



The Ramo Plan

Abstract The Ramo Plan is a visionary proposal to liberate all rich and poor nations from the burden of debt, it tries to expose the magnitude of the global debt problem, what caused it, how to deal with it, and why we need to liberate all nations from the debt burden now. The analyses and discussion place the debt issue in its proper historical and social contexts and answer the questions that could be raised against it. The plan was published by Ideas, a website of the German Munich University, and US Federal Reserve Bank of St. Louis. However, the plan went through several stages of development that forced me to spend many sleepless nights thinking how to structure it, what projects should be included in it, and how to finance its grandiose projects and achieve the desired humanitarian goals. All of which are identified and explained in this chapter.

Keywords 2008 Financial Crisis · Greece · Ireland · Portugal · Public Debt · International Monetary Fund · Taxpayers · Bondholders · Globalization · South Korea · China · India · Brazil · Pakistan · Egypt · Economic Theory · Bloomberg · Dollars · Euros · Pounds · Sustainable Development Fund · Educational Fund · Humanitarian Fund · Environmental Fund · Helicopter money

The Ramo Plan is a visionary proposal to liberate all rich and poor nations from the burden of debt. The plan tries to expose the magnitude of the debt problem, what caused it and how to deal with it while explaining why we need to liberate all nations from the debt burden now. Therefore, the discussion places the debt issue in its proper historical and social contexts and answers the questions that could be raised against it. The plan was published by Ideas, a website of the German Munich University, and US Federal Reserve Bank of St. Louis. However, the Ramo plan went through several stages of developments that forced me to spend many sleepless nights thinking how to structure it, what projects should be included in it, and how to finance its grandiose projects. The following analysis explains why over half of the world's states can never repay their debt under current circumstances and how to deal with the debt problem.

Due to the financial crisis of 2008, many states were forced to bail out troubled banks and failing corporations by adopting expansionist policies to stimulate their sagging economies. Consequently, borrowing to cover spending increased substantially, causing budget deficits and the public debt of most nations to rise rapidly and reach, in many cases, unsustainable levels. In view of the near default of Greece, Ireland, and Portugal, global awareness of the threat posed by growing public debt was heightened, giving rise to a eurozone crisis. Today, many states are facing a dilemma: how to reduce budget deficits to contain rising public debts on the one hand, and how to grow their economies to create jobs for the unemployed on the other.

All indebted nations subscribing to the free market system are in a bind; the goals they seek to accomplish are contradictory, and the actions they must take are incompatible. While reducing deficits to contain the increasing debt requires reducing spending and raising taxes, stimulating slow growing economies, and creating jobs require more spending and tax reductions. Since there is no formula in economic books to achieve these contradictory goals, a new formula has to be invented to enable nations to resume healthy economic growth and create millions of new jobs without widening deficits or increasing the public debt.

The Ramo Plan provides a way to liberate all nations from the debt burden, restructure the international monetary system, and create the necessary conditions for sustainable global sociocultural and economic development while guaranteeing fairness and protecting of the environment. The plan has come as a result of deep thinking about the woes of our times; the duty to help poor people and desperate children climb out

of poverty; the need to save students from debt and inadequate education; and a moral responsibility to liberate oppressed young women and men from economic and social enslavement. The plan also aims to free future generations from the burden of debt incurred by previous generations. Since the intention is to help everyone, the plan neither asks investors nor bondholders nor banks nor taxpayers to sacrifice anything nor calls for the redistribution of wealth; it is designed to help everyone and penalizes no one.

But before outlining the plan, a few facts related to global change need to be underlined. Analyzing these facts is meant to place the major economic challenges of our times in their proper historical and societal contexts; otherwise, it would be difficult for most people to understand the nature and extent of global change and its strategic implications.

GLOBAL CONTEXT OF CHANGE

“**Globalization** and the communications and information revolutions and technological innovations of the last three decades have caused national economies, cultures, and politics to be transformed; they created a global economy that forced economic and social structures and production relations to change, causing the nation state to lose control over its economy. They also caused most industrialized societies to enter a transitional period leading to a new, much complex civilization, having its own society, culture, and economy. During transitional periods that take societies from one civilization to another, it is always easier to describe change than identify its causes, influence its course, or predict its outcome. As change proceeds, it invalidates prevailing economic, social, and political theories, while no new ones are developed in time to take the place of the old ones and deal with the evolving consequences of change. They also cause confusion, chaos and create a trust deficit”.¹ And this causes the capacity of society to deal with the new reality to decline, creating a need for new ideas and laws and theories to guide nations into a largely uncharted future no one can escape.

