The submission notes the current Special Drawing Right (SDR) of the UN system, present in the IMF. This currency is used to clear imbalances between central banks. The SDR is composed of a fixed percentage of five countries’ currencies and is created by the good faith and confidence of those five countries. The proposal is to expand this fiat currency to all UN member states, thus creating currency for the UN. New currency is normally created by the creation of new debt, leaving the World Dollar (WD) debt free. UNGA would create a governing board for the WD, and provide a legitimacy for the WD by member states paying their membership dues in WD. The WD would also be the basis for a global Universal Basic Income, a UBI to be increased or decreased in accordance to a member state’s behaviour.
1. Abstract

The UN Charter has the structure needed to accomplish the goals outlined in the Global Challenges Foundation Prize. But the UN operates as a diplomatic agency, not a governing agency. It would need to transform into a governing organization to become effective in accomplishing a governing goal.

The UN cannot function effectively as a broker of peace and universal freedom if the sources of its funds are limited and provided by the very countries it attempts to regulate.[1] There is no incentive for a country to conform with the UN requirements if there is no “bite” to force compliance.

There is a related worldwide problem that forces economies to constantly expand. Virtually all money in the world is created as debt; when that money is created as debt, there is no consequent creation of the money to pay the interest on that debt. [2][3] To pay the increasing compound interest accumulating, an economy must continue to grow beyond the needs of population growth and expanded standard of living. With such a structure, no economy can easily survive deflation and it is forced to expand even if population growth and standard of living were to remain constant.

Implementing this proposal would provide the UN with money needed to fund its operations as well as provide the “bite” needed to enforce its mandates. In addition, accepting the proposal would provide debt-free money that can allow a worldwide economy to adjust without consequently creating a shortage or surplus of money.

The UN has a currency called the Special Drawing Right (SDR) that is used to clear imbalances between central banks. This SDR is composed of a fixed percentage of five countries’ currencies and is created by the good faith and confidence of those five countries. The key provision is that it is money created by fiat and unencumbered with debt.[4][5]

I propose that this fiat currency be expanded to include the good faith and confidence of all member countries of the UN. The General Assembly would create a new Council, called the Governing Board, which would establish a marketplace for exchange of currencies. This new SDR would be called the World Dollar (WD). One major function of the Governing Board would be to regulate the value of the WD relative to all other currencies. The Governing Board would consist of one member for each member country of the UN. The appointment and impeachment of those members would be by actions of the General Assembly. The Governing Board would adopt rules for selecting its president. The Governing Board would answer to the General Assembly, not the Security Council.

The marketplace for currency exchange would be regulated by the Governing Board. The primary goal of the currency exchange would be to provide a free exchange of currencies relative to the WDs. The results of the currency exchanges would be used to determine the relative proportions each country guarantees to the value of the WD.

All UN operations would be funded with WDs. Since these are debt-free instruments, operational funds would not need to be limited to the largesse of the member countries.
A fiat currency needs to establish legitimacy in the form of a tax paid in that currency; UN members would pay their membership dues in WDs. The Governing Board would be tasked with establishing the membership dues for each country.

The growth of technology in all its forms is beginning to limit employment opportunities worldwide. Eventually, having a job will be for the minority.[6] Governments are already anticipating this eventuality and are proposing various forms of Universal Basic Income (UBI).[7] They are limiting those proposals only for those worst off because they cannot envision how they will afford to provide UBI universally.[8] To give the UN even more “bite,” the UN could provide UBI worldwide to every citizen in the form of WDs. This influx of funds would jumpstart the poorest economies.

Increase in population in poor countries is often dictated by decisions people make to increase income now and for their old age.[9][10] Nearly every economy, after reaching certain plateaus of wealth, show drastic population declines.[11][12] UBI could provide enough income security to achieve the same population declines.

The Governing Board would determine the amounts of UBI to be distributed and adjusted to match the local costs. The UBI would cover shelter, food, health care, and education. Distribution would be through local banks or if those are unavailable or untrustworthy, banks could be constructed to provide the distribution as needed.

Those caught in areas of conflict could claim their balances when hostilities are resolved or they escape the conflict. Conflicts might be shorter if the UN used its access to additional funds to broker deals with the involved parties.

Increases or decreases to the UBI could be used to shape a country’s behavior. Becoming a pariah in the international community for, say, seeking nuclear weapons has serious consequences when the rest of the world is growing economically because of UBI but UBI is unavailable for an offending country. Similarly, if a country spends more than a certain amount on military weapons or sells more than a certain amount, its UBI could be reduced or eliminated. This could be in addition to other steps the UN would take.

