

THE  
**MONEY**  
**ECONOMY**

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# INTRODUCTION

DEAR READER,

With your decision to buy this book, you have just triggered a system: allowed money to change pockets, allowed an author to have a small dream of where to spend money, and unintentionally allowed those who will receive money from this author to make their dream come true. Those recipients can purchase something that they want up to the amount that they receive. You, dear reader, have just continued building a stronghold for the money economy where players are doing everything they can to earn money.

This book is about our life, our goals and motivations, our responsibilities and ultimate ideas, and the one thing that we are always thinking about, which is money. It is about the economy, which has created the life-cycle idea of receiving more and more money, and the daily wish that we have of earning more than someone else. It is money that is the centre of life. It is the goal, the desire, the wish, the responsibility, and the one thing that is building social relationships within each community irrespective of its size.

Although, at the moment, our connection with money begins in school—where parents must pay because otherwise, a child has only the option of going to a ‘worse school’—very soon, the money spent on the kindergarten will have to be covered by the same child when he or she starts earning. In the same way, as we now have college and institute tuition fees, these are the payments that we will have to cover when we have income. So, one has to focus on the idea of acquiring money, and this might happen only if they have an education for which that person is paying. With this focus, you generally become ‘one of us’—the people this work is referencing, those whom we are evaluating, and eventually adding on Facebook to not lose a connection because sometimes these people might prove valuable to us when we think about how to gain more money.

This book explores our present life, which demands us to study, work, earn money, and pay loans and taxes. It also dictates that we pass on the same notion to the next generation and demand more from them because as everyone is becoming smarter daily, it is getting harder and harder to make money.

So, the question is this: if this is the end of the cycle, will we never be bound in slavery or a monarchical system (excluding some states certainly), and will we always be working on the valuation of the resources that we have while producing some goods to sell at higher prices? Will we then have only economic cycles, ups and downs, longing for good times, and days when we identify the present only with the word ‘crisis’? Irrespective of whether prices increase or decrease, the ‘crisis’ the most usable word today. Do crises occur when we cannot meet basic needs, cannot earn sufficient money for them, cannot keep up with high inflation, or cannot earn due to rising unemployment and generally something unexpected arrives tomorrow? Economic theory suggests that the first victims of ‘crisis’ are those producing non-essential goods and services. So does it mean that we are in real ‘crises’?

First, we shall explore the current system by studying different economic models that produce basic and non-basic goods, which are not socially fair but always try to achieve social goals. The money economy builds connections just for the sake of having more ‘money’. Regardless of whether we are discussing a facade or buying expensive shoes to look good, then going to work and embarking in a constant search for something that may bring material or cash benefits to us, we have to pay back education fees and home or car loans, one way or another. Notwithstanding our political inclinations, ideas, or any arguments that we bring forward, we have only one goal and one idea—to earn more money. Regardless of the economic category we occupy—identified as either middle class, poor, or rich—we are all still seeking options. And those who have more, those who are in *Forbes* magazine, inspire our goals. We want to be like them because the current psychological perception of life requires us to be motivated and to always stay focused.

In the next section of book, we explore the advantages of this system, where money is the target. To reach our target, we are ready to think, work hard, and go through whatever our economic circumstances expect of us: be it a gardener, a singer, or a pilot. We are essentially always prepared to just be competitive. Because this

system is giving us better quality products at ‘cheaper prices’—in our understanding of products—this system offers us a sense of what is in demand. So, generally, the liberal market economy of Adam Smith has given our generation the expected motivation, money, lifestyle, and a certain control over our lives where we have choices. However, interest in production of goods and services is not natural human desire, it happens only due to money the process is running. On the primitive level, we are interested in production only with desire to meet our basic needs, any other activity occurs because of existence of money, a tool that may be exchanged for anything produced.

