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Time - the better money

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1 Time economy

Time economy is a model for an economic system that no longer measures the value of goods/services in terms of money, but in terms of the human “live” working time required to produce them. It is also known as equivalence economics and goes back to Arno Peters (Peters 1996), Heinz Dieterich (Dieterich 2006) and Paul Cockshott (Cockshott 2008/2020).

In time economy there is no money but working time. Their currency is not "euro" or "dollar" but "time", banknotes are called "minute" and "hour". The value of a good is measured by the average amount of work required to produce it. The hourly wage of an employee is always worth exactly one working hour. The amount of working time is the total number of working hours in time economy. It is as high as there are working time credits from companies to the central bank. It increases through new working time credits and decreases through the repayment of working time credits from companies at the central bank.

2 Benefits

- The value of each good is no longer distorted by money/profit, but is measured solely by the amount of work required to produce it.
- Working time is hard currency. Their value remains constant. The amount of working time in time economy increases when more work is done and decreases when less work is done, so that the amount of working time is always matched by a corresponding value in the form of goods and services. The money supply cannot be increased in an inflationary manner, depending on one's own interests, as in the capitalist economy through loans from banks. Interest on working time does not exist. The working time currency can thus not be devalued either by economic crises or by inflation.
- In the capitalist market economy, the prices of goods rise when there is an undersupply and fall when there is an oversupply. Over or under offers are artificially generated in order to make a profit from them. These price fluctuations for goods do not occur in time economy because the value of goods is measured exclusively in terms of working hours instead of money.
- The salary of an employee remains constant, as it is measured exclusively in terms of working hours. It cannot be reduced by inflation or other means of reducing wages as in the capitalist economy.
- High unperforming wealth and income concentrations by a few are not possible in time economy. In total, the vast majority of people (more than 80%) have significantly higher assets/income than in the capitalist market economy.
- Feudal money and power structures in the hands of millionaires/billionaires (castles/man-sions, chauffeurs, butlers, jewellery, etc.) are abolished. Businesses are nationalised/municipalised. Concentrations of wealth and income are distributed equally to all.
- In time economy, the focus is not on capitalists with the highest possible profit, but on all people with their needs equally. There is no longer any senseless work like in the capitalist economy in the time economy, since all work serves exclusively to satisfy human needs. Everyone works according to their ability and receives according to their needs.
- Digitization and the progressive use of machines, due to the reduction in the share of wages in production, does not lead to an ever greater concentration of wealth among the few, but rather serves to increase efficiency in production and is thus used to meet the needs of all to a greater extent.
- Work is being democratized, formerly authoritarian structures in companies are being abolished. Everyone is free to choose their working hours according to their needs. Extremely high working hours "on command" as in the capitalist market economy are eliminated.

- The profit-oriented competition between companies is abolished. Instead, a professional exchange between the companies takes place in time economy, which can be used to improve the production of goods and services.
- Social benefits, like basic needs, are granted unconditionally and equally to everyone. Health insurance, pension, unemployment benefit, Hartz4 benefits, social assistance, basic security, child benefit, student loans, parental benefit, child-raising benefit, etc. can be completely abolished.
- The important shortcomings of a planned economy (lack of information, lack of flexibility, lack of control signals, lack of technological progress, lack of democracy, lack of self-determination; see <https://de.wikipedia.org/wiki/Zentralverwaltungswirtschaft#Kritik>) is eliminated in time economy.

3 Needs

Everyone's working hours are limited. Only the goods that are worked for can be produced. A selection must therefore always be made of the goods that are to be produced. The selection is made in such a way that the needs of all can be covered equally. Everyone works as much as he/she has needs for goods ("one for all, all for one", "each according to his/her abilities, each according to his/her needs"). To cover the needs of everyone, work tasks are defined that provide the required goods. Tasks exist as long as there is a need for the goods they provide. They can occur several times in different forms. There is no competition as in the capitalist market economy, since there is no individual interest in profit in the work tasks, but an interest in satisfying the needs of all through their own cooperation. The extreme unequal distribution of property as in the capitalist market economy is eliminated in the time economy. Everyone receives the same number of goods for their basic needs and, in addition, the goods for which they have done a corresponding additional work. Luxury goods with long production times are hardly in demand in time economy, since few want to work that long. The value of a good does not fluctuate as in the capitalist market economy when there is an oversupply or undersupply of goods, but remains constant because it is measured according to the time of manufacture. Oversupply and undersupply of goods are avoided by the fact that every demand for a good is noted online in the assigned work task and the production of the goods is thus updated.