The key to this proposal is the creation of debt-free money. The biggest danger to introducing fiat currencies into an economy is that it requires strict control on how the money is spent.[13] If it is spent on constructive uses—infrastructure, UBI, and legitimate goods and services—inflation would be kept in control. The Governing Board would need to carefully monitor the value of the WD and adjust the flow accordingly.

2. Description of the model

OVERALL DESCRIPTION
This proposal is submitted to the Global Challenges prize that seeks models of global governance to solve 21st century global risks. This proposes modifications to the existing United Nations organization to convert it from a primarily diplomatic agency to a governing agency. The UN already exists with a structure fully capable of solving most of the problems outlined in the Global Challenges Foundation Task.
To govern, the UN needs to have its own source of funds. The Special Drawing Right (SDR) used to settle imbalances between central banks offers a perfect solution to fund the operations of the UN and to provide Universal Basic Income (UBI) to the citizens of the world. The SDR would be modified to incorporate all member countries’ currencies and called the World Dollar (WD). Like the current SDR, the WD would be a fiat currency backed only by the good faith of the UN member countries in a proportion to be determined.

**SPECIAL DRAWING RIGHT (SDR) AND WORLD DOLLAR (WD)**

The primary mechanism that can be used to implement these changes is through a modified Special Drawing Right (SDR) that this model will call the World Dollar (WD). The SDR mechanism has been in place since 1969 and consists of a basket of currencies from five countries. SDRs are issued by the International Monetary Fund (IMF) and guaranteed by the good faith of the countries whose currencies are included in the basket. Though devised to provide worldwide liquidity between countries, the mechanism can be diverted to a more practical use. [14] [15]

It is especially important that WDs maintain their status free from debt. Some modifications to the SDR would be required to create the WD. The IMF and World Bank would need to be governed by a new Council in the UN, called the Governing Board, specifically designed to control the creation and distribution of WDs. The Governing Board would act like a Central Bank, except this “Central Bank” would control a currency used worldwide.

The WD basket should include the currencies of all UN member countries in a proportion determined by the Governing Board. The proportions of currencies in the basket would periodically be updated by the Governing Board, probably much more often than the current 5-year interval. [16] The incorporation of all UN member countries’ currencies would be essential to the equity of the plan.

Expanding the SDR from a reserve account to a WD currency would obligate the UN members to guarantee their proportion of the currency to ensure its value. Currently SDRs have been created in limited amount. This proposal would greatly expand their quantity and change their role into a full-fledged currency. This would give the UN the power to create money backed by member countries’ currencies.

Currently holders of SDRs receive interest on their holdings and borrowers of SDRs pay interest on those amounts. [17] The interest-bearing aspect of WDs would need to change; the WDs would be interest free if holding them and borrowing them would be through IMF loans.

Since WDs are not debt based, they could be created in whatever amounts deemed stable by the Governing Board to fund projects of the UN. The UN would either create demand documents or notes, denominated in WDs, that would entitle the bearer to redeem the WD in whatever country’s currency the bearer desired or (more secure and transparent) create a blockchain network to distribute WDs. (Creating a cryptocurrency independent of the members’ currencies would not be as stable nor as effective. [18])

The WD would be a fiat currency. There is a clamor over fiat currencies. The controversy ignores the fundamental observation that all currencies are “fiat” in
the sense that they hold no intrinsic value; their primary purpose is to exchange something that is more flexible to trade or store than the primary fruits of one’s labor. [19] Even vaunted gold, that premiere currency, is, to most people, useless as itself; it is in the exchange that it derives its value.

Money has value so long as it can facilitate trade. Inflated currencies involve issuing the currency faster than growth could expand to maintain the currency’s value. [20] How inflationary new money creation will be can be measured by the amount of newly created money that is used for “transactional” exchanges (e.g. consumption, financial, or property purchase) vs “value added” transactions (e.g. new technology or goods and services.) [21]

The Governing Board would issue the currency, out of “thin air,” to facilitate trade in countries that required it or to accomplish goals the UN has established. So long as confidence in the currency allows trade to flourish, the currency will remain stable without inflation.

Lest anyone challenge the creation of this currency from nothing, be reminded that in our current system, at least since 1971, it is the world’s banks who create virtually all currencies out of nothing to loan to the world’s governments, corporations or individuals. [22] [23] [24] [25] The booms and busts in world economies are not caused by the non-commodity-backed nature of the current fiat currencies but instead, by all circulating currency, in whatever form, requiring paying interest for which only the principle has been created leaving the interest shortfall.

