Lula Wins Brazil Elections: BRICS Remains Stable | With Dr. Warwick Powell

Lula Wins AGAIN! Here are the updates

#Pascal

Welcome back, everybody, to one of the few live streams we do on this channel. Today we are joined by Dr. Warwick Powell to discuss the news that just broke, which is that Mr. Lula da Silva defeated Mr. Bolsonaro in the elections in Brazil. Warwick, welcome to this special show. Good to be with you, Pascal. Thank you for making the time, because we all knew that this election was coming up. It is right now Monday morning here in East Asia, including at your end, and the election has just finished. I mean, it's still Sunday evening in Brazil. And the news is that Mr. da Silva's lead is now so big, and actually, apparently, 100% of the votes have been counted.

And, well, he's officially been declared the winner of the election. What do you make of this? I am surprised because I thought that Mr. Bolsonaro actually had the lead according to the last polls that I saw about 10 days ago. And looking at how things have developed across South America, with Milei in Argentina and all the other dominoes that kept falling, including Colombia and so on, it seems that the whole continent is drifting to the right. So Brazil would have been the natural progression of that. Did it strike you as a surprise?

#Warwick Powell

Look, I was catching up with some people in Xiongan, which is just south of Beijing, over the weekend, where we attended a global governance conference. And there were people from all across the world in attendance, including from Brazil and other parts of Latin America. And the feedback that we got over the weekend, obviously in the last day or so before the election itself, was that the Workers' Party, Lula's party, had begun to mobilize the population in ways that they hadn't done prior to the first round. And whilst the participants at the event were somewhat cautious in their views, nonetheless, they were actually quite hopeful that Lula would prevail. And as it's turned out, he was able to get roughly 51.8% of the vote.

But I think, as you say, this is really a pushback against a rightward tide that has been sweeping over many parts of Latin America over the last few years. And it is an important pushback because the Brazilian economy is obviously the most significant economy in the region. And in many regards, Brazil sees itself, and perhaps others also see it, as something of a first among equals in Latin American politics. The US, as I think your viewers would know, particularly the Trump administration, was very close to Lula's opponent, the son of the former president, who is currently

serving a lengthy jail term, I think, for corruption, and whom President Trump sees very much as an ally.

So the Trump administration and American forces had probably been quite active in trying to affect the political outcome. And I think what caught a lot of people by surprise in the first round was the extent to which the evangelical movement in Brazil had been successfully mobilised and captured by Bolsonaro's side of things. And quite obviously, there has been a reaction to it. So I guess I was surprised in the sense that I was quite pessimistic, even if hopeful, that Lula would prevail. And as it turned out, the mobilisation that took place in the last few weeks was able to turn the first-round result around.

#Pascal

Yeah. So, I mean, this is the big surprise. And then, of course, also that it happened so late. And again, as we know from these elections, it's toward the last week or so when the real battle begins, right? It's the same in the United States and so on. The last 48 to 72 hours are actually very crucial. That's why everybody still goes out, at which point it's more about mobilization than it is about really changing people's minds or hearts, right? The question is, can you get the voters out to go and vote for you? Have you seen any indications of how the vote is actually split up? Is it a rural-versus-city kind of election, or was it north versus south? What is the cleavage, actually, in this election?

#Warwick Powell

Yeah, it's quite clear that it's north versus south. The northern part of the country voted in favour of Lula, and the southern part voted for Bolsonaro. That seems to have been quite a strong divide in Brazilian politics for a long time. I'm certainly no expert in the details of demographics and the distribution of the vote in Brazil, but looking at the maps presenting the results, it's quite clear that the country is geographically divided. Often you find pockets of support for one party inside areas that the other party dominates, but the distribution of the vote in Brazil seems to show very clearly that there is a north-south divide.

#Pascal

Yeah, we have it here, actually. So this is from Reuters. And this map hasn't completely caught up with the fact that this has been called. But yeah, what we see here is what you're saying: the northern provinces seem to have been voting for Lula, whereas the south seems to have been carried by Mr. Bolsonaro. So, where do you think this geographical divide is actually coming from? Because quite often, what we see, especially in elections where you have a right-wing and a left-wing figure, is that it's more between city and countryside. But in this case, geography seems to play quite a role.

