

bilizing our markets and especially the capacity of the leaders of countries in this region, which I belong to, to maneuver in this new world scenario, for it is clear that these changes in the world economy offer us new opportunities for growth.

‘Green’ is the New Name for Colonialism

I have pointed out in previous interventions that “green” production and renewable energy sources, which are still touted today as an “imperative,” have not yielded the expected results, in terms of trade and exports of goods, and have remained focused on trade in raw materials, causing a regression in our region’s industrialization trends, as well as funneling financial flows to tax havens.

These new “neo-colonial imperatives” can be seen, experienced, and documented today in coups in Bolivia, Peru, and the situation created in Argentina around the Mapuche people, where the clear goal is to arm and fund conflicts, to provoke institutional unfeasibility in our region and our countries, and fuel a process of disintegration and disempowerment over our natural resources.

De-Dollarization of the Economy

I have proposed, in this venue and on other occasions, the need for transformative policies, such as those we implemented in Argentina from 2003 to 2012, to go hand-in-hand with an incremental de-dollarization of our economies, so that basic expenses, capital expenses, essential public service expenses and the cost of goods in general, which weigh significantly in today’s wage gap, can be a reflection of our curren-

cy. There is no chance of political stability and clear rules of engagement unless this happens. *And this is not achieved by promoting “resilience,”* but rather, as Dennis pointed out in his April 7 weekly report, when he suggested we take note of Title 14 of the Russian Federation’s new foreign policy statement, “Defending the Right of Existence and the Freedom to Develop,” and clearly, to that end, *utilizing all available means.*

As Dennis pointed out in reference to the fall of Credit Suisse, when nations *submit* to the financial casino, what’s at stake is the sovereignty of the nation.

The quest for transactions in local currencies should be the imperative of the day, and should be built on the basis of a valuation of each country’s natural resources, which constitute the “physical economy” of a sovereign state.

I understand that the de-dollarization of regional economies is the only way to end the “unipolar world” imposed by the United States. Along that path, international cooperation in the framework of the New Silk Road, and the strengthening of the BRICS, has a great role, and much to offer toward such an unblocking. It is necessary that the BRICS and developing countries develop their own financial arena, create their own credit management mechanisms, seeking to aim the world toward multilateralism and a comprehensive reform of Latin American economic infrastructure, which will facilitate greater regional integration and South-South cooperation in which the nature of unbalanced productive structures becomes a benchmark and starting point of a reality we must live and shape for the *transformative future that challenges us.*

Marcos de Oliveira **Brazil is Back**

This is the edited transcript of the presentation of Marcos de Oliveira to Panel 3, “End the Casino Economy Before It’s Too Late,” of the Schiller Institute’s April 15-16 Conference, “Without the Development of All Nations, There Can Be No Lasting Peace for the Planet.” Mr. de Oliveira is the editor-in-chief of Monitor Mercantil, the Brazilian newspaper.

Subheads have been added.



Schiller Institute

Marcos de Oliveira

My greetings to everyone attending the conference and thanks to the Schiller Institute for inviting me to participate in this important meeting.

The world is experiencing a tense and intense period. The world order built around the dollar and the supremacy of financial capitalism, with the dominance of the Anglo-American empire, is being questioned by new and old actors. More importantly, that order is collapsing

under its own contradictions.

On a recent visit to Russia, Chinese President Xi Jinping highlighted that we are experiencing changes we have not seen in a hundred years. “And we are driving these changes together,” Xi told Putin.

“The crisis consists precisely in the fact that the old is dying, and the new cannot be born; in this interregnum, a great variety of morbid symptoms appear,” as wrote Antonio Gramsci.

Let’s talk a little about Brazil’s role and contributions for the world to evolve towards a new level.

First, it is important to bear in mind recent political developments in Brazil. Since Lula was elected for the first time and took office in 2003—and even though he has never implemented radical changes in economic and political management—he has been suffering a campaign of destabilization.

In 2005, the corporate media highlighted what became known as “Mensalão,” which would be a monthly payment scheme to parliamentarians to approve government projects.

The attacks intensified in the second term, which began in 2007 and was marked by advances in economic policy in response to the financial crisis of 2007-2008. With the successor Dilma Rousseff in the presidency, the days of action of June 2013 took place, a kind of “color revolution,” followed by “Operation Lava Jato,” an attack with multiple targets, largely plotted in the United States.

The consequence of these attacks was the coup against Dilma, in early 2016. From then on, there were setbacks in the economy, politics, labor and social rights. The autonomy of the central bank was approved, shielding the economic policy from changes at the ballot box.

It was, therefore, 20 years of attacks. Lula’s victory in 2022, with his inauguration in 2023, takes place in a different context, with less support and less room for maneuver. He has to face fiscal and financial constraints, a hostile Congress—in which the speaker has a strong connection with the most speculative bankers—and an attempted coup, on January 8.

This last fact is remarkable because, if on the one hand it opens things up to be able to fight forces of the system defeated at the polls, on the other hand it represents a sword over the government’s head. The escalation of acts against the elected government had U.S. fingerprints all over it, as did the retreat of the Brazilian military in supporting the coup—a retreat that came in light of the position of the U.S. Government.

Brazil Returns to the World Stage

Lula is pressured internally and externally. Faced with this and the events in the world, the search for an international solution appears as a fundamental alternative for the newly sworn-in government. In the same way, the return of Brazil to the world stage is welcomed, and also disputed by the opposition poles that had formed.

