

Julio De Vido

## The Future Challenges Us: Resilience or True Transformation

*This is the edited transcript of the presentation of Julio De Vido 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 Vido is the former Minister of Economics and Public Works and former member of Congress in Argentina.*

*Subheads have been added.*



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I would like to thank the Schiller Institute, and especially Helga Zepp-LaRouche and Dennis Small, for the opportunity to participate today in this gathering and leave you with a few brief thoughts in this video.

The title of my presentation arose from something Dennis Small said in his April 7 weekly report, as well as a proposal by IMF Managing Director Kristalina Georgieva and the IMF’s report for the so-called “Spring Conferences” taking place these days, with the purported message of “Strengthening Resilience and Stimulating Growth.”

Certainly, those two propositions cannot be coupled together. Holding course with multilateral credit organizations seeking to expand financing to already indebted countries, such as Argentina, proposing revised debt goals and new tools to aim adjustment mechanisms always toward the expectations of investors they support, cannot be again the way to a solution.

We all know that “resilience” comes from various areas such as psychology, mental health, sociology, pedagogy, etc. It focuses on a reality full of uncertainties across the lifelines of human beings who have been through traumatic situations of considerable duration and intensity, have successfully overcome such aggressions, and have been strengthened by these “slings and arrows” in terms of maturity and growth.

The IMF’s conceit that debtor countries have suffered or endured the shrinking of regional economies due to increasing global costs, can never be a condition for sustainable growth or social equity, nor will it lessen the impact on vulnerable populations.

On the contrary, our peoples have been tolerant and our governments, so far, obedient to the mandates of the IMF.

### **The Evil of the Washington Consensus**

The recipe should have been instead: prevention, detection and timely intervention along with so-called growth stimulation, seeking to correct those situations of social disenfranchisement, risk and vulnerability as to their rights, which

should be foremost in that context, rather than further pressure and “adjustments” upon debtor countries.

Such value judgments seek non-critical alignment from debtor countries, something we simply live as a natural part of our existence, as happened in the nineties, for instance, when certain regions were considered “non-viable,” according to the playbook of the Washington Consensus.

The twentieth century world hegemony of the most important industrial economies, the United States and its European partners, kept control of the world economic order by upholding the rule of the most powerful institutions over the commercial, political and financial relations of the rest of the world.

This hegemonic process, initiated by the Bretton Woods system with the creation of institutions such as the IMF, the World Bank (International Bank for Reconstruction and Development, originally), the GATT and its entire range of trade and tariff standards (following the 1947 demise of the ITO and becoming part of the WTO in 1995), which was exacerbated by the “Washington Consensus” and the end of the Cold War, can only conceive of political and economic relations in terms of domination.

The obsolete system of multilateral credit institutions continues to suffocate countries, especially the developing ones, and still antagonizes various parts of the world with its hegemonic pretenses. The abandonment of doctrines contained in every international agreement requires a necessary revision and pivot shift for global integration, not only in terms of blending foreign investment in with our economies, but also mo-

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**

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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