The transition that started in most Western states around the mid-1990s has disrupted life as we knew it; it dissolved the connection between the immediate past and the near future, causing most people to lose their sense of direction. But as the industrial was about to reach its end, the knowledge age was still in labor being born, leaving the present waiting for the unknown. The present we were living then was

reduced to a mere port where the past is ending its journey, while the future is getting ready to start its voyage into a new world. Consequently, people and the systems through which they function are experiencing one crisis after another without much hope of regaining balance soon. In fact, the moment a civilizational era ends, its history and historical logic end, forcing the new era to struggle alone to discover the logic of its times and write its own history. For example, when the Industrial Revolution arrived with its unique society, culture, and economy in the second half of the eighteenth century, the history of the agricultural era and its logic ended, causing that history to lose its wisdom, and become of little use to the new society and the unfolding new age.

The rapid industrialization of South Korea, China, India, Brazil, and other states has caused the global capacity to produce most essential goods and services to exceed the global capacity to absorb such goods and services. Meanwhile, the continued expansion of this capacity has caused competition to intensify and the global economic growth rates to decline. While exposing the world economy to recessions and financial crises, it created a need to expand global markets to keep pace with the growing production capacity. Since the absorption capacity of the industrial states is fast approaching its limits, due in part to the shrinking size of the middle class, aging populations, and an ever-widening gap between rich and poor, efforts to develop new markets must concentrate on poor countries where economies are still underdeveloped, and people are hungry for everything new.

Some people might argue, correctly, that instead of expanding markets we should reduce the production capacity of countries like China to conserve our dwindling natural resources and protect our environment. Though this is a rational argument, it is not practical at this turn in history; many millions of young people are still unemployed and struggling to survive in India, Pakistan, Egypt, and tens of other Asia, Africa, and Latin America states. While we should strive to conserve as much of our natural resources as possible, we need first to create jobs for the world's unemployed men and women to guarantee fairness; however, we should never lose sight of the need to protect our environment.

Free trade and investment markets have changed the rules that govern many things in life, particularly rules that govern the relationships between jobs and jobseekers. Three decades or so ago, many jobseekers had to leave their towns and families, sometimes their countries, and risk dying to reach a country where decent jobs are available

to help them improve their living conditions. While economic migration continues today, most immigrants lack the skills needed to excel in the new knowledge-based economy. Thousands of people die each year trying to reach Europe and the United States in little boats sailing against turbulent winds and walking across vast deserts controlled by criminals, human traffickers, and drug dealers.

Today, while industrial jobs travel from one country to another looking for cheap and disciplined labor that has the right skills and attitudes to hire, knowledge jobs travel, often virtually, looking for workers with the right education and talents. Since multinational corporations have abandoned their commitments to labor, community, and country, they are willing to hire anyone and invest in any country to maximize profits and enlarge market share. Therefore, highly qualified people do not need to leave their towns to get good jobs with corporations residing in faraway places.

These developments have caused most economic, social, and cultural conditions and structures to change drastically and irreversibly; as a result, they have invalidated most of the assumptions upon which old theories of economic and financial management are based. Such assumptions include the notions that national economies are largely closed, trade is subject to restrictions, foreign investment is subject to regulations, investment requires domestic savings, neither labor nor money is free to cross state lines without approval, and that the state is in control of its economy. Since all such restrictions have been fully or partially removed, the traditional tools of managing national economies and dealing with issues such as recessions, unemployment, inflation, and trade, have become ineffective, causing the **traditional economic theory** to become largely dysfunctional. Failure to acknowledge the declining relevance of traditional economic theory will cause most economists and politicians to think inside a largely empty box and fail to realize the need for new tools of economic and financial management.

There is no doubt that traditional economic thinking has had a solid record of success between the 1950s and the 1980s. Economists played and continue to play a major role debating economic policy, political decisions, the distribution of income and wealth, and the impact of these issues on fairness, poverty, the middle class, and the general welfare of nations. However, the moment a theory loses the validity of its assumptions, it loses its relevance and becomes dysfunctional. Building a theory is similar to building a house; you start with the foundations, which is

the equivalent of assumptions for theory. If the foundations are good, the house will last for a long time, but not forever. Nevertheless, foundations exposed to earthquakes or floods are unlikely to live long; and so are assumptions trying to reflect human behavior and living conditions that never stop evolving and changing.

