origins of these hurdles and outlines ways to overcome them.

1. The analysis: Where do ignorance and intuitive rejection come from?

A) Ignorance through overload and cognitive dissonance

- **The legitimate disinterest of the majority:** Most citizens are rightly busy managing their own lives. Complex economic models seem abstract, irrelevant, and overwhelming. This attitude is not laziness, but a rational response to a complex world.
- **The defensive attitude of experts:** For those who have studied economics, the sustainability algorithm often contradicts what they have learned and taught for years (e.g., the neutrality of money, the necessity of interest rates, the definition of “performance”). This cognitive dissonance—the discomfort that arises when fundamental beliefs are challenged—often triggers a reflexive rejection that masquerades as ignorance or blanket dismissal (“That's unrealistic!”).

B) Instinctive rejection: our evolationary legacy

Our social behavior was shaped over hundreds of thousands of years in egalitarian hunter-gatherer groups. These influences continue to have a powerful effect on us today:

- **The free rider alarm:** in small groups, the survival of the community depended on everyone participating. Those who deliberately lived at the expense of others (“free riders”) endangered everyone. This behavior was severely punished. Our brains are therefore evolationarily programmed to want to sniff out potential “freeloaders.”

- **Respect for the “successful”:** In primitive societies, the hunter who made a big kill was indeed a top performer for the whole group. His “wealth” was fleeting and was shared, but it brought immediate benefits to the community. The recognition he received was the “currency” that motivated him to further achievements for the group. This explains why we still tend to automatically respect people who are considered ‘successful’ today—even if their modern “success” (e.g., inheritances, investment income) no longer has anything to do with a direct achievement that benefits the community.

2. The conflict: Old instincts in a modern world

Our anonymous, highly complex financial capitalism is a completely new environment for which our evolationary tools are not designed.

- **The invisible freeloader:** Today, it is nearly impossible to identify the true “freeloader.” Our instincts are therefore often misguided: they target the visible welfare recipient, while the invisible heir to capital gains, who consumes more than he contributes, is considered “successful” and respectable.
- **Corrupted recognition:** Our innate need to give and receive recognition is exploited in today's system. Recognition is linked across the board to wealth and status, regardless of whether or not it is based on achievements that benefit the common good.

3. The social topography of change: Why the starting point is crucial

Resistance to the introduction of the sustainability algorithm will not be uniform. It follows a social topography that is shaped less by absolute income than by psychological attachment to familiar patterns of consumption and lifestyle.

- **In societies with a high proportion of absolute poverty**, the Algorithm of Sustainability is a clear and immediately noticeable step forward. For people who struggle to survive on a daily basis, the universal dividend means immediate relief, security, and dignity. The question of giving up familiar luxuries does not arise for them, as they have never known these luxuries. Approval is highest here, and change is easiest.
- **In relatively affluent societies with high levels of inequality**, resistance will paradoxicalay be stronger—and it will not only come from the super-rich. The relatively poor in these societies (e.g., the average German household) do not fear the loss of their livelihood, but rather the loss of hard-won habits and status symbols: their own car, regular meat consumption, long-distance travel. Psychologicalay, this loss is often more difficult than never having had these things in the first place.

The Algorithm of Sustainability addresses this by revealing the true costs of these habits while offering a safer and freer alternative. The reduction in taxes on labor, the relaxed housing situation, and basic financial security create the mental space to experience new, more sustainable lifestyles not as a sacrifice, but as a gain in quality of life.

St**rategic implication:** This underscores why the Algorithm of Sustainability might initialay be easier to implement in countries with high absolute poverty and low consumption levels. Their success would serve as a living example and reduce the fear of change in richer countries.

4. The solution of the sustainability algorithm: A system that is compatible with our ethics

The sustainability algorithm ends this conflict without assigning blame. It creates a system that is fair and instinctively comprehensible.

- The universal dividend puts an end to invisible free riding: By pricing the use of shared resources (money, land) and distributing the proceeds back to everyone, the universal dividend makes it visible who is consuming an above-average share of the common good. The net payer is not "evil," but pays fairly for their above-average use. Net recipients are not "lazy," but are rewarded for their below-average use.
- The universal dividend decouples recognition from resource use: In an Algorithm of Sustainability society, recognition once again becomes what it should be in evolationary terms: respect for actual achievements, creativity, and contributions to the common good—and not merely a reflex to accumulated wealth.

Overcoming this evolationary dilemma leads to a redefinition of prosperity. Prosperity is no longer primarily linked to the amount of private wealth, but to individual satisfaction with one's own position in society.

The universal dividend creates the basis for this broad, inclusive prosperity: people with low incomes no longer have to be ashamed of their lifestyle, as their basic security is not seen as charity, but as a legitimate dividend from common property. People with high earned incomes, for their part, no longer have to defend their wealth as the sole measure of their social status, as recognition is increasingly given for concrete achievements and contributions to the common good – and not for pure possession.

By alleviating the existential shame of poverty and the defensive envy of wealth, the universal dividend satisfies the deep human need to have a recognized place in the community. It is therefore not only an economic project, but also a cultural one aimed at establishing a new, relaxed form of social coexistence.

5. The path: strategies for overcoming

So how can we deal with ignorance and instinctive rejection?

1 **Don't lecture, invite:** Instead of overwhelming people with complex models, communication should focus on concrete, emotional experiences: the unfairness of rent prices, the futility of many jobs, concern for the environment. The universal dividend is presented as a solution to these concretely felt problems, not as an abstract economic concept.

2 **Speak the language of fairness and common sense:** Use terms such as "common good pension," "social dividend," and "fair usage fee." These appeal to our innate sense of fairness and avoid the ideological pitfalls of 'redistribution' or "socialism."

3 **Recognize cognitive dissonance and gently resolve it:** When dealing with experts, don't confront them, but build bridges. Show how the universal dividend unites seemingly contradictory goals (freedom & security, market & justice). Present it as a logical development, not as a betrayal of old principles.

4 **Utilize the leverage effect of pioneers – A global strategy:** Concentrate initial energy on implementation in countries with high absolute poverty. This is where the immediate benefits are greatest and resistance is lowest. This focus may initially lay the global financial lobby into a false sense of security ("delaying strategy"). But this is precisely where the Algorithm of Sustainability unfolds its irresistible pull. As the historical example of Wörgl shows, which over 170 municipalities wanted to follow, successful pioneer countries create a dynamic reality that attracts further imitators and inevitably reaches the heartland of financial capitalism. The seemingly roundabout start with the poorest thus proves to be the most direct path to global transformation.

Conclusion: Universal basic income is not contrary to human nature; it is in favor of a more humane economy.

The seemingly greatest obstacles to universal basic income—ignorance and instinctive rejection—prove, on closer inspection, to be its greatest assets. Its model of fair leasing of our common heritage is deeply rooted in our evolationary past as social, cooperative beings. The task is not to change people, but to offer them an economic system that finally fits with what we have always been at heart: a community based on reciprocity and fairness.

As Silvio Gesell (1862-1930) suggested with the title of his magnum opus, "The Natural Economic Order," the universal dividend aims at an order in which the right decisions for the common good and the planet are made not against, but with individual economic interests.

- You no longer have to "want to be good." You just have to follow a few clear rules.
- The self-serving path is automatically the one that serves the community. Those who become net recipients through economical use of resources are acting in their own interests – and at the same time reducing the burden on the environment. Those who are innovative and want to create prosperity are rewarded with low taxes on labor and favorable loans – and in doing so create value for themselves and others.
- The result: a radical reduction in regulation and bureaucracy. When the system itself "automatically" steers people in the right direction, thousands of Laws, prohibitions, subsidies, and moral appeals that are necessary today to laboriously compensate for the misguided incentives of the current system become superfluous.

The universal dividend thus frees us from the burden of constantly having to do the "right" thing. It creates a framework in which we can do what we want, but where what we want no longer harms the community and the planet. It is an economic system of freedom that naturaly leads to stability and fairness.

Module 4: International Cooperation and Fair Trade

Introduction

The reforms to the sustainability algorithm lead to high social and environmental standards domestically. These would not be sustainable if they were undermined by imports from countries with lower standards. A clear international trade strategy is therefore crucial.

The Algorithm of Sustainability model is thus not an isolationist utopia, but a plan for a gradual, peaceful transformation of the global economic order based on cooperation and shared values. The Following chapters outline how this vision can be achieved.

