

The Eco Collapse We Were Warned About Has Begun



José Seoane

In 2023, different climatic anomalies have been recorded that set new historical records in the tragic progression of climate change at the global level.

Thus, in June, the surface temperature in the North Atlantic reached the maximum increase of 1.3 degrees Celsius with respect to preindustrial values. In a similar direction—although in lower values—the average temperature of the seas at the global level increased. On the other hand, the retraction of Antarctic ice reached a new limit, reaching the historical decrease of 2016, but several months earlier in the middle of the cold season.

The combination of these records has led scientists who follow these processes to warn of the danger of a profound change in the currents that regulate temperature and life in the oceans and globally. The heat waves recorded on the coasts of a large part of the world—in Ireland, Mexico, Ecuador, Japan, Mauritania, and Iceland—may, in turn, be proof of this.

These phenomena, of course, are not limited to the seas. On Thursday, July 6, the global air temperature (measured at two meters above the ground) reached 17.23 degrees Celsius for the first time in the history of the last centuries, 1.68 degrees Celsius higher than preindustrial values; last June was already the warmest month in history. Meanwhile, temperatures on the continents, particularly in the North, also broke records: 40 degrees Celsius in Siberia, 50 degrees Celsius in Mexico, the warmest June in England in the historical series that began in 1884.

And its counterpart, droughts, such as the one plaguing Uruguay, where the shortage of fresh water since May has forced the increasing use of brackish water sources, making tap water undrinkable for the inhabitants of the Montevideo metropolitan area, where 60 percent of the country's population is concentrated. This is a drought that, if it continues, could leave this region of the country without drinking water, making it the first city in the world to suffer such a catastrophe.

But the stifling heat and the droughts also bring with them voracious fires, such as the boreal forest fire that has been raging across Canada for weeks, with more than 500 outbreaks scattered in different regions of the country, many of them uncontrollable, and the widespread images of an apocalyptic New York darkened and stained red under a blanket of ashes.

This accumulation of tragic evidence, against all the denialist narratives, makes it undeniable that the climate crisis is already here, among us. It also indicates the absolute failure of the policies and initiatives adopted to reduce the emission or presence of greenhouse gases in the atmosphere. In this direction, in May of 2023, the levels of carbon dioxide (CO₂) [measured](#) at NOAA's global reference observatory in Hawaii reached an all-time high of 424 parts per million (ppm), becoming more than 50 percent higher than before the beginning of the industrial era and, those of the period January—May 2023, 0.3 percent higher than those of the same period of 2022 and 1.6 percent compared to that of 2019. According to the latest [report](#) of the United Nations Intergovernmental Panel on Climate Change (IPCC), the global surface temperature has risen faster since 1970 than in any other 50-year period for at least the last 2,000 years, the same period in which international agreements and national initiatives to combat the causes of climate change were deployed. The failure of these policies is also reflected, in our present, in the persistence and strength of a fossil capitalism and its plundering and socio-environmental destruction.

Not only have these so-called mitigation policies failed, but also the so-called adaptation policies aimed at minimizing the foreseeable impacts of climate change are weak or even absent.

In the same vein, the annual [report](#) of the World Meteorological Organization (WMO, *Global Annual to Decadal Climate Update*) released in May 2023 warned that it is very likely (66 percent probability) that the annual average global

temperature will exceed 1.5 degrees Celsius in at least one year of the next five years (2023-2027), it is possible (32 percent probability) that the average temperature will exceed 1.5 degrees Celsius, and it is almost certain (98 percent probability) that at least one of the next five years, as well as the five-year period as a whole, will be the warmest on record; The IPCC has estimated serious consequences if this temperature is exceeded permanently.