Note that Lula went first to the United States, a political commitment and with little economic gain; then to China. The trip to Xi Jinping’s country had to be postponed due to Lula’s health problems. But the new agenda, set in a very short time, shows the importance that both countries attach to the meeting.

For Brazil, the partnership with China is both an opportunity and a necessity. It allows for political gains and opens the door to investments needed to overcome internal constraints, which Lula does not seem to have the strength or will to overcome. If the investments come in the amount and form the government expects, they could double the values that the Lula government will have to invest in four years.

Lula said: “I want the Chinese to understand that their investment here will be wonderfully welcome. But not to buy our companies ... What we need is not to sell the assets we have, but to build new assets. That’s what I want to convince my friends in China of.”

The partnership with China is strategic, economic and technological. The agreements already signed or that will be implemented include agriculture, renewable energy, 6G, internet, telecommunications and support for Brazilian startups in China. More importantly, the trip should mark Brazil’s adherence to the Belt and Road Initiative (BRI), which China expects if it is to contribute to investments.

For the Chinese, Brazil is strategic for its leadership in Latin America. In 2022, China invested \$8.4 billion in Europe, \$4.7 billion in the USA, and between \$7 and 10 billion in Latin America. Brazil alone would have received \$5.9 billion from the Chinese in 2021. Chinese President Xi Jinping has already visited Latin America 11 times since he took power in 2013. Between 2000 and 2022, trade between China and Latin America increased by 26 times.

Reducing the Dollar’s Influence

As a step towards reducing the dollar’s influence, an agreement between the Brazilian and Chinese governments was announced in March so that exporters can do business without the need to use the American

currency. Bocom BBM bank—which is a traditional Brazilian financial institution controlled by strong Chinese banks—became the first financial institution in Latin America to be part of the Cross-Border Interbank Payment System (CIPS).

The yuan overtook the euro to become the second most important currency in Brazil's international reserves, according to a central bank report at the end of 2022. The yuan is 5.37% of the total, surpassing the euro's 4.74% share. The dollar continues to dominate and was equivalent to 80.42%.

More important is the unity around BRICS. Although the idea of a digital currency for transactions by the bloc's countries is in its infancy, with more interest from Russia than from other countries, the BRICS represents an important economic and geopolitical force to oppose the U.S.-NATO bloc. In Lula's trip to China, he highlighted the importance of an alternative to the dollar in commercial exchanges between the BRICS.

The Russian Academy is working on a draft of an international agreement for the introduction of a new world currency for financial settlements, based on modern technologies such as blockchain, linked to the national currencies of participating countries and the tradable goods that determine their values. A similar concept was recently presented in an article by the Brazilian Minister of Finance, Fernando Haddad, and by the number two in the Ministry, Gabriel Galipolo.

The bloc led by the United States will not stand by watching the siege of the dollar. The ruling elite in core countries tries to prevent changes and not let countries go astray. Brazil was again invited to participate in the G7 meeting in Japan, in May. (The last time was in 2009, during the second Lula administration.)

As stated at the beginning, the United States will always be able to encourage threats in Brazil that leave the Lula government surrounded.

The Principle of Non-Alignment

In the new world order that is being designed, Brazil must maintain its policy of non-alignment, seeking to take advantage of global contradictions. For David Deccache—a Master in Economy from a federal university in Brazil (UFF) and parliamentary advisor—the agreement with China guarantees the diversification of geopolitical risk for Brazil, with two optional systems to carry out operations, and not just one. Therefore, Brazil is no longer totally subordinated to the hegemony of the dollar.

Republican Senator from Florida Marco Rubio warned that the rapprochement between Brazil and China was yet another sign of the “de-dollarization” of the world. Much of the dollar's decline and moves to find alternatives are due to U.S. sanctions against Russia, in which some \$300 billion in Russian assets were frozen by Western banks.

The U.S. has in the past gone to war against countries that questioned the hegemony of the dollar, such as Iraq and Libya. Currently, they are carrying out a war against Russia through Ukraine, with objectives that go beyond punishment for questioning the dollar, in particular aimed at maintaining dominance over Western Europe.

President Lula has placed on the world stage the proposal to form a group for peace and will insist on this issue with Xi Jinping. Adherence is difficult, but it is one of the few initiatives by non-aligned countries to find a way out of Ukraine's war.

Opponents of the multipolar world react. The Japanese Prime Minister made a trip to Ukraine. In the final communiqué, Fumio Kishida and Zelensky underscored “the inseparability of Euro-Atlantic and Indo-Pacific security” and “the importance of peace and stability in the Taiwan Strait.”

A new world economic order is being formed in the periphery, especially in Asia, with the main objective of increasing public welfare. China has grown three times faster than the U.S. economy for over 30 years. China, India and Indochina are areas that already produce more than the U.S.A. and the European Union.

The financial system forged after World War II ensured that the privileged center was financed at the expense of the world majority. Today, that financial system is collapsing. A transition will not be easy. We're talking about hundreds of trillions of dollars in junk paper. We are also talking about the severe impoverishment of the U.S. population. Situations like this have, in the past, led to wars.

The international use of the dollar is the last pillar of U.S. imperialism. At the beginning of this statement, I recalled Xi Jinping's statement to Putin, that we are experiencing changes like we have never seen in a hundred years. One hundred years ago, we lived in a period between two World Wars and we were witnessing the end of British colonialism. Will we be able to avoid another World War? I hope so.

Thank you all.