

102809 REV DRAFT

October, 2009

WFM Resolution

### **Transition to a New Global Reserve Currency System**

The International Council of the World Federalist Movement,

Recalling

The motion approved at the London WFM Congress in 2002 on a New Bretton Woods for a New International Economic Order; as well as

The resolution adopted at the Montreux WFM Congress in 2007 on Global Environmental and Economic Governance; and

The April 2009 decision of the Union of European Federalists; and also the 2009 brief by the Institute for Global Policy on Strengthening the Relationship between ECOSOC and the Bretton Woods Institutions for a Coherent and Effective Financial and Economic Architecture;

And also recalling

The discussions, at the time of establishment of the Bretton Woods system, of possibilities for a global reserve system based on an international currency clearing union; and noting as well

The evolution of the European Monetary Union and the Euro as an international currency;

While considering

That the current global economic and financial crisis demonstrates the vulnerabilities of an international monetary system that relies on a single national currency as the primary global reserve currency;

And that the present multipolar global economic order will require more effective mechanisms and decision-making structures to facilitate the resolution of global imbalances and adequate provision of international liquidity;

And noting

Recent remarks by the Governor of the People's Bank of China and statements by other government officials and international experts calling for creation of a new international currency unit; and

The decision at the London G20 requesting the International Monetary Fund (IMF) to allocate \$250 billion in Special Drawing Rights (SDR); as well as

Recent efforts by governments to diversify their reserve holdings;

#### **CALLS FOR:**

**International discussions to develop a progressive plan for the creation of a World Monetary Union; and**

**Inter alia, modification of the role of the SDR, to become an international reserve currency;**

While recognizing that the development of a new global reserve currency system is necessarily linked to broader reforms of the global architecture of international economic governance, including:

- more equitable distribution of voice and vote at the IMF;
- a more coherent and legitimate framework of global economic decision-making and governance, rooted in the United Nations system (such as a Global Economic Coordination Council as proposed by the Stiglitz Commission);
- a strengthened democratic basis for global economic governance through creation of a United Nations Parliamentary Assembly.