#Warwick Powell

Look, there is some geography in terms of city-countryside divides, as I understand it. The states that voted for Lula—that's the northeastern region—have a few more big cities, and Bolsonaro tends to secure support in a large part of the rural areas, which are much more conservative and where the evangelicals have clearly played a very big role in recent times.

#Pascal

And what do you think this now means for Brazil's geopolitics going forward? I mean, you already said it: Donald Trump hates Lula. Lula was one of the bastions against this US hegemony in Latin America. And of course, Brazil is the B in BRICS, right? And BRICS is now very much this kind of object of hatred for Donald Trump. The United States put immense pressure on Brazil, even to the point where they threatened it with consequences if they did not elect Mr. Bolsonaro, which they now haven't.

I haven't actually seen anything on the White House's official Twitter account yet, and I haven't checked Donald Trump's Truth Social so far, but I think it's too fresh. Something will probably come out in the next few hours or within a day. So what do you think this will do to Brazil's interaction with the North? Because we know one thing: Donald Trump hates anyone who doesn't follow his dictates, right? I mean, he's somebody who wants people to follow him. And if they don't, well, consequences will come, as we saw with Mr. Maduro.

#Warwick Powell

Yeah, look, I think it'll do a couple of things. Firstly, of course, the Republicans and President Trump in particular won't be happy. They have sought to pursue not only an ideological campaign of interference in Latin American politics, but also a geopolitical campaign aimed at securing dominance in the Western Hemisphere under a neo-Monroe Doctrine. And this certainly is a stone in the shoe of that particular ambition. I mean, as I said before, the Brazilian economy is the biggest one in the region, in Latin America. And, of course, that makes Brazil a little bit harder to push around in the way that the United States has been successful in pushing around some of the smaller countries in the region. So that's the first thing.

There'll be, I think, some discomfort and possibly even some anger in Washington as a result of this. The second thing is that, broadly speaking, across the continent, the fact that the left has prevailed in this election—despite the situation only a few weeks ago, after the first round, suggesting that this might be the last major domino to fall—will re-energise, I think, parts of the left across the continent. Hopefully, that will spur them along in their own domestic struggles to secure economic futures that are more broad-based and to secure national sovereignty that enables them to act with a little bit more freedom, rather than being tied to the politics and the economics of the United States. And in Brazil, I mean, this is certainly a vindication of the Lula presidency.

I mean, it's a record fourth term, I think. And it's an important vindication. It certainly, I think, will give him and the legislators who will rally in support of Lula a boost of confidence going forward. And hopefully, as a result of that, they will grasp this window of opportunity to consolidate the policies that they have been pursuing, as well as to act on broader geopolitical issues, which, of course, are the issues that interest us more on this program. Hopefully, that will provide Lula and Brazil with the confidence to really buckle down with the wider BRICS project and make strong contributions towards the development of a multipolar world where Brazil will actually be an important regional pole.

#Pascal

I mean, the funny thing about BRICS is that BRICS doesn't really care about left- or right-wing policies, right? I mean, the main states in it, China and Russia, have very different kinds of social models, I would say. Maybe not in the way that the economies are actually run, but one definitely has a more conservative type of government under Vladimir Putin. The other one is, well, quintessentially socialist, right? Brazil, in this sense, could have continued its path within BRICS under either Lula or Mr. Bolsonaro. But I think Mr. Bolsonaro made it pretty clear that if he got elected, he would stop this kind of anti-American nonsense, as they call it.

Whereas Mr. Lula da Silva actually used this as one of his calling cards to rally support and say, "No, we are connecting Brazil to the wider world, and we are part of this—not a progressive movement, but a multipolar movement." So do you think that this election result also reflects these foreign policy visions for Brazil, or was this election, as most elections are, mostly about local politics?

#Warwick Powell

Look, all politics is local in a sense, but there's no doubt that the broader dynamics of Brazil's place in the world geographically and its interactions with the United States have always played a role in shaping the politics of Latin American countries. There's no doubt about that. And Brazil, particularly Lula in the last few years, has been quite vocal in asking, I think, the hard questions about the shape of the world, particularly in terms of some of the key economic institutions. You'll recall that he, perhaps a little bit cheekily, asked the obvious question: Why is it that the countries of Latin America, when they trade with each other, continue to use the United States dollar as their means of payment?

