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Global Reflections on Environment, Health, Energy and Currency Bias

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CMDC preparing for Rio+20, United Nations Conference on Sustainable Development, to be held in Brazil in June 2012

The United Nations Conference on Sustainable Development (UNCSD) is being organized in pursuance of General Assembly Resolution 64/236 ([A/RES/64/236](#)) and will mark the 20th anniversary of the 1992 United Nations Conference on Environment and Development (UNCED), in Rio de Janeiro, and the 10th anniversary of the 2002 World Summit on Sustainable Development (WSSD) in Johannesburg. It is envisaged as a Conference at the highest possible level and is aimed at:

- securing renewed political commitment for sustainable development
- assessing the progress to date and the remaining gaps in the implementation of the outcomes of the major summits on sustainable development, and
- addressing new and emerging challenges.

The Conference will focus on two themes:


(a) a green economy in the context of sustainable development and poverty eradication; and (b) the institutional framework for sustainable development.

On 8 March 2011, the Preparatory Committee for the UN Conference on Sustainable Development (Rio+20) invited all Member States, relevant UN system organizations and stakeholders to provide inputs and contributions in writing by 1 November 2011 for inclusion in a draft Conference outcome document. Inputs must cover the objective and the two themes of the conference as specified above. More information at www.uncsd2012.org

CMDC members and friends are cordially invited to send their proposals for the CMDC input to the Rio+20 Conference to the Executive Committee, e-mail: info@cmdc.net by 31 August, 2011.

2012 was also declared the **Year of Sustainable Energy** in accordance with CMDC offspring ISEO.

High Time for the Global Currency

In the previous issue of the CMDC Newsletter (Winter 2010-2011), CMDC President Gustav R Grob has initiated work on creating a new and unique world currency that would serve trading as an international stable reserve currency. One of the many advantages of such a facility is that it would overcome interest rates wars between nations and would free the nations from the threat of frantic speculations on currencies. The UN is logically the most credible and legitimate international organism to issue and monitor the .

One of the major patterns of a new international currency must, this time, be based upon a global ethical consensus, whereas selfish interests of the dominating nations have prevailed in the successive historical phases and led to failure.

Elaboration of this kind of proposal requires an in-depth elaboration of several relevant aspects, including scenario modelling and simulations of the implementation process. Therefore we are starting, on the CMDC website, a wider discussion on the topic "Global Currency for a Stable Monetary System", with the highlights and the summaries of the papers to be published in the CMDC newsletters. The first paper by Luc Guillory - see full report on www.cmdc.net - elaborates on some specific issues related to the proposed new world currency as a major instrument to create a sustainable and much needed economic justice in the world. These thoughts are summarized in the contribution by Luc Guillory, as follows:

A new global currency for global justice: Shifting from a competitive global order to economic justice and cooperation

The need to reform the present economic order based on the Washington Neoliberal Consensus and establish economic justice in the world is more and more admitted as a top priority by both the UN organizations and the civil society. Until 1971, Gold was used as the pivoting standard to value most currencies and to limit the world monetary mass.

With the decision of US President Richard Nixon to disconnect the US dollar from Gold began an era of monetary expansion and inflation through money printing, excessive credits, and many other new financial instruments such as derivatives were born subsequently. It is important to understand that the use of the US Dollar as the major currency in world trade is nothing neutral but an obedience to a model of economic relations based on the neoliberal theory, of which the major pillars are:


- a widespread “ *excessive competition of all against all*” (1), that is, the rule of force
- the ultimate value of private interests and ‘greed’ as the basic *modus operandi* of this model of economic relations (2)
- the reduction to a minimum of public and governmental action and control and the consequent *laissez faire* of the market forces
- the extreme commercialization and globalization of all sectors of human activities
- the oligarchic pattern of the present day world, with a very small number of wealthy global winners who control the economy, finance, and have a strong influence on political decisions everywhere because of their lobbying and their financing of politicians, in contrast with the masses of underprivileged people whose Human Rights are consequently constantly denied.

Thus the enormous development of the materialistic approach and the short term vision of governments, corporations, institutions, banks...and the follies of repeated yet never tackled financial crises.



In reality the actual economic order jeopardizes the future of the world: We do stand on the edge of chaos, with major risks of geopolitical dislocations, environmental collapse, currencies and national debt crises, not to speak about the next financial crisis in the making, as the roots and causes of those crises have not been addressed and tackled. The old system and methods have been temporarily bailed out, but only temporarily. The world casino of the financial markets has been somewhat revamped, but the same causes will result again in the same consequences, but even worse.

The only way to get out of this situation is to release the world from the grip of the failing US dollar and change the patterns of the world economic, monetary and financial system. Such transformation of the international economic order requires the creation of a new monetary order at the center of which stands the creation of a new world currency.

The creation of the Euro, serving as a case study, shows that:

- unless there is a full adhesion by an educated, not deluded public and the respect of their duties, such experiences cannot succeed in the long run;
- the unique  currency itself is not a guarantee of success, nor is it a strong base on which can a stable and balanced economic system be erected. Currency remains a tool. The type of economic system and ideology which sustains that currency is the key to prosperity.

Similarly, the IMF Special Drawing Rights (SDRs) cannot become the supranational world currency in their present definition as this account unit is only made of a few strong currencies in the world.

That  currency should be instrumental in the creation of a stable international monetary order it would not be limited to compensating the excesses of the present economic order dominated by financial forces, but to be fully part of a new economic pattern that would endeavor first and foremost to implement the universal Human Rights in their economic dimensions. The  currency, therefore, would not simply be an aggregate of any existing currencies, nor should it be subject to speculation and volatility, but would include a pivoting reference made of a basket of values such as gold, silver and other raw materials, managed as Global Commons under the supervision of the stakeholder nations of the world.

It would likewise be a regulatory instrument in controlling the monetary expansion and be a privileged means of external funding for developing nations to monitor their own development. It is obvious that only a strong political push will compel the political leaders to overcome their national-interests driven policies and attitudes. In turn, this means that public awareness of the stakes and advantages of a complete overhaul of the international monetary, economic and financial order must be heightened. This is a huge task but NGOs together with the UN agencies, progressive media and all those of good will within the civil society could endeavour to do the job.

Geithner warning of USA illiquidity

The Finance Minister of the USA, Timothy Geithner, is painting a dire picture if the congress does not agree to increase the national debt limit.

This warning is the result of years of overspending in the public and private sectors coupled with a wrong energy policy during the Bush fossil fuel era.

The astronomic debt limit of 14'300 billion \$ with increasing interest rates is suicidal for the once rich United States with its increasingly negative trade balance and exaggerated defence budgets.