

# Economics of Market Level-Ground\*

By

Peter Alexander Egom  
Consultant Publisher  
Nigerian Institute of International Affairs  
13/15 Kofo Abayomi Street  
Victoria Island  
Lagos

Email: pae@accosco.net

## Abstract

*Debt money of might-is-right uses the currently collapsing global financial architecture of the gold exchange debt standard to create the varying domestic regimes of industrial in-sourcing/outsourcing in the centre-capitalist and fractional reserve nations of the West, on the one hand, and the close-to-total domestic regimes of industrial outsourcing in the periphery-capitalist and external reserve nations of the rest of the world, on the other hand. Accordingly, this paper demonstrates that convertible fractional reserve debt money creates minor to major asymmetry in the inter-person and inter-group distribution of economic opportunities within the semi-robust and centre-capitalist nations of the West whilst non-convertible external reserve debt money creates maximum, or Pareto, asymmetry in the inter-person and inter-group distribution of economic opportunities within the fragile and periphery-capitalist nations of the rest of the world. But, equity money of right-is-might uses the emerging global financial architecture of the gold commodity standard to create the close-to-total domestic regime of industrial in-sourcing in each of the communitarian, robust and full-reserve nations of the globe. So, the gold convertible full reserve equity money of each robust and communitarian nation of the globe will create symmetry or level-ground in its inter-person and inter-group distribution of economic opportunities.*

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## 1. Preamble

*“Economic thought and practice has, over the centuries, been very remiss in explaining how oligocentric and polycentric market and power structures emerge within and between nations. Strangely enough, this is the heart of the issue in understanding how varying patterns of inter-person and inter-group distribution of economic opportunities arise within and between the nations of the globe! Why is it then that economic theory and practice has, over the centuries, concentrated all its attention on chasing the mathematically convenient shadow of functional distribution when the power-laced market substance of personal distribution within and between nations is crying for descriptive and prescriptive attention? Because, ..... central bankers and mainstream economists of the West do not know, or simply do not care to know, how to use money to distribute work and its rewards in any society of the globe.*

*“So, this [paper] takes on the challenge of explaining how and why win-lose and win-win market and power structures arise within and between nations. And, it does demonstrate, in the process, that it is currency market [standards and] theorems which are responsible for generating symmetry and asymmetry in the patterns of inter-person and inter-group distribution of jobs, goods and services within and between the nations of the globe”<sup>1</sup>.*

More concretely, this paper says that two things give rise to level-ground or symmetry, on the one hand, and to hierarchy or asymmetry, on the other hand, in the market pattern of the inter-person and inter-group distribution of economic opportunities within and between nations as follows. One is that a standard money of exchange is what makes the economic world of market exchanges to go round in any nation of the globe. And, two, is that there is a vast world of an ethical, an economic, and a political difference between the economic distributive ways of the debt money of *might-is-right*, greed, selfishness, usury and elitist sovereignty and the economic distributive ways of the equity money of *right-is-might*, care, compassion, charity and popular sovereignty. For the debt money of *might-is-right* is to asymmetric personal distribution in time and space, what equity money of *right-is-might* is to symmetric personal distribution in time and space.

But, this idea that the pattern of personal distribution in any nation, in time and space, is a tale foretold by the type and character of the money it uses to organize and drive its currency, financial and industrial markets is not well-received in contemporary and secularist economic thought . This is so because it is the tradition of mainstream and secularist economic thought and practice to say that money is just a veil for real economic forces and that one can make sense of the latter without the aid of the former; and so that money of any sort does not make

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1. Egom, P.A. 2006, pp.. 142-3.

the economic world go round.

Hence it is that, “many economists of yesterday and today have come to carry on as if money is only a *reflector* but not an *influencer* and a *regulator* of the scale of economic activity in society. However, the position of this [paper] on this matter is very clear. It says that money is an *influencer* and a *regulator*, and not just a *reflector* of economic activity. For, after all, money, however conceived, is the instrument through which any society must distribute work and its rewards among its members. So, the issue is not whether money matters. Rather, the issue is: *what type of money should matter*?”

It is precisely this issue of what type of money should matter in the management of the markets of any nation that distinguishes the economic thought system of Metallism and Nicholas Oresme from the economic thought system of Chartalism/Fiscalism and Jean Bodin as illustrated in Table 1 below. For where Metallism uses the equity money of right-is-right to grow the balanced inter-person and inter-group distribution of economic opportunities within and between nations, Chartalism/Fiscalism uses the debt money of might-is-right to grow hierarchy and inequality in the inter-person and inter-group distribution of the economic opportunities of jobs, goods and services within and between nations.

