

Panel proposal  
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## **A monetary system proposal based on Keynes' ICU**

### Abstract

This work aims to offer an interpretation of the economic reality of developed economies, introducing a key factor that is rarely present in economic theory: the monetary system.

According to this view, the monetary system plays a central role in the distribution of income, which is particularly relevant since the Keynesian mechanisms of redistribution of income have been working less and less, due to the economic globalisation.

There are two major monetary phenomena that have changed the fundamentals of our economic system dramatically: the fall of the gold standard and the rise of the digital money. It is particularly interesting to analyse their impacts in distribution of income: Financialisation is one of them, an increasingly higher frequency of financial crisis all over the world is another, but more important has been another effect: the power switch from industrial capital to financial capital. These phenomena have changed the fundamentals of our economic system, breaking the old model forever and opening new opportunities for monetary innovation at the same time.

The fall of the gold standard has an additional relevance due to the fact that it is one of the pillars of the current International Monetary System, which is broken since 1971, as a result. This opens the discussion for a new International Monetary System too.

Finally, I will examine the International Currency Union proposed by Keynes in Bretton Woods, and the possibilities for a Bancor to be the currency today, not only as a currency of nations, as Keynes proposed it, but as a currency of individuals as well, and the possible benefits this could bring, in the light of power issues described.