Why is it that they're not transacting with each other using either their own national currencies or some form of regional currency? And so I think there is a sense that being tethered to the US dollar is not a necessity, firstly, and that, in fact, there are alternative possibilities. You'll also recall that not so long ago, earlier this year, Brazil, among others in Latin America, led what was ultimately a

successful trade agreement with the EU. It took a long time to come together, but ultimately it came into place. The EU needed to find new trading partners who would be willing to engage in relatively open trade with each other.

And it's an important agreement because it establishes new pathways by which Latin American countries can find markets. So, again, it provides those options for enterprises and countries to engage in parts of the world that historically were more difficult for them to engage in. And when you can do that, it also alleviates some of the pressures that exposure to the US dollar can create. So I think that that's actually a really important thing. The other important part of BRICS, as you say, is that it's not a political program per se, certainly not in terms of conventional left-right politics, but it is a program around Global South economic development.

And so this, I guess, presents an alternative model through which countries in the Global South, including those in Latin America, are able to engage in economic development, trade, and investment flows with others in the world, hopefully free from the interference of the United States in particular. And I think that's actually an important outcome, both symbolically and in very material terms: the Monroe Doctrine, or the Donroe Doctrine, I think people call it, has taken a blow as a result of this election. And that will now have its own consequences, Pascal.

I mean, you're more of an expert on these configurations and arrangements than I am. But it seems to me that if the Trump administration reacts badly to this election result, particularly in terms of its ambitions to assert dominance over the Western Hemisphere, so to speak, then it may seek to ratchet up economic and political pressure on Brazil nonetheless. And it may also seek to create challenges for other countries, such as China, that continue to have normal relationships with countries in Latin America for trade and investment reasons. So it could actually be a catalyst for further regional instability at the moment.

#Pascal

Yeah, it could. I mean, it depends. Everything will depend very much on how the United States reacts to this. I mean, if the Trump administration basically lets this go and just ignores it, then one would expect that Brazil will continue as it has so far, right? Because, after all, Mr. Lula was already the president. He is finishing his third term. There was an interregnum, of course, during which he was also thrown into prison and whatnot. So high-level politics is very dangerous—personally dangerous—in Brazil, as in many countries around the world, actually. And now he gets to extend his presidency, and naturally, at the age of almost 81, he will probably start building up a successor.

And we've seen this happening in other countries too. I mean, a leader at this point needs to somehow prepare for the years after the presidency and work on successors. But for now, I would assume that Brazil can just stay on the course that it has been on, especially when it comes to BRICS and, of course, also local social policies. The question is, will the United States intervene? Out of spite, one might think that maybe the Trump administration will try to put new tariffs or even

sanctions on the Brazilian economy. Because if you look at just what they've been doing with, for instance, Cuba, which is, I think, the biggest thorn in the side of the United States, for no good reason.

There's no security threat emanating from Cuba. There's no social threat emanating from Cuba. It is purely out of this will to dominate. But look at the level of extreme pressure the United States is willing to put on Cuba—and that's not just since Donald Trump. Donald Trump just ratcheted it up with the blockade, basically, of the Cuban islands. One must now think: What if this is the kind of approach that the United States will take with Brazil? Although Brazil is, of course, an entirely different ballgame because it is the largest economy on the South American continent. What do you think? How likely is it that Bessent, Trump, or even Hegseth might be calling for punitive measures against Brazil?

#Warwick Powell

Well, I think we've seen that the Trump administration does have a liking for punishing countries or implementing policies that they believe are coercive so as to force countries to align more closely with the United States. I think that's their general style. But having said that, the design and execution of these sorts of coercive policies have not always delivered the goods. The moves on tariffs last year, for instance, have significantly backfired across many parts of the world. The design of the trade wars was ham-fisted, and it certainly often caused more grief to so-called allied countries than to America's challengers, adversaries, or however you want to characterize those countries.

Brazil has actually been a very interesting case study because, over the last 15 years or so, China has emerged as its largest trading partner. And many of the things that Brazil exports to China are things that the United States was once quite dominant in. Soybeans, for example, are a classic case in point, where the expansion of Brazil’s soy industry now challenges the United States as a major global supplier of soybeans. And that provides Chinese buyers, of course, with global options. And it makes the commodities market a lot more competitive. And that has, of course, had blowback effects on the United States over the course of the last few years, with the soybean sector in the United States coming under considerable pressure.