So, this paper argues in Section 2 below that the spectrum of the inter-person and inter-group patterns of economic distribution which could conceivably arise as any nation experiments, alternately and in concert, with the use of debt-money and equity money to underpin the monetary base of its currency market is the raw material for the construction of the, rather elusive, *General Economic Index Number*, GEIN, for any nation of the globe. GEIN is an ethical socio-organisational scale which economists can use, within any nation, to match varying currency market platforms of personal distribution with specific numerical values of a normed ethical scale whose values range from zero to unity as in Table 1 below.

Then Section 3, tells us that each numerical value of the GEIN, and so any particular currency market platform of personal distribution in any nation, is generated by pairs of currency market standards and theorems. So, currency market standards and theorems are the dynamic arms of the Oresme Law<sup>3</sup> of personal distribution.

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2. Egom, P.A. 2006, p. x,note.

3. The Oresme Law is the generalized Gresham’s Law as laid out in the currency privatization/fiscalization theorem of Adione-Egom, 2002, pp. 77-78 and Egom, 2004, p. 121 which says that as the monetary base of the currency market of a nation is increasingly privatized and its GEIN moves towards unity so does its currency market platform of personal distribution become more symmetric or level-ground but as the monetary base of a nation’s currency market is increasingly fiscalized and its GEIN moves towards zero, so does

And Section 4 concludes this paper by telling us that the current global financial crisis is the *kairos moment*, so to speak, for the fundamental and communitarian rearrangement of the currency market standards and theorems that rule the global economy.

So, the economics of market level-ground tells us, in this paper, the story of how the global economy, in full accordance with the Oresme Law of personal distribution, is currently transiting from the debt money world of hierarchy in the patterns of personal distribution within and between fractional reserve and external reserve nations, to the equity money world of level-ground in the pattern of personal distribution, within and between the emerging full-reserve nations of the globe.

## 2. General Economic Index Number, GEIN

The market, in any nation of the globe, is the social platform where the two-sides of supply and demand, personal and corporate, meet, over time and space, to swap goods, services, ideas, and job -skills in exchange for some agreed sums of a standard money of exchange. Thus, each personal or corporate player on any of the two-sides of a nation's social market platform, anywhere on the globe, is required to either have something tangible and valuable to sell or to have the requisite amount of the standard monetary wherewithal to effect the demand for the one good or service or job-skill or idea. For in a money economy, money buys goods and goods buy money but goods do not buy goods<sup>4</sup>.

Since money makes the economic world of any nation to go round, then the way and manner in which money of exchange is created and distributed among the people of any nation determines whether all, or only some, of its people get to partake actively in the national flow of market exchanges. One must, thus, ask , in this connection, the following critical currency market question of economic distribution. Is the currency market of a nation ,*where money of exchange is created and whence money of exchange is passed on to people in society for use in their market exchanges*, under the control of the majority ,or of only the few, of the people of the nation? The answer to this question depends on the type of money which a nation uses as a standard money of exchange. For when equity money of popular sovereignty is the standard money of exchange in any nation, then all of its people get to participate on more or less equal footing, directly or indirectly, in creating and distributing the standard money exchange and, thus, in ensuring for all the equal and fair access to effective demand . But when debt money of elitist sovereignty is the standard money of exchange in any nation, then only a few of its people get to participate in creating and distributing its money of exchange with the

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its currency market platform of personal distribution become increasingly asymmetric or hierarchic. See Section 3 below for more on the Oresme Law.

<sup>4</sup> Egom, P. A., 2006, p. xvii.

result that effective demand goes round, unequally and unfairly, among its people. This is all to say that it is within the currency market of any nation that the political and ethical forces of right-is-might and popular sovereignty, on the one hand, and the political and ethical forces of might-is-right and elitist sovereignty, on the other hand, battle it out to determine whether level-ground or hierarchy should characterize the pattern of the inter-person and inter-group distribution among its people of access to money of exchange and to effective demand for goods and services.

Now, mainstream economic thought teaches us to distinguish a market platform of hierarchy or asymmetry from a market platform of level-ground or symmetry. In the former, the prices which arise in market exchanges belong to the *win-lose* category but, in the latter, the prices which emerge in market exchanges belong to the *win-win* category. Thus, where the *win-lose* pricing market platforms of monopoly/monopsony and oligopoly/oligopsony represent hierarchy or asymmetry in personal distribution within and between nations, the *win-win* pricing market platform of polypoly/polypsony represents level-ground or symmetry in personal distribution within and between nations<sup>5</sup>.

However, what mainstream economic thought has always failed to tell us is two-fold and is as follows. One, is that the *win-lose* and the *win-win* pricing categories are the currency market products of debt money and equity money respectively. And, two is that symmetry or asymmetry in personal distribution within and between the nations of the globe, has to do with whether it is debt-money of might-is-right or the equity money of right-is-might which dominates the currency markets of nations.