Overview of the Debt Problem

According to a report issued by the International Monetary Fund, 2020 witnessed “the largest one-year debt surge since World War II, with global debt rising to \$226 trillion as the world was hit by a global health crisis and a deep recession. Debt was already elevated going into the crisis, but now governments must navigate a world of record-high public and private debt levels, new virus mutations, and rising inflation. Global debt rose by 28 percentage points to 256% of GDP in 2020, according to the latest update of the IMF’s Global Debt Database. Debt increases are particularly striking in advanced economies, where public debt rose from around 70 percent of GDP in 2007, to 124 percent of GDP in 2020. Private debt, on the other hand, rose from 164 to 178% of GDP, in the same period.”²

Without going into details, public records indicate that we have today 86 countries whose debt to GDP exceeds 60%. 24 of these countries have public debts to GDP that exceed 100%; they include the United States with a public debt to GDP of 137%, Japan (266), Greece (193), Italy (151), Portugal (127), Canada (118), Spain (118), and France (113). This means that we have a total of 86 countries that cannot repay their debt anytime in the future. Most of these figures are for 2020, which means that the impact of COVID-19 and the Ukraine crisis have not been considered.³ It is estimated that the public debt increased by \$20 trillion since the COVID-19 pandemic, making the total debt about \$92 trillion, of which about 80% is owned by the Western industrialized states and Japan

However, I believe that when all states reveal their actual debt obligations, the total will most likely exceed \$120 trillion. According to Bloomberg, the total public and private and corporate debt reached \$250 trillion in 2019. “The world now has \$250 trillion in global debt and growing. More importantly, global debt as a percentage of GDP climbed from just over 280% to nearly 320% over the past decade. There’s simply too much debt in the system and no clear path to truly paying it off.”⁴

In addition, the Economist said that global debt was approaching \$300 trillion.

THE RAMO PLAN

Today, most nations face mountains of debt and huge budget deficits that hinder their abilities to grow their economies, create jobs for the unemployed, or help the poor and students burdened by debt. As a result, poverty and unemployment rates have remained high in most countries, and a sense of hopelessness and helplessness overwhelms a majority of people in many parts of the world. Since the debt problem is not limited to several states, it must be viewed as a global issue. To address this issue and the serious social ills it has precipitated, I present below the “Ramo Plan,” which is a creative idea that defies conventional economic thinking; yet it has the capacity to liberate all states from the debt burden, restructure the international monetary system, restore global financial stability, and create the necessary conditions for sustainable global development and peace. The plan is as follows:

1. To designate the International Monetary Fund (IMF) a global central bank, with powers to issue a new international currency to be called “Ramo,” divided into 100 cents, and to issue bonds in Ramos in addition to its current functions.
2. To set the value of the Ramo at the rate of the IMF Special Drawing Rights unit, which means converting the virtual IMF currency to a real one that can be used by everyone.
3. To give each state the opportunity to repay its entire debt obligations by issuing money notes and credit certificates in its own national currency payable to the IMF.
4. To authorize the IMF to open a trust account in which all such funds would be deposited and kept for the sole purpose of meeting the debt obligations of the IMF member states, the IMF would pay all debt notes on behalf of its members as they become due, not before or after.
5. To ask each state to pay an additional amount equal to 10% of its total debt obligations as management fees; these fees, expected to be about \$12 trillion, would be deposited in a special fund managed by an international board of renowned experts to finance programs

outlined hereunder and compensate the initiator and administrators of this proposal.

6. To establish a \$2 trillion Educational Fund to build 50 new universities, with a mission to educate new cadre of global leaders, promote peace, cultural diversity, tolerance, critical thinking, creativity, and innovation, and develop environmentally friendly technologies; all universities would be strategically located to serve most regions of the world.
7. To establish a \$2 trillion Humanitarian Fund to help victims of war and natural disasters such as hurricanes, tsunamis, earthquakes, serious diseases, and refugees worldwide.
8. To establish a \$2 trillion Environmental Fund to restore the global environment to its past glory with its blue skies, rivers, and seas, and to preserve forests, rare plants, and animals.
9. To establish a \$6 trillion Sustainable Development Fund to assist developing nations transform their traditional cultures, grow their economies, reduce poverty, create millions of jobs for the unemployed, and join the industrial world.

The moment a nation pays its debt and management fees as outlined above, it becomes free of debt, and the IMF assumes responsibility for its debt obligations. Since a global economy needs a global central bank to function properly, the new role assigned to the IMF and the issuance of the Ramo would serve to restructure the international monetary system, basing it on a “new gold standard.” Since the IMF does not have enough gold, a golden Ramo, backed by the good faith and currencies and economies of all member states would become the international standard against which all other currencies would be pegged, making all currencies more stable and less susceptible to manipulation. Exporters of oil, natural gas, and strategic commodities would be able to price their exports in Ramos, enabling them to forecast future incomes more accurately. Meanwhile, using the Ramo to price the major export commodities will guarantee fairness; no nation would pay less as the value of its currency appreciates against the dollar; no nation would pay more as its currency depreciates against the dollar. The issuance of the Ramo will mark a new era in our history in which the international community of nations will have finally acknowledged that all economies have become, not just interdependent, but largely integrated.

Since budget deficits include interest payments to service the debt, many states would see their deficits vastly reduced the moment they pay their debt. Many states are likely to see their deficits disappear overnight. Such a development would calm global financial anxiety, restore investor and consumer confidence, strengthen banks, and give all states a decade or so to restructure their spending and tax policies to balance their annual budgets.

