



BRAZIL

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(check against delivery)

My greetings to the President of the General Assembly, Ambassador Ali Treki, along with Secretary-General Ban Ki-moon and all the Heads of State and Delegates here today.

Ladies and gentlemen,

The United Nations General Assembly has been and must continue to be the great forum for general debate on humankind's major problems.

This morning, I wish to discuss three issues which I believe to be inter-connected. Three perils haunt our planet: the on-going economic crisis, the lack of stable, representative world governance and the threat of climate change for all of our lives.

Mr. President,

Exactly one year ago, at the onset of the crisis that overtook the world economy, I said from this tribune that history would never forgive us for the serious blunder of dealing only with the **impacts** rather than the **causes** of the crisis.

More than a crisis of big banks, this is the crisis of big dogmas.

An economic, political and social outlook held to be unquestionable has simply fallen apart. A senseless way of thinking and acting, which dominated the world for decades, has proved itself bankrupt.

I refer to the absurd doctrine that markets could regulate themselves, with no need for so-called "intrusive" state intervention, and to the thesis of absolute freedom for financial capital, with no rules or transparency, beyond the control of peoples and institutions. It was an iniquitous defense of a minimal, crippled, weakened state, unable to promote development or fight poverty and inequities. It included the demonization of social policies, an obsession with precarious labor relations and an irresponsible commodification of public services.

The real cause of the crisis was the confiscation of most of the sovereignty of peoples and nations through the state and democratic governments – by autonomous networks of wealth and power.

I said then that the time had come for political decisions.

I said that leaders, rather than arrogant technocrats, must take responsibility for bringing world-wide disorder under control.

Controlling the crisis and changing the course of the world economy could not be left to the usual few. Developed countries – and the multilateral agencies they run – had been unable to foresee the approaching catastrophe, much less prevent it.

The impact of the crisis spread around the world, striking even countries that for years and at great sacrifice had been rebuilding their economies.

It is not fair that the price of runaway speculation be paid by workers and by poor or developing countries, who had nothing to do with it.

Twelve months later, we observe some progress, while many doubts still persist. No one is clearly willing yet to confront serious distortions of the global economy in the multilateral arena.

The fact that we avoided a total collapse of the system has apparently given rise to an irresponsible acquiescence in certain sectors.

Most of the underlying problems have been ignored. There is enormous resistance against the adoption of mechanisms to regulate financial markets.

Rich countries are putting off reform at multilateral agencies like the IMF and the World Bank. We simply cannot understand the paralysis of the Doha Round, whose conclusion will above all benefit poor countries. There are also worrisome signs of return to protectionist practices, while little has been done to fight tax havens.

Many countries, however, have not sat waiting.

Brazil – fortunately one of the last countries to be hit by the crisis – is now one of the first to emerge from it.

There is no magic in what we did. We simply kept our financial system from being contaminated by the virus of speculation. We cut back our external vulnerability as we turned from debtors into international creditors. Along with other countries, we decided to contribute resources for the IMF to loan money to poor countries, free of unacceptable conditionalities imposed in the past.

Above all, however, both before and after the crisis broke out we implemented anti-cyclical policies. We intensified our social policies, particularly income-transfer programs. We raised wages above inflation rates. We used fiscal measures to stimulate consumption and keep the economy moving.

We have now emerged from the brief recession. Our economy has regained its impetus and shows promise for 2010. Foreign trade is recovering vitality, the labor market is doing amazingly well and macro-economic equilibrium has been preserved, at no cost to the victories of our people's movements.

What Brazil and others have shown is that, at times of crisis, we must still carry out bold social and development programs.

Yet I hold no illusions that we might solve our problems alone, within our own borders. Because the global economy is interdependent, we are obliged to intervene across national borders and must therefore re-found the world economic order.

At the G-20 and many other meetings I have held with world leaders, I have insisted on the need to irrigate the world economy with a significant volume of credit. I have defended the regulation of financial markets, the widespread adoption of anti-cyclical policies, the end of protectionism and the fight against tax havens.

With the same determination, my country has proposed a true reform of multilateral financial agencies.

Poor and developing countries must increase their share of control in the IMF and the World Bank. Otherwise, there can be no real change and the peril of new and greater crises will be inevitable. Only more representative and democratic international agencies will be able to deal with complex problems like reorganizing the international monetary system.

Sixty five years later, the world can no longer be run by the same rules and values that prevailed at the Bretton Woods Conference.