Whilst we are living in a money economy system, what alternatives exist now or have existed in the past? If the money economy has brought us the notion of the most efficient use of resources, employment of people, can we have a better and more efficient allocation of resources and will it be a fairer notion if we are talking about ‘fairness’ in the frame of a money economy system only. The conception of ‘fair’ today is a simple distribution of money, which is unequal and will never be equal because money distribution is not fair, working more does not mean earning ‘enough’ or ‘fairly enough’. There are those who work more and receive less, while others believe that they work enough and do not get enough for their hard work.

Some are claiming that we are in a perfect world order, where we have the opportunity to create prospects for and gain benefits from earning money, which gives us freedom of action and pleasure in exploiting the opportunity. The intention to get more benefit from the money economy is becoming only the idea of earning more, which simply means a redistribution of income. The production and supply of money, without the involvement of people in the production and resources, would make the money economy inefficient, without satisfaction and incentives to get satisfaction in the future.

The money economy involves passing money from one player to another, each one of them with money considers options for getting more using this powerful tool. In this system of money changing hands from one to another and the stimulus to bring some new product to earn more money, whatever is good and efficient today is expected to change to something old and useless tomorrow. It is the monetary desire pushing us from one search

to another to earn initially or earn more. So, it is money that is making today's world ever changing because human nature is to get more of this unique tool called 'money'.

So, we are happy that we have money, even if we do not have it abundantly, we know it is somewhere around and we can get it if we do something. Thus, we want to get money, wherever we can get it, and whenever we get it, we want to get more of it. We are doing the maximum to get money, as we have an infinite number of places or markets in which to invest or spend. As this book is purchased, the money will make a long journey from you, dear reader, to me, and then to those who will provide a product or service to me. Those persons and I will be able to use money and achieve satisfaction from its use, buy bread and water, get an education, pay part of a home loan, and even pass it on to the next generation.

In the end, there are some ideas shared that you can consider, though they shall not directly give you the opportunity to earn money. However, you will see your desire to become better and be more knowledgeable about money. Because I will gain money from your purchase of this book, you, in turn, made money work for you, dear reader, through continuing to construct your life around the money economy system.

# CHAPTER 1

## Which Economy Are We Living In?

THE SHORT ANSWER to this question is that we reside in the money market economy. It is the economy where people have to work to earn money for a living. When we have money, we have law and order and almost unlimited opportunities; conversely, when we have less money, we have fewer opportunities. This theory is not a new assertion, but it is a reality that we did not expect our lives would lead to one day.

More money is being circulated. We are working and competing with each other for a limited amount of money available as cash. For instance, if one buyer has a choice of two suppliers, the buyer will either rationally or irrationally make a choice, and that results in a winner and a loser. In this case, what will the loser do? The loser will think about what to do next, such as reduce the price, offer two for the price of one, or provide discount cards, and so on. Subsequently, the next day, yesterday's loser will become the winner. Great, congratulations to the new winner! This individual has done something that others could not do; the winner is one of the candidates eligible to be in *Forbes* magazine. And what about yesterday's winner? That seller, as today's loser, is not demotivated, but instead, the seller is studying, analysing, buying books, browsing YouTube. The seller identifies a new idea: the seller pursues a loan from the bank, advertises their business idea, and voila! The seller has a sale the next day and has been redeemed as the winner. Part of the seller's money, or revenue, goes towards a loan payment while the other part goes to the advertising agency.

Thinking and working to earn more—this is the short cycle of life in which we exist. Now, let us pause and consider the other side of a transaction: is the money of our buyer limited or unlimited? If we have two buyers tomorrow, it means a growth in population. Now, we need to ask another question: do they have the same amount of money, or does one have more than the other? Or do they both have less money than the one who bought yesterday? So, we have two sellers and two buyers with an unknown amount of money. And now it is perhaps a good idea to look into the idea of the prisoner's dilemma from game theory in relation to how much the first and second buyers are ready to pay. Let's take a simple example: there are two pieces of bread, and each buyer will purchase one because they need bread. In the same way, they will buy a bottle of water because they are thirsty. But what if they have a can of cola and a bottle of water before them? The cola is more expensive than the bottle of water. Here, we will have irrational decision-making, where one buyer, to get something better than a bottle of water, will buy the cola.

