

Summary of the PhD dissertation entitled:

SPECIAL DRAWING RIGHTS AS A FORM OF INTERNATIONAL MONEY

The Special Drawing Rights were created to assist the dollar in fulfilling its functions as a world currency, or its complete substitution. Today, SDR units serve mainly to settle the liabilities on account of turnover in individual countries capital accounts. SDRs are also used for denominating currencies. In Economics SDRs case has existed since when the world money supply became not enough for increasing trade turnover. As a solution to this problem International Monetary Fund decided to create Special Drawing Rights in 1967. Since then (1970), the role of SDR in the market is quite stable, but this does not mean that there is no chance that its role could not change or could not be significantly increased in the future. There is a possibility that a broader role for SDR could help to improve stability and functioning of the international monetary system.

The aim of the PhD thesis is to discuss Special Drawing Rights as a form of international money as well as to answer the question whether there is any chance for Special Drawing Rights to become international world money in the future and whether a broader role for SDR could contribute to improve functionality and stability of the international monetary system. Global economy becomes more and more multipolar, which raises questions about shifting demand and the supply of reserve assets. This work is aimed not only at introducing the very essence of Special Drawing Rights, but also showing the relationship between other world currencies with different monetary systems.

SDR, in any conceptual form, is a component of the IMF. The IMF includes a set of rules, mechanisms, and supporting institutions that regulate international transactions. It takes part in global economic and financial stability by supporting the correction of external imbalances and improving the international liquidity.

The research results presented in the PhD thesis allowed for a positive verification of the hypothesis, which assumpt that the promotion of SDR to the role of international currency should start with their wider use in financial relations of developing countries and emerging markets, which gives the opportunity to popularize SDR in international finance, and what's more, it may have a stabilizing effect on the global monetary system. Implementation of the SDR in the finances of developing countries would result in the stabilization of the market. This could also reduce the build-up of international imbalances between the rich North and the poor South.

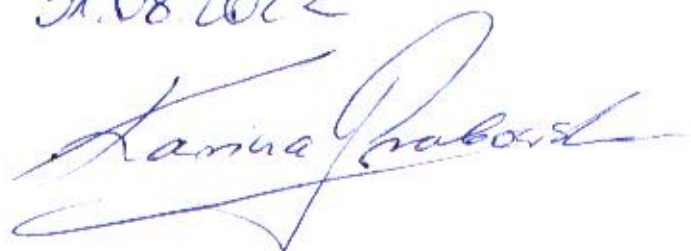
The auxiliary hypothesis, which assumpt that the organization of the international monetary system can significantly determine the type, scope, and function of world money, has also been verified as true. From this point of view, we should understand the reluctance of the main actors of the world economy in international politics, the United States (especially), the European Union (to a lesser extent), to introduce the common world currency.

This work is aimed not only to analyze the very essence of international money, with special attention on the issue of Special Drawing Rights, but also to formulate the conditions that Special Drawing Rights should meet in order to function as an international currency.

Maybe there is a possibility that Special Drawing Rights can function as international money, but it requires changing its virtual nature and transforming it into an equivalent main currency that would be used for international settlements. It might be an utopian dream that is difficult to implement, but from the point of view of the entire world monetary policy, it could be the most important experiment.

The international monetary system is shaped to a large extent by international factors and political relations. The United States will not accept the loss of the dominant position of the US dollar. However, if a new international currency largely depended on the will and interests of the USA, it would increase the chance of its functioning in the form of currency substitution during crises. In this situation, Special Drawing Rights could support the US dollar in its functions, especially in in developing countries and emerging markets.

31.08.2022

A handwritten signature in blue ink, appearing to read "Hanna Prabus". The signature is fluid and cursive, with a long horizontal stroke at the end.