Likewise, the United Nations and its Security Council can no longer be run under the same structures imposed after the Second World War.

We are in a period of transition in international relations.

We are moving towards a multilateral world. However it is also a multipolar world, based on experiences in regional integration such as South America's experience in creating the UNASUR.

This multipolar world will not conflict with the United Nations.

On the contrary, it could be an invigorating factor for the United Nations.

For a UN with the political and moral authority to solve the conflicts in the Middle East, assuring the co-existence of a Palestinian State with the State of Israel.

For a UN that confronts terrorism without stigmatizing ethnic groups and religions, but rather dealing with underlying causes and promoting dialog between civilizations.

For a UN that can really help countries like Haiti, trying to rebuild its economy and social fabric, after achieving their political stability.

For a UN committed to the African Renaissance we are now seeing.

For a UN able to implement effective policies that preserve and expand Human Rights.

For a UN that can make real progress towards disarmament, in true balance with non-proliferation.

For a UN that can truly lead in initiatives to protect the planet's environment.

For a UN that can use its ECOSOC to forge decisions on confronting the economic crisis.

For a UN that is representative enough to handle threats to world peace, through a reformed Security Council, open to new permanent members.

Mr. President,

We are not wishful thinkers.

Yet it takes political will to confront and overcome situations that conspire against peace, development and democracy.

Unless the political will is present, throwbacks like the embargo against Cuba will persist.

Unless there is political will, we will see more *coups* like the one that toppled the constitutional president of Honduras, José Manuel Zelaya, who has been granted refuge in Brazil's embassy in Tegucigalpa since Monday. The international community demands that Mr. Zelaya immediately return to the Presidency of his country and must be alert to ensure the inviolability of Brazil's diplomatic mission in the capital of Honduras.

Unless political will prevails, threats to the world like climate change will continue to grow.

All countries must take action to turn back global warming.

We are dismayed by the reluctance of developed countries to shoulder their share of the burden when it comes to fighting climate change. They cannot burden developing countries with tasks which are theirs alone.

Brazil is doing its part. We will arrive in Copenhagen with precise alternatives and commitments.

We have approved a National Climate Change Plan that includes an 80% cut in deforestation of the Amazon by 2020. We will reduce CO₂ emissions by 4.8 billion tons, more than the sum-total of all

developed country commitments. In 2009, we can already show the lowest deforestation rate in 20 years.

Brazil's energy blend is one of the cleanest in the world. 45% of the energy my country consumes is renewable. In the rest of the world, only 12% is renewable, while no OECD country has a rate higher than 5%. 80% of our electric power also comes from renewable sources.

All the gasoline sold for our passenger cars has 25% ethanol blended into it. More than 80% of the cars produced in the country have flexible-fuel engines, allowing them to use any blend of gasoline and/or alcohol.

Brazil's ethanol and other biofuels are produced in ever-improving conditions, under the aegis of the agricultural zoning plan we have just implemented nationwide. We have banned sugarcane plantations and alcohol plants in areas with native vegetation. This decision applies to the entire Amazon region as well as to Brazil's other major biomes.

Sugar cane production covers no more than 2% of our tillable land. In contrast to other biofuels, it does not affect food security, and much less compromise the environment.

Companies, workers and the government have signed an important commitment to assure decent working conditions on Brazil's sugar cane plantations.

All these concerns are part of the energy policies of a country that is self-sufficient in oil and has just found major reserves that will put us in the forefront of fossil fuel production.

Even so, Brazil will not relinquish its environmental agenda and simply turn into an oil giant. We plan to consolidate our role as a world power in green energy.

Meanwhile, developed countries must set emission-reduction goals that go far beyond those tabled to date, which represent a mere fraction of the reductions recommended by the Intergovernmental Panel on Climate Change.

We are also deeply concerned that funding for technological innovations needed to protect the environment in developing countries, as announced to date, is totally insufficient.

The solution to these and other impasses will only arise if the perils of climate change are confronted with the understanding that we share common but differentiated responsibilities.

Mr. President,

The issues at the core of our concerns – the financial crisis, new global governance and climate change – have a strong common denominator.

It is the need to build a new international order that is sustainable, multilateral and less asymmetric, free of hegemonies and ruled by democratic institutions.

This new world is a political and moral imperative.

We cannot just shovel away the rubble of failure; we must be midwives to the future!

This is the only way to make repairs for so much injustice and to prevent new collective tragedies.

Thank you.