

DRAFT

TIMU:

A Transformative Monetary Approach to Resolving the Economic and
Climatological Crises.

by

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“A sound banker, alas, is not one who foresees danger and avoids it, but one who, when he is ruined, is ruined in a conventional and orthodox way along with his fellows, so that no one can really blame him.” John Maynard Keynes

Preface—one of the two Clarks, Stiglitz, D’Escoto

Editor’s Introduction

Acknowledgements

1. Chapter 1. INTRODUCTION

- a. monetary system is the glue of economic and financial system
- b. policy and business relevance of a transformed international monetary system
- c. monetary matters as a domestic and an international challenge
- d. TIMU as an innovative contribution to the present economic and climatological crises
- e. Aim of publication: short book or monograph, so that it will read during this auspicious axial year in the history of humanity and the Earth. Thus its organization deals with the three important challenges: *analyze* the present and historical context of TIMU (chp 2), *theorize* about TIMU by first providing a perspective of sustainable communities development paradigm for countries in the global North and South (chps 3, 4, 5) and secondly by presenting TIMU Architecture’s six major components and thirdly presenting a

scenario of future banking, and *mobilize* about TIMU(chps 6, 7). In order to do justice to the crucial importance of the international monetary system a CD is provided for background information in the threefold challenge of this publication: analyzing, theorizing and mobilizing.

f. Short biographical note

2. Chapter 2. THE CONTEXT

a. The major crises

i. Climate crisis

- ii. Economic crisis
The Northern economic slowdown/recession spiraling outward, engulfing the globe. Washington Post October 28. While solutions to this deepening global recession have a score of dimensions that are to be integrated to be resolved, one major dimension that is not given sufficient attention on the domestic and global levels is the monetary dimension of currencies, exchange rates, balance-of-payments mechanisms, replacement of national currencies such as the US dollar for an international currency that functions as medium of exchange, store of value and as an accounting unit, etc

History of economic thinking. Recession is a final breakdown of the system and system breakdown has to be overcome with a vision that is larger than the causes that led to its breakdown—Einstein. The rupture between finance and industry has to be restored: from paper wealth and speculation to real wealth and investment. “By socializing the nervous system of the global economy (finance: investment, lending and insurance), the new body (industry) can begin to evolve.” Epstein, GTI participant

iii. Food crisis

iv. Fuel crisis

b. The major trends

- i. Corporate globalization. Globalization. The Washington Consensus and US deregulation policies encouraged the creation of excessive credit particularly after removing the convertibility of the dollar which led to fast expansion of corporate economic globalization. Paul A. Samuelson “Globalization presumes sustained economic

growth. Otherwise, the process loses its economic benefits and political support”. The above and the lack of a global adjustment mechanism in the BOP are contributing to make economic globalization less economically, socially and ecologically sustainable.

- ii. Role of corporations in a globalizing world—short-term thinking, not based upon the triple bottom line.
- iii. Role of civil society in a globalizing world—emerging self-assertiveness
- iv. Role of governments—often too much subject to private international financial elites and their political economic system; still operate on a mode of competition rather than cooperation.
- v. Role of the United Nations—not strong in pushing for a transformed international economic system as was attempted in the early seventies
- vi. Extremism of all kinds
- vii. Spiritual and ethical impoverishment
 - 1. principles and methods (Emerson)
 - 2. values-based planning and evaluation
 - 3. the Universal Declaration of Human Rights and the Earth Charter
 - 4. growth and equity in international development
- c. History of international monetary relations
 - i. History of the functions of money and its ascent
 - ii. the Great Depression in the US and globally
 - iii. the Bretton Woods Conference
 - iv. August 15, 1971
 - v. Present monetary patterns

3. THE TIMU ARCHITECTURE’S SIX COMPONENTS

- a. Introduction
 - i. The perspective of the sustainable communities development paradigm based upon the contextual sustainability framework Statistics galore from all sides; it is the interpretation that matters based upon a particular value system.
 - ii. Perspective used here is the one of contextual sustainability with particular dependence on financial historians and political economists

- b. TIMU's six major components
 - i. The *Terra international currency* based upon carbon accounting of all adult fellow human beings
 - ii. The *modified balance of payments* which would add an additional line for accounting carbon deficit or carbon credit Explanation of the Balance of Payments (BOP and how carbon credits and debits would fit in. Duncan chp1
 - iii. The *World Central Bank* engaged in administering, monitoring and credit creation and supporting a debt-free, non fractional banking.
 - iv. *Fixed exchange rates* based upon the Terra valuation as determined by the world carbon market
 - v. *Bioregional economics* emphasizing the priority of local economic activity
 - vi. *Frugal trade structures* emphasizing the need to reduce transportation costs on account of the climate crisis
- c. TIMU on the national or regional level: an independent TIMU Administration together with local currencies, LETS, probably non-fractional and debt-free banking; Banking 2020
- d. TIMU compared with the existing monetary architecture
 - i. IMF
 - ii. IBRD
 - iii. WTO
 - iv. Bank of International Settlements
- e. A draft TIMU treaty
 - i. the FAESTA Noordwijk Aan Zee Draft Treaty revisited
 - ii. ratification process
 - iii. Scores of reasons to ratify the TIMU Treaty

4. MOBILIZING FOR ADOPTION OF TIMU PROCESS

- a. Grand global mobilization strategy
 - i. governments
 - ii. business
 - iii. civil society
 - iv. United Nations
- b. The international petition drive
- c. International Institute of Monetary Transformation
- d. Main constraints and opportunities
 - i. ethical and cultural constraints and opportunities
 - ii. political constraints and opportunities

iii. economic constraints and opportunities

5. UNITED NATIONS AND TIMU

- a. UNFCCC
- b. General Assembly President's Committee on Monetary and Financial Crises
- c. UN Department of Economic and Social Affairs
- d. UN LETS (Local Exchange Trading Systems)
- e. Specialized Agencies

6. LEADERSHIP BY THE USA?

- a. Potential of the Obama Administration
 - i. President Obama himself
 - ii. His economic team
 - iii. The privately-owned Federal Reserve System
 - iv. His relationship with the UN
 - v. His Administration's support by the US citizenry
- b. Position of the US Congress
- c. Support of the US business community
- d. Pressure of the US civil society
- e. American values, equity, Earth Charter values
- f. Pressure of the global government, business and civil society communities on the Obama Administration and US Congress.
- g. Conclusion

7. CONCLUSION

REFERENCES

ENDNOTES

CD

“As to methods there may be a million and then some, but principles are few. The man who grasps principles can successfully select his own methods. The man who tries methods, ignoring principles, is sure to have trouble.”

Ralph Waldo Emerson

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