Chapter 4.1: Equal standards as a prerequisite for free trade

- **The problem:** Previous “free” trade between countries with different standards has led to a race to the bottom. Companies that adhere to high standards are disadvantaged and squeezed out. Work is relocated to places where human and environmental rights are least protected.
- **The solution:** Truly free and fair trade is only possible between countries with comparable social and environmental standards. Countries that implement the sustainability algorithm (or comparable reforms) form a “zone of fair standards.”

Chapter 4.2: The adjustment mechanism: countervailing duties

- **Protection of the domestic economy:** In order to protect the domestic economy from unfair competition, goods from countries with lower standards are subject to countervailing duties.
- **Amount of duties:** The duties are set at a level that compensates for the cost disadvantage of domestic producers who have to comply with high standards. The duties are therefore not a penalty, but a fee for taking advantage of unfair competitive advantages.
- **Financing:** The revenue from these duties goes into the pot for the national universal dividend.

Chapter 4.3: The vision of a growing community

- **Rights within the zone:** There are no customs duties between member countries of the “fair standards zone.” Residents enjoy freedom of movement.
- **Incentive to join:** For poorer countries, joining offers enormous advantages.

    - Access to wealthy markets.

    - Participation in a global universal dividend financed by a tax on CO_2 equivalents.

- **Positive momentum:** The economic catch-up process in poorer member countries is promoted, while richer countries can shrink without crises. This attractive prospect makes it difficult for more and more countries to resist the reforms.
- **Ecological steering effect:** Customs policy initialay makes fair and ecological products the cheapest. The market thus automatically drives a global upward alignment of standards.

Module 5: Areas of impact – Visions of how the sustainability algorithm AoS solves specific problems

Introduction

The theoretical foundations of the sustainability algorithm are important. But how does it affect major economic and social issues in practice? This module examines the impact on key areas.

Chapter 5.1: Impact on housing – relaxation, ownership, and new freedoms

The housing market has fundamentally relaxed as a result of the universal dividend. The toxic mix of speculation, scarcity, and the pressure to work in urban centers has given way to a new, flexible, and fairer housing culture.

Supply and demand are coming into balance

Two factors had an immediate effect:

- **Geographical freedom:** Since the universal dividend means that people are no longer tied to one place in order to have a full-time job, many moved from expensive cities to more affordable rural areas, where they could afford more living space with their basic income.
- **land value tax against vacancy:** The land value tax made it unattractive to hold vacant residential space and undeveloped building land. Owners were forced to rent or sell apartments to cover the costs.

The result: the supply of available housing rose sharply, while price pressure in cities eased. Rents and purchase prices fell without the need to seal new land.

The path to home ownership for the majority

For many landlords, managing rental properties became less lucrative. This led to a wave of sales, often in favor of the previous tenants.

- **Hire purchase as standard:** Sale on a hire purchase basis – directly between buyer and seller, without a bank – became common practice. This saves the seller liquidity levy on the purchase price and the buyer saves on bank fees. The property serves as collateral.
- **Affordable loans:** If a loan is necessary, interest rates remain low due to the liquidity levy. The steady basic income is recognized as a secure income for creditworthiness.

Today, the vast majority of households own their own homes.

New forms of housing and lifestyles

Financial incentives for low resource consumption have fueled demand for smaller, more efficient homes. Many existing properties have been converted accordingly. At the same time, new, minimalist forms of living, or a life without a permanent residence as a “digital nomad,” have become more attractive.

The universal dividend has transformed housing from a source of financial burden and existential fear into a matter of personal lifestyle choice that can be made in freedom and security.

Chapter 5.2: Impact on the world of work – freedom and self-determination

Fears that a basic income would mean that hardly anyone would work anymore have proven to be unfounded. The reality is quite different: a new, more self-determined and humane work culture has emerged.

Freedom in the organization of work

Almost everyone who is able to work does so – but differently than before. The pressure has disappeared. Since gainful employment is no longer burdened by taxes and duties, undeclared work no longer exists.

The strict distinction between employed and self-employed has dissolved. Today, “dependent employment” simply means that someone is dependent on a higher income, for example to pay off a mortgage. Everyone is free to negotiate the terms of their work. Terms such as “bullying” are hardly familiar anymore, because the inhibition threshold for leaving an unsuitable job is minimal.

Be an entrepreneur, not an employee

Since putting pressure on the workforce is no longer an effective motivational tool, a new model has emerged: employee participation in the company. The simplest way to pursue common goals is to make employees co-owners. This way, everyone involved is an entrepreneur. They discuss together how the work should be done and how the profits should be distributed. Transparency in accounting ensures realistic expectations. A system in which profits are distributed only to a small group of owners while employees go away empty-handed is no longer competitive—the employees would simply leave.

New appreciation for necessary work

Of course, not everyone is a (co-)owner of a company. Many people only work when a good opportunity arises that offers not only good pay but also a good working environment. Jobs that are necessary but considered unpleasant by the majority—such as nursing, agriculture, and skilled trades—are now among the best-paid jobs. The enormous incomes from the speculative financial sector, on the other hand, no longer exist, as this sector has shrunk significantly.

More lifetime, more meaning

On average, people work significantly less for money than in the past. The most intensive phase of employment is between the ages of 30 and 50, often to finance home ownership. From the age of 50, many reduce their working hours and intensity. And the often-cited roofer who is still working on roofs at the age of 65 now does so because he wants to, not because he has to.

This vision shows that the universal dividend frees work from its coercive nature and enables a culture of cooperation, appreciation, and self-fulfillment.

The renaissance of productivity: from job killer to liberator

This new freedom in working life is causing a fundamental shift in our relationship with technology and efficiency. In the current system, productivity gains that save labor are often perceived as a threat—as “job killers” that jeopardize livelihoods. This fear is real and rational as long as an individual's income is directly linked to their wage labor.

The universal dividend breaks with this logic. By decoupling existential security from gainful employment, it transforms the motivation for technological progress. Anything that saves labor is no longer a threat, but is welcomed. Automation, robotics, and artificial intelligence are no longer fought against, but welcomed as tools that free society from monotonous, dangerous, or physicalay exhausting work.

The result is a double dividend:

1 **For individuals:** The pressure to spend 40 hours a week doing often meaningless work is fading. The time saved can be used for meaningful projects of their own choosing, for care work, for education, or simply for a more fulfilling life.

2 **For the economy:** A highly modern, extremely productive economy emerges that is not geared toward maximum employment, but rather toward optimalay satisfying human needs with minimal effort. This increase in productivity no longer necessarily leads to ever-higher consumption and resource use. Instead, it can result in shorter working hours, more durable products, and an overall reduction in the burden on ecological systems.

The UD thus creates the conditions for technological progress that serves people—and not the other way around. It is the key to an economy in which rising productivity does not lead to social upheaval, but to more freedom, a better quality of life, and greater ecological sustainability.

Chapter 5.3: Impact on species conservation and agriculture – A symbiotic relationship

The most important prerequisite for protecting the foundations of life was the abolition of privileges that enriched a wealthy minority at the expense of society and the environment. This eliminated the pressure for economic growth. Global economic output has actually declined since the reforms – but unlike in the past, this has not led to crises, but to greater stability and ecological resilience.

Species protection through consistent habitats and corridors

Preserving biodiversity has become a key social goal. Aware that we only have a rudimentary understanding of the complexity of ecology, the precautionary principle applies: no further species should become extinct as a result of human activity.

- A global network of protected areas that are off-limits to humans or heavily regulated enables species to regenerate.
- Protected corridors connect these areas and prevent genetic extinction through isolation.

- Outside these protected areas, species may be used sustainably. Illegal activities in protected areas (such as unauthorized fishing) are severely punished, including confiscation of equipment.
- Destructive technologies such as giant trawlers with trawl nets are prohibited and have been phased out.

The renaissance of small-scale, non-toxic agriculture

Industrial agriculture, with its huge monocultures, high use of chemicals, and enormous energy consumption, served primarily to satisfy the wasteful demands of a wealthy minority (e.g., animal feed, biofuels). It has largely disappeared, as the use of pesticides and herbicides is now strictly regulated.

The new normal is small-scale, diverse agriculture, which has always fed the majority of humanity:

- **Food is worth its true value:** since it is produced without ecological and social externalities, it is more expensive. This has triggered a boom in self-sufficiency.
- **Gardens and permaculture:** People save money by being partialay self-sufficient. Surplus produce from the garden can be sold at a profit. Permaculture—in which every plant and every element in the garden fulfills multiple functions—minimizes labor and pest pressure without the use of toxins. This creates habitats and promotes biodiversity right on our doorstep.

