

## Julio De Vido

# The Necessary Conditions for Development of the Third World

*This is the edited transcript of the presentation of Julio De Vido to Panel 1, “Stopping the Doomsday Clock—The Common Good of the One Humanity,” of the Schiller Institute’s Nov. 22 conference, “For World Peace—Stop the Danger of Nuclear War: Third Seminar of Political and Social Leaders of the World.”*

*Mr. De Vido was Argentina’s Minister of Federal Planning, Public Investment and Services (2003–2015), during the governments of both Néstor Kirchner and Cristina Fernandez de Kirchner, governments that were both hated and feared by the City of London and Wall Street, because of their commitment to high technology and economic development, in cooperation with other nations, including China and Russia. He played an instrumental role in developing and implementing much of that policy, after which he served as a Federal Congressman (2015–2017).*

*The presentation was delivered in Spanish, with English simultaneous interpretation. Four footnotes have been added. The full proceedings of the conference are [available](#) at the Schiller Institute website.*

Good afternoon! I want to express my agreement with all the participants’ expressed desires for peace and the dismantling of the large war structures and machinery, among them the NATO military pact, and my solidarity with all the victims of this situation, not only those on the front lines but those who suffer in their pocketbook and living conditions, in the cost of energy and other consequences of this conflict.

I’ve been invited to speak today primarily about the conditions that are necessary for the development of the nations and regions of the Third World, today known as “emerging economies,” but which are misnamed, so I go back to the term Third World because I feel that it emerged that way as an international political expression.



Julio De Vido

Schiller Institute

In the first place, the conditions we see as fundamental are foreign debt reduction and elimination of the tutelage of the so-called multilateral credit organizations, especially the International Monetary Fund. Aside from that tutelage and in the framework of debt reduction, it’s necessary to achieve a fiscal and trade surplus to sustain and encourage public investment in each one of those countries.

Next, a policy of associative and proactive regionalism is needed, not only in infrastructure projects for regional integration but also for the creation of financial instruments appropriate to each one of these regions. Multilateralism is also another condition, and I want to emphasize our trading partners. We often see that these nations have trade relations with other countries that are very important for their economies, but politically there is a kind of ban preventing them from deepening these relations. I will try to explain this, using as a reference point our experience in the Argentine government from 2003 to 2015, especially in the context of our relations with other nations of the region.

### **A Platform Prioritizing Public Works**

In our electoral platform, we clearly proposed that to develop a sovereign national project with economic independence and social justice, we had to first reduce our debt. At that time, Argentina’s foreign debt was \$178 billion, or 120% of our gross national product (GDP), so that it would have been very difficult to move forward with anything we wanted to do in that context. And within that \$178 billion debt, the International Monetary Fund had a claim to \$9 billion. Moreover, it practically ran our macroeconomic policy, with a system of austerity, focusing only on debt payment and forgetting about any social debt or the economic growth required to meet it.

This all ended in December of 2001 with dozens of

deaths and enormous human and material damages.<sup>1</sup> One of the main tools that President [Néstor] Kirchner decided on at that time was to set planning goals for public investment, starting with a plan for strategic territorial development that would prioritize public works to attend to the needs of the population beaten down by poverty and unemployment, which at that time, in May of 2003, was 23%.

The situation was further aggravated by the crisis related to contracts of state-sector companies that had been privatized during the neoliberal decade of the 1990s, in which the cost of services had been dollarized, along with the housing, schools, and universities that we had proposed to build as a way of revitalizing those sectors that had clearly been pushed aside by a decade of neoliberalism.

Applied public investment reduced unemployment, reactivated industry and, of course, improved GDP, as we'll see a bit later.

### Space and Nuclear Technologies

Then, it became necessary for the economies of the region to enter the world of new technologies, primarily in communications. During that period, we in Argentina designed and put into orbit two satellites, continued with the nuclear plan for electricity generation, completed the Atucha II nuclear plant as well as a binational project with our brother nation of Paraguay to finish the Yacyretá Hydroelectric Power Station with a 3,200 MW power generating capacity.