Trump's tariffs last year, you'll remember, actually led to the curtailment of Chinese imports of American soybeans. But China simply increased its imports from Brazil to compensate for that. And beef, of course, is a big export industry for Brazil, among other things. On the flip side, many Chinese firms have been establishing themselves in Brazil over the course of the last 15 years through direct investment. That investment is shifting away from raw materials, which were the first industries that Chinese firms invested in, and increasingly into local manufacturing industries, such as electric car manufacturing plants and the like.

So this enables Brazil to upgrade its economic structure, to move up the value curve, and to progressively expand its industrial foundations. And again, what we've seen over the last several years is that countries without a domestic manufacturing capability are often vulnerable when international supply chains are disrupted and when you need to have the ability to, you know, provide for your own citizens in these circumstances. So this election result will enable these relationships to consolidate further. And that's incredibly important for Brazil's own ongoing development.

It's important for Latin America for the reasons that we discussed earlier. And I think it's also incredibly important for the Chinese economy, which has seen Brazil become an increasingly important trading partner over the last 15 years. Brazil has provided Chinese importers with many new options in product categories for which they were once highly dependent on the United States. So, look, it certainly will be a little bit more business as usual, so to speak, but I wouldn't underestimate the extent to which Washington will seek to throw a spanner in the works and cause disruptions, because this is not what Washington would have wanted.

#Pascal

No, no, this is the opposite of what Washington was aiming for. I mean, Donald Trump put so much weight behind Bolsonaro—and again, this is the son of the previous president, Bolsonaro, who's still in prison at the moment—that it is very clear that what the United States wanted was another one of these dominoes to fall. Now, it didn't. And again, for everybody who's just chiming in, I mean, the big news is that within the last hour, Mr. Lula was crowned the winner of the presidential election in Brazil. So the race is over.

There seem to be discussions about whether or not the polling stations remained open according to the rules, because they apparently remained open two hours longer than scheduled, but on the basis of a Supreme Court decision. So there's already a lot to talk about and potential ways for the United States to insert itself, for Mr. Trump to insert himself and call the election into question. For now, that hasn't happened yet. Actually, what we are seeing right now is that several congratulations are coming in. One, very unsurprisingly, is from Mexico's President Claudia Sheinbaum, who is herself, of course, also a left-winger and the successor to the previous left-wing president in Mexico.

She congratulated him by saying, "Long live democracy. The people of Brazil won. Congratulations, President Lula." And Claudia Sheinbaum is, to me, actually kind of the role model for probably where Mr. Bolsonaro has to go, because she was very much built up as the heir to the previous Mexican president, whose name escapes me. What was his name? But if somebody like Sheinbaum now needs to be built up in Brazil, what do you think, Warwick? How will the next four years in Brazilian politics work out? Because, at least so far, I haven't seen Mr. Lula working on building up somebody else who could take over the reins after him.

#Warwick Powell

Well, that's always the challenge in political leadership, isn't it? To ultimately build processes and structures that enable a viable continuation of the agenda. And I can see one of your followers has reminded us who the former Mexican president is.

#Pascal

Mr. López Obrador. So thank you very much for helping us out here. Yeah, it was López Obrador who helped build up Ms. Sheinbaum. But yeah, back to you, Warwick.

#Warwick Powell

Yeah, so look, I think that is going to be a critical piece of work that Lula and the Workers' Party will need to engage in. So that's one. The other interesting dimension of this election result, before looking too much into what President Lula may or may not do over the next four years, is that there has been some backlash from many Brazilians against Meta, the American technology company, which has been accused of running algorithms that have been interfering with the spread of news and trying to promote certain candidates—obviously, the candidates who supported Bolsonaro and Bolsonaro himself.

So that's actually an interesting feature of a breakdown, I think, in Brazil-US relations around the role—or the alleged role, anyway—of this large American technology company in the politicking of the election campaign. Lula himself, I think, initiated a court case against Meta, which I think was an important move, not necessarily because there's a rapid resolution to it, but because, in doing so, he drew attention to the role of big technology in election dynamics. And he politicized the question of algorithms and their ability to manipulate election results.

And that's an important move that, again, countries around the world need to be paying particularly close attention to. Algorithms and social media platforms have been used as tools by the political forces supported by the United States to disrupt local election dynamics and to try to shape election outcomes. And let this be a warning, in a sense, to political candidates around the world who pin their own colours to the idea of their own national sovereignty. If they cannot come to grips with the need to tackle the capacity of these big American tech companies to influence election outcomes, then they're always going to be very, very vulnerable to external interference.