CONCERNS AND FEAR OF INFLATION

Some economists will most likely argue that repaying the debt in this fashion amounts to printing money and issuing credit notes not backed by solid assets like gold and silver. This is true, but so is the printing of Dollars, Euros, Pounds, and other currencies; these are currencies backed by the good faith of the states issuing them, not by gold or other assets. Compared to these currencies, the Ramo will be backed, not only by one state but by all IMF member states. Furthermore, if the debt is not paid now as proposed, any debt repayment in the future will be made in dollars or Euros or another currency; in fact, all loans are made and repaid in regular currencies that lack material backing. Therefore, the means to pay today as well as later are the same; the only difference is to pay today, free all nations from the debt burden, revitalize the world economy, help the poor or wait until some states default, and cause the banking and credit and trading systems to stop functioning.

Other economists might argue that creating that much money would ignite inflation and hurt consumers everywhere. This is simply incorrect. The IMF has no mandate to spend a penny of the money it will receive except as outlined above. The proposed arrangement for debt repayment changes the identity of the payer only, not the amount to be paid or when to be paid. Though the IMF is required to pay debt notes as they become due on behalf of its member states, it could arrange, in coordination with concerned beneficiaries, to delay some payments and keep the money for as long as needed to maintain financial stability.

On the other hand, helping poor nations develop their economies and transform their cultures is expected to create millions of investment opportunities annually for decades to come; the Sustainable Development Fund, to be outlined in the next section, will facilitate the creation of millions of jobs in the developed and developing countries alike. Moreover, as the IMF pays back loans, it should give lenders the option of

getting paid in the same currencies of the loans or in Ramos. This action will limit the increase in the supply of all national currencies while paving the way for the Ramo to play its intended international role as a global reserve currency.

In addition, the Ramo plan is also a plan to deal with the threat of inflation; it provides all developing states with the capital, knowledge, and technical assistance they need to develop their economies, improve labor productivity and food security, transform their cultures, and strengthen business ethics. Nonetheless, no plan can guarantee that inflationary pressures, corruption, or greed will disappear any time soon; the issue of moral hazard will stay with us for as long as we live. No rich or poor, developed or developing nation is immune to it.

The issuance of the Ramo and the arrangements to pay all nations' debt remove all risks associated with possible state defaults and bank failures. Meanwhile, the establishment of the Sustainable Development Fund, the Educational, the Humanitarian, and the Sustainable Environmental funds have the potential to double international trade in a few years and stimulate all economies; it will also create millions of new investment opportunities and tens of millions of new jobs worldwide.

In fact, paying the global debt in its entirety would save all nations about \$4 trillion annually in interest payments; the developed countries' share of this savings is about \$1 trillion because they pay lower interest rates than developing countries. Today, the service sector employs millions of people in the United States, Europe, and other countries like India without investing almost any money in creating those jobs. People working from their homes and using their own computers are making sales by promoting products and bank services, making resort and travel reservations, helping people fix computer problems, and more. Nevertheless, assuming that creating each job in a poor country needs \$10,000 because such jobs would be a mixture of agricultural, industrial, and service jobs, each \$1 trillion in interest savings would create about 100 million jobs.

SUSTAINABLE DEVELOPMENT FUND

As explained earlier, the rapid economic development of several Asian states has caused the industrial production capacity of the world economies to surpass its absorption capacity, creating a wide gap between the global supply of and the global demand for most industrial products.

Without expanding global markets to narrow this gap, the average rate of the world's economic growth will decline further, and the world community of nations will fail to address the economic, financial, and social challenges it faces. Such challenges include how to end regional wars and ease the political turmoil in many parts of the world, and how to deal with the roots of radicalism, terrorism, and human trafficking. Without growing the economies of developing nations and making the global economy fair, it will be even harder to produce enough food to feed the increasing numbers of the poor in Africa, Asia, and Latin America, create jobs for the unemployed, and ease economic and conflict migrations from poor countries plagued by poverty and conflict to Western societies.

For example, the World Bank, after 75 years of working in the development field and spending billions of dollars each year, has failed to help one country develop and industrialize; and this, in turn, has caused almost all theories of economic development written between the 1950s and 1980s to be abandoned. Consequently, new books on development have begun to focus on issues of development such as freedom, corruption, poverty, inequality, education, environmental protection, and women empowerment. There is no doubt that these issues are important; they affect the lives of people and the direction of development and its chances of success; however, these issues are manifestations of deeper sociocultural problems, and therefore cannot be addressed separately.

If helping poor nations was a luxury in the near past, it is a global security and human necessity today. Global Political stability cannot be restored, and radicalism cannot be contained without economic growth and a fairer distribution of wealth and income among social classes and nations. Economic aid and charity cannot create enough jobs for the unemployed to undermine radicalism or increase global demand for goods and services. Since our world has become a global village, no nation can live in peace for long unless other nations feel at least financially comfortable and politically stable; and no nation will feel secure unless its neighbors feel secure as well.