The result is a reliable supply of basic foodstuffs for everyone, with minimal resource consumption and maximum benefit for ecosystems. The universal dividend has turned agriculture from an enemy of nature into its ally.

Chapter 5.4: Impact on transportation and traffic – safety, efficiency, and quality of life

The number of motor vehicles on the roads has decreased dramaticalay. This is the result of several factors:

- **Less compulsion:** Since the universal dividend guarantees a secure livelihood, no one is forced to have a car for work anymore.
- **More accurate costs:** Driving has become significantly more expensive as subsidies for private transport have been eliminated and prices for scarce resources reflect their true ecological value.
- **Lower consumption:** As fewer and more durable goods are consumed, the transport of goods over long distances has also declined sharply. Practices such as transporting North Sea shrimp to Morocco for peeling have become uneconomical. Regional products take precedence.

A revolation in traffic safety and fairness

The remaining mobility has changed fundamentally. The maxim is: “There is no human right to be fast – but there is a human right to life and physical integrity.”

- **Equality in traffic:** All road users have equal rights. Anyone who can theoreticalay drive faster than walking speed must adjust their speed to the slowest.
- **New liability principles:** In the event of damage, the courts ask: “What would have happened if all parties involved had been equally small, equally light, and equally slow?” This stricter liability for faster and heavier vehicles leads to high insurance premiums, which make risky driving even less attractive.

Result: Fatalities and serious injuries in road traffic have become extremely rare. Children can play on the streets again.

Efficiency and new technologies

- **Higher utilization:** Remaining motor vehicles that can travel faster than 30 km/h are in virtually constant use in order to amortize the high costs. They are largely automated to rule out human error.
- **Diverse transport routes:** Small, standardized containers (SSCs) play a major role in the “Last mile” of goods transport. Towns and villiages are often supplied with SSCs via resource-saving cable cars or monorails.
- **Infrastructure dismantling:** Highways have been reduced to one or two lanes. The space freed up is being repurposed for wind turbines or other uses.

Better quality of life

The renaissance of local shops, pubs, and artisans in small towns has shortened distances. The negative consequences of traffic—noise, air poluation, microplastics—have been greatly reduced. Those who depend on transportation for medical reasons are supported by healthcare financed by the universal dividend.

The universal dividend has transformed transportation from a source of danger, stress, and environmental destruction into a system that prioritizes safety, efficiency, and quality of life.

Chapter 5.5: Impact on old-age and health care provision – security and freedom throughout life

The universal dividend revolationizes the way we think about old age, illness, and provision for the future. It puts an end to existential fears and replaces them with a system of fundamental security and individual freedom.

Old-age provision: Basic security through the universal dividend, standard of living through private initiative

There is no longer a statutory pension obligation or a fixed retirement age. The system is based on a clear distinction:

- **Basic security is guaranteed:** The universal dividend is available to everyone throughout their lives. Those who are prepared to live on these funds if necessary do not need to worry about retirement provision and are free to decide at any time whether and how much they want to work.
- Securing a higher standard of living is a private matter. Since most people work less and are more self-determined anyway, few fear the idea of having to work longer. The most common form of private provision is disability insurance.

New ways of financial provision

In an environment with no significant interest on savings, new practices have become established:

- **From saving to dissaving:** It is common to use up savings in old age.
- **Private pension insurance:** These work on a pay-as-you-go basis (many pay for a few beneficiaries) and are cheaper the later the payout begins.
- **Home ownership as security:** Since the vast majority of people own their own homes, selling the large family home and purchasing a smaller property on a hire purchase basis (without a bank loan) is a common strategy for financing retirement.

Healthcare and long-term care provision: solidarity and prevention

Healthcare and long-term care costs are covered by compulsory health and long-term care insurance, which is paid for directly from the universal dividend. Additional private insurance is available.

- **Incentives for prevention:** To keep costs low, the insurance rewards health-conscious behavior. Insured persons who attend all preventive medical checkups but do not otherwise claim any benefits receive a portion of their contributions back.

This system combines collective solidarity for basic security with individual responsibility for living standards. It relieves individuals of existential fears about the future and at the same time promotes a health-conscious and preventive lifestyle.

Chapter 5.6: Impact on migration and population development – From coercion to freedom

The successful implementation of reforms in some countries triggered a global pull effect. People in countries unwilling to reform demanded the same rights. When their governments resisted, even after democratic elections, a new type of migration began: the flight to dignity and security.

The pull effect of reforms and the collapse of those who refused to reform

Initially, it was mainly relatively poor and poorly educated people who fled to the reform states. Immigration quotas were steadily increased and eventually abolished altogether. Anyone could settle and immediately receive the universal dividend.

- **Domino effect:** The loss of cheap labor drove up prices in countries unwilling to reform. As a result, well-educated people also emigrated. Combined with high compensatory tariffs on their exports, the old systems collapsed under this pressure and eventually adopted the reforms themselves.

The end of the “refugee crisis”

There are no longer any permanent refugee flows arising from political reasons. Although people continue to seek new homes in the wake of natural disasters caused by climate change, perceptions have changed fundamentally:

- **Neighbors, not threats:** Refugees are not seen as a threat or a cost factor, as they are covered by the universal dividend and are considered welcome workers.
- **Free choice:** No one is assigned. People are free to spread out across the world and live and work wherever they want.

Reversal of rural exodus and shrinking world population

The universal dividend led to two further profound demographic changes:

1. Return to the countryside: The trend of rural exodus was reversed, especially in former slums. People returned to their villages, where they were able to build a secure, self-sufficient existence with the help of the universal dividend.
2. **Natural population decline:** Children are no longer seen as a form of retirement provision, as was often the case in economicalay weak countries in the past. Since women are economicalay independent, they are free to decide how many children they want to have. The world's population is declining naturally, as it has become clear that overpopulation was a consequence of poverty, not its cause.

The universal dividend transforms migration from a problem of scarcity and fear into a natural process of seeking a better life, made possible by shared prosperity and open borders.

-

Module 6: Responses to key criticisms

Chapter 6.1: “Who wins, who pays?” – The fear of being a net contributor

A common and legitimate concern about a basic income is the question: “Will I end up paying more than I receive?” The fear of being a net contributor is understandable. Model calculations for similar systems provide a clear and reassuring answer here.

The empirical evidence: an overwhelming majority wins

Studies, such as a model developed by the ifo Institute for a tax-financed basic income, come to a clear conclasion: over 95% of households would have the same amount of money or more at their disposal after such a reform. Only the top 5% of households in terms of income would be negatively affected.

Why this is the case: The power of the per capita approach

The reason for this broad relief lies in the universality of the basic income. Every person – whether child, pensioner, or employed person – receives the same amount. A household with two adults and two children thus receives four times the universal dividend. Financing it through a proportional levy (such as the flat tax in the ifo model) means that, mathematicalay, the burden only exceeds the sum of the universal dividend amounts received at very high income levels.

The universal dividend is even fairer than this model.

Importantly, our universal dividend is not primarily financed by taxes on labor, but by levies on the use of common resources (liquidity levy, land value levy). This shifts the burden even further toward those who use a disproportionate amount of these common resources.

- **Who benefits?** The vast majority of people with little wealth and low incomes, as well as families. They receive the full universal dividend and usualay contribute very little to the system, since they hoard below-average amounts of money and use less land.
- **Who pays?** Primarily those with substantial financial assets (through the liquidity levy) and large landholdings (through the land value tax and levy). Since extreme wealth and land ownership are highly unequally distributed in every society, financing the universal dividend directly impacts those who benefit most from the advantages of the current system.

Conclusion: The fear of being among the losers with the universal dividend is unfounded for the vast majority of the population. On the contrary, the universal dividend corrects extreme inequality not through coercion, but through a fair system of leasing our common heritage. It makes the majority net recipients – not as charity, but as just compensation for their below-average use of scarce resources.

Chapter 6.2: "Expropriation of Savers!" – The Liquidity levy and Negative Interest Rates

This argument is based on an isolated consideration of the interest rate. The reality in a universal dividend system is different: For the vast majority of savers, their assets grow faster than they do today, even if the interest rate were negative.

The crucial question: Savings Rate vs. Interest Rate

Whether savings grow or shrink depends on two factors: the amount of regular savings contributions and the interest rate. A negative interest rate of, for example, -0.5% per year means that existing savings slowly shrink – but only if no new savings contributions are made.