So, you know, the terrain of interference, in a sense, continues to shift. I mean, we've spoken in the past, of course, about the extent to which the United States has been explicitly violent in its many interventions around the world over the last so many decades. The capacity to use technology to engage in political interference is really part of a new hybrid warfare, as the United States seeks to hang on to regional hegemony, if nothing more, and to push back against the tide of global multipolarization, if you will.

#Pascal

Yeah, and of course, one very large vulnerability in any kind of democratic system is the direct influencing of the population through the media. And one thing we have seen is that the United States has been a very, very early adopter of such tactics, even before social media, with the entire machinery of what in the end became the National Endowment for Democracy, the NED. It officially does democracy promotion, by which they mean setting up NGOs and so on abroad that then carry water, circulate a lot of news, and create think tanks and so on that are the basis for news and for stations that then shift the discourse one way or the other. Which is not to say that the U.S. president sits there and decides which levers to pull, like what is going to be talked about in Brazil and whatnot, but they are very important agents of influence. That's something that the United States itself is actually very, very allergic to and has laws against, to the point where they have this FARA Act that requires not just foreign agents, but anyone trying to influence U.S. politics for foreign interests to register, right?

That's something that the United States and the European Union, for instance, criticize very heavily when other countries implement similar policies. Georgia, for example, was heavily criticized last year for adopting a law that just requires funding transparency from large NGOs that receive more than 25% of their funding from abroad. That is all. But that is enough, of course, to expose the ties that some of these NGOs have to foreign governments. Now, in Brazil, I would suppose that the NED has been very active, and USAID was active when it was still around.

And this is not to demonize USAID in particular. Some of the programs they ran were actually useful. But still, the fact remains that these kinds of agents of influence are also able to impact the discourse in traditional media and, more and more now, on social media. We probably need to expect more talk about this in Brazil now. I mean, that's what I was talking about just a moment ago. Mr. Bolsonaro apparently calls into question the election results and calls the changes that were made—the additional two hours that people were given to vote—unacceptable.

He claims the Supreme Court minister and former Lula lawyer changed the rules of the game by extending voting by two hours—something he considers abnormal and unacceptable. This doesn't sound like he is rejecting the election results just yet, but this might be preparation for such a move. Although this is where he needs to be extremely careful, because that might border on something illegal if the election board has, of course, already verified the results. But we will see where he will take this. What do you think? Do you expect that there will now be a post-election power struggle?

#Warwick Powell

Look, the attempt to delegitimize the election result, of course, is the first thing that you do when you are laying the foundations for a sustained campaign. Instead of accepting the result with good grace, clearly the Bolsonaro side are now laying the groundwork for a delegitimization campaign, if not to directly challenge the election result, then nonetheless to undermine any popular mandate

that President Lula would seek to claim from this election result. I mean, it is an important result, but let's not be deluded by the idea that it was a groundswell either. President Lula came in with 51.8%.

It is a solid outcome, but nonetheless, it means that almost half of the voting population did not support him. And when you look at that electoral map, the North-South divide, it does speak to a country that has very significant divisions—political, economic, cultural, and social. And I think, ultimately, the politics of Brazil creates, I guess, from my perspective, a need for Lula to try to broaden out that base. And those are the challenges. You know, if you look at the economy, for instance, what are the things that are putting pressure on ordinary Brazilians and Brazilian communities?

Well, high levels of private debt are a significant issue, both for households and for businesses. Interest rates are high. Inflation remains a problem. And so, you know, there are substantial issues that need to be addressed. And hopefully his re-election will provide him with the wind in his sails to get on with some of the things that need to be done to address those issues. But I think people should be concerned that the election result has not been accepted cleanly by Bolsonaro and that he is now seeking to lay the groundwork, if not for a legal challenge to the result, then certainly to politically undermine its legitimacy anyway.

#Pascal

I mean, that would be legitimate in the sense that you say this was unfair, this was stolen, but in the end you accept it and then you prepare to win the next election. That's how it should go. The danger is, of course, that somebody might try to do something more than that and overturn these results, but only time will tell us more about this one. The point about Mr. Lula is that he is actually one of the political actors in South America who really stood out for a lot of things that the Global North didn't like very much. And I was just reminded of that. Let me show you this here. Yesterday, Mr. Julian Assange posted one of his very infrequent tweets, reminding everybody that Mr. Lula actually was trying to help him when he was in solitary confinement.

