Week 1.1 Understanding the system, problems and solutions

Currency Design Requirements
- Portable
- Lightweight
- Nonperishable
- Strong and durable
- Can get wet
- Exists in standard sizes
- Cannot be cheapened or thinned
- Cannot be counterfeit
- Relevance to all cultures

Currency System Requirements
- Regulated by an efficient, trusted central bank
- Supply is large enough
- Supply is limited enough
- Supply comes in such increments to satisfy all nations’ local needs

Incentives for a Single World Currency
- It will eliminate the need for foreign exchange reserves and their management.
- It will create freer trade between nations.
- It will eliminate costs and inefficiencies in the foreign exchange system.
- It will create greater security for less stable (poorer/developing) nations.

Problems facing a Single World Currency
- Governments will oppose the idea because of perceived loss of control over local economies.
- Stronger nations will oppose it because of perceived ceded power to weaker foreign economies.
- Stronger nations (low currency risk) will also oppose it because of lost foreign investment value.

Brand Context
- Each nation will view a single world currency differently. Weaker nations will be attracted to the idea, viewing it as a source of security, an opportunity for freer trade, and elimination of costly foreign exchange reserve management. Stronger nations (e.g. US, UK) will be opposed to it, seeing it as lost “bargaining power” when dealing with weaker foreign economies. Governments as institutions will oppose the idea, thinking it will mean lost control over local economies, while citizens as individuals will like the idea as a simplification of the trade system.

Brand Positioning
- How can a single world currency be positioned to appeal to its opponents? Its unique aspects are both good and bad. How can the bad ones be presented to minimize negative effects, or in such a light that they become positive? For example, stronger nations can benefit because a single world currency will allow them to invest in poorer nations without the threat of the weaker country’s currency defaulting.

Currency Requirements: http://www.smithsonianeducation.org/educators/lesson_plans/currency/worksheet.html
Speech by Alan Greenspan: http://wfhummel.cnchost.com/currencyreserves.html
Article on the Euro: http://www-personal.umich.edu/~mtwomey/newspapers/042598eu.html
Organization for a Single World Currency: http://www.singleglobalcurrency.org/