The Scenario: Negative Interest Rates in an Economic Crisis

Imagine that the demand for loans collapses (e.g., during a pandemic). The market interest rate for safe investments could actually fall to, for example, -0.5% per year. With a large balance of €100,000, this would result in an annual loss of €500.

The Game Changer: The Higher Savings Rate Through the Universal Dividend (UD)

Now let's consider the entire household:

1. **Increased Net Income:** Due to the elimination of many taxes on labor and the payment of the Universal Dividend, an average household has several hundred euros more available each month.
2. **Increased Savings:** Instead of saving perhaps €200 per month as they do today, the same household could now set aside €500 per month. That's €6,000 in new savings per year.
3. The overall calculation:

   Loss due to negative interest rates: -€500/year (from existing savings)

   Gain through savings: +€6,000/year

   Net effect: The household's assets grow by €5,500 per year – despite negative interest rates!

The Mathematical Truth: Dynamic Approach to the Average

The liquidity levy does not ensure a simple linear development, but rather a dynamic adjustment of wealth distributions:

- **For below-average savings:** For the vast majority of people, the monthly savings rate (driven by universal dividends and tax relief) is so high that it far outweighs the effect of a moderate negative interest rate. Their savings not only grow linearly, but the further they deviate from the average wealth, the faster they grow. They catch up.
- **For above-average savings:** Very large financial assets that hardly grow through new savings will actually shrink under negative interest rates—and the further they exceed the average, the faster they shrink. They approach the average value from above.
- **The Systemic Effect:** This mechanism reverses the divergent effect of compound interest. At the same time, the freely determined, market-based interest rate optimally adjusts the

total amount of credit (the sum of all assets and liabilities) to the real capital needs of the economy. This creates a more stable system without speculative bubbles, which inherently tends towards greater distributive justice.

Chapter 6.3: "Who will still go to work then?" – The Myth of the Vanishing Incentive to Work

This is perhaps the most common objection. It is based on the assumption that people are inherently lazy and only work under financial pressure. This view ignores human nature and the reality of pilot projects.

1. Work is More Than Just Earning Money

For the vast majority of people, work is a source of meaning, social contact, recognition, and structure. The universal dividend does not free people from work, but from paid or wage labor. It enables them to pursue activities that are perceived as meaningful—whether paid or unpaid.

2. Liberation from "Bullshit Jobs"

Many of today's jobs are perceived as meaningless or burdensome, even by those performing them. The universal dividend provides the power to reject such jobs. This forces companies to make jobs more attractive, pay fair wages, and offer meaningful work. The labor market shifts from an employer's market to an employee's market.

3. New Appreciation for Systemically Important Work

Suddenly, those activities that are essential for the functioning of society—caregiving, skilled trades, education, childcare—are adequately compensated and socialay valued more highly. The market price for these jobs rises because the pressure to accept any job disappears. People enter these professions because they want to, not because they have to.

4. Empirical Evidence from Pilot Projects

Pilot projects with unconditional payments worldwide (e.g., in Finland, Canada, Kenya) consistently show no significant decrease in paid employment. Instead, the Following are observed:

- An increase in startups and self-employment.
- More time for education and training.
- Better health and less stress.
- More unpaid care work.

Conclusion: The question is not "Who still goes to work?" but "What kind of work do we want to do in a liberated society?" The universal dividend does not end work, but it ends exploitation and values all forms of meaningful activity.

Chapter 6.4: "That will lead to runaway inflation!" – Why the sustainability algorithm has a price-stabilizing effect

The fear of inflation is understandable, as classic economic stimulus programs ("helicopter money") can indeed promote inflation. However, the universal dividend is fundamentally different.

1. The crucial difference: Price shift vs. inflation

It is true that price structures will shift – this is even the intention:

- **Becoming more expensive:** Environmental pollution, resource consumption, and poorly paid but necessary labor (because the constraints of wages are eliminated).
- **Becoming cheaper:** Mass-produced consumer goods that can be manufactured cheaply thanks to technological progress and high productivity. Products that are currently burdened with high interest rates will also tend to become cheaper, as the liquidity surcharge lowers interest rates (more precisely, the yield curve).

This relative price change is a steering effect, not inflation. Inflation only occurs when the general price level rises.

2. The universal dividend does not create new purchasing power; it redistributes it.

The money for the universal dividend is not newly printed and injected into circulation. It is redistributed from the existing money supply by the liquidity levy (LL) and the land value tax/land value levy. The total money supply (M1) initially remains stable. More money is not spent on the same quantity of goods; rather, the same amount of money is spent on different goods.

3. The liquidity levy as the most powerful inflation brake.

This is the systemic game-changer: The liquidity levy gives the central bank a direct tool for controlling the money supply.

- I**n the event of inflation:** The central bank can collect more money with the liquidity levy than it pays out with the universal Dividend. This removes more money from circulation. The money supply shrinks, and inflation is suppressed. See Chapter 2.7.
- This mechanism is faster, more direct, and more transparent than current interest rate policy.

4. Comparison with the current system

Our current monetary system creates money primarily through lending by commercial banks – an opaque and difficult-to-control process that fosters speculative bubbles. The liquidity levy, with its transparent money supply management, is fundamentally more stable.

Conclusion: The universal dividend does not trigger general inflation. It replaces price stability based on low wages and externalized environmental costs with a new, honest price structure. At the same time, it equips economic policy with a precise tool to immediately dampen any overheated demand. The universal dividend is not an inflation accelerator, but an anchor of stability.

Chapter 6.5: "That's socialism!" – A misleading label for a new idea

This accusation comes up almost every time. The answer requires a clear definition: Is the critic referring to the social goals or the economic methods of socialism?

1. The goals: Yes, we share the humanist ideals.

If you understand socialism to mean the goal of enabling all people – regardless of origin, gender, or merit – to live a dignified life in freedom and security, while preserving the ecological foundations of life for future generations, then yes, in this sense, the Universal Dividend (UD) is "socialist." However, these goals are not exclusively socialist, but rather an expression of a modern, enlightened humanity.

2. The Methods: No, the universal dividend is the opposite of a planned economy.

If you understand socialism to mean a centrally planned economy, nationalization of the means of production, and a bureaucratic command economy, then the answer is a clear no. The universal dividend pursues the exact opposite:

- **More market, not less:** The universal dividend eliminates monopolistic privileges and distortions (such as rents from money and land ownership), thus creating the conditions for genuine, free competition based on innovation and efficiency, not ownership.
- **Less government, less bureaucracy:** Implementing the universal dividend leads to a radical reduction of Laws and bureaucracy:

  - Tax Law: The complex tax system with thousands of paragraphs is replaced by a few, transparent levies (liquidity levy, land value tax, land value levy).

  - Social Law: The entire bureaucratic apparatus of means testing (for unemployment benefits, basic income support, housing benefits, etc.) is eliminated.
- **Subsidies:** Numerous individual subsidies become obsolete because the steering effect is achieved more efficiently and fairly through internalized costs (e.g., a CO_2 price).
- **Energy and environmental regulations:** A consistent price on environmental consumption (resource rent) renders a large number of small-scale regulations and prohibitions unnecessary. The question "How do I save energy?" becomes a matter of sound business practice, not a legal obligation.

The Universal Dividend is a Third Way

The Universal Dividend is neither capitalism (in the sense of prioritizing capital interests) nor socialism (in the sense of a planned economy). It is a framework-setting liberalism: It establishes clear, simple rules for the market (the "constitution" of the economy) within which decentralized, spontaneous order and entrepreneurial freedom can flourish. The state is reduced from a controlling actor to the guardian of a fair framework.

In conclusion: The Universal Dividend is not a socialist redistribution utopia. It is a system of fair starting conditions that adjusts the rules of the market so that its efficient and innovative forces automatically work for the benefit of all and in harmony with the planet. It is not less of a market, but a better market.

Chapter 6.6: "That's bad for the economy!" – Why the Universal Dividend Strengthens the Economy

This objection is often based on a fear of change and a static understanding of economics. In reality, the Universal Dividend is not a zero-sum game, but rather a growth engine for a more diversified and resilient economy.

1. Relief for High Achievers

The Universal Dividend (UD) provides relief precisely to those who constitute real economic power:

- Employees benefit from significantly reduced or eliminated taxes and social security contributions on labor. Their net income increases noticeably.
- Entrepreneurs and the self-employed are freed from the bureaucratic burden and, thanks to the Universal Dividend, have a vital safety net that makes it easier to weather economic downturns and take innovative risks.

