

## Convertible Government Bond as a Solution to “Moneycracy”



**Joji WATANABE**

NPO All Life Line Net, Director General, Koshigaya-Shi, Japan

Since the primary concern for politicians is to get as many votes as possible for their survivals at every election that requires plenty of money/work, they tend to listen to opinions of influential wealthy individuals and large entities. Due to widening gaps in income levels and accumulated wealth for a small number of individuals, “Democracy” in most countries has been transforming to “Moneycracy” where money plays a vital role in shaping public policies, rather than opinions of “Demo-”, ordinary small individuals, especially the underprivileged/handicapped. Once a political leader establishes a strong position, even modest hopes of such small but many individuals are often ignored.

In the history of currency, drastic changes are seen in its material/type from typically coins of precious metals, paper currency, numbers in bank accounts to the recent digital currencies in electronic memory, which means technically there is no limit in issuance of today’s currency. Although the amount of issued currency has been one of the determinant factors in the management of national economies, we still keep the notion that its excessive supply would create hyperinflation, and government bond issuance is not considered sound for the economy. However, having reviewed the economic difficulties of some countries, e.g. Ireland, Greece, Mongolia, Sri Lanka and Japan, this paper discusses a fundamental defect in today’s standard currency system, and suggests a new system such as convertible government bonds, which can be converted to currency as necessary. This can be one of the solutions to alleviate today’s “Moneycracy”.

### Biography:

BS from University of Osaka, and MBA from Darden School of Business at the University of Virginia. After 10-year experience as an engineer for an operating company in Japan within Royal Dutch Shell group, engaged in many development projects in the fields of institutional development, economic development, human resource development from basic to professionals for industrialization in Asia, Africa, CIS(former Soviet Union) and Mongolia, working with government officials of Japan and those countries since 1985.