How close to this point will the arrival of the El Niño phenomenon place us this year and possibly in the coming years? El Niño is an event of climatic origin that expresses itself in the warming of the eastern equatorial Pacific Ocean and manifests itself in cycles of between three and eight years. With antecedents in the 19th century, in 1924 climatologist Gilbert Walker coined the term “Southern Oscillation” to identify it and in 1969 meteorologist Jacob Bjerknes suggested that this unusual warming in the eastern Pacific could unbalance the trade winds and increase the warm waters toward the east, that is, toward the intertropical coasts of South America.

But this is not simply a traditional meteorological phenomenon that recurs in irregular annual periods. It is not a natural phenomenon; however many attempts are made, time and again, to make invisible or deny its social causes. On the contrary, in recent decades, the dynamics of the climate crisis have increased both in frequency and intensity. Already in early 2023, the third continuous La Niña episode concluded, the third time since 1950 that it has extended over three years and with increasing intensity. Likewise, in 2016, El Niño led to the average temperature record reached by the planet. And different scientists estimate today that this Super El Niño may be repeated today with unknown consequences given the levels of greenhouse gases and the dynamics of the current climate crisis.

The banners of a change inspired by social and climate justice and the effective paths of this socio-ecological transition raised by popular movements are becoming more imperative and urgent today. It is possible to propose an emergency popular mitigation and adaptation plan. But to make these alternatives socially audible, to break with the ecological blindness that wants to impose itself, it is first necessary to break the epistemological construction that wants to inscribe these catastrophes, repeatedly and persistently, in a world of supposedly pure nature, in a presumably external field, alien and outside human social control.

This is a matrix of naturalization that, while excluding social groups and the mode of socioeconomic organization from any responsibility for the current crises, wants to turn them into unpredictable and unknowable events that only leave the option of resignation, religious alienation, or individual resilience. The questioning of these views is inscribed not only in the discourses but also in the practices and emotions, in responding to the catastrophe with the (re)construction of bonds and values of affectivity, collectivity, and solidarity—indispensable supports for emancipatory change.

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World Hunger And The War In Ukraine



Vijay Prashad

On Monday, June 17, Dmitry Peskov, the spokesperson for Russia's President Vladimir Putin, [announced](#), "The Black Sea agreements are no longer in effect." This was a blunt statement to suspend the Black Sea Grain Initiative that emerged out of intense negotiations in the hours after Russian forces entered Ukraine in February 2022. The Initiative went into effect on July 22, 2022, after Russian and Ukrainian officials [signed](#) it in Istanbul in the presence of the United Nations Secretary-General António Guterres and Turkey's President Recep Tayyip Erdoğan.

Guterres [called](#) the Initiative a "beacon of hope" for two reasons. First, it is remarkable to have an agreement of this kind between belligerents in an ongoing war. Second, Russia and Ukraine are [major producers](#) of wheat, barley, maize, rapeseed and rapeseed oil, sunflower seeds and sunflower oil, as well as nitrogen, potassic, and phosphorus fertilizer, [accounting](#) for twelve percent of calories traded. Disruption of supply from Russia and Ukraine, it was felt by a range of international organizations, would have a catastrophic impact on world food markets and on hunger. As Western—largely [U.S.](#), [UK](#), and [European](#)—sanctions increased against Russia, the feasibility of the deal began to diminish. It was suspended several times during the past year. In March 2023, Russia's Foreign Ministry spokesperson Maria Zakharova responding to the sanctions against Russian agriculture, [said](#), "[The main] parameters provided for in the [grain] deal do not work."

Financialization Leads to Hunger

U.S. Secretary of State Antony Blinken [said](#) that his country regrets Russia's "continued weaponization of food" since this "harms millions of vulnerable people around the world." Indeed, the timing of the suspension could not be worse. A United Nations [report](#), "The State of Food Security and Nutrition in the World 2023" (July 12, 2023), shows that one in ten people in the world struggles with hunger and that 3.1 billion people cannot afford a healthy diet. But the report

itself makes an interesting point: that the war in Ukraine has driven 23 million people into hunger, a number that pales in comparison to the other drivers of hunger—such as the impact of commercialized food markets and the COVID-19 pandemic. A 2011 [report](#) from World Development Movement called “Broken Markets: How Financial Market Regulation Can Help Prevent Another Global Food Crisis” showed that “financial speculators now dominate the [food] market, holding over 60 percent of some markets compared to 12 percent 15 years ago.”