Under our current system, if the world were to attempt to pay off all debt, long before even a fraction of the debt could be repaid there would be no circulating currency to facilitate trade or continue to pay down debt. [26] This is a looming failure of the current monetary system. It is the system itself that cannot be maintained as it currently exists.

WDs would be a form of debt-free currency with which it would be possible to eventually pay off all debt, should enough people desire it. This ability to pay off all debt is what would threaten the banking community; [27] the banks would be the biggest obstacle to implementing this proposal. They would lose their system that holds us all in thrall to their money machine.

GOVERNING BOARD
The Governing Board would consist of one delegate from each UN member country. Each delegate would have a single vote in decisions made by the Board, and a simple majority would rule. Committees would do most of the work but the final decisions would be voted on by the members of the Governing Board. This Governing Board would be an independent Council of the UN and remain independent of the General Assembly though the General Assembly would approve the appointment of the members and have audit and impeachment authority over the Governing Board.

The Governing Board would adopt its own procedural rules and select its own president. As countries’ economies develop, the proportions of the currencies that compose the WD would need to be adjusted to maintain a fair and balanced WD relative to each of the composing currencies. The Governing Board would
determine each member country’s UN membership fee to rein in that country’s inflation or deflation relative to the WD.

The Governing Board would create and regulate an exchange to trade in WDs relative to each UN member’s currency. To provide additional flexibility to the WD, the exchange could offer IMF debts in trade. The offer of debts for sale by the Governing Board or the purchase of debts by the Governing Board could help in adjusting the value of the WD. The primary risk to the WD would be hyperinflation and/or loss of confidence in the currency. Its fiat status requires strict controls on how WDs would be issued, controlled and redeemed.

**UNIVERSAL BASIC INCOME (UBI)**

The UN would fund a Universal Basic Income (UBI) for every person in every country which belongs to the UN. In countries where mechanisms exist for reliably distributing money to its citizens, WDs could be distributed to the countries’ central banks and from there to its citizens. The Governing Board would have to have the right to audit such distribution. For those countries where the distribution is less reliable, the UN would need to set up a network of banks, either utilizing existing banks or providing the funds for building the network from scratch, to establish an account for each citizen. For those rogue nations or those at war, accounts for citizens could be established, when they escape from that situation, with balances to match what they would have received had they been in a more tranquil environment.

The amount of the UBI would be set, country by country and within each country, to provide every resident a basic income in an amount to provide for shelter, food, education, and healthcare. The UBI would increase for a couple with children to ensure that the children were also provided food, education and healthcare. The Governing Board would determine the amounts for existing children but for new couples just starting a family, the limits would be to provide for no more than two children. Special circumstances, such as multiple births that result in more than two children, would need to be addressed as a policy. Limits to UBI would put downward pressure on population growth. If population growth does not reduce enough, the Governing Board could reduce additional UBI to cover only a single child for a couple. The UBI would not be subject to confiscation or tax as a condition for a country’s participation in the program. Taxation of UBI would complicate the determination of need and divert resources from the UN’s goals.

**SOLUTIONS TO WORLD PROBLEMS**

Agencies within the UN are already working on many of the world problems. The shortage of funds under the current system hampers achieving the goals set by these organizations. [28] [29]

**POVERTY**

The UBI would eliminate poverty overnight. Freed from the necessities of providing basic needs, anyone in the world would be able to improve their education or take the risk to start a new enterprise. The additional money pumped into the local economy would increase the income for businesses, which would increase the job market.

The UN would have enough funds available to implement new programs and expand existing ones.
FAMINE
The UBI would provide the funds for individuals to purchase the food they need. NGOs who provide the food during famines are constantly short of funds. They could be reimbursed for their efforts. In areas where unscrupulous leaders confiscate the food, the UN could provide troops to ensure the equitable distribution. The WDs would be available to pay the troops.

DISEASE, CHILD MORTALITY, HEALTH INFRASTRUCTURE, LACK OF CARE PERSONNEL
Through direct grants or loans, the UN could build hospitals, fund universities, hire health care personnel, purchase drugs, or finance research for solutions to diseases or conditions that currently have no cost/benefit for first-world companies. Those who have been lifted from poverty could be educated to fill the positions needed for these activities.

Child mortality and diseases are exacerbated by poor diet. With the UBI everyone would be able to afford adequate food.

The UN could accept applications for grants for research conducted by individuals, groups, or corporations to solve any of these problems.

OVERPOPULATION
There is a strong link between a woman's education and the Total Fertility Rate (TFR), the total number of children the woman has in her lifetime. Often the TFR drops below the replacement rate when women are educated and even when it doesn’t fall that low, it is reduced by nearly half. Even in developed countries, the birth rate declines with increased education, especially of women. Education, freely available to women as much as men, would be a condition of receiving UBI.