The spread of poverty in many parts of the world, coupled with rising awareness of the living conditions on the other side of the global economic and cultural divides, have created groups of angry, often alienated, and radicalized young people in several parts of the world, particularly in the Middle East and Africa; those people feel betrayed by their leaders and the West. Because their grievances continue to be ignored, their anger rises as their numbers grow and their targets spread.

Since these groups grew out of frustration and despair, the idea to change the world according to their beliefs has become an ideology that motivates them to act, often on their own. So, as long as the current sociopolitical and socioeconomic conditions continue, the radicalization of young people will continue, and so will the killing of people, and the destruction of cities and mankind's historical treasures.

Despite the remarkable increase in China's and India's industrial capacity, both states still have millions of people without work. Every new industrial job created in those countries will aggravate the imbalance between the global supply and the global demand for manufactured goods and technical services. Failure to acknowledge this fact and act accordingly will intensify global competition, raise the level of tension between states, and heighten the vulnerability of the global economy to recurring recessions and financial crises; it will also worsen trade imbalances, increase budget deficits and public debts, and deepen sociocultural and sociopolitical problems in most countries.

As mentioned earlier, it is believed that the size of the global debt is about \$120 trillion. The 10% management fees would generate \$12 trillion; \$6 trillion would be used to launch the educational, humanitarian, and environmental funds, and \$6 trillion to launch the Sustainable Development Fund (SDF). A special societal development plan would be developed by the World Bank and other national and international agencies for each country, and money would be spent over 20–25 years to purchase whatever is needed to launch national development plans to restructure the national economies and transform the sociocultural aspects of life in society. The following goals define the mission of SDF:

1. Helping the developing and underdeveloped nations build modern roads, ports, railroads, airports, bridges and dams, electrical grids, water and sewage systems, and basic industries.
2. Modernizing agricultural farming machinery and techniques, improving irrigation systems, train farmers and farmworkers, develop rural communities, revive traditional industries, and upgrade financial management systems,
3. Helping civil society organizations grow in size and effectiveness, and empower the courts to fight corruption, enforce the rule of law, and protect people's rights and the environment.
4. Building enough schools, universities, hospitals, and clinics, train schoolteachers, physicians, nurses, engineers, and technicians to

- meet the educational and healthcare needs of growing urban and rural populations.
5. Designing special training programs for workers to acquire the right skills and attitudes to perform efficiently; all workers should be taught how to appreciate time, work, and money to keep the economy growing, and state institutions functioning properly.
 6. Supporting national universities and technical schools, and fund research institutes committed to identifying local and national problems and finding homegrown solutions sensitive to traditional customs and values and belief systems.
 7. Raising public awareness of the importance of changing attitudes toward science, work, time, life, and the environment, and improving the quality of education and healthcare.
 8. Facilitating the creation of a fairly large middle class aware of its social role, and training a new, professionally qualified, and socially responsible entrepreneurial and managerial class.
 9. Strengthening food security and energy supply chains at the national and regional levels; and
 10. Launching a genuine sociocultural transformation process in each country, according to its needs in the present and prospects in the future.

Two points need to be emphasized: first, all educational and healthcare systems in the Third World lack efficient management systems; second, most members of existing business class in poor and rich countries tend to be corrupt and lack social responsibility. Therefore, the creation of a new ethical entrepreneurial class is a must; otherwise, a lot of money will be wasted, and SDF will not be able to fulfill its entire mission.

EDUCATIONAL FUND

As people of the world get more and more connected forming a global village, the leadership of this village has proven to be neither qualified nor ready to lead collectively and ensure the protection of the environment and the safety of people. I believe that our world has never had a collective leadership that is so politically and economically corrupt, and morally and intellectually bankrupt. The educational fund is intended to train future leaders to manage our global village. Though our world has

become one large, highly diversified community, our village lacks a leadership committed to the general welfare of the village's inhabitants. What we have today is a largely narrow-minded leadership that thinks small and works to divide rather than unite the world peoples, to dehumanize some and glorify others rather than humanize everyone and dehumanize no one. So to stay on the top, our leaders have become tribal leaders who incite the people to fight and kill each other, and destroy our environment, heritage, and chances for peace, stability, and progress.

Students attending the Global University system, which plans to have 50 campuses, would be chosen on the bases of their grades and aptitude tests, and the fund would pay for their education. To enable students to gain a global outlook and learn about other cultures and peoples through living, all students would be required to spend their college life at two or more campuses. Universities would try to have equal numbers of undergraduate and graduate students, as well as males and females. While undergraduate programs concentrate on educating students to be global citizens committed to peace, equal opportunity, social justice, environmental sustainability, cultural and religious diversity, and tolerance; graduate programs would concentrate on research in all technical and social fields, with emphasis on developing innovations to make our lives enjoyable, our global economy and environment sustainable, our world peaceful, and our village more livable and loveable.

