

## **REFORM OF THE INTERNATIONAL MONETARY AND FINANCIAL SYSTEM**

**Observations by François Houtart (27.12.08)**

- 1. The document sent by the chairman of the Commission indicates rightly the impact of the Financial crisis on “the growth and stability of the developing countries and ...on the distribution of income within countries” (p.1). Therefore analysis and solutions need a global approach.**
- 2. As it is suggested p. 38 of the same document, effects and solutions are related to other crises. This has to be taken into consideration, in order to avoid incomplete analyses and unwilling side effects of some solutions. Therefore a holistic approach is needed.**
- 3. There are two conjectural crises (with a vocation of becoming structural): the financial and the food crisis, and two structural ones: the energetic and the climatic crisis. Their conjunction is provoking a profound social and humanitarian crisis and reveals the need for a new economic model.**
- 4. It appears from the document of the chairman, that the Monetary and Financial sectors of the economy have become ends instead of means, with grave consequences for the economic and for the social systems. The need for a redefinition implies a set of measures (regulations) to restore their instrumental function, a democratic control of their application, but also a clear vision of the aims of the economic system to achieve mankind’s common good.**
- 5. What would be, indeed, the use of a well regulated Monetary and Financial system, if it serves:**
  - to save an automobile industry, increasing climatic damages and promoting individual mobility to the point of urban paralysis.**
  - To promote monocultures for agrofuel, destructive of soils, water and biodiversity and provoking massive migrations of peasants expelled from their land.**
  - To support carbon stock exchanges encouraging the ongoing production of greenhouse effects gazes in the industrialized countries.**
  - To accelerate the constitution of monopolies or oligopolies in key sectors of the physical and cultural survival of mankind, such as seed, health, education.**
  - To finance wars for the control of natural resources irrationally wasted.**

**6. The discourse of Franklin D. Roosevelt on the New Deal of March 4<sup>th</sup> 1933 is worth of rereading for its correspondence with the present situation. Will it be necessary in 75 years from now to write it again, after a 3<sup>rd</sup> World War and a new global depression ?**

**7. Therefore it is suggested to recommend to the General Assembly of the United Nations to prepare a Universal Declaration of Global Governance, parallel to the Universal Declaration of Human Rights. The main chapters would be: sustainable use of natural resources, superiority of use values on exchange values, generalization of democracy to all social relations, including economic and multiculturalism as basis for a global ethics. Such principles could be translated into concrete rights and obligations.**

**8. The Commission could also recommend to the heads of States to reach a “mutual agreement of coercion “on some major common strategic objectives (avoiding the word priorities) and to be implemented in a given timing.**