And he even went so far as to pose for a picture with Assange, his wife, and their two sons. And, you know, Mr. Assange at that time was enemy number one to the United States, to the point where we know today that Mike Pompeo and Hillary Clinton and so on were thinking about how to kill the guy, right? And it was actually the Latin American connection that helped keep him out of prison for a while. He was, of course, at the Ecuadorian embassy in the UK, where he basically got temporary asylum. But “temporary”—it was almost seven years, wasn't it? Absolutely horrific conditions. I mean, the poor guy. But that's the extent to which WikiLeaks actually threatened US power, because, for the first time, it made a couple of things transparent that the United States really didn't want to be transparent.

And if you think about it, I mean, a couple of pieces of information that we have out in the open, that are today very important for us to make sense of geopolitical developments, come from WikiLeaks, including, of course, Bill Burns's memo from 2008 from Moscow, where he was then the U.S. ambassador, saying, like, look, Ukraine's membership in NATO is the reddest of all red lines. Nobody over here likes it. This will lead to war. We wouldn't know that the U.S. knew that, and that this was communicated internally, were it not for people like Assange. And people like Assange would have had a much worse fate if it wasn't for, you know, noncompliant South American countries that actually somehow tried to do something for these dissidents.

This is also how I interpret, of course, the force with which the United States cracks down on Cuba. You just can't have these kinds of non-supportive regimes in your own hemisphere—like, quote-unquote, "your own hemisphere." But this is how Donald Trump now looks at South America. Do you think, then, that this victory of Mr. Lula might actually help to support, you know, those who do stand up for a multipolar world in the United States' hemisphere? And do you think that the risks that Lula and Brazil are running are real? Or, again, do you think multipolarity is already far enough along that things can be cushioned by more trade with China?

#Warwick Powell

Look, I think it is a real shot in the arm for political forces in the Western Hemisphere and in the Americas, particularly those political forces that seek to carve out a greater degree of national and regional autonomy from the influence of the United States and, by virtue of that, open up pathways for economic development that ultimately can lift these countries and their ordinary working people to higher standards of living. The United States, let's not forget, has long viewed Latin America as not much more than a supplier of raw materials, and it certainly has done very little to catalyse and support sustained economic development in Latin America.

So it's never been in the interest of the United States and American capital for Latin America to become too independent and have capabilities that would challenge the competitive position of American industry. But alongside the investments that Chinese companies are making in Brazil, there have been a range of other agreements, too, in areas of research and development, scientific research, collaboration on a space program, and satellite technologies. Now, these are things that countries around the world simply did not have access to for many, many decades. And these collaborations will, in the long run, provide the material foundations for an alternative future, or a future with alternative possibilities. But they still need to be consolidated.

Clearly, we've seen political vulnerabilities in Latin America over the last few years that can be exploited by President Trump and his associates. And we've also seen the willingness of Washington to quickly deploy the force that it has available to it in places like Venezuela and, of course, the ongoing embargo on Cuba. So it's a good win for multipolarity, this Brazilian outcome, but it really just reminds everybody how vulnerable and fragile multipolarity is at the moment around the world,

and how the powers that be, particularly those in the United States, still have access to quite a lot of material capability, whether it's naval capacity, special forces, the three-letter agencies, or the massive network of NGOs. These are incredible resources, and they've been used for years in Latin America to prosecute American interests. And so let's not underestimate that. But for now, I think, you know, this is something worth celebrating.

#Pascal

No, it definitely is. It's something that plays into the multipolar world, I would believe. And it also stands in quite a bit of contrast to where Europe is going. I mean, over the weekend, we've seen these large, large protests in France. And, of course, violent protests have now been ongoing for almost two weeks. I don't think that there's a direct connection between Brazil and what's happening in France. They're definitely separate. But it is kind of the outcome of the same global crisis and upheaval that we are seeing. Do you have any thoughts, just to sidetrack a little bit, about France and the way Europe seems to be going? Because there we see leaders with historically low approval ratings just plowing on.

Mr. Macron is obviously not giving a damn anymore about his state. And people we just recently met, including Nel Bonilla, are pointing out that, actually, you know, the fact that France didn't even have to use any emergency laws to crack down on these protests with really brutal force and start incarcerating some of the protesters is now part of the new way in which Europe is becoming more and more authoritarian and top-down. She calls it a bunker state—the transformation of Europe into bunker states—whereas it seems that in other places, like Brazil now, these left-leaning social democratic forces are on the rise. Any thoughts on this one?