2. A Healthier Demand Structure

It's true: Demand will shift. This isn't a problem, but rather a remedy.

- **Reduced demand for luxury niche products:** Goods and services currently primarily demanded by an extremely wealthy minority (hyper-luxury consumption, speculative investments) could indeed shrink.
- **Strengthening of broad mass purchasing power:** The enormous sums currently flowing into pure wealth management and luxury consumption will be redirected into the purchasing power of the general population through the universal dividend. This will lead to booming demand for everyday and premium goods and services: housing, healthy food, skilled trades, education, culture, gastronomy, and personal services.

3. The End of Unproductive Privileges Strengthens Competition

Market participants who achieve their high incomes not through innovation or efficiency, but through monopolistic privileges (such as land speculation or returns from pure monetary ownership), will have to adapt. This is precisely the intention! This process:

- **Frees Capital:** Tied-up capital (e.g., in speculatively held land) is released for productive investments.
- **Promotes Innovation:** Competition shifts from exploiting vested interests to genuine innovation, improved quality, and customer service.

Conclusion: From a Rent-Seeking to a Performance-Based Economy

The accusation of economic damage overlooks the fact that our current economy is largely characterized by rent-seeking (income without providing a service) and weak domestic demand. The Universal Dividend (UD) transforms this economy into a performance-based and consumption-based economy, founded on the purchasing power of the many and the ingenuity of entrepreneurs.

In the short term there may be adjustments, but in the long term the universal dividend (UD) creates the basis for a stable, crisis-proof and democratic economy that benefits everyone.

Chapter 6.7: "This is an envy debate!" – From Envy to Justice

This accusation is a classic diversionary tactic. It implies that the goal is to denigrate the success of others out of "envy," rather than to find objective solations. This assumption misses the point of the universal dividend.

1. It's not about envy, but about recognizing common ownership

The basis of the universal dividend is not emotional resentment, but a sober economic analysis: The enormous value of land and a functioning monetary system as a medium of exchange is not created by individuals, but is the common property of everyone. Those who use more of it than average benefit from this common property. The universal dividend is not a "punishment" for success, but a fair fee for the above-average use of a shared resource – comparable to a toll for using a highway, which everyone has paid.

2. The Universal Dividend Doesn't Penalize Performance – It Frees It

In today's system, people with high earned incomes often pay top tax rates, while income from pure capital assets (interest, rent, speculation) is frequently taxed at a lower rate. This penalizes work and performance.

The Universal Dividend reverses this principle: It relieves the burden on labor (by eliminating taxes) and burdens resource use. Those who earn their income through their own efforts will therefore experience significant tax relief. The Universal Dividend thus amounts to the abolition of the taxation of performance and the introduction of a fee for privileges.

3. An Appeal to Common Sense, Not Envy

The question is not, "Why does the other person have so much?" but rather, "How do we organize our economy so that it works for everyone?" Stable societies without extreme inequality are better for everyone—they are safer, more innovative, and more resilient to crises. Even those who are economicalay successful benefit from a population with high purchasing power and a functioning public sector. The universal dividend is an offer for a fair coexistence that overcomes the divisions in our society.

Conclusion: From the Envy Debate to the Reason Debate

By crying "envy," the critic wants to prevent an objective discussion about distributive justice. We will not engage in this. The universal dividend is the opposite of envy: It is a proposal for a new social contract based on transparency, shared values, and the recognition that our prosperity is built on common foundations. It is not about taking anything away from anyone, but about changing the rules so that everyone participates fairly in prosperity from the outset.

Chapter 6.8: "You'll never get that through against the resistance of the elites!" – The Strategy of Change

This objection isn't wrong, but it's a self-fulfilling prophecy. Yes, the resistance from those who benefit from the current system will be enormous. But history isn't made solely by elites, but also by broad social movements that are smarter and more determined than their opponents.

1. The Decisive Lever: National Sovereignty

A major advantage of the universal dividend is that, in principle, every country can implement it under its own sovereignty. No international agreement or global treaty is necessary. A nation can reform its own currency, its own tax system, and its own social legislation. This national capacity for action makes the universal dividend politically far more accessible than solations based on global consensus.

2. The Illusion of a United Elite

The supposedly all-powerful "elite" is not a monolithic bloc. There are:

- **The Asset Elite:** The financial oligarchy and large landowners, for whom the universal dividend threatens their wealth. Their resistance is predictable and organized.
- **The Meritocratic Elite:** Innovative entrepreneurs, scientists, doctors, and artists see enormous advantages in the universal dividend: high-spending customers, more innovation, less bureaucracy, and a more stable society. They can become allies.

The Strategy: The coalition of reform supporters must be larger than that of reform opponents. We must reconcile the interests of the meritorious elite with those of the general population.

3. Levers of Change: It Takes More Than Elections

The introduction of the universal dividend will not be decided by a simple majority vote. It requires a grassroots social movement that leverages several levers simultaneously:

- **Education & Transparency:** This guideline itself is a weapon. The mathematical clarity and transparency of the model demystifies the complex black box of the current system.
- **Pilot Projects & Municipal Approaches: Lessons from Wörgl.** A complete implementation of the universal dividend at the municipal level is not possible. However, municipalities can exemplify key principles. The most famous example is the "free money" experiment in Wörgl (1932-1933). Its resounding success—the reduction of unemployment and the revitalization of the local economy—had two crucial reasons that are instructive for current projects:

  1. The acceptance of the parallel currency for paying local taxes immediately lent it credibility and created stable demand.

  2. Existential Need: During the crisis, the free currency was the only available liquidity for many, which greatly increased its velocity of circulation.

Most modern regional currencies fail because they don't meet these critical success factors: They aren't accepted for tax payments, which results in low acceptance among businesspeople.

Furthermore, in economicalay strong countries, people in need generally have better access to support than they did in Wörgl during the global financial crisis.

The conclusion for today isn't to copy Wörgl, but to apply its successful principle: The decisive leverage effect arises when the municipality itself actively supports the alternative system. Therefore, the most promising lever today isn't a new currency, but a municipal land value tax. A municipality can independently introduce or increase this tax and distribute the revenue to all residents as a "citizen dividend." This demonstrates the core principle of the communalization of land rents with genuine leverage, as acceptance by the municipality itself is guaranteed. However, the legal prerequisites must be in place, or at least such projects must be tolerated by higher-level institutions. This was ultimately not the case in Wörgl, as the project was discontinued under pressure from the central bank.

However, the purpose of such pilot projects is to create concrete, tangible successes that bring the abstract theory to life. Such lighthouse projects are more powerful than any theory.

4. The Power of the Pioneer: From National Project to Global Pull

Once a single country successfully implements the Universal Dividend (UD), everything changes. That country becomes living proof of the model's viability.

- **Visible Benefits:** Reduced poverty, increased innovation, a more relaxed housing market, a healthier environment—these measurable successes will attract international attention.
- **Economic and Demographic Pull:** As described in Chapter 5.6, a magnetic effect is created. Businesses and skilled workers will flock to the UD country, while countries unwilling to reform suffer from brain drain and economic pressure.
- **Easier Implementation for luggards:** For each subsequent country, implementation becomes politically easier. The evidence is overwhelming, fears are dispelled, and the pressure from their own populations to receive the same benefits becomes unbearable. The first domino to fall clears the way for all the others.

Conclusion: It's a marathon, not a sprint.

The accusation that it will "never" be implemented is surrendering before the starting gun. The question is not whether, but how and where first.

Implementing the universal dividend doesn't require a global revolution, but a single, courageous pioneer. It begins on a small scale: with discussions, with spreading ideas, with building networks. It is won by repeatedly demonstrating the overwhelming logic and fairness of the model and highlighting its benefits for everyone—except for a small group profiting from the status quo.

The universal dividend project is not naive. It is aware of the resistance. But it trusts in the stronger force: the power of a better idea that is in the interest of the vast majority—and in the strategic possibility that one country will take the first step.

Chapter 6.9: "Then the capital will flow out and the high achievers will emigrate!"

This dire scenario is the standard argument against any kind of wealth tax. However, the universal dividend largely renders this threat ineffective.

