

THE SDR

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SDR [1] or Special Drawing Right, has changed the architecture of the global financial system. Countries of the South can now invest in their population, without restrictions related to paper currencies. With this new global currency, we exchange our digital local money for the electronic international version. We don't need to pay with the currency of another country; instead, we simply use the SDR when traveling abroad. The best part of SDR is that it is fully trackable because it is placed in a visible global ledger, available to everybody. With electronic SDR we have eliminated the problems of offshore tax havens and shell companies. When there are problems with financial instability, everybody can have a say, unlike earlier when it was only one country that would raise or lower interests or that would try to save their local banks with global money. Mauritania, South Africa, Paraguay: they now all have a vote in what the destiny of this currency is.

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We now live with such a high level of technology that it would be stupid not to apply different rules specific to different types of economies and national priorities. The system is flexible and allows for a yearly creation of new money with SDR, allocated to countries that need it most. With electronic global SDR, we have changed a monetary system that used to work exclusively in service of banks and is now utilized for public purposes, guaranteeing human rights.

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However, we still have work to do. We have to make money adapt itself even more to the logic of human rights, seeing them as its axioms. We might need another twenty years or so to get that going. But so far, SDR has allowed us to make the financing of technological transitions available to everyone. Twenty years ago we were faced with a situation where only rich countries had money to invest in green technologies and to renew their energy matrix. But having such technology accessible as an open source in a public domain has made even poor countries replace their carbon-based economies with green ones. Twenty years of SDR reform was something that responded to the legacy of the great Keynes from the 1940s who tried to think of something similar for global development and stability.

The SDR is not new, it has been around since 1969. Hidden from public view, even expert financial analysts had not heard of it. But after the 2008 crisis, in 2009 more than 200 billion worth of SDR were created to solve the problems for some of the poorest countries. We therefore decided to use this mechanism again. Not just to solve the financial crisis, but also the environmental crisis, the hunger crisis and the human rights crisis. Now we see how money evolved from trying to save banks to trying to save people. As said, it has always been there. We just had to make some improvements within the existing international framework.