Since UBI would provide education for all, this would put downward pressure on population. In addition, if the UBI were to limit the additional income to a family to a single child or at most two children, this, too, would put pressure on reducing the population.

A couple of reasons the poor and uneducated have for bearing many children are to put the children to work to support the family and to provide a safety net in old age. With a UBI in place, those two reasons for having many children would disappear.

Changing demographics would be irrelevant if the UBI were to provide all the needs of the elderly without a country being required to tally up taxes for the effort.

Money would be available to build whatever schools are required and hire the teachers. The Governing Board would monitor the effects of the UBI on reducing population and change policies to favor those most successful. Grant applications could be funded by WDs to provide whatever research could help reduce population overall.

CLIMATE CHANGE
The largest growth in greenhouse gasses is expected to be from developing
countries as they provide some of the amenities the highly and very highly
developed countries enjoy. [38] Even if the levels of CO2 were to remain steady, the
overall temperature rise would continue [39]–how much depends on which model
one uses, but all predict higher temperatures.

The solution is to reduce greenhouse gasses, not just hold them steady. With
guidance from the UN, as infrastructure would be built in the developing world,
emphasis would be made on providing public transportation rather than on gas-
powered private vehicles, as is common in the developed world. The convenience
of a private vehicle could be achieved if, instead of paving streets, something like
the hyperloop or maglev railway systems be built to every house with personalized
cars of varied sizes available for dispatch as needed to every house. When someone
needs to make a trip, a car is summoned and the person rides wherever they need
to go in a publicly provided car.

To ensure that this happens, the Governing Board could authorize a reduction
in the country’s membership dues, the IMF could offer favorable loans, or if
neither of those work, the IMF could provide outright grants to make sure this is
the preferred method of transportation. For the developed countries who want to
replace the current roadway systems, the UN could provide the same incentives.

For production of electricity, all forms of non-greenhouse gas emitting alternative
energies could be subsidized. Equally as important would be finding methods of
storage of the produced energy. The Governing Board could consider a county’s
carbon emissions in determining the membership dues the country must pay.

Research could be funded on even more exotic solutions for curbing climate
change. For example, if a huge sunshade at the Lagrange point between the Earth
and the Sun were deemed to be feasible in reducing global temperatures, the funds
could be available for that huge undertaking.

The impacts of global climate change that causes droughts or floods might
require massive projects to pipe water or build barricades or relocate entire cities.
Whatever funds would be needed for these operations would be available through
the UN.

**WATER SCARCITY**

Water is becoming an increasingly scarce commodity. The costs of providing
potable water for people and crops can be quite high. There is plenty of water. The
Earth is three quarters covered by water, but to make it potable requires expensive
desalination plants. Also, many of the areas that need water are far from oceans.

Oil pipelines could be repurposed to carry water. If the push to reduce carbon
emissions becomes a reality, the pipelines could be used to pump potable water. In
areas without oil pipelines, additional pipelines could be built. The money to build
desalination plants and pipelines could be subsidized or granted through the UN
using WDs. Since the huge tankers would become idle, let them carry water.

The UN would have the funds needed for these kinds of operations. The costs of
the efforts would be amply repaid by the benefits gained in additional farmland
available for harvests and better health for individuals.
ECONOMIC, GENDER, AND RACIAL INEQUALITY AND EXPLOITATION
The UBI would be granted to everyone regardless of class. The cultural roots of bias and prejudice would not be eliminated by the UBI, but the resulting education would provide the same opportunities for everyone. The introduction of the UBI would change cultures worldwide. Over time, many of the stereotypes would be shattered by the success of every class of person.

DEMOGRAPHIC CHANGES
As a country’s population ages, governments are faced with the prospect of caring for the elderly. China has changed its one-child policy to increase taxes to compensate for the changing demographic. [40] Other countries try to cut benefits or raise taxes to pay for the care. On the other end, if a population has too many young relative to the rest, they are faced with a large population unhappy because they cannot find means of employment. The costs of policing dissatisfied youth put a strain on government resources.

The UBI would at least provide the means for increasing the education level and/or provide sustenance until the people can find or create jobs. Even if people are jobless, their increased prosperity offers opportunities for study, recreation, travel, or other productive enterprises.

Biodiversity and Habitat Restoration/Preservation
The increasing population and the need to provide income lead to exploitation of habitats that can’t be sustained by these intense activities. The UBI would provide income so that these habitats would not need to be destroyed. In addition, the UN could either purchase or provide the funds for a country to purchase and police large tracts of land to preserve them for future generations.

