The international monetary system: making it work better and preventing future crises

2000/2017(INI) - 13/09/2001

The committee adopted the own-initiative report by Robert GOEBBELS (PES, L) on how to improve the workings of the International Monetary System and avoid future crises. The committee turned down the idea of a Tobin tax on financial speculation and instead suggested other ways of reforming the International Monetary System. As a start it favoured reforming the IMF to make it more democratic. It also supported more involvement of the private sector in crisis management, which could result in freezing debt servicing payments. In particular the committee wanted debt repayments frozen for poor countries hit by a solvency crisis. As to dealing with speculation, MEPs wanted to see more involvement of the EU and its institutions and consideration given to following the Chilean approach. In other words, emerging economies could protect themselves by introducing effective supervisory legislation to accompany the domestic liberalisation of capital. This could take the form of requiring non-interest-bearing deposits to match foreign capital with a view to promoting long term investments.