A distinction is made between basic needs and elective needs.

3.1 Basic needs

Die Arbeit zur Befriedigung der menschlichen Grundbedürfnisse (z.B. Wohnung, Essen/Trinken, Verkehrsmittel, Schule/Universität, kulturelle Grundbedürfnisse, Krankenhaus, Urlaub) wird von Allen gleichermaßen erbracht. Die dafür nötige Pflichtarbeitszeit bemisst sich an an den dauerhaften Aufgaben, die der Deckung der Grundbedürfnisse dienen (z.B. 20 Stunden pro Woche). Jede Nachfrage nach einem Gut zur Deckung der Grundbedürfnisse wird in der zugeordneten Arbeitsaufgabe online vermerkt, so dass in ihr die Produktion von Gütern aktuell angepasst werden kann.

3.2 Exquisite needs

Exquisite needs are needs that go beyond basic needs. Exquisite needs are covered by extra work that goes beyond the compulsory working hours. It is paid out in the currency "time". With today's technical possibilities, this payment could be made with the help of smart cards, which load the corresponding hours worked (see Cockshott 2020, Chapter 7.3 Politics). Goods can then be bought with the smart card for one hour of working time, for the production of which exactly one hour was

worked. For example, if you want to take an extra holiday, you work more hours, receive a corresponding number of hours and thus pay for your extra holiday. Every demand for a good is noted online in the work task assigned to it, so that the production of goods can be updated in it.

4 Maintenance of work tasks

Work tasks are managed using an electronic platform (see also the proposal in Cockshott 2008/2020). Most of the management software required for this is already available under a free license (e.g. the Helsinki Timebank, see Community Exchange System 2019). With the platform, tasks can be defined by assigning the necessary resources of different types (manpower, buildings, goods, machines) to them. The result of a task are goods.

Tasks are carried out in companies. Companies exist as long as there are tasks in them. You manage resources and working hours beyond the duration of individual work tasks.

Tasks can be divided regionally (e.g. municipality, country, world), into sectors (e.g. trade, transport, communication, food) and into other categories.

The tasks to cover the basic needs are mostly fixed and are provided in the platform as permanent tasks. Tasks for optional needs are redefined or adjusted. All tasks are constantly adjusted according to the demand for the goods produced in them. Goods can normally be produced within one day thanks to modern production possibilities (e.g. in an Industry 4.0 for goods platforms), so that bottlenecks in supply are practically impossible.

Technical inventions can be made individually, in groups or in permanently operated research institutions and converted into new technical developments by defining corresponding work tasks.

These provide the new goods as a result. In addition, any tasks that serve the purpose of innovation can be used as a test. If there is a corresponding demand for the goods delivered in it, it will be retained, otherwise it will be abandoned.

The general laws (e.g. environmental protection laws, bans on discrimination, etc.) apply to all tasks.

Example: Definition of the work task to build 100 million electric bicycles per year in a bicycle company

Tasks/resource allocation:

1. At several locations: bicycle factories including the machines required for assembling electric bicycles
2. At several locations: a total of 2.5 million skilled bicycle workers per year (with a bicycle manufacturing time of 25 hours, 100 million bicycles require 2.5 billion working hours. If each skilled worker works approx 1000 annual working hours result in the above 2.5 million skilled workers per year).
3. All components needed to manufacture the electric bike such as battery, frame, rims, etc. (worth 2.5 billion man-hours)

For the production of the goods in points 1. and 3. tasks are again defined. The bicycle company still has 2 billion hours of working time from previous production of bicycles and their demand. It therefore takes a loan of 3 billion working hours from the central bank for the total of 5 billion working hours required. The amount of working time in time economy increases by the same amount. During the first year of production, 2 billion man-hours worth of bicycles are in demand. Of this, the company can repay 1.5 billion working hours of its loan from the central bank. As a result, the amount of working time in the central economy falls by the same amount.