In effect, the market platform for the inter-person and inter-group distribution of access to the money of exchange and effective demand in any nation is, and belongs to, its currency market. Accordingly, when debt money of might-is-right is the dominant money of exchange within the currency market platform, or *monetary base*, of any nation, there emerges a spectrum of hierarchy or asymmetry in the nation's market pattern of personal distribution. But, when equity money of right-is-might becomes the dominant money of exchange within a nation's monetary base or currency market platform, then level-ground or symmetry emerges in its market pattern of personal distribution.

Thus, there exists within the dense family of market patterns of personal distribution, that any nation of the globe could conceivably have, an *ethical socio-organisational scale*,<sup>6</sup> which is known in this paper as the: *General Economic Index Number* ,GEIN, and which debt money and equity money alternate and combine to trace from level-ground to hierarchy within its currency market spine. This ethical socio-organisational scale of

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<sup>5</sup> Egom, P. A., 2006, pp. 139-148.

<sup>6</sup> Egom, P. A., 2004, pp. 119-182;2007a,pp 3-41.

GEIN, within the currency market of any nation, is the substance of the economic theory and practice of index numbers.

GEIN is, in any nation, the time-series of the ratio of *endogenous equity money of right-is-might* to *exogenous debt money of might-is-right* in the monetary base of its currency market. And GEIN arises from this thought-experiment.

**Table 1. General Economic Index Number, GEIN**

Model of Money Creation 1	Type of Money 2	Monetary Base of Economy & Market Theorem 3	General Economic Index Number: GEIN 4	Oresme Law of Personal Distribution 5	Payments Standard 6
Supply-Leading  — Law of Charity  — Metallism of Nicholas Oresme 1360	Endogenous Private Sector Equity- Money of <i>right-is-might</i>  —  Gold Convertible	Endogenous Money Only  —  Purchasing Power Parity Theorem	Unity  —  Robust State	Symmetry  —  Vocation Fund  —  Citizen Wage	Gold Standard  —  Capital Conserving
Demand Following  — Law of Usury  —	Exogenous Public Sector Debt-Money of <i>might-is-right</i>  —  Financial Convertible  Exogenous Public Sector Debt-Money of <i>might-is-right</i>	Varying Mix of Endogenous and Exogenous Money  —  Interest Parity Theorem  Exogenous Money Only  —  Import Parity Pricing Theorem  or  Law of One Price	From less than Unity to greater than 0.25`  ---  Semi-robust State  From 0.25 to 0.00  —  Fragile/Failed State	Minor to Major Asymmetry  —  Variable Social Provisioning  Maximum or Pareto Asymmetry  —  Zero Social Provisioning	Gold Exchange Debt Standard  ---  Capital Importing  Currency Board Debt Standard  —  Capital Exporting
Chartalism/ Fiscalism of Jean Bodin 1576	Non-convertible				

Sources: Adione-Egom L.,2002;Egom.P.A.,2004,2006,2007a,2009.

Consider that, for a while, a nation uses the Metallist supply-leading model of money creation alone to run its currency market, then for another while, it uses a varying mix of the Metallist supply-leading and the Chartalist demand-following models of money creation to operate its currency market and that, and for the final while, it uses the Chartalist demand-following model of money creation alone to run its currency market mill. And, if we now say that the monetary base of the currency market of any nation

has the top extreme norm value of unity when it contains only *private sector equity money* but has the bottom extreme norm value of zero when it contains only *public sector debt money*, what we get from this thought-experiment is a nation whose monetary base traces a gradient of varying regimes or shades of money creation models. It is this gradient of regimes or shades of money creation models ,in the monetary base of the currency market of any nation of the globe ,that is known as the GEIN.

Thus, the story of Table 1 above is this. When the monetary base of the currency market of any nation is made up of endogenous or private sector equity money of *right-is-might* only, the nation clocks a steady unity value on the GEIN. But as the monetary base of the currency market of any nation begins to contain more and more of exogenous, or public sector debt, money of *might-is-right*, so does the GEIN of the nation shift inexorably towards the lower boundary GEIN value of zero. And a nation whose GEIN is zero, because its currency market does not contain any drop of endogenous or equity money, is the full blown colonial economy nation on the fixed rate currency board debt standard like any of the colonial CFA Franc nations of Francophone Africa.