Religious Extremism/Terrorism/Tribal Thinking/Strongman Governance
In the long run, education and opportunity would reduce the number of people holding extremist beliefs. Those that fall under the spell of charismatic leaders have a fervor that would cause them to forego the advantages offered and hold to their narrow-minded beliefs. The Governing Board could monitor the use of the UBI and cut off any group or country who are using it for disruptive purposes. In addition, UN peacekeepers could be used to help contain the activities of these groups.

There could also be money available to research the causes and solutions to these problems.

Transportation and Infrastructure
As developing countries receive the UBI, the infrastructure would not provide the goods and services the population would demand. The UN would need to help in building the infrastructure by providing loans and grants to these countries.

When building infrastructure, emphasis could be to provide sustainable power and public transportation. Other than in dense urban areas, the convenience of a private vehicle mostly outweighs reliance on public transportation. A public transportation system designed to be convenient would reduce demand for private vehicles. The transportation provided can be green and sustainable. (For building of hyperloop or maglev systems instead of roads, see the Climate Change section.)
WAR AND PROLIFERATION OF WEAPONS (INCLUDING WEAPONS OF MASS DESTRUCTION)
The UN already provides inspectors and expertise on weapons of mass destruction. Monitoring activities could be increased through increased funding. The UN could impose economic sanctions against those countries that have such weapons. Companies from that country could be barred from UN-funded infrastructure building or repair, for example.

UN peacekeepers wouldn’t have to rely on funds from member countries; their role to monitor and place themselves between warring groups could be expanded. The UN should not become a military governing body but it would need to retain the policing powers it currently has and would have the funds to take on more.

WDs could be used to fund actions that limit the scope of war or prevent it altogether.

MOVEMENT OF LABOR
Goods and capital can move freely around the world. The UN should use whatever influence it can to break down the barriers to the movement of people. Trust is so much easier if war, poverty, and disease are eliminated. Also, if the UBI moves into a new country with the immigrant, more countries would welcome the immigrant. For too long, the movement of capital and goods has benefited the wealthy; free movement of labor can offer opportunities for all.

MONOPOLIES
Monopolistic companies would be barred from any contracts handled through the UN. The General Assembly could provide rules which would allow the UN to take monopolies to the International Court of Justice for disciplinary action or refer those monopolies to the country of origin for dissolution or breakup into smaller operations. The judicial system could instruct the Governing Board to take actions to limit a country’s access to WDs if that country refuses to act against monopolies.

Smaller companies could be encouraged to cooperate with other smaller companies to compete on large projects through the UN. This should be encouraged in all contracts issued by the UN.

Any company that interferes in its government would be banned from participation in any UN project. Legitimate lobbying should be allowed but participation in any organization that writes the laws to be rubber-stamped by a governing body should be outlawed (e.g. the US’s ALEC.)

STRATEGY
The challenge of world governance isn’t easy; many of the groups that have gained power have done so over centuries. They would not willingly concede their power.

The advantage of utilizing the UN as the governing body is that the UN has been developed by many of these powers as a tool to be wielded to do just what the Global Challenges Foundation is envisioning. The reason more hasn’t been achieved is that the UN lacks adequate funding (perhaps by deliberate actions to limit its power.) The global money structure limits how much any country is willing to spend even on much needed solutions.
There is one overwhelming requirement for the proposed plan to succeed; the WD would need to be established as described above and the Governing Board would need to maintain the WD’s strength and value. The implementation of UBI would have to wait until the WD is well established as a stable worldwide currency. Exerting too much pressure on a country before the currency is well established would undermine the WD’s acceptance.

The first step would be that of redefining the SDR into WDs as a debt-free basket of currencies coming from all member nations who would guarantee a portion of them on the good faith of their countries. The rationale for implementing the WD would be to fund the operations of the UN. Since the WDs are potentially unlimited, the membership fees imposed on the members could be just a fraction of the WDs spent around the world. The second step would be to get the WDs distributed and relied upon all around the world.

The biggest obstacle to that first step is the worlds’ central banks. They have spent centuries establishing all currency as debt. [41] This ensures that all money that exists pays interest, even if the money for that interest doesn’t exist.

The argument to be made to the decision makers would be that the 2008 worldwide recession pointed to a vulnerability in the worldwide economy that the current system won’t be able to contain much longer. The sensible solution would be to introduce a currency stabilized by almost every country on Earth. A panel, well versed in fiat currencies, would need to present those arguments.