As the educational fund works to recruit the smartest students available, it will try to design study programs that meet the current and future needs of the peoples of the world. There is no doubt that there are many great universities in the United States, Western Europe, and Asia that continue to lead in technical innovations and research in humanities and social sciences; however, the work of Western universities has largely been dedicated to serving the needs of industrial countries and societies, and the world's largest corporations. As a result, the less developed countries have become dependent on educational systems and programs that lack the capacity to understand the poor nations' cultures and deal with their socioeconomic and sociocultural needs that differ from those of the industrial and knowledge societies.

In the summer of 1991, I was invited by the Swedish government to participate in the "European Conversations" conference. The invitation signed by Mr. Odd Engström, then deputy prime minister, included the following paragraph: "I would like to arrange a meeting between leading thinkers and thinking leaders to discuss how we are to succeed

in reconciling political legitimacy and economic rationality in a Europe where national borders have lost more of their significance. Can we establish democracy at a new, regional level? How can the new Europe create welfare for so many? Is there a common identity that embraces all this multiplicity of mutually intertwined national destinies – and, if so, is this something we want?”.

The number of participants in the conference was about 30 persons, 18 were invited from outside Sweden; the British economist Amartya Sen and I were among this group of participants. On the second day of our discussion, Sen asked me a question; believing that I might be able to answer, he said: “I have a puzzling, largely troubling question for which I have no answer: Can you tell me why most people in the Third World lie? After giving that question some thought, I found the question quite simple. I told my colleagues that day that most people of the Third World lie because they lack freedom. When young men and women have no social freedom, every time they do something that violates traditional customs, they lie to their parents; when people have no religious freedom, every time they ignore a religious duty they lie to everyone who takes religious rituals seriously; when intellectuals have no freedom of speech, every time they are asked about their views and opinions they lie in public and to the police; when investors have no economic freedom, every time they violate established laws they lie to the government. So, lack of social, religious, political, and economic freedoms, as well as freedom of speech is the major force that motivates, at times compels most Third World people to lie.

And when lying becomes an acceptable habit that seldom finds anyone to challenge, social, political, economic, and religious corruption spreads and deepens its roots in society. Consequently, trust and honesty disappear, social responsibility crumbles, business ethics vanish, and prospects of societal development become very slim. Therefore, no one should expect economic development to succeed in a society that lacks freedom, particularly, political, social, and religious freedom. Development requires two basic changes to succeed: economic restructuring and sociocultural transformation; however, sociocultural transformation is not possible without modernizing and humanizing the educational system.⁵ In 1998, Amartya Sen was awarded the Nobel Memorial Prize in Economics, and in 1999, he published his widely recognized book, “Development as Freedom.”

As a graduate student in the late 1960s, I argued that the “economic development” concept was misconceived from the beginning. Assuming that economic development in an underdeveloped state is possible without developing the human resources, cultures, institutions, and the politics of that nation. This assumption amounts to treating the economy and society as two separate facets of life; thus ignoring the fact that no economy can function without people, and no people can survive without a productive economy. The failure of development thinking in the West to identify the root causes of poverty and underdevelopment in poor countries and articulate feasible approaches to development are largely responsible for wasting trillions of dollars, rare opportunities, and valuable time, while causing billions of people to suffer poverty and indignation for decades needlessly. This means that there is a need for a new approach to dealing with the issues of development and underdevelopment. Development must be treated as a comprehensive societal process; it must be viewed as a bird that needs two healthy wings to fly and navigate the blue skies; with one wing only, the bird might be able to jump and run but it cannot fly. So is development; to succeed and achieve its noble objectives, it needs economic restructuring and sociocultural transformation.

David Landes argues that the major key to wealth is openness, which means openness to new ideas and to borrowing from other nations the technologies that are productive. While openness to new technologies is important to economic development, openness to new ideas is important to political change and sociocultural transformation, and thus to moving society from feudalism and totalitarianism to freedom and justice. Nevertheless, no societal change is possible unless the social, cultural, and religious environments are transformed. To make these environments hospitable to change, we need to first build creative and innovative education systems, have an educated and enlightened class of men and women to manage them, and lead society to societal development.

So developing nations need educational systems that recognize the need to borrow new technologies and learn from the experiences of nations that are more developed. This means that developing nations need to borrow productive technologies and adopt ideas that help them transform their political systems and traditional cultures; no societal change is possible without transforming the social, cultural, and religious environments to be hospitable to change. There is also a need to build innovative educational systems and train enlightened generations of men and women

to manage such systems, and this is what the proposed educational fund is supposed to do.