And when we now combine the stories which columns 2, 3, 4 and 5 of Table 1 tell, we notice that *GEIN exists in any nation simply for the purpose of providing its members, and the world at large, with a yardstick for gauging the average job, food and all other forms of social security which the nation affords its people.* And the GEIN is, therefore, the yardstick for the *personal distribution rating* of any nation on the  $1 \geq \text{GEIN} \geq 0$  value range. Thus, as the exogenous or debt money content of GEIN increases so does inter-person and inter-group distribution of the economic opportunities of job, goods and services in the nation become more asymmetric with the GEIN moving doggedly, through money inflation , or gold de-monetization, policy, towards its lower boundary value of zero. But as the endogenous money content of the GEIN increases so does the distribution of the economic opportunities of jobs, goods and services in the nation become more symmetric with the GEIN moving inexorably, through money deflation, or gold re-monetization, policy, towards its upper boundary value of unity. In other words, the more the management of the currency market of any nation is privatized, the merrier it is for all its people socially and materially. But, the more the management of the currency market of any nation is fiscalised , the sorrier it is for most of its people socially and materially. This is the *Oresme Law* of personal distribution.

In effect, GEIN and the Oresme Law tell us that the management of the monetary base of the currency market of any nation is its key economic policy rudder for its growth or decay in the inter-person and inter-group distribution of social and material care. So, the presence of *the public sector deficit financing and the interest phenomena* in the currency market of any nation is not cause for good cheer and this is what the bottom segment of Table 1 does indicate for every nation of the globe, developed and developing

What then does the GEIN tell us? Three things as follows. One, any economic policy thrust in any nation of the globe must be hinged on either the debt money of might-is-right or on the equity money of right-is-might or on a varying mix of both. Two, once the character of the money anchor of a nation's economic policy thrust is known, then it is a piece of cake for the economist to map out the probable social and material consequences, in market patterns of personal distribution, which the underlying concept and practice of money will bring to the nation. And, three, the social and material consequences of a nation's economic policy thrust, in market patterns of personal distribution, are positive when equity money is the dominant money of exchange in the monetary base of the nation's currency market but the contrary is the case when debt money is the dominant money of exchange in the monetary base of its currency market.

GEIN is, therefore, the veritable *economic ready reckoner* for the inter-person and inter-group social and material consequences of the work, in the currency market platform of any nation, of either the debt money of might-is-right or the equity money of right-is-might. With GEIN in the background, economics ceases to be a prevaricating *both-and* science but becomes a dependable *either-or* science. How, then does economic thought explain the movement of nations in and out of monocentric and oligocentric power and market structures, and, especially, in and out of polycentric power and market structures? This is the territory of currency market standards and theorems of the next section.

### 3. Oresme Law of Personal Distribution<sup>7</sup>

The currency market of any nation has two economic policy domains, the one external and the other internal. The external economic policy domain manages the role of the currency market as a nation's transactions gateway to, and transactions formula with, the external world of trade and payments in goods and services. This is the world of payments standards where a nation decides on whether or not its people should trade and pay with the outside world in its own national currency, or in a foreign national currency. Then, the internal economic policy domain manages the role of the currency market as a nation's factory where its currency is created and whence its currency is passed on to its people for their use in domestic market exchanges. This is the world of market theorems where a nation decides on whether it is the full reserve and supply-leading market theorem of money creation and distribution or the fractional reserve/external reserve and demand-following market theorems of money creation and distribution should rule its currency market. But, what is implicit in Table 1 above is that the payments standard which a nation adopts in its external trade and payments

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<sup>7</sup> Egom, P. A., 2006, pp. 101-183.

relations *conditions and determines its ability to grow on its own steam in social and material circumstances* with the result that every payments standard does and must have its own unique and corresponding formula or theorem for domestic money creation and distribution.

Thus it is, as in Table 1 above, that for the gold payments standard, the corresponding formula for domestic money creation and distribution is the purchasing power parity theorem, PPPT, of resource conservation. Then for the gold exchange debt standard, the corresponding formula for domestic money creation and distribution is the interest parity theorem, IPT, of resource import. And, then for the currency board debt standard, the corresponding formula for domestic money creation and distribution is the import parity pricing theorem, IPPT, of resource export.

Consequently, this paper goes on to say that each numerical value of the GEIN from zero to unity, has an external economic and an internal economic policy interpretation. From the external policy domain, for example, a numerical value of the GEIN *stands for a particular payments standard like the gold standard, or the gold exchange debt standard or the currency board debt standard*. And, from the internal economic policy domain, a numerical value of the GEIN *represents a particular market theorem like the purchasing power parity theorem or the interest parity theorem or the import parity pricing theorem, the law of one price*. It is with this spectrum of internal and external economic policy pairs in the background that this paper then says as follows. One, the communitarian economics of market level-ground manages that numerical stretch of the GEIN whose external economic policy domain represents the gold standard and whose internal economic policy domain represents the purchasing power parity theorem. And, two, the capitalist economics of market hierarchy deals with the two-tier numerical stretch of the GEIN whose two-tier sequence of external economic policy domains stands for the twin of the gold exchange debt standard and the currency board debt standard and whose two-tier sequence of internal economic policy domains stands for the twin of the interest parity theorem and the import parity pricing theorem, the law of one price.

