

10. Impact on economy and jobs from monetary conversion

Restoring the intermediation cost of the ESCB Fractional Reserve Monetary System to the EU member states economies is expected to improve the economies by the amount of the reduced intermediation cost, approximately 3% per year.

The ESCB Fractional Reserve System has a 92% (1 - Reserve Requirement¹⁹) intermediation cost (wealth transfer effect) of new money creation, which is a loss of capital from the other sectors of the economy. Assuming a €750,000 of capital value per job creation, the total €9.07 trillion estimated capitalised intermediation cost represents an estimated 12,095,000 private sector jobs. Per NY Times 2009 €24,052 estimate, the €362.9 billion annual cost would be approximately 15,086,000 jobs. These estimates indicate the approximate intermediation cost of the ESCB Fractional Reserve Monetary System is on the order of twelve to fifteen million recoverable jobs from conversion to a full reserve monetary system.

December 31, 2011		Intermediation Cost Average		Jobs Impact Estimates		
EU Eurozone (17) Country ¹		Annual ² (A)	Capitalized ³ (B)	Annual	Capitalized	Average
Native	English	(€ Billions)	(€ Billions)	=(A)/NYT Est ⁴	=(B)/€750000	=[(A)+(B)]/2
Belgique/België	Belgium	€ 10.31	€ 257.76	428,671	343,680	386,176
Deutschland	Germany	€ 80.14	€ 2,003.38	3,331,751	2,671,177	3,001,464
Eesti	Estonia	€ 0.46	€ 11.59	19,269	15,449	17,359
Éire/Ireland	Ireland	€ 5.19	€ 129.84	215,934	173,122	194,528
Elláda	Greece	€ 6.27	€ 156.78	260,735	209,040	234,887
España	Spain	€ 40.84	€ 1,021.03	1,698,044	1,361,379	1,529,712
France	France	€ 56.53	€ 1,413.17	2,350,188	1,884,225	2,117,207
Italia	Italy	€ 36.09	€ 902.13	1,500,294	1,202,836	1,351,565
Kýpros	Cyprus	€ 1.41	€ 35.29	58,698	47,060	52,879
Luxembourg	Luxembourg	€ 6.36	€ 158.99	264,405	211,982	238,193
Malta	Malta	€ 0.45	€ 11.15	18,545	14,868	16,707
Nederland	Netherlands	€ 21.35	€ 533.64	887,482	711,524	799,503
Österreich	Austria	€ 11.30	€ 282.57	469,930	376,759	423,344
Portugal	Portugal	€ 6.31	€ 157.79	262,417	210,388	236,403
Slovenija	Slovenia	€ 1.00	€ 24.93	41,462	33,242	37,352
Slovensko	Slovakia	€ 1.64	€ 41.03	68,230	54,703	61,467
Suomi/Finland	Finland	€ 5.82	€ 145.47	241,925	193,960	217,943
TOTAL		€ 291.46	€ 7,286.54	12,117,981	9,715,393	10,916,687

TABLE 14 DATA SOURCE: Conversion Impact on Economy and Jobs, Attachment 11(a).

December 31, 2011		Intermediation Cost Average		Jobs Impact Estimates		
EU Non-eurozone (10) Country ¹		Annual ² (A)	Capitalized ³ (B)	Annual	Capitalized	Average
Native	English	(€ Billions)	(€ Billions)	=(A)/NYT Est ⁴	=(B)/€750000	=[(A)+(B)]/2
Bulgarija	Bulgaria	€ 1.15	€ 28.83	47,950	38,443	43,196
Ceská republika	Czech Republic	€ 5.41	€ 135.30	225,005	180,394	202,700
Danmark	Denmark	€ 5.20	€ 130.05	216,274	173,394	194,834
Latvija	Latvia	€ 0.76	€ 19.08	31,730	25,439	28,585
Lietuva	Lithuania	€ 0.87	€ 21.86	36,347	29,141	32,744
Magyarország	Hungary	€ 1.57	€ 39.25	65,281	52,338	58,810
Polska	Poland	€ 3.66	€ 91.53	152,217	122,037	137,127
România	Romania	€ 1.68	€ 41.96	69,779	55,944	62,862
Sverige	Sweden	€ 6.50	€ 162.51	270,263	216,679	243,471
United Kingdom	United Kingdom	€ 44.58	€ 1,114.49	1,853,466	1,485,986	1,669,726
TOTAL		€ 71.39	€ 1,784.85	2,968,312	2,379,795	2,674,053

TABLE 15 DATA SOURCE: Conversion Impact on Economy and Jobs, Supplement 4(a).

¹⁹ Reserve Requirement for Basel II Banks is 8%, Attachment 1(b)/Reference 2, ECB is 2%, Attachment 1(a)/Reference 7.