#Warwick Powell

Yeah, look, there is clearly a tactical move, or a strategic move perhaps, towards a permanent state of exception, but without having to declare a state of exception. What's been going on has been the progressive extension of states of exception around particular events and particular individuals through sanctions against various dissidents, Jacques Baud and others. And I know you've campaigned quite significantly on behalf of individuals in Europe who've been essentially depersonified, you know, locked out of banking systems and those sorts of things. So, you know, the idea of persona non grata has been used to create a state of exception around individuals. And now, being able to come down hard in terms of policing without declaring states of exception, I think, is part and parcel of this progressive creep.

The situation in France, as I see it, started with students complaining, I think with good reason, about the reduction in resources for education. I mean, European politicians never seem to have any concerns when they're trying to justify financing war efforts or the military-industrial complex. But it's remarkable how quickly they, you know, enter into hand-wringing mode: “Where's the money going to come from for education or health or social services?” And I think students clearly had had

enough. The other thing I think it speaks to is a combination of a structural characteristic of the European Union and the eurozone, together with an ideological facade that has held the European economic project together. That is the central role of a regional currency, the euro, and how that constrains individual member states in the policies they're able to pursue.

And it also flattens, if you will, the diversity of circumstances across the wider European landscape, whereby a place like Germany, for instance, is in all respects treated as if it's the same as Greece, and the same constraints are imposed through the Maastricht Treaty. So the eurozone rules, I think, have been very counterproductive for the ability of individual nation states, particularly those in southern Europe, to respond to economic challenges and problems. The situation in France—I mean, French economic growth is about 1% per annum at the moment. There's rising private debt and a refusal by the government to invest in its education system, whilst at the same time beating the drums of war.

You put all of that together, and I think you've got a powder keg. Perhaps the eruption over the course of the last couple of weeks in France is a portent of things to come. I'm not sure that it has quite yet got all the ingredients for the kinds of ruptures that, ultimately, I think are necessary to drive the changes that are needed. But nonetheless, again, it's something that sends a signal to the world that a population is not passive. Ordinary people are not passive victims of what elites do. And in fact, ordinary people do have the ability to take to the streets and to reclaim their city, to reclaim their country, and to reclaim their politics. And maybe this is a sign of things to come.

#Pascal

Yeah, and it should actually worry the globalists in elite circles that you still have this kind of mass discontent and opposition. And then, of course, in proper popular elections, this can be voiced, and things can be changed through proper political means. And just to give you an impression, I mean, I'm glancing over some of the comments that we are getting, and apparently, you know, the impression that the Brazilian election was also about the power of social media seems to be quite widespread. I mean, we have one comment here by Alan Kayser: "Now the people prevail against Meta." We have very similar comments.

There are actually quite a lot of these. These are just two examples: "Lula, with the help of Congressman Janones, defeated Meta's hidden algorithm." "This victory was a historic defeat for the algorithmic dictatorship of big tech." So whether or not this is true is a different question. But the perception that big tech and mass media and so on are trying to influence voter preferences seems to be quite widespread. And just to give one more update, by the way, it's coming in now that Mr. Bolsonaro is officially contesting the result. Far-right Senator Flávio Bolsonaro said it was impossible to concede the election result and that his legal team would seek to have the election annulled.

So it seems that the two-hour extension that the Supreme Court gave for voting is what they will apparently base their claim on. But the fact that he speaks about his legal team and an annulment,

which is, of course, a judicial process, seems to hint at a decision to maybe not do what his dad tried to do last time when Mr. Lula won: violently overturn the results. So maybe his son is a bit more cautious. And please, Warwick, feel free to react to this or to one more thing that connects to what you were talking about before, which is, of course, the monetary structure of the European Union versus South America.

I find it fascinating that all of the right-wing leaders in South America actually talk relatively openly about either pegging their currencies to the U.S. dollar or, as Mr. Milei did in Argentina, getting rid of the local currency completely and dollarizing the economy officially. I mean, it didn't happen, luckily, but it would strike me as something incredibly foolish. But that kind of idea is circulating in those conservative circles, and I would call them, you know, neoliberal circles or extreme libertarian circles. Where do you think it comes from? And I mean, I can't find anything good about it, but why would they think that this is something that could help?