Once the WD is established and distributed, the second step would be nearly as crucial. If this proposal were passed despite bank objections, there are economic tools the recalcitrant banks could use to create chaos with the use of WDs.

Experience from centuries of banking has shown that not everyone will attempt to redeem a currency at the same time unless there is an extreme loss of faith in the currency. The total of all reserve currencies in the world is about 15% of the broad money supply of the world. [42] [43] The Governing Board should keep much more than that in member countries’ currencies. Speculators could attack the WD by attempting to inflate or deflate the WD (and artificially causing loss of faith) by hoarding or dumping WDs onto the market. [44] The Governing Board would have to maintain enough liquidity and flexibility in the exchange to withstand such attacks. If the WDs were distributed through a blockchain network, the fingerprints of unauthorized intervention could be traced and those responsible could be prosecuted.

It would be especially important that the WDs introduced into the world economy be spent on “real” goods and services, not on building bridges to nowhere. Spending of WDs in an inefficient way in a country would require an increase in that country’s membership dues. The evidence of misspending would appear in the exchange market as an inflation in that country’s currency.

It may take a decade or two to establish the WD as the preeminent world currency. Throughout this time the organizations within the UN could begin tackling the world’s problems through adequate funding and making plans to expand their operations further.
Once countries realize that their currency need not be debt based, they might institute debt-free currencies as well. They may even institute UBI without the UN needing to perform this function. Introducing other debt-free currencies in some countries might reduce some of the power of the UN in instituting the reforms needed, but by maintaining a strong currency, the UN could still fund the activities it was organized to do and still fund UBI in those countries that do not introduce debt-free currency. If a country introducing debt-free currency were to spend its money unwisely, the market exchange would show the inflation and the country’s UN membership fee would increase; the periodic adjustment of the WD’s makeup would increase that country’s exposure in the WD.

If UBI were instituted in a country, monitoring that country’s currency relative to the other currencies would be essential to making sure the WDs are spent wisely. UBI for the wealthy would be inflationary; it would not be inflationary to provide it for the poor. If UBI were to be provided for the poor, it would be immediately spent into the economy. This would boost economic activity and act to raise everyone by providing income and jobs for more people.

If provided to the wealthy, UBI would be spent extravagantly or put into funds to provide additional income that wouldn’t necessarily be spent. Such use of WDs would be inflationary and would influence the market in WDs. Membership dues in the UN could be raised for any country whose currency showed inflationary movement. In this way, the UBI provided to the wealthy would be paid back to the UN through the UN “tax” mechanism.

**EMERGING CHALLENGES**

The UN has changed as the world has changed. Providing it with adequate funding would allow it to continue to adapt to new and existing problems even more effectively.

**OUTER SPACE DEVELOPMENT**

With or without these changes the development and exploration of outer space will continue. Human expansion into outer space should be encouraged. Those that immigrate to space would enjoy riches far more plentiful than those available planet-side.

Habitations would need to provide adequate gravity and protection from radiation. Those would require heavy development costs that the UN would be able to provide as loans. The separate units of governance that would spring from these settlements would need to be incorporated into this same structure as proposed here.

Low Earth orbit is already full of junk. It would need to be cleaned up and steps would need to be taken to provide maintenance to keep it clean.

The constant movement of space vehicles into and out of Earth’s atmosphere could cause unknown additional threats to the environment. The UN could fund research to find new and better ways of getting off planet; space elevators, electromagnetic catapults, non-atmospheric-destroying rocket fuels, or yet unknown technologies.
LONGEVITY
There are people alive today who might be able to select how long they wish to live. Drastically increasing lifespan will create a crisis in population control. Laws should be enacted requiring that anyone receiving treatment to extend lifespan be limited to a maximum period of 100 years to live on Earth. The rest of their life must be spent in space. The UN would have a role in monitoring travel to and from space and enforcing the laws about extended life on Earth.

NEW WEAPONS
Colonization of space would introduce new weapons that must be controlled. Space, being the higher ground, would have the advantage in any war. Even a relatively small projectile launched from space at high speed would have the same effect as a nuclear weapon. The UN would need to maintain control of all weapons in space.

MODIFIED GENOME
Already the means exist to modify the human genome. In space, there would be the added complication of radiation inducing a higher rate of mutations. In addition, the needs of exploring space might induce people to modify the genome to allow people to work in hostile environments.

The threat of humanity evolving into myriad new species would not be inconceivable. The UN could facilitate the discussion of threats and enact solutions.

ARTIFICIAL INTELLIGENCE
In the short run, the threat of artificial intelligence is in taking over jobs. The threats faced by hostile artificial intelligence should be addressed through research in how to place hard limits on artificial intelligence capabilities.