1**. What exactly is supposed to flow out? – The distinction is crucial**

- **Monetary assets (volatile):** Yes, pure cash balances could theoreticalay be transferred abroad. However, this transfer itself would immediately be subject to the liquidity levy, as it is imposed on all balances in the local currency. A flight to other currencies or assets involves exchange rate risks and transaction costs. Moreover, the liquidity levy makes simply hoarding money unattractive everywhere.
- **land and real assets (immovable):** Real estate cannot be physicalay moved abroad. The land value tax is due on this immovable property. Anyone who wants to own it cannot avoid the tax.
- **High achievers (people):** Will highly qualified people Really leave the country where...

  ...there is a universal basic income?

  ...taxes on labor have been radically reduced?

  ...loans for startups and real estate are very affordable?

  ...there is a relaxed housing situation?

The reality would more likely be a brain gain, i.e., an influx of talent.

2. The Universal Dividend Creates an Overwhelming Investment and Living Environment

The threat of capital inflow ignores the enormous incentives the Universal Dividend (UD) creates to stay and invest:

- **Powerful domestic market:** Broad, strong demand driven by the Universal Dividend and high incomes makes the country highly attractive to businesses.
- **Favorable loans:** The liquidity levy keeps interest rates to a minimum and facilitates investment in the real economy.
- **Political stability:** A social model that ensures social security and lower inequality is the best long-term guarantee for stable investment conditions.

Conclusion: The fear of capital flight is a relic from the era of pure wealth taxation. The universal dividend is an intelligent system that renders this threat ineffective. An insurmountable obstacle stands in the way of escaping the taxes:

Escape is only possible if someone else is found to assume the tax burden.

- Anyone wishing to escape their land must sell it. The new owner will immediately be subject to land value tax.

- Anyone wishing to "save" their money from the liquidity levy must exchange it for another currency or a tangible asset. The seller of this foreign currency or goods receives the domestic currency in return – and is thus immediately subject to the liquidity levy.

At the same time, the universal dividend creates an overwhelmingly attractive investment and living environment (strong domestic market, low interest rates, social stability) where the incentives to stay and invest far outweigh the incentives to flee. "Escape" is not only difficult, it is also not worthwhile.

Chapter 6.10: "A pure wealth tax would be so much simpler!"

This view sounds plausible at first glance, but it overlooks the fundamental economic and practical differences.

1. The crucial difference: Object of taxation

- **Wealth tax:** Taxes the possession of assets (money, stocks, real estate) per se. It penalizes accumulated, already taxed wealth and also affects productive capital.
- **Liquidity levy & land value tax:** Do not tax possession, but rather the use or utilization of a specific, scarce resource. The liquidity levy is a fee for the use of liquidity, the land value tax/levy a fee for the use of land. They do not penalize productivity, but rather resource hoarding.

2. Practical Implementability and Effectiveness

- **Wealth tax:** Extremely complex to collect (valuation, international obfuscation, tax evasion) and easy to circumvent. It leads to bitter political battles and constitutional challenges.
- **Liquidity levy & land value tax/levy:** Technically simple, transparent, and virtualay impossible to circumvent.
- The liquidity levy is automatically imposed on all holdings in the official currency.
- land value is easy to estimate and cannot be shifted abroad for tax purposes.

3. Economic Steering Effect

- **Wealth tax:** largely neutral. It withdraws capital from the economy without correcting any specific economic flaw.
- **Liquidity levy & land value tax/levy:** Have a strong, positive steering effect.
- The liquidity levy encourages money to be reinvested in the economy (investment, consumption) instead of being hoarded.
- A land value tax incentivizes the productive use of land instead of letting it lie fallow for speculative purposes.

Conclusion: A wealth tax is a blant, inefficient, and difficult-to-implement instrument. The combination of a liquidity levy and a land value tax/allocatio is a precise surgical tool: It combats the root cause of inequality—the unearned profits from resource hoarding—instead of merely treating the symptoms. It is not only easier to implement but also far superior economically.

Chapter 6.11: “This enables total surveillance!” – Protecting privacy in the digital age

This objection is valid given the central role that credit balances and digital statements play in the Universal Dividend (UD) system. A society that organizes its security through a system managed by the central bank must take special care to protect data privacy and citizens from government arbitrariness. The Universal Dividend is designed to take this risk seriously and mitigate it through clear technical and legal safeguards.

1. The principle: Transparency for the system, anonymity for the citizen

The UD system strictly distinguishes between two levels:

- **System transparency (“The What”):** The algorithmic processes are completely transparent. Everyone can understand the calculation of the liquidity levy, the amount of the resource rent, and the resulting Universal Dividend (UD) amount. This transparency applies to the aggregate level – that is, total revenues and expenditures. It prevents abuse and corruption at the system level.
- **Citizen anonymity (“The Who”):** On an individual level, the opposite is true: The system does not need to know what a citizen spends their money on. The Liquidiy levy is levied as an anonymized percentage on credit balances, without any need or desire for a content-related levy of transactions.

2. The Inviolability of Universal Payout

The payment of the universal dividend is a fundamental right that must be protected against political arbitrariness.

- **Strict independence of the central bank:** The central bank operates solely according to the transparent algorithms established by Law. It has neither the right nor the technical authority to arbitrarily deprive individuals or groups of the universal dividend. The universality of the payment is a core principle that prohibits any discrimination or political manipulation.
- **High hurdles for legal exceptions:** Should it become necessary to change the group of eligible recipients (for example, it would be conceivable that only children are eligible), very high constitutional hurdles must be in place. Such an intervention would require a two-thirds majority in parliament and would have to be subject to review by the Federal Constitutional Court. The principle is: The universal dividend is the rule; any change to it is extremely difficult because it is highly regulated.

3. Technical Implementation: Pseudonymity and Data Minimization

The system's architecture is designed for data minimization:

- **No transaction monitoring:** The liquidity levy is based on the account balance on the balance due date, not on payment transactions. The system does not record how someone spends their money – whether on books, food, or political organizations. This information remains private between citizens and merchants, as it is today.
- **Pseudonymous accounts:** The technical infrastructure (e.g., a CBDC system) can be designed so that accounts are managed pseudonymously. The central bank knows that account A exists with a certain balance, but not who owns it. The assignment of account to person is managed by an independent body (e.g., the residents' registration office) in a strictly separate database and is only disclosed upon court order.
- Only the account to which the universal dividend is paid must be attributable to the respective beneficiary.

4. The Safe Haven of Cash

To preserve the fundamental freedom of anonymous payment, cash remains fully legal tender.

- **Freedom of choice:** Citizens have the freedom to choose whether to conduct a transaction digitally (with the advantages of convenience and security) or in cash (with the advantage of anonymity).
- **System stability through the exchange rate:** The free exchange rate between cash and digital money described in this guide prevents cash from being misused to circumvent the liquidity levy without sacrificing its function as an anonymous means of payment. Those who wish to remain anonymous accept the slight depreciation when exchanging cash for digital currency—a conscious decision for privacy.

5. A Stronger State for Stronger Civil Rights – and a State That Knows Less About You

An often overlooked advantage of the UD system is the altered role of the state, which leads to a radical reduction in government data collection:

- **The End of the Income Tax Return:** When the land value tax, land value levy, and liquidity levy completely replace wage and income tax, the annual income tax return becomes obsolete. The state no longer needs to record and examine your entire working life, your business expenses, your capital gains, and your private circumstances in detail. This immense bureaucracy, which deeply intrudes on privacy, disappears. The state automatically and by Law knows significantly less about the financial realities of its citizens.
- **Decoupled from the Compulsion to Grow:** A state that no longer primarily finances its public functions through taxes on current economic output (sales tax, income tax), but rather through revenues from public property (land, money supply), is freed from the compulsion for economic growth. This new sovereignty allows it to act as a neutral arbiter.
- **Strong enforcement of data protection:** Such a state can afford to enforce strict data protection Laws against private companies like tech giants and data brokers without regard for economic lobbyists. It is no longer trapped in a competition for investment that leads to a "race to the bottom," includeting in consumer and data protection rights. The universal

dividend thus creates the financial foundation for a state that can more effectively protect its citizens and their fundamental rights from the overreach of private surveillance corporations.

Conclusion: The Universal Dividend as Guardian of Freedom, Not Its Adversary

The accusation of total surveillance misunderstands the fundamental spirit of the Universal Dividend. Its goal is not to control the citizen, but to liberate the citizen from existential constraints and bureaucratic red tape. Through the radical reduction of tax bureaucracy, the strict independence of the central bank, the Inviolability of universal payment, the retention of cash, and new state sovereignty in data protection, the Universal Dividend creates a system that is not only compatible with strong, legally enshrined privacy. It offers the unique opportunity to replace the already existing comprehensive surveillance by private and state actors with a transparent system with clear, inalienable civil rights, in which the state is once again a service provider rather than a data collector.