#Warwick Powell

Well, it's good for their own elites. They accumulate wealth in U.S. dollars, and that's the principal reason for it. I mean, there are some very interesting historical examples that continue to affect large parts of the world. I'm speaking of the French African franc, for example, where a number of African countries continue to have their currencies issued under the watchful eye of Paris. And that constrains the ability of these countries, through their own institutions, to shape their economic priorities and policies, whether it's monetary policy or fiscal policy, and indeed their ability to pursue institutional setups that are at odds with the ideological, economic, and political preferences of those from the Global North.

Let's not forget that Latin American countries have, on and off over the last four to five decades, experienced periodic currency crises, and these always revolve around debts denominated in U.S. dollars. And that has opened the floodgates to institutions like the IMF and, increasingly, to private equity backed by the power of the United States in the region, to force countries to pursue austerity measures, to prioritise the repayment of dollar-denominated debts over local economic development, and ultimately, if necessary, to liquidate public assets to bidders with dollars so as to be able to service dollar-denominated loans. So the idea of voluntarily walking away from your own national monetary policy seems to be madness to me. And there are plenty of examples of it.

But I think the European Union, for example, and its grand euro ambitions are an example of this aggregation process being a failure. And I know that there has been talk on and off over the years of a Latin American currency. I would say to my Latin American friends, you know, be very careful what you wish for. Be mindful of what's happened in the Eurozone and how smaller, weaker countries are often left at the mercy of the bigger ones. But worse than that, what we've seen in Europe as the years have gone by is a concentration of policymaking authority in the European Commission itself, where the priorities and the trajectory of policy are determined largely by functionaries, state functionaries, rather than being driven by elected representatives, or at least

representatives who are accountable in one way or another to the communities from which they come.

You know, whatever that mechanism is, we know that the functionaries who work in the permanent machinery of state in Brussels are detached from the everyday concerns of Europeans, whether they're Europeans in Greece or Europeans in the south of France. And so I think we need to be cautious about the idea of regional currencies. For now, I think BRICS, going back to that broader issue, continues to work towards enhancing national currency-based cross-border settlements. And Brazil, of course, plays an important role in that as the provider, if you will, of the presidency of the New Development Bank, which is based in Shanghai. But the president of the New Development Bank is actually a former Brazilian president.

#Pascal

Right. No, I very much recommend that sovereign countries have sovereign currencies, even if it's just in order to have your own lender of last resort. You give up a lot if you give up your own currency, and you open the door to all of these policies that will be sold to you as, you know, "You have to do them because you had an IMF loan, and now you need to pay back dollar-denominated debt. So if you want the U.S. dollars, then you've got to do this, and screw all of your workers' unions, screw all of this protection of the vulnerable. You now have to implement these policies because they're structural adjustments." And that's, of course, neoliberal speak and libertarian speak for "You suffer, we get the gains." And it seems to me that in Brazil, people didn't swallow that kind of rhetoric and are still up for policies that should be made for people, I would hope.

I don't live there. I don't know much about it. But it seems to me that the appeal of Mr. Lula da Silva just managed to carry the day. And we're reaching the one-hour mark. So, Warwick, I would like to thank you very much for coming online. And this is the moment to also tell everybody: go check out Dr. Warwick Powell. You can find his Substack, which is quite fantastic. He always provides very good geoeconomic analysis, and he, of course, recently wrote and published a book, *Thermoeconomics in a Time of Monsters*. We all love talking about the time of monsters. We just recently did so at a conference. You can also find my Substack, where I post a little bit less than Warwick, but still occasionally publish articles on neutrality studies and geopolitical affairs. Warwick, any other places where people should go and find you?

#Warwick Powell

Look, this is probably the best place. As you said, it's Substack, and I've got a little YouTube channel as well. People can have a look for that. I think we're the reverse in what we do. I tend to write more and do the channel less. I only do one interview a week, and I focus mainly on Asian and African scholars. I've also had some scholars from Latin America on the show, but it's a little bit more scholastically oriented, if you will, and gives a platform to Global South voices. So, yeah, people can check that out as well.

#Pascal

Which is very much needed in this time of monsters. With that said, Dr. Warwick Powell, thank you so much for your time today.

#Warwick Powell

It's been a pleasure, Pascal.