If most jobs were eliminated the UBI could eventually provide more than just food, shelter, education and healthcare. Freed from work, people would be able to travel, study, play, interact, and create. Any jobs that were available would probably require advanced education; there would be funds to receive that education.

ASTEROID COLLISION
As our presence in space intensifies, identifying potential asteroid threats would become commonplace. Catching an asteroid threat early would make it much easier to divert.

NANOTECHNOLOGY
International laws would have to be enacted to control how or when nanotechnology is released into the environment. This may require an additional regulatory agency in the UN. The UN would have to use whatever resources it could bear on enforcing such laws. Money for cleaning up any unlawful or mistakenly released nanotechnology would be available through the UN.

PANDEMICS
Universal healthcare made available through UBI would help avert pandemics. Adequate sources of potable water and healthy food choices would ensure that at least basic hygiene could be maintained. Healthcare universally available would help in keeping a pandemic from starting.
SUPER VOLCANO
No present knowledge could avert a Super Volcano. With funds available to conduct research, perhaps ways of predicting or averting them could be found. NASA is currently proposing tapping into Yellowstone Volcano to draw out heat with the side effect of providing environmentally friendly electric power. [46] If this works, the UN could fund additional projects to extract heat from other super volcanoes around the world.

ENVIRONMENTAL COLLAPSE
Environmental collapse might be avoided by implementing changes soon. This proposal offers ways of slowing climate change, maintaining biodiversity and habitats, reducing population, and developing in ways that limit environmental stress.

UNFORESEEN CONSEQUENCES OF THESE CHANGES
The changes proposed here would profoundly change the outlook of billions of people. The consequences of those changes cannot be foreseen in total. The UN would need to remain flexible in monitoring those changes and reacting to them.

SUMMARY
This proposal cannot predict all the consequences of its implementation. It would be imperative that close monitoring of changing conditions be undertaken at the same time it is enacted. There would be committees and commissions under the Governing Board that would need to be created that cannot be anticipated in advance.

Much can be accomplished by adding just one new body to the UN.

3. Motivation

ARGUMENTATION
Fundamental to this proposal is understanding the way money and debt work in the present banking system. But first, the easier arguments to make.

CORE VALUES
The UN has a history of working for the good of all humankind. Empowering the UN to expand its role would ensure its ability to do even more than it does at present. Introducing the modified Special Drawing Right (SDR) as a World Dollar (WD) should allow enough money to be available to implement any program the UN decides is important. The goods and services provided by this influx of new money would need to be distributed fairly. To ensure that this happens, the Governing Board would need to answer to the General Assembly.

DECISION MAKING CAPACITY
There is no need to create new institutions; the UN is already up and running. The introduction of the WD could be accomplished by a vote of the General Assembly. The longest delay would be in preparing the groundwork so that those voting for the process would understand the importance of introducing the WD and especially that it must remain debt-free. The Central Banks might oppose the
actions but if the General Assembly can push it through, despite such opposition, the task would be mostly done. The Security Council might try to claim the action as threatening security, but that should be able to be challenged.

The UN is already empowered to perform many of the functions outlined in this proposal. Providing adequate funding could drastically increase the ability of the UN to accomplish additional goals. The only decision-making changes this proposal adds is that of adding the decisions made by the Governing Board to disperse and control the value of the WDs.

**EFFECTIVENESS**

The primary obstacle to UN effectiveness is that operational funds are limited to what member countries are contributing to it. With their own source of funding, all UN operations would have adequate funding to mount effective programs.

The wealthy have exerted power over centuries. This proposal would bring immense monetary resources under control of a worldwide body to be wielded for the good of all.

**RESOURCES AND FINANCING**

The beauty of this proposal is that no taxes would need to be levied, no solicitation for funds would need to be conducted, nor would the member countries be crippled by the need to fund ambitious new programs. The introduction of WDs would ensure the UN has adequate financing for any operation it deems necessary. If the resources are not directly available to the UN, they could purchase or hire the resources they need. The convertibility of the WD to any member currency would ensure that whatever currency the company, country, or individual needs would be available.

**TRUST AND INSIGHT**

The UN as a functioning organization is already transparent and well understood worldwide. While some oppose the UN as a world government to which they don’t wish to owe allegiance, any proposal the Global Challenges Foundation is soliciting would have to address that problem. The UN is already in place with laws and treaties empowering it to accomplish most of the tasks outlined within this proposal.

**FLEXIBILITY**

The General Assembly already has the structure for making changes. The Governing Board would need to be implemented as outlined in this proposal to allow it, also, to have the flexibility to keep the WD strong and easily convertible to any member country’s currency. The availability of ready cash should allow extreme flexibility to implement the programs of the UN.