HUMANITARIAN FUND

The humanitarian fund is intended to meet the emergency needs of all peoples affected by natural disasters such as tsunamis, hurricanes, earthquakes, floods, starvation, drought, and epidemics, as well as man-made disasters such as civil wars. War and conflict cause people to suffer and live in miserable conditions as refugees in need of food, medicine, jobs, education, and hope. The humanitarian fund will have its staff and system in place to swiftly deliver assistance wherever it may be needed; it will also have the necessary supplies to respond immediately and comprehensively to all emergencies. The fund will work with similar national and international organizations to meet the urgent needs of suffering people everywhere; it will also act as an accredited UN agency to evaluate and accredit not-for-profit organizations working in the field of international relief and humanitarian assistance.

Dealing with past and present environmental and human catastrophes seems to indicate that no national or international organization has the capacity to deal with large scale property destruction or human dislocation. While Katrina had exposed the limitations and impotence of US government agencies, the 2010 earthquake in Haiti and the 2015 earthquake in Nepal, and the 2011 floods in Pakistan and refugees fleeing gang violence in Latin America and conflict in Africa and the Middle East have proven that neither national nor international organizations have the capacity to provide timely assistance to desperate people in need; in fact, after many years, some needs of the victims of the incidents mentioned above are yet to be met.

If the money of the Humanitarian Fund were to be invested in US government bonds at an annual interest rate of 2.5%, the fund's income would be \$50 billion a year; more than enough to meet the challenges of global emergencies year after year, probably for eternity. Consequently, the need for donor conferences to raise money for victims of natural disasters and man-made wars and making pledges of help that do not usually get paid in full will be eliminated. Victims' needs would be met without hassle and without using financial aid as a tool to coerce poor states and manipulate poor people, thus the dignity of the poor and weak would be respected, and their needs and rights would be honored.

SUSTAINABLE ENVIRONMENTAL FUND

Since the 1970s, the world has become progressively more aware of the damage caused to the environment by neglect and misuse; as a result, the need to protect the environment has become a priority in many parts of the world. However, despite the substantive work that has been done in this field, no environmentalist or government agency can say with confidence if we are approaching environmental sustainability or still moving away from it. If the \$2 trillion devoted to this fund were to be invested in US government bonds at an annual interest rate of 2.5%, the fund's income would be \$50 billion a year, enough to hire about 10,000 scientists, 20,000 engineers, and one million workers to take care of our mother earth and protect our environment from abuse and misuse.

As national agencies strive to achieve sustainable development, they tend to treat sustainability as a domestic rather than global endeavor. But environmental sustainability is unattainable except at the international level because many nations have access to nonrenewable resources like water and natural gas to waste, and rivers and seas to pollute, without giving enough consideration to the interests of other nations that depend on the same resources. Therefore, fairness and reality dictate that sustainability must be treated as a global endeavor, and the sacrifices needed to accomplish it and the benefits generated by it should be shared by all nations.

Since development is a comprehensive societal process, no economic plan can succeed in a traditional society without being preceded or accompanied by a plan to transform the sociocultural aspects of life in society.⁶ Economic restructuring, sociocultural transformation, and investment in education, healthcare, and infrastructure, and environmental preservation, which SDF and the other three funds intend to do, would increase women's awareness and free most of them from the chains of ignorance and traditions, and thus empower them to regain self-confidence and become more active workers and respected members of society. This should cause population growth rates to decline gradually, leading the demographics of most developing nations to approach those of the European nations within 10–15 years.

HELICOPTER MONEY

Believing that a new recession is coming soon, the Economist said on February 20, 2016, “Policymakers in rich economies need to consider some radical approaches to tackling the next downturn. In considering alternative approaches, the Economist added that; “there is a deeper concern that, if or when that recession comes, policymakers will have very few options for dealing with it.”⁷ It is clear that the Economist sees no point in repeating what was done before; implying that neither stimulus packages nor austerity measures can deal with the expected recession, especially after central banks had then reduced interest rates to near zero. Consequently, the Economist suggests, though reluctantly, using what economist Milton Friedman called “Helicopter money,” which means printing as much money as needed to repay the debt. But following this advice limits the number of states that could wipe out their debt to only a few ones that include the United States, members of the Eurozone, Britain, Switzerland, Japan, and probably China. However, most other nations cannot.

There is no doubt that America can print as much money as needed to repay its debt and more; the US Federal Reserve has been printing money since 2009 without interruption but printing over \$32 trillion in weeks or even months cannot be done without consequences. An increase in the money supply of this magnitude is more likely to cause inflation, devalue the dollar, and invite other nations, particularly the Eurozone nations, China, Britain, and Japan to devalue their currencies to remain competitive. Since most other currencies are pegged, in one way or another to the US dollar, attempts to devalue the dollar become pointless. However, such an action would cause world confidence in America’s wisdom and leadership to be vastly undermined; and this, in turn, would diminish the attractiveness of the US dollar as the world’s premier reserve currency.