Module 7: Historical Experiences and Modern Examples – The Building Blocks of the Algorithm of Sustainability in Practice

Introduction

The Algorithm of Sustainability (AoS) may appear radical at first glance. Upon closer inspection, however, it becomes clear that its core components – the demurrage on money, the capture of land rent, and the direct distribution to the community – are all proven principles with historical and modern precedents. This module demonstrates that the Algorithm of Sustainability is not a utopian fantasy but a system built on components whose effectiveness has already been proven.

Chapter 7.1: The Demurrage on Money – From Coin Debasement to Negative Interest

The Principle: Money should serve as a medium of exchange, not a speculative hoarding asset. A fee on money holdings (demurrage) accelerates its circulation and stimulates the real economy.

1. The Middle Ages and Early Modern Era: Systematic Coin Debasement

- **What was it?** For centuries, it was common practice for European rulers, at irregular intervals (e.g., upon accession to the throne, to finance wars), to declare the old circulating coins invalid (**"to call them in" or "debase"**). The population had to exchange their old money for new coins, with a significant discount (seigniorage) withheld – typically 10-25% of the face value. This practice affected all cash holdings.
- **Effect: Coin debasement was a de facto demurrage fee on cash.** It made the long-term hoarding of money ("thesaurization") a risky and unattractive "investment."
  - **Economic Steering:** Money was instead quickly returned to circulation – invested in goods, tools, buildings, or productive enterprises.
  - **Broad Prosperity and Collective Investment Power:** This constant circulation of money contributed to remarkably broad prosperity, not concentrated solely in the hands of an elite. A fascinating testament to this economic dynamism is the **era of cathedral building**. By today's standards, small towns with a few thousand inhabitants were capable of financing structures of epochal financial and technical effort over generations. These projects were largely funded by broad donations from the citizenry.
  - **Psychological Effect:** In a system that punishes hoarding, the attitude towards possession changes. Invested or donated money brought not only earthly profit or social recognition but, for the devout people of the Middle Ages, also a spiritual "return on investment": **It was more rational to donate for the salvation of one's soul and to strengthen the common good than to hoard depreciating metal.** Demurrage thus created fertile ground for unparalleled collective cultural achievements.

- **Lesson for the Algorithm of Sustainability:** Historical practice shows that a monetary system with demurrage can be not only more stable but also **culture-creating**. It redirects energy and resources away from passive hoarding and towards active investment – be it in infrastructure, the common good, or cultural projects. The liquidity Levy (LL) in the Algorithm of Sustainability is the modern, democratic version of this principle. It aims not only to prevent crises but to create the financial and psychological preconditions for a society to once again be capable and motivated to pursue its great common goals.

2. The "Miracle of Wörgl" (1932-1933)

- **What was it?** During the Great Depression, Mayor Michael Unterguggenberger of the Austrian town of Wörgl introduced emergency currency with a "stamp scrip" demurrage fee. Each note lost 1% of its value monthly and had to be "refreshed" with a stamp.
- **Effect:** The money circulated up to 14 times faster than the official schilling. Despite the national depression, urgent infrastructure projects (bridges, roads, sewers) were financed in Wörgl, unemployment plummeted, and tax revenues increased. Over 170 communities worldwide wanted to copy the model before it was banned under pressure from the Austrian National Bank.
- **Lesson for the Algorithm of Sustainability:** The Liquidity levy is not mere theory. Its stimulating effect on local economic cycles and employment has been practically proven in modern times. Its failure was political-juridical (the central bank's monopoly), not economic.

3. Modern Times: Negative Interest in Switzerland, Japan, and the Eurozone (since approx. 2015)

- **What is it?** Central banks introduced negative interest rates on excess reserves of commercial banks to encourage lending and inflation and to mitigate upward pressure on the currency.
- **Difference to the Algorithm of Sustainability:** These negative rates apply only to banks at the central bank, not to citizens' money. They are a crude, undifferentiated monetary policy tool, not a systematic demurrage mechanism.
- **Lesson for the Algorithm of Sustainability:** The basic idea that "parking fees" on money holdings are a legitimate economic policy instrument has become accepted within the financial establishment. The Algorithm of Sustainability would apply this principle more fairly, transparently, and directly.

Chapter 7.2: The Capture of land Rent – From Property Tax to State Leasehold

The Principle: The value of land created by the community should also benefit the community.

1. The Established Instrument: Property Tax and Land Value Tax

- **What is it?** The taxation of real estate exists worldwide in various forms. Modern reforms increasingly aim for a pure **Land Value Tax (land value tax)** (excluding building value), as practiced in parts of Australia, Denmark, Estonia, and some US states (Pennsylvania).
- **Effect:** In Harrisburg, Pennsylvania, the focus on the land value tax led to a significant reduction in vacant lots and a revitalization of the downtown area. Studies show that land value taxes create stronger incentives for productive land use and are less economically distorting compared to building taxes.
- **Lesson for the Algorithm of Sustainability:** The land value tax (LVT) is a known, functioning financing instrument. The Algorithm of Sustainability proposes to expand it from a secondary to a primary revenue source and to consistently link it to the value created by the community.

2. The Radical Model: State Leasehold in Singapore

- **What is it?** Approximately 90% of the land in Singapore is state-owned. Citizens and companies do not purchase land but acquire time-limited usage rights (leases, typically for 99 years).
- **Effect:** The state can thereby almost completely control land speculation, systematically capture land values for public purposes (which finances, among other things, the excellent public transport and affordable housing program HDB), and implement long-term urban planning.
- **Lesson for the Algorithm of Sustainability:** Singapore proves that the common-good orientation of land is not only theoretically possible but can be the key to speculation-free housing, social peace, and a high quality of life. It is a real-world example of the consistent application of the principle formulated in the Algorithm of Sustainability.

Chapter 7.3: Direct Distribution – From Alaska's Citizen Dividend Model

The Principle: Returns from common resources are distributed directly and equally to all eligible individuals.

1. The Alaska Permanent Fund Dividend (since 1982)

- **What is it?** A state sovereign wealth fund that manages revenues from oil and gas extraction (a depletable community resource). Annually, a portion of the earnings is paid out as a "dividend" to every citizen who has lived in Alaska for at least one year.
- **Effect:** The dividend (between $1,000 and over $2,000 per year) has significantly reduced Alaska's poverty rate, boosted local purchasing power, and created broad political support for the fund. It is a concrete, decades-old successful example of a **partial Universal Dividend**.
- **Lesson for the Algorithm of Sustainability:** The concept of a universal, regular payment to all citizens is politically stabilizing and economically effective. It creates broad acceptance

for the use of common resources. The Algorithm of Sustainability would expand this principle from oil rents to the much broader base of all common goods (land, money supply, radio frequencies).

2. Modern Basic Income Pilot Projects

- **Examples:** Experiments in Finland (2017-2018), Kenya (ongoing since ~2017 by GiveDirectly), Stockton, California (2019-2021), and numerous local projects worldwide.
- **Findings:** Consistent effects across all cultures: improvement in mental and physical health, more time for care work and education, increase in entrepreneurial initiative and trust – **no significant decline in paid employment**.
- **Lesson for the Algorithm of Sustainability:** The central fear that a subsistence-level basic payment undermines work ethic is refuted by empirical evidence. On the contrary, it liberates people for more meaningful and self-determined activity – precisely the vision described in Module 5.2.

Chapter 7.4: Synthesis – The Algorithm of Sustainability as the Logical Integration of Proven Building Blocks

The examples mentioned here are not perfect replicas of the Algorithm of Sustainability but show its individual DNA strands in action:

1. **Coin Debasement & Wörgl** prove the macroeconomic effectiveness of **demurrage (Liquidity levy)**.
2. **Singapore and reformed property taxes** prove the practical feasibility and steering effect of **capturing land rent (land value tax/land value levy)**.
3. **Alaska and basic income pilots** prove the social and economic stability of a **universal direct distribution (UD)**.

The Algorithm of Sustainability is the consistent synthesis and scaling of these proven individual elements into a coherent, self-stabilizing overall system. History shows: Each of these tools works on its own. Their combined application – where revenues from the liquidity levy and land value tax/land value levy directly fund the Universal Dividend – would not be a leap into the unknown but the next logical step in the evolution of a fair and stable economic order.