**PROTECTION AGAINST THE ABUSE OF POWER**

With the introduction of fiat money, the threat of funding the “brother-in-law’s business” is ever-present. The Governing Board would have to have the audit authority to investigate any use of the WDs. The General Assembly would have to have the authority to impeach and prosecute any member of the Governing Board acting counter to the aims of what is proposed here.
The biggest problem with implementing the goals the Global Challenges Foundation is seeking is that carrots and sticks must be used to change the behavior of countries that don’t act for the good of mankind. I propose here that money be used as the carrots and the withholding of that money as the sticks. In extreme cases, the UN would have funds to pay for soldiers to enforce actions the UN has decided are to be taken.

ACCOUNTABILITY
The changes proposed here would add only a single new Council to the UN. The Governing Board would still be answerable to the General Assembly, and actions taken by anyone in the Governing Board that would be deemed unlawful or counter to the aims outlined could result in punitive actions or removal from office.

The Global Challenges Foundation’s goals could be implemented with minimal change to existing global structures.

MONEY AND DEBT
We are all so familiar with handling our own money and debt that the relationship of the two in the entire banking system is masked by our misunderstanding. When we consider paying off debt, an individual can be frugal, save their money and become debt free. Similarly, a government can be frugal, save money and become debt free. But, for a government to become debt free, the debt of individuals and/or corporations, overall, must increase or the GDP must decrease.

When considering the banking system as a whole, it is like watching the “pea under the shell” game. In this case, the pea to watch is the creation of money that incurs interest with a sharp eye for noting where the interest for that principle will be created.

The transactions of a central bank have become complicated enough that, for most people, the eyes glaze over when considering what happens. Fortunately, the European Central Bank (ECB) was set up with a relatively simple system that makes it easier to follow the pea.

If the European Central Bank (ECB) wants to inject money into the economy, it offers short term contracts for the participating banks to borrow money from the ECB. The banks then bid on the contracts. Those banks offering the highest interest win the bids and the ECB places that borrowed money in the banks’ accounts. That reserve amount then entitles those banks to loan out as much as 100 times the amount of money the ECB injected (offered for bid.) Within 2 weeks to 3 months, the bank must repay the contract amount (the principle borrowed plus the agreed interest) back to the ECB.

If you’ve watched the pea, you may notice that the money plus interest must be paid back but the money for that interest was never created. The borrowing bank will loan out many multiples of the money it borrowed and earn interest on that, so, theoretically it will have earned enough to return interest to the ECB.

But, like the shell game, the pea has been moved surreptitiously somewhere else. Since the ECB is the only source of Euros and the interest must be paid back in Euros, some previously created Euros must be utilized to pay back the interest.
Since the ECB goal is to increase inflation by 2% annually, [50] there will be at least a 2% annual increase in the money supply. But the interest rates on bank loans to individuals or corporations are typically multiples of the 2% growth rate and those loans are also incurring interest that needs to be paid back in Euros.

The velocity of money (the number of times the same Euro is used as it passes from person to person) means the 2% increase in supply has some additional multiplication. However, that process doesn’t create the interest the individual, corporation, or government needs for paying its interest nor does it create the interest the bank needs to pay back to the ECB.

Lest you argue that growth will draw in money from other countries, you need to realize that throughout the world, this same system is predominantly used. If a country has international trade, this same system is enforced.

There are two other factors that must be considered. First, while the money supply expands by multiples as it is loaned out, if the numbers of loans are decreased, the money supply shrinks by multiples as the loans are paid back or defaulted. Second, the accumulated compound interest after decades or centuries means huge debts are incurred or the money is inflated to make the problem look less dramatic.

Finally, as a thought experiment, consider what would happen if everyone; individuals, corporations, and governments; decided to make a serious effort to pay back loans. The retired loans which multiplied the money supply would now shrink the money supply by multiples. Before a significant fraction of loans could be repaid, the money supply would disappear as there was never any money created that wasn’t tied to debt.

Accepting this governance proposal would create debt-free money that is not subjected to this money/debt spiral that is preventing the solutions described herein.

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Cryptocurrencies may someday be stable, but it may take years. Not only do loans create money out of thin air but paying off a loan contracts the money supply. With a 10% reserve requirement by the central bank, paying off a $100,000 loan potentially removes $1 million from the money supply if that loan isn't re-issued.

The Secret of Oz documents the history of banking in the United States and how hard the banks pushed to establish the Federal Reserve.

One country may demand control of programs.
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