As I said earlier, we put forward a policy of multilateralism in foreign policy, without abandoning our insertion in the West. That is, ideologically we belong to *Justicialismo*,<sup>2</sup> which establishes absolute freedom in the management of foreign relations but recognizes that we are located in the Western Hemisphere. This does

---

1. In December of 2001, Argentina was in the throes of an unprecedented economic and debt crisis caused by years of neoliberal policies, which provoked days of violent protest, rioting, and looting which took the lives of 27 people and caused widespread material damages. The Dec. 21 resignation of President Fernando de la Rúa, who fled in a helicopter from atop the presidential palace, was followed by the Dec. 24 announcement of a debt moratorium by interim President Adolfo Rodríguez Saá. The country had five presidents over a 12-day period, and the events of that turbulent period are seared into the memory of the Argentine people.

2. *Justicialismo*: The movement created by Gen. Juan Domingo Perón in 1946, later known as *Justicialismo* in 1958 after the British-orchestrated coup against Perón in 1955. The *Justicialista* Party today embodies the political doctrine defined by Juan Perón.

not exactly confine us, but rather establishes guidelines that confer a special character on our foreign policy which, as General [Juan] Perón said, is “real politics.” In fact, that’s what we are seeing in this meeting.

Particularly when we took power in May of 2003, we clearly saw that in the path we intended to follow, we would have political allies in the region with which to associate and with whom we shared common strategies as well as a basis for ideological agreement. President [Luiz Inácio] Lula da Silva had taken power a year earlier in Brazil. He was the first one. Venezuelan President [Hugo] Chavez and the Bolivarian experience was another. In Paraguay, there was President [Nicanor] Duarte Frutos and then President Fernando Lugo. In Uruguay, there were Presidents [Tabaré] Vázquez and [José] Mujica, and then the Bolivia of Evo Morales.

To carry that task forward, in addition to having a common enemy, the countries in the region also shared the issue of foreign indebtedness, to a greater or lesser degree, and the conditions which the creditors imposed on our economies, directed essentially by the IMF. In that context, both Kirchner and Lula agreed almost simultaneously to pay off their debt to the Fund, not to leave it, but to prevent it from interfering in setting macroeconomic policy for their nations, and ultimately for the region to achieve greater regional unity.

Prior to this, we Argentines had to reach an agreement with foreign private creditors, which we did in 2005 with a 73% write-down between interest and capital and a capital reduction in the order of 46%. As I said earlier, we proceeded almost simultaneously with Brazil, working together to achieve a fiscal balance and surplus that would allow us to move forward with the public investment project we had discussed, reaching those goals by 2005. At that time, aside from consolidating the Common Market of the South (MERCOSUR), we advanced in the creation of the Union of South American Nations (UNASUR), based in Quito, Ecuador, which played a very important role during the attempted *coup d'état* in Bolivia by what was known as the white Half-Moon region, against the poorer northern and indigenous *altiplano* (high plateau) region.<sup>3</sup>

---

3. White Half-Moon attempted coup in Bolivia: The 2008 attempt by four southeastern Bolivian departments, Santa Cruz, Pando, Beni, and Tarija, known as the “half-moon” due to the shape of their geography, to establish full “autonomy”—secession—from the Bolivian state under then-President Evo Morales. Abetted by the National Endowment for Democracy, USAID, the U.S. State Department and other foreign

Venezuela's entry into MERCOSUR strengthened it, and I think this was one of the things that most irritated the powers that dominated the region's energy sector. Venezuela then exited the Andean Pact, which in a way was the political and ideological basis of what later became the Lima Group, which played a nefarious role in the policy of economic sanctions, to which a previous speaker referred. Then Colombia, Chile and Peru went in a different direction from the policies we had proposed for the region, and this became the basis for the Lima Group, which in large part took charge of destroying the advances I previously mentioned.

