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## Planning for Integration, Cooperation and Growth with the BRICS: Missteps and Risks

*This is the prepared text as edited of the presentation of Julio Miguel de Vido to Panel II, “Why It Is in the Strategic Interest of European Nations To Cooperate with the Global South,” of the Schiller Institute’s July 8–9 conference, “On the Verge of a New World War—European Nations Must Cooperate with the Global South!” Mr. de Vido is the former Minister of Federal Planning, Public Investment and Services (2003–2015) during the governments of both Néstor Kirchner and Cristina Fernández de Kirchner, Argentina. Subheads and embedded links have been added.*



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I would like to begin this presentation, which I have titled “Planning for Integration, Cooperation and Growth with the BRICS: Missteps and Risks,” by first thanking the Schiller Institute, Helga Zepp-LaRouche and Dennis Small for the honor of being invited to this conference.

I have been able to reflect on the working [paper](#) by Dennis Small and Mary Jane Freeman titled, “Some LaRouche Essentials for the Transition to a New International Financial System.” Here is my contribution to that reflection:

The disappearance of the global financial system as we know it today, depends on the success of the BRICS [Brazil, Russia, India, China, and South Africa], conceived of as the possibility of putting together a platform for intercontinental integration of economies that paradoxically have as an advantage large natural resource reserves and a determining role in the global supply chain (energy, food, water, and biodiversity); and as a disadvantage that they bring together very powerful real or potential economies, but very unequal ones. A simple review of the social landscape of many of these countries provides the evidence of these asymmetries.

Therefore, my view is that, in addition to the agenda of speaking honestly and taking a stand about the war between Ukraine and Russia, and the agenda of domination itself that perpetuates dependence on the world financial system (thanks to organizations such as NATO),

it is necessary to build that platform for integration which is the BRICS with an eye to and respecting [of] the sovereign views of those countries, connecting their willingness to cooperate, to trade ties and definitions in foreign policy issues that go along with it.

The situation today is one of a “delicate balance.”

There are many of us who agree with the need for a new way of participating in the institutions of global governance, especially among

the countries that share a common history of struggle against imperialism, colonialism, exploitation, and underdevelopment. But there are many missteps and risks, if the foreign policy and the insertion strategies are not clear in their characterization and are erratic. In addition, the agreements and commitments to represent the so-called “Global South” must be balanced and firm within each of the countries—those that today make up the BRICS and those, like Argentina, that seek to join that bloc.

The historical moment and the context should encourage us today.

### ‘Shovels in the Ground’

Dennis Small writes that,

The only way the Argentina-Brazil-BRICS vs. IMF conundrum will be solved, is by getting China’s Belt and Road Initiative actively underway in the region—to put ‘shovels in the ground’ and start building the long-awaited bi-oceanic rail corridor(s) across the continent, in particular, based on multi-billion non-dollar credit lines.

I would like to recall here that Argentina, Bolivia, Brazil, Colombia, Ecuador, Paraguay, Uruguay, and Venezuela—led at that time by Néstor Kirchner, Evo Morales, Lula da Silva, Rafael Correa, Nicanor Duarte Frutos, Tabaré Vázquez and Hugo Chávez, respectively—we signed in 2007 the Founding Charter of the

Bank of the South, guided by the purpose of developing, promoting and fostering the economic and social integration of the member nations of UNASUR (Union of South American Nations).

The process of creating this Bank of the South was part of the joint commitment to create a new regional financial architecture. It was a way to prevent national savings from flowing to more developed economies, instead of being invested in regional projects. In a way, it was for us a first step to get out of the financial and trade globalization of the time, and to be able to revitalize investment, correct asymmetries, and develop integrating infrastructure. In short: the goal was to mitigate the foreign vulnerability of our region.

Unfortunately, we recognize it today as a failed experience of the UNASUR regional bloc. The non-collaborative technical-administrative superstructures during the first years of UNASUR's life, with their procrastination, opened the door to a reconfiguration of forces that, by 2011, had an impact on the integration process and of course on the project of the Bank, as a result of the political changes in the region.

The effort and political will of many of us with experience in government administration, to break the U.S.' hegemony and enter fully into multilateralism and into a change in the International Order, has to aim at:

First: Define what we mean by the "Global South." I find it necessary to characterize the subject. Today we know the potential of the G7, with low representation in terms of world population (10%), and an economic size of 31% of world GDP. We know the potential of the BRICS, with high population representation (40% of the world's population), and an economic size of 24% (in terms of world GDP). The open question is to estimate its geopolitical weight in order to establish joint positions regarding world political and economic functioning, to counterbalance a G7 that today includes industrialized countries, with a BRICS composed of countries that appear to be in political and economic crisis as a result of submission to the "prescriptions" of the multilateral credit institutions.

Second: Urgently address the shared vulnerabilities of the economies of the Global South. We have seen that the assessment of the so-called [Agenda 2030](#) in these countries, which the UN imposed as part of the world order, is that it was a failure. I am talking about poverty, inequality, climate change. As presented in the Agenda, "sustainable development" went over the top. As a result, and by way of example: extractivism—as a fundamental tool for the concentration of wealth that

limits development, and also for the export of natural resources, which in my country is a way of obtaining dollars to pay the debt to the IMF—is clearly a very dangerous way of acting in disregard of sustainable development (environmental and social).

This recognition of the reality within countries should be the platform from which the BRICS work for the global economic recovery which we seek to lead from there, to position these emerging economies on the path of development and self-sufficiency which, along with the type of proposals being analyzed in this forum, will allow us to define a New World Order.

### **Productive Credit for Great Projects**

One such proposal, to quote Small and Freeman when they pose the need for a new currency:

Productive credit must be issued in that new currency to finance great development projects, with a heavy emphasis on science and advanced technologies, in and among participating nations, to quickly boost the physical economies and thereby provide the only possible solid backing for the value and stability of the new currency.

In that light, we must bring a new international order into being that is truly inclusive, equitable, fair, and sustainable, one that allows for reforms to be agreed upon and planned in the areas of energy, transportation, and infrastructure; as well as the greatest possible investment from the BRICS in the economies of its partner nations to allow for the growth of local industry in each of them, as well as the real improvement in the indicators of the Agenda 2030 guidelines and an ongoing improvement in foreign trade and market access.

In the short term, the BRICS platform must help member countries resolve their debts with multilateral credit institutions, supporting the growth of each of them, the creation of genuine employment, and the improvement in the living conditions of their inhabitants; and over the long term, establish new financing mechanisms outside those institutions and the mandates of the United States and its allies.

My understanding is that that is the path to launch the new world economic agenda, so that the world financial system, as we know it today, disappears, and so that the BRICS can create a counterweight in global geopolitics under conditions of respect from the West for the so-called "Global South."