Why are we making more and more irrational decisions? Why, instead of going by bus, are we buying a car? Why are we plunging ourselves into further debt to later buy an even better car? Because any car, regardless of its make, will do its job. What is at work is the sense of feeling better when we have more money than someone else.

From where did you attain 'more money'? Did you produce more water? Did you produce more potatoes or more bread to satisfy the basic needs of the people? The answer is 'no'. You receive more money because there is just more money, and people require money. Why do we not have global inflation? We do have it; just refresh your memory and remind yourself of how much a bottle of water cost 10 years ago compared with its modern-day price. Alternatively, you could think along the same lines with regard to the price of a potato. There is global inflation, but it is not as deep as it may appear locally in countries with closed borders. Globally, inflation is very slow, but it is somewhat faster in Europe, for example. What is the extent of this inflation? Can we have too much money and faster inflation? This is highly unlikely, and I do not desire to offer lengthy descriptions to risk losing you, reader, somewhere in between. There are some circumstances that are constantly changing and will not allow global inflation to proceed at a faster rate. Take, for instance, the natural rise in population

with the development of medicines. We have now more and more people, and consequently more opportunities to spend money on something that, in most cases, does not meet our basic needs.

It is the money that goes from one pocket to another that lets its holder go to school, university, or visit a dentist. These are all now basic needs. So, the more money we have, the more options that exist for us. In addition, the more opportunities we have, the more we add to the shelf of basic needs without which life would be unimaginable.

It is the money economy that has an interconnection of buyers, consumers, sellers, and producers. One wants money and another needs to spend money. The need to spend is not less significant than the need to earn, although we are all thinking that it is a seller's market and a seller's world. Buyers have more and more choice because each wants to get more and more out of their pocket. There are more and more people who want to earn because there are more and more who desire to buy something. Even discounted prices should not stop one from thinking that there are less of those who want to buy, it is just that you are ready to sacrifice some money from your income.

Your decision to earn less is linked to your lack of motivation and your desire to spend less time at work. Is that harsh enough? Maybe, but anyone who gets involved in sales should know that there is more money to earn. Do not worry, the system is generous and produces more money than one can handle. You should know that it is the time of the money economy, you are earning what you can and are making rational or irrational decisions. Depending on circumstances, or irrespective of them, you are where you are, and from that point, you should be the seller in the system where you need to get more than the other person.

So, we are in a 'money market economy', which has a very broad meaning, but the core notion is 'money'. Money is at the centre of the system; it drives the system and stimulates the desires of people to have it, which allows them to then have the ability to get more of everything from everywhere. The players of this system generate money, which has a local value in the frame of political borders and global currency as the US dollar. In the constant hunt for money, we should rename today's economic system as 'money chaser'. The name does not sound as good academically, but the meaning is expressing the sense of the money economy system.

Speaking about the economy generally and the place where money has brought us, we are moving into a stage of accepting basic needs not only as normal but also not as interesting and at a cheap level. For example, there is an immense number of products sold as ‘drinks’, and simple water has turned out to be the doctor’s recommended drink. For those who have enough money, or more correctly to be said ‘more than enough money’, they are making irrational decisions and buying expensive drinks. It is a perfect way to open opportunities to earn money and secure basic needs. The ‘money chaser’ economy is giving opportunities for all to transfer their money into products and services in each part of the world. It is possible to buy water and food in exchange for money in those parts of the world where such foods are not even growing.

In the ‘money chaser’ economy, we are hunters, as all our predecessors were hunters, but we are hunting for money every day, the entire day, and our aim is to then get even more money. Broadly speaking, in a money chasing system, we are trying to get more money not from the tree, as our predecessors were doing, but we are hunting for money from others who are not on the tree and possess money for a certain period. The money economy built the strongest society we have ever had. We have to communicate with others to get money and this process has been establishing very strong social relationship model of society.