### 'Latin American Silk Road'

For example, Argentina and Venezuela signed bilateral energy and food security agreements. I participated in a meeting in Puerto Ordaz of Kirchner, Lula, and Chavez in which they began to design a southern pipeline to link Venezuela's hydrocarbon wealth with Brazil's pre-salt oil, with Bolivia's gas deposits, and Argentina's gas to create a ring of regional security. There was, moreover, a preliminary design to create a version of the Silk Road from a hydroelectric standpoint, linking the basins of the Orinoco and Amazon rivers with the Plata basin, which consists of the Paraguay, Paraná, and Rio de la Plata rivers. As I mentioned earlier, this augured a kind of Latin American Silk Road. It was the joint defense plan we discussed at the 2005 Mar del Plata Summit of the Americas, at which the United States tried to impose the Free Trade Area of the Americas (FTAA), that would have destroyed our policies and the development of small and medium-sized enterprises in all our countries, as well as the industrial and trade links between Argentina and Brazil.

During that period in Argentina, and after our debt reduction, and with other countries doing the same, we built 2,000 schools, 1.2 million houses, 2,700 kilometers of highways, 5,500 kilometers of paved roads, 3,300 kilometers of main gas pipelines, 12,400 megawatts of installed energy, and 188 hospitals and health centers. Jobs in construction increased from 322,000 to 787,000. Cement consumption increased by 134%. As a result of a subsidy policy, consumption of public

---

NGOs, the secessionist leaders argued that their wealth and European roots justified their actions, claiming they had no common interests with the rest of Bolivia's northern and largely indigenous population. The intervention of UNASUR put a stop to the secession plan in September of that year.

services grew by 227% and GDP grew by \$495 billion in 2015, an increase of almost 93%.

In any case, we should take note, as Helga Zepp-LaRouche remarked earlier, of the consolidation of local oligarchies and their enormous concentration of wealth: There was a landowners' uprising in Argentina; and as I mentioned earlier, a rebellion of the so-called white Half-Moon in Bolivia of the departments of Beni, Santa Cruz, Pando and Tarija, which a 2008 meeting of UNASUR in Santiago de Chile was able to stop; a police uprising against President Rafael Correa in Ecuador, and the Atlanta Plan<sup>4</sup> which was launched in the United States in 2012, and included some of Latin America's most reactionary judicial figures and media oligopolies. This gave rise to a process of stigmatization of popular political leaders and to their persecution and imprisonment, of which I was a victim. Known as *lawfare*, this process also involved impunity for local rightwing leaders by the media, through operations that were promoted and expanded by the so-called Atlanta Consensus.

This was also accompanied by a kind of epidemic of very rare cancers striking several Presidents—Dilma Rousseff, Lula, President Fernando Lugo, and Chavez, who finally died; President Cristina also had a tumor, and unfortunately President Kirchner died of natural causes in 2010—which badly weakened the process I described earlier. The institutional process of building what we called the *Patria Grande* through a regional policy was undoubtedly brought to its weakest expression by the electoral triumphs of Mauricio Macri [in Argentina in 2015] and Jair Bolsonaro [in Brazil in 2018].

In closing, Lula's triumph creates hope for a new era for the region which, through debt reduction and multilateralism in connecting us with the world, will inevitably usher in a new period of sovereignty and social progress, which will allow us to rise to the occasion and connect to projects such as the Silk Road which Helga Zepp-LaRouche has so magnificently described and analyzed. Thank you all for your attention.

---

4. The Atlanta Plan: A 2012 meeting in Atlanta, Georgia of right-wing and center-right former presidents of Latin America, but also including representatives from the United States, produced the "Declaration of Atlanta on the Future of Hemispheric Relations." Under the guise of promoting "democracy," and opposing "authoritarianism," the group launched a series of campaigns using law enforcement and judiciary to target progressive political leaders throughout the region to destabilize their governments and prosecute and jail them on trumped-up charges.