Even if the Helicopter option were feasible, is it fair and morally acceptable that a few nations print as much money as they wish to repay their debt and leave billions of people to languish in debt and poverty? Is it fair and morally acceptable that such a group liberates itself from the debt burden when most of the money that the poor nations had borrowed was stolen by dictators and corrupt politicians, and foreign corporations and deposited in American and European banks? The fair and morally acceptable way to repay the debt is to liberate all nations from the debt burden at once; such an action would create a new sense of fraternity among

all nations, revitalize the world economy, reduce poverty, and undermine racism and radicalism that often lead to hatred, terrorism, and war.

Is the so-called helicopter money similar to the Ramo plan? And if the two plans differ from each other, how does the Ramo plan differ from the helicopter plan? The Ramo plan is different in several important ways.

1. Helicopter money is a scheme to enable a few countries to print money freely and repay their debt. Since this option is limited to some states, other nations would not be able to liberate themselves from debt. As a result, the poor nations would most likely default, creating more complicated problems for themselves and the rich states.
2. By freeing the rich states of debt while leaving the poor states to pay interest on their debt to rich states, the impoverished peoples would be reduced to mere slaves working to enrich the rich in exchange for more poverty and extra misery. This is more likely to deepen alienation, spread hatred, and increase terrorism. As a consequence, the world would be divided into rich masters and poor slaves; causing every party involved in this sick relationship to lose a good deal of its humanity.
3. An exclusive Helicopter plan for the rich would prevent the implementation of the Ramo plan and the establishment of the educational, humanitarian, environmental, and sustainable development funds. Without these funds, the old economic, sociocultural, and political problems would intensify, causing poverty to increase and resentment in poor states to rise; it will also cause many social ills to become endemic. As a consequence, the flood of economic and war refugees would rise, leading to more internal strife, racism, and fear in Europe and America.
4. Using the Helicopter option to liberate the industrial nations from debt is likely to help the rich countries' economies to grow modestly for a few years only because the limited financial resources available to the world's poor would prevent them from becoming active consumers.
5. Printing trillions of dollars to repay the debt of the richest nations only is likely to disrupt the international monetary system and cause uncertainty. Poor nations that cannot do what the rich ones can, would vehemently oppose such a plan because accepting it means accepting outrageous debt servicing obligations and more

poverty. Moreover, such a plan would poison the international atmosphere and create bitterness that leads to forming new international alliances that seek to undermine the power and interests of the rich nations.

6. If the Helicopter option were to be implemented, the rich nations' actions would be viewed as unfair and imperialistic because no nation should be entitled to indulge in conspicuous consumption for decades and then print money freely to pay for its bad behavior. On the other hand, since taken such action would be unprecedented, it will have serious consequences no one can foresee. One of the more likely consequences is a collective action by the poor nations to default on their foreign debt and stop paying interest to the rich nations and their banks, causing many Western banks to collapse; and this is likely to trigger a global depression lasting a decade or more. A collective default by the poor nations would be fully justified and would be encouraged by the world's leading intellectuals, human rights organizations, and many economists across the globe; and the feeling of bitterness toward the rich nations would last for generations.

Therefore, the full implementation of the Ramo plan is the only viable and fair option to save the world economy and secure a better future for future generations. In addition to freeing all nations from the debt burden, the plan would reduce world population growth rates to probably half of 1% within few years, place the global economy on a sustainable growth path, protect our mother earth, create a new spirit of equality and fraternity among all nations, and vastly weaken the power and rationale of the ideologies of racism, radicalism, and terrorism. Our global village, as a result, would become the place to love and enjoy living in. It will also make the plan's achievements a shared human experience to be remembered and cherished forever.

NOTES

1. Rabie, *Global Economic and Cultural Transformation*, Palgrave Macmillan, 2013, 167–174.
2. Vitor Gaspar, Paulo Medas, and Roberto Perrelli, Private Debt Reaches a Record \$226 Trillion, <https://blogs.imf.org/2021/12/15/global-debt-reaches-a-record-226-trillion/>.

3. Trading Economics; Country List of Government Debt to GDP, <https://tradingeconomics.com/country-list/government-debt-to-gdp>.
4. Brian Chappatta, \$250 Trillion in Debt: The World's Post-Lehman Legacy, Bloomberg, September. 13, 2018, <https://www.bloomberg.com/graphics/2018-lehman-debt/>.
5. Ibid., Rabie; *A Theory of Sustainable Sociocultural and Economic Development*, Palgrave Macmillan, 2016, Chapter 11.
6. Ibid., Rabie, *A Theory of Sustainable Sociocultural and Economic Development*, Chapter 3.
7. Fighting the next recession: unfamiliar ways forward, the Economist, February 20, 2016.