

# **Friede-Gard-Prize for Sustainable Economics 2025 – Award presentation to Professor Kaoru Yamaguchi**

Professor **Kaoru Yamaguchi**, PhD, is internationally known for his modeling of an alternative monetary order, the so-called Public Money. After his PhD thesis at the University of California, Berkeley (USA) he applied the System Dynamics method (developed by Jay W. Forrester) to various macro-economic theories, especially Neoclassics and Keynesianism, and studied the dynamic behavior of these theories, especially their stability and vulnerability. Looking at better approaches he found out that Public Money (an approach developed by Irving Fisher as 100%-money in the 1930's) is a more robust and sustainable basis for an economy. Fisher had proposed this as a response to the Great Depression, to avoid such extreme cycles in future – exhibiting credit glut in the boom and credit crunch in the recession. His proposal had been supported by many other economists, but it were the ideas of John Maynard Keynes that were applied in practical politics, i.e. replacement of the lacking private demand by (debt-financed) expenditure of government (e.g. Roosevelt's New Deal in the USA).

Professor Yamaguchi receives the Friede-Gard-Prize 2025 particularly for the following outstanding contributions, achieved by using system dynamics.

- (1) He has comprehensively demonstrated the built-in instability of the current (debt)money system, both in the neoclassic, and in the Keynesian context.
- (2) He has modeled - based on the ideas of Irving Fisher - the Public Money system (at the same time assuring stock-flow-consistency by a double-entry bookkeeping) and shown its sustainable dynamics.
- (3) He has demonstrated how a smooth transition from the current debt-money system (credit money) to the Public Money system is possible.
- (4) He has given a model sketch of a social sustainable economy, called MuRatopia/Green Village by him.

These models are seen as a solid basis for a constructive discussion, and stimulus for the fertile development towards a Sustainable Economics.

Further information on Prof. Yamaguchi and his work can be found on the homepage of the Friede-Gard-Prize at the website of the Umwelt-Campus Birkenfeld ([www.umwelt-campus.de/friede-gard-preis](http://www.umwelt-campus.de/friede-gard-preis)).

The **award ceremony** is currently scheduled for **Saturday, October 18, 2025, starting at 9 a.m.** as an online event. Professor Yamaguchi will give an insight on, and overview of his work addressed to a general audience. The laudation will be given by Professor Steve Keen, and Professor Joseph Huber will give a short introduction to Public Money in general.

There will also be an **online seminar** with the award winner on **Saturday, October 18, 2025, starting at 11 a.m.**, for a professional audience.

Further information on the award ceremony and seminar, particularly regarding registration, will be announced at a later date.

*The Friede-Gard-Prize for Sustainable Economics is an award for scientific achievements, which represents an important progress of economics with regard to establishing an economical, ecological and socially sustainable economy and society.*

*The prize is awarded annually by the Friede-Gard-Stiftung, a charitable foundation founded in 2020 ([www.friede-gard-stiftung.de](http://www.friede-gard-stiftung.de)). It is worth 5.000,-€.*

*Previous prize-winners are Hermann Haken, Peter Flaschel, Steve Keen, Jørgen Randers und Günter Haag.*

*The Friede-Gard-Stiftung cooperates with the University of Applied Sciences Trier/ Umwelt-Campus Birkenfeld/ Section of Ecological Economics and Environmental Law ([www.umwelt-campus.de/friede-gard-preis](http://www.umwelt-campus.de/friede-gard-preis)).*