So, as any nation notches up a GEIN value that moves towards zero, so does this nation exclude more and more of its people from participating in its increasingly informal, opaque, audit-trail-less and *cash-and-carry* market matrix of economic exchanges as the hierarchical market world of debt money does demand. But, as any nation notches up a GEIN value that moves towards unity, so does this nation include more and more of its people in its formal and transparent market matrix of *debit-card-based, auditable and tax-compliant* economic exchanges as the level-ground market world of equity money does demand. In other words, the numerical values of the GEIN, from zero to unity, tell the dynamic economic policy story of the nature and causes the wealth and of the poverty of nations.

*This is the core economic policy message of the Oresme Law of personal distribution.* And, it becomes clear from this interpretation of the Oresme Law that the current global financial crisis sign-posts the precipitous and irreversible decline of the *global GEIN* towards the 0.25 boundary mark for global fiscal and financial chaos. The *global GEIN*, like the SDR of the IMF, is the average of the GEINs of the key fractional reserve nations of the West; and as it tapers off in numerical value towards 0.25 and beyond, the world of debt money must collapse and make way for a regime change in the type of money that rules the globe of commerce and industry.

For, with the global GEIN now in the neighborhood of the 0.25 mark for global fiscal and financial chaos, it is inevitable that the old capitalist era of debt money and export-market-led urban industrialization would be making way for the emerging communitarian era of equity money and domestic-market-led rural industrialization. This is so because global debt-implosion and a run on the key world currencies of the SDR debt standard is already at an advanced, but hidden, stage within and between the centre-capitalist nations of the West on the gold exchange debt standard and the periphery capitalist nations of the rest of the world on currency board debt standard! And what will emerge, like a phoenix, from the calamitous ashes of the current global casino capitalism of market hierarchy and the SDR debt standard is the communitarian global economic order of market level-ground and of the modified gold standard<sup>8</sup> as elaborated upon in the next and concluding section of this paper.

#### 4. Economics of Market Level-Ground

The economic theory and practice of index numbers, as outlined above, is the novel attempt to establish a *universal economic yardstick or metric*, in the form of the *General Economic Index Number*, GEIN, for gauging the manifold patterns of personal distribution which any concept and practice of money can bring to any nation. And what we now do in this concluding part of this paper is two-fold. First, we give the fuller market story of economic cause and effect which is embedded in the very ideas of the GEIN<sup>9</sup> and of the Oresme Law. And, second, we use the nexus of economic cause and effect of the GEIN and the Oresme Law,

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<sup>8</sup> In the emerging global gold payments standard of the equity money of right-is-might, *real value is exchanged for real value between and across sovereign monetary jurisdictions*. Hence, international money will be completely de-nationalised so that national currencies are the truly gold convertible international *means of payments* whilst intra-regional and inter-regional common currencies are fictively gold convertible numeraires or units of *accounts and contracts* for international trade and payments relations. Thus, the gold convertible national currencies in which nations make and receive external payments will have *fictive fixed rates* with the intra-regional and inter-regional common currency numeraires in the mould of the defunct *gold franc* of the BIS and the current SDR of the IMF .

<sup>9</sup> Egom, P. A., 2005, "Politics of International Capital Movements" in U. Joy Ogwu, and R. O. Olaniyan, "Nigeria's International Economic Relations: Dimensions of Dependence and Change", pp. 211-212.

as thus established, to show how today's hopelessly asymmetric and beleaguered global economy on the *floating rate gold exchange, or SDR, debt standard* can be brought back to the buoyant even keel and level-ground of the modified gold standard.

Now, we get a clear insight into the origins of the comprehensive and dynamic background for comparative economic analysis, which the GEIN and the Oresme Law articulate and provide for any nation, only when we see any nation as a money-flows market structure of two segments. The one money-flows segment is its market structure for money supply, or what J.M. Keynes in "*A Treatise on Money*", 1930, *Book, IV, Chapter 15*, calls a nation's financial circulation of money, and which comprises its currency and financial markets. And the other money-flows segment is a nation's market structure of money demand and use, or Keynes' industrial circulation of money, which is made up of its labour and commodity markets.

The Oresme Law says that a nation grows solidly, steadily and symmetrically in social and material circumstances as its market structure for money supply is harmoniously and permanently wedded to its market structure of money demand and use. It is the interest-free and endogenous equity money of right-is-right that brings about this spatial and temporal harmony between the nation's financial and industrial circulations of money and, as well, the symmetry of social and material plenty in the inter-person, spatial and generational distribution of economic opportunities in any nation on the gold payments standard.