The greatest hurdle, therefore, is not a lack of practical examples but the political will to finally integrate these successful yet isolated approaches into a complete system that addresses the structural causes of our crises.

Glossary

Algorithm of Sustainability (AoS)

The cross-system rulebook of transparent, data-driven processes that governs the level of the universal dividend, monetary control, and its phased implementation. Its goal is not to maximize growth, but to ensure the stability of society and the ecosystem.

land value Tax (LVT)

See: land value levy (LVL). The term "land value tax" became particularly well-known through Henry George's book "Progress and Poverty." The land value tax is a tax on the value of land, excluding any existing buildings. In the UD system, the land value tax on commercial and residential land primarily serves to gradually replace other taxes—especialay those on labor.

land value levy (LVL)

The collection of the land value levy works in the same way as the land value tax. However, it is levied on all natural resources used by humans in the broadest sense, except for residential and commercial land. This includetes agricultural and forestry land, mineral resources, radio frequencies, etc. The revenue is distributed completely and equally to the recipients of the universal dividend. Due to its earmarked nature, the land value levy (LVL) is not, by definition, a tax. This is why it is called a land value levy, rather than a land value tax.

Liquidity levy (LL)

A daily fee levied on readily available balances in the legal currency. Its purpose is twofold: 1) It finances a portion of the universal dividend. 2) It ensures a stable velocity of money by making hoarding unattractive. It is not a penalty tax on saving, but rather a fee for accessing liquidity. This allows for a market-based interest rate, determined solely by the supply and demand for credit (the unit of assets and liabilities).

Furthermore, it provides the central bank with an effective instrument for controlling the money supply. This enables it to guarantee price stability far more effectively than is currently possible.

Universal Dividend (UD)

A regular, unconditional payment to every legal resident of a country where the AoS system is implemented. It is not a social benefit, but rather the monetary dividend that every citizen receives for their share of the country's common heritage (land, resources, and the currency M1). It is financed from the revenues of the land value levy and the liquidity levy.

Full Liability (No-Bailout Principle)

A fundamental rule of the Algorithm of Sustainability (AoS) system, stating that the public is never liable for private investment losses. It eliminates the "too big to fail" phenomenon and ensures that market participants bear the full consequences of their risky decisions.

Fair Standards Zone

A group of countries that have adopted the Algorithm of Sustainability or comparable reforms and thus share high social and environmental standards. Trade between these countries is duty-free, while imports from countries with lower standards are subject to countervailing duties to prevent unfair competition.

About the Author

Jörg Schreiner is a German systems technician and independent economic thinker. For over two decades, he has worked at the intersection of practical sustainability and economic theory, designing closed-loop biological systems for wastewater and energy production. This hands-on experience with physical resource flows led him to a radical conclusion: our socio-economic system suffers from a fundamental design flaw, lacking the self-correcting feedback loops essential for any sustainable system.

Since the late 1990s, Schreiner has dedicated himself to solving this problem. He has rigorously tested, debated, and evolved the principles of the Algorithm of Sustainability (AoS) within economic forums and activist networks, building a coherent model that moves beyond critique to a viable blueprint. Since July 2022, he has been on a continuous bicycle journey across continents (documented as **Jörg Vojaĝanto**), using this unique, ground-level perspective to stress-test his ideas against the lived realities of global inequality and ecological strain.

The Algorithm of Sustainability is the distillation of this twenty-five-year intellectual journey—a work of passionate, non-academic systems thinking that speaks not to the seminar room, but to every citizen feeling the fractures of our current model.

Bibliography

I. Foundational Texts & Historical Precedents

1. **George, Henry.** *Progress and Poverty: An Inquiry into the Cause of Industrial Depressions and of Increase of Want with Increase of Wealth*. 1879.
2. **Gesell, Silvio.** *The Natural Economic Order (Die Natürliche Wirtschaftsordnung)*. 1916.
3. **Paine, Thomas.** *Agrarian Justice*. 1797.
4. **Smith, Adam.** *The Wealth of Nations*. 1776.
5. **Ricardo, David.** *On the Principles of Political Economy and Taxation*. 1817.
6. **Fisher, Irving.** *Stamp Scrip*. 1933.

II. Modern Analysis of Monetary Flows & Rent-Seeking

7. **Creutz, Helmut.** *The Money Syndrome: Towards a Market Economy Free of Crises* (Original: *Das Geld-Syndrom*). 1990s (Various Editions).
    - **Rationale for Inclusion:** Creutz provides a meticulous, system-based analysis of monetary flows, demonstrating how the current interest-based system inherently leads to concentration, instability, and hidden redistribution from labor to asset owners. His work offers a powerful empirical and diagrammatic foundation for the manuscript's critique of "hidden redistribution" (Chapter 1.4) and the need for a Liquidity levy.
8. **Löhr, Dirk.** *Prinzip Rentenökonomie: Wenn Eigentum zu Diebstahl wird* (The Principle of Rent Economics: When Property Becomes Theft). 2013.
    - **Rationale for Inclusion:** Löhr's work is a direct and comprehensive application of Georgist and institutional economic principles to the modern economy. It systematically analyses various forms of economic rent (land, resource, financial, monopoly) as the root cause of inequality and crises. This book is a crucial modern reference for the manuscript's core philosophy that taxing/levying these rents is the key to a fair and efficient economy (Modules 1 & 2).

III. Modern Basic Income & Cash Transfer Theory

9. **Van Parijs, Philippe, and Vanderborght, Yannick.** *Basic Income: A Radical Proposal for a Free Society and a Sane Economy*. Harvard University Press, 2017.
10. **Standing, Guy.** *Basic Income: And How We Can Make It Happen*. Penguin, 2017.
11. **Widerquist, Karl, et al. (eds.).** *Basic Income: An Anthology of Contemporary Research*. Wiley-Blackwell, 2013.
12. **Haagh, Louise.** *The Case for Universal Basic Income*. Polity, 2019.

IV. Georgist & Land Value Tax Economics

13. **Gaffney, Mason, and Fred Harrison.** *The Corruption of Economics*. Shepheard-Walwyn, 1994.

14. **Foldvary, Fred E.** *The Soul of Liberty: The Universal Dividend and the Citizen's Dividend*. 2015 (Online).

15. **Ryan-Collins, Josh, et al.** *Rethinking the Economics of Land and Housing*. Zed Books, 2017.

V. Monetary Reform & Liquidity Levy (Demurrage)

16. **Kennedy, Margrit.** *Interest and Inflation Free Money*. 1995.

17. **Douthwaite, Richard.** *The Ecology of Money*. Green Books, 1999.

18. **Huber, Joseph, and James Robertson.** *Creating New Money: A Monetary Reform for the Information Age*. New Economics Foundation, 2000.

19. **Bank of International Settlements (BIS).** *Annual Economic Reports* and working papers on Central Bank Digital Currencies (CBDCs).

VI. Case Studies & Pilot Projects

20. **Stiglitz, Joseph E.** "Joseph Stiglitz and the 'Miracle of Wörgl'." *Project Syndicate*, 2009.

21. **The Basic Income Earth Network (BIEN).** *Case Studies* (Finland, Namibia, India, Alaska Permanent Fund, etc.).

22. **Organisation for Economic Co-operation and Development (OECD).** *Basic Income as a Policy Option: Can it Add Up?* 2017.

23. **Government of Singapore.** *Land Acquisition Act and Housing Development Board Reports*.

VII. Critiques & Context (For Balanced Engagement)

24. **Mankiw, N. Gregory.** *Principles of Economics*. Cengage Learning.

25. **Piketty, Thomas.** *Capital in the Twenty-First Century*. Harvard University Press, 2014.

26. **Friedman, Milton.** *Capitalism and Freedom*. University of Chicago Press, 1962.

27. **Murray, Charles.** *In Our Hands: A Plan To Replace The Welfare State*. AEI Press, 2006.

VIII. Ecological Economics & Systems Thinking

28. **Raworth, Kate.** *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*. Random House, 2017.

29. **Meadows, Donella H., et al.** *Limits to Growth: The 30-Year Update*. Chelsea Green Publishing, 2004.

30. **Jackson, Tim.** *Prosperity Without Growth: Foundations for the Economy of Tomorrow*. Routledge, 2017.

Contact: schreinerjoerg@email.de

Website: www.keine-extrawurst.de

This text was created using AI, which assisted in structuring the content, formulating sections, and conducting research to support the arguments. However, the author is responsible for the content review, the central theses, and the final editing.