5 Democratization of work

Capitalist companies are not managed democratically but in an authoritarian capitalist manner. Employees are cost factors, profit is the only key figure that counts. The cheaper it is to work, the better. Those who are too expensive will be exchanged. The working hours are long and the workload is heavy. There is no codetermination at work. Who does not spurt, is disgusted out or fired. Employment contracts - if they exist at all - are limited in time and contain vague clauses.

This authoritarian capitalist system will be abolished and democratized:

Everyone works according to their abilities, interests and needs. He/she selects a job accordingly and applies for it in a company. If there are too many applicants, a random draw will be carried out. In this way, everyone has the same chance of finding a job. If you want, you can apply for several jobs. For example, someone works 5 hours a week in elderly care and 15 hours in web design. Changing jobs is possible at any time.

All work tasks are carried out in a company in a democratic and professional manner. The project manager and the sub-project managers for the work task are democratically elected by the employees involved in the work task. These decide on the work organization within the work task. They can be re-elected at any time at the request of an employee.

In addition, all employees work together on an equal footing. In the work task, the central objective is not profit, but the technical solution of the task with the help of the competence of all employees.

Work is divided into more pleasant and more unpleasant work by regular surveys of everyone in a points system. In addition, work for which there are too few is valued higher and work for which there are too many is valued lower.

6 Launch of the time economy

The transition from the long-established capitalist economy to the time economy occurs peacefully in several steps. Groups (cooperatives, commons, alternative living communities, collectives, etc.) are formed worldwide and within nations, which introduce time economy and implement it together. New groups form, existing groups grow. Some members work part-time at first, others full-time as they wish, some members leave the group and come back later. The capitalist economy is gradually disappearing.

In this transitional phase, goods are exchanged between the time economy and the capitalist market economy by setting an exchange rate between the two currencies at fixed intervals (e.g. once a year), which in the capitalist market economy is measured by the average wage plus a typical exploitation rate of 200% (e.g. in Germany one working hour for 60 euros incl. exploitation rate). For example, an electric bike that is worth 50 hours in the time economy is sold to the capitalist economy for 3,000 euros, or vice versa, an electric bike that costs 3,000 euros in the capitalist market economy is sold to the time economy for 50 hours. The worker in the time economy works 50 hours for the electric bike while the worker in the capitalist economy has to work 150 hours for the same bike due to the exploitation rate (with the same productivity). In addition, the capitalist market economy is itself being transformed. Public records are kept of working hours in the companies, and the working hours required for production are stated on each product produced. This creates transparency about the value of goods and every consumer can see whether the company is offering its goods at too high a "price" compared to the hourly wage. This also has the advantage that thinking about the value of goods is gradually changing, paving the way to time economy. Furthermore, maximum wealth and income are set and the profits of all larger companies are nationalized so that everyone can participate equally in production growth. Existing institutions from the capitalist market economy (corporations, companies, public institutions, etc.) are gradually being taken over and

transformed and democratized for the purposes of time economy. An important measure towards time economy is the unconditional basic income. The basic needs of everyone can be met unconditionally. The wages of the lower wage groups are increasing, the working conditions and working environment are improving.

The acceptance of time economy stands and falls with the long-term trust that exists in it. Duties and rights in time economy are contractually secured. Corresponding goods can be purchased at any time for hours worked, this is legally guaranteed and is actionable. Groups that use time economy think and act long-term and with conviction. Over time, trust and the number of its members will continue to grow, as the time economy represents the best and fairest successor to declining capitalism.

7 Literature

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