However, the Oresme Law also says that interest-based and exogenous debt money of might-is-right causes a nation's market structure for money supply to shrink away from its market structure of money demand and use. This is so because exogenous debt money does interpose, through the inflationary phenomena of *Public Sector Borrowing Requirement, PSBR*, and *Interest*, a minor, or major, or maximum, gap of industrial out-sourcing and domestic resource unemployment between the two money-flows segments of any nation on the debt standard of either the gold exchange, or the currency board, variety.

So, what the *General Economic Index Number, GEIN*, measures is the range of gaps of industrial outsourcing and domestic resource unemployment which, according to the Oresme Law, the fractional reserve, the external reserve and the full reserve principles of central and private banking could, in theory, wedge in-between an economy's money supply market structure and its money demand and use market structure. Hence, we deduce from the GEIN and the Oresme Law the following and necessary binary packages of payments standards and market theorems that alternately make any nation an industrial outsourcer of an external

reserve or of a fractional reserve nation or an industrial in-sourcer of a full reserve nation.

Any full reserve nation on the fixed rate gold commodity standard uses the Purchasing Power Parity Theorem, PPPT, to eliminate any industrial outsourcing gap between its money supply market structure and its money demand and use market structure. Here the numerical value of the *General Economic Index Number*, GEIN, which is the *intrinsic* measure of the degree of the gold re-monetization of a national currency in its currency market, is equal to unity.

Any fractional reserve nation on the fixed or floating rate gold exchange debt standard uses the Interest Parity Theorem, IPT, to interpose a growing gap of industrial outsourcing and domestic resource unemployment between its money supply market structure and its money demand and use market structure. Here, its GEIN ranges in value from just below unity to and plus 0.25 as, the inflation of PSBR and Interest eats up the gold content of the nation's currency.

Any external reserve nation on the fixed or floating rate currency board debt standard uses the Import Parity Pricing Theorem, IPPT, to interpose an ever widening gap of industrial out-sourcing and domestic resource unemployment between its money supply market structure and its money demand and use market structure. Thus, its GEIN ranges in value from 0.25 to zero as Robert Triffin's idea of *imported inflation* makes nonsense of the gold content of its currency<sup>10</sup>.

Thus, the gold commodity payments standard and the PPPT market rule are to an industrial in-sourcing or local content growing nation what the gold exchange debt standard and the IPT market rule are to a gradual but steady industrial outsourcing nation and what the currency board debt standard and the IPPT market rule are to the endemic and colonial industrial outsourcer of a nation. In other words the Oresme Law says that as the GEIN value of any nation moves up towards its unity upper boundary value, so is that economy increasingly a local content grower and an industrial in-sourcer, but as the GEIN value of any nation moves steadily towards its zero lower boundary value, so is that nation increasingly a local content blighter and an industrial outsourcer. It follows from this that any nation on the fractional reserve principle and practice of central banking is a nation that is inevitably on the wane with regard to local content but that any nation that is consistently on the full reserve principle and practice of central banking is an economy that is sustainably on the ascendant with regard to local content. This is the Oresme Law.

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<sup>10</sup> Egom, P. A., 2006, pp. 51-60.

Now, what does the Oresme Law tell us the global financial crisis of yesterday and today is really about? Simply that it is the global riot and rage of the runaway and bankrupt fractional reserve debt monies of the West. For, from December 1958, when the US dollar defaulted on its gold convertibility, to this very day, the fractional reserve nations of the West have thrown monetary prudence and caution to the wind and have been printing endless tons of their increasingly gold-less and value-less reserve debt monies. In effect, the GEIN of each of the fractional reserve nations of the West is close to, if not already at, the 0.25 mark of fiscal and financial meltdown. And, naturally as the GEIN of each fractional reserve nation of the West is at the fiscal and financial meltdown mark of 0.25, the GEIN of each external reserve nation of the rest of the world, like Nigeria, must be close to, if not already at the 0.0 fiscal and financial mark for the failed state!

For, as each fractional reserve nation of the West is the producer and manager of the international currency means of trade, payments and reserves management, so is each fractional reserve nation of the West both a player and an umpire in the global terrain of trade, payments and investments. Accordingly, their domestic piles and bubbles of public sector indebtedness get to translate into the global pile and bubble of the current sum of some 6.8 trillion US dollars of non-gold international reserves. This is why the fractional reserve nations of the West are the centre nations of the globe which control all forms of global economic middlemanship: financial, commercial, industrial and technological and, so, this is why they control the public-sector- deficit-financing and inflationary sources of the current global fiscal and financial disarray.

So, the global financial crisis of yesterday and today will go away only when the fractional reserve nations of the West cease to be the producers and managers of the international currency means of trade, payments and investments and when they, also, do manage to do the well-nigh impossible task of withdrawing their domestic piles and bubbles of public sector indebtedness from the global financial system. For, should this event ever happen, we will notice that there would not be anymore any gap of resource unemployment between the global financial and industrial circulations of money because there is no gap of resource unemployment between the financial and industrial circulations of money of any fractional reserve or any external reserve nation of the globe. This is the global regime of equity financing and industrial in-sourcing which is waiting, with mounting impatience these days, to come to the global economic rescue of humanity with the equity money of care, compassion and charity.

And this will come to pass as soon as the gnomes of the West and of the rest of the world have done their on-going *capitalist-wrecking-work* of sowing seeds of

speculative chaos and debt-sandcastles into China's currently booming stock exchanges and housing markets for fictive capital accumulation<sup>11</sup>. China will then implode politically and economically as USA and the West will join China to do the same global economic and political St. Vitus dance. It is for this reason that this paper says that the globe is on the verge of experiencing the like of the economic paralysis and subsequent economic turnaround that Genesis 47:13-26 dimly describes for the Old Egypt of Joseph's time

In other words, the Oresme Law says that the economics of market level-ground, *of the Joseph variety*, will invest the whole earth when the GEIN of every nation of the globe is at the unity mark. And this entails, that, soon after the imminent collapse of the booming Chinese housing and capital market debt-sandcastles and the derivative collapse of the rest of the current fractional reserve and external reserve global economy, every fractional reserve and every external reserve nation must start afresh by doing a *slash and burn* currency market policy of public sector debt consolidation and liquidation in order to *gold-remonetize* the unit value of its currency. For as a nation consolidates and liquidates its domestic pile of toxic public sector indebtedness, so does it eliminate the industrial outsourcing and resource unemployment gap between its money supply market structure and its money demand and use market structure, so does equity money of right-is-might dominate its currency market and so does its currency market platform for the inter-person and inter-group distribution of economic opportunities become increasingly symmetric or level-ground.

So, the Oresme Law of personal distribution says that if justice and peace must reign on this earth, then resources of men, materials and savings must be allowed to remain and stay put within their nations of origin and to, thus, enable people to use and control their national resource endowments for their own good. This is what Global Joseph Project is slated to use the equity money of right-is-might to do in every emerging full reserve nation of the globe. For, Global Joseph Project will use the equity money of right-is-might to minimize and arrest the job-and-welfare-seeking flow of the migration of labour and capital from the rural areas to the urban areas of nations and from the external reserve nations of the rest of the world to the fractional reserve nations of the West. It is, thus, the rural industrialization model of equity money plus equity money's full reserve banking models of national, regional and global settlements that Global Joseph Project will use to establish the level-ground market structure of resource use in every nation of the globe<sup>12</sup>. What then is Global Joseph Project?

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<sup>11</sup> China has today over 2.1 trillion US dollars in foreign exchange reserves in the banking systems of the West. So all the financial sharks of the West and the rest of the world have now descended upon the Chinese stock exchanges and the Chinese housing markets to set up China for the massive looting and expropriation of her foreign exchange reserves through runaway casino capitalism as happened to Russia in 1997.

<sup>12</sup> Egom, P. A. 2009, forthcoming, chapter 2, pp. 33-40, chapter 4, pp. 97-140.

Global Joseph Project is God Almighty's theory and practice of human development on this earth. It says that any economy of any size grows steadily in the local content of jobs ,goods and services as it applies the Balance Criterion /Rule, Genesis 47:23-24; 2 Corinthians 8:13-15, of currency and financial market development in managing its labour and commodity markets. The objective of Global Joseph Project is three-fold as follows. One is to bring integral human development to every human being of gender, creed and tribe on this earth. Two is to ruralise and deepen the capital and commodity markets of each nation of the globe in aid of its decentralized, rapid and sustainable growth in the local content of home-made jobs, goods and services. And, three is to transform the current global economy of might-is-right, usury, injustice and war into the millennial global economic order of right-is-might, charity, justice and peace.

Then, in pursuit of this three-fold objective, Global Joseph Project recommends the following three-step-process, of Fig.1 below, in any sustainable effort to create the level ground global economy which is completely rid of the dual economy and centre-periphery syndromes and which gives every human being, on this earth, his rightful due of his country-and-culture-specific, equal and ample social and material attention from the cradle to the grave.

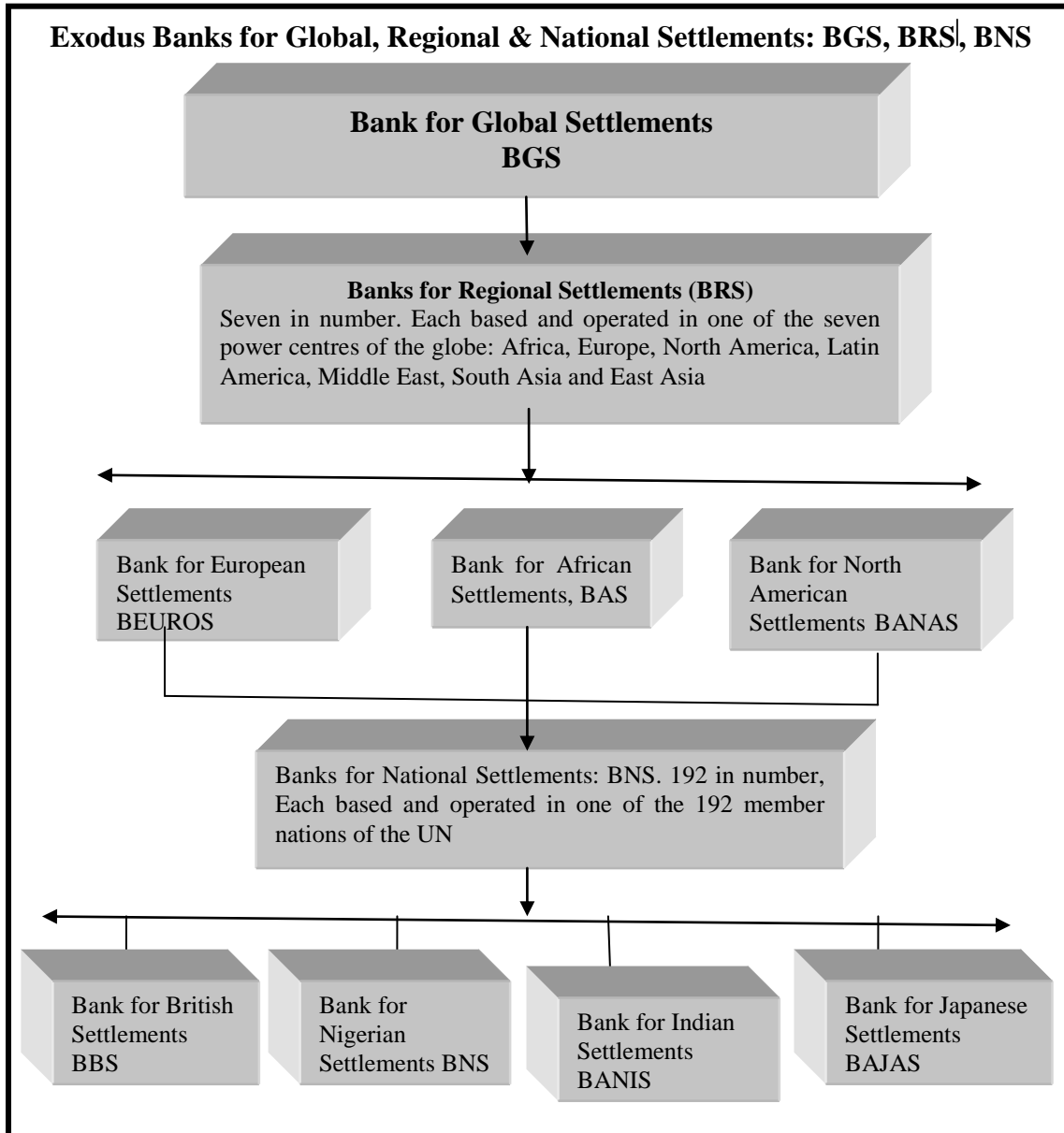
First, each nation should be encouraged to use its private-sector-led and national Exodus development bank, *Bank for National Settlements*, BNS, to create and distribute, among its people, its gold convertible equity money of right-is-might and popular sovereignty for the sole purpose of ruralising and deepening its currency, capital and commodity markets and, thereby, arrest its rural-urban drift of resources in aid of its inter-personally, spatially and generationally balanced and accelerated growth in local content.

Second, each of the seven natural regions of the globe: Africa, North America, East and West Europe, Middle East, South America, South Asia and East Asia, should be encouraged to use its private-sector-led and regional Exodus development bank: *Bank for Regional Settlements*, BRS, to weed out the centre-periphery syndrome from the external market structures of its intra-regional nations and, thereby, create an intra-regional market ring of equal and gold convertible national currencies which enables every nation of its region to make and receive intra-regional external payments in its own currency. Hence, the BRS regional common currency is only a fictively gold convertible accounting unit like the SDR of the IMF.

And, third, the globe should be encouraged to use its private-sector-led and Exodus development bank, *Bank of Global Settlements*, BGS, to weed out the centre-periphery syndrome from the global structure of inter-regional trade and payments and, thereby, create a global market ring of equal common currency regions of BRS which enables every nation of each region of the globe to make and receive inter-regional external

payments in its own currency. Likewise, the BGS global common currency is a fictively gold convertible accounting unit in the mould of the SDR of the IMF.

**Fig. 1.**



Source: Egom, P. A., 2009, p. 121.

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