The situation has since worsened. Dr. Sophie van Huellen, who studies financial speculation in food markets, [pointed](#) out in late 2022 that while there are indeed food shortages, “the current food crisis is a price crisis, rather than a supply crisis.” The end of the Black Sea Grain Initiative is indeed regrettable, but it is not the leading cause of hunger in the world. The leading cause—as even the European Economic and Social Committee [agrees](#)—is financial speculation in food markets.

Why Did Russia Suspend the Initiative?

To monitor the Black Sea Grain Initiative, the United Nations set up a Joint Coordination Centre (JCC) in Istanbul. It is staffed by representatives from Russia, Turkey, Ukraine, and the United Nations. On several occasions, the JCC had to deal with tensions between Russia and Ukraine over the shipments, such as when Ukraine [attacked](#) Russia’s Black Sea Fleet—some of whose vessels carried the grain—in Sevastopol, Crimea, in October 2022. Tensions remained over the initiative as Western sanctions against Russia tightened, making it difficult for Russia to export its own agricultural products into the world market.

Russia put three requirements on the table to the United Nations regarding its own agricultural system. First, the Russian government [asked](#) that the [Russian Agricultural Bank](#)—the premier credit and trade bank for Russian agriculture—be reconnected to the SWIFT system, from which it had been cut off by the European Union’s [sixth package of sanctions](#) in June 2022. A Turkish banker [told](#) TASS that there is the possibility that the European Union could “issue a general license to the Russian Agricultural Bank” and that the Bank “has the opportunity to use JP Morgan to conduct transactions in U.S. dollars” as long as the exporters being paid for were part of the Black Sea Grain Initiative.

Second, from the first discussions about the Grain Initiative, Moscow put on the table its export of ammonia fertilizer from Russia both through the port of Odesa

and of supplies held in Latvia and the Netherlands. A central part of the debate has been the reopening of the Togliatti-Odesa pipeline, the world's longest ammonia pipeline. In July 2022, the UN and Russia signed an [agreement](#) that would facilitate the sale of Russian ammonia on the world market. The UN's Guterres went to the Security Council to [announce](#), "We are doing everything possible to... ease the serious fertilizer market crunch that is already affecting farming in West Africa and elsewhere. If the fertilizer market is not stabilized, next year could bring a food supply crisis. Simply put, the world may run out of food." On June 8, 2023, Ukrainian forces [blew up](#) a section of the Togliatti-Odesa pipeline in Kharkiv, increasing the tension over this dispute. Other than the Black Sea ports, Russia has no other safe way to export its ammonia-based fertilizers.

Third, Russia's agricultural sector faces challenges from a lack of ability to import machinery and spare parts, and Russian ships are not able to buy insurance or enter many foreign ports. Despite the "carve-outs" in Western sanctions for agriculture, sanctions on firms and individuals have debilitated Russia's agricultural sector.

To counter Western sanctions, Russia placed restrictions on the export of fertilizer and agricultural products. These restrictions included the ban on the export of certain goods (such as [temporary bans](#) of wheat exports to the Eurasian Economic Union), the increase of licensing requirements (including for compound fertilizers, [requirements](#) set in place before the war), and the [increase](#) of export taxes. These Russian moves come alongside strategic direct sales to countries, such as India, which will [re-export](#) to other countries.

In late July, St. Petersburg will host the Second [Russia-Africa Economic and Humanitarian Forum](#), where these topics will surely be front and center. Ahead of the summit, President Putin called South Africa's Cyril Ramaphosa to inform him about the problems faced by Russia in exporting its food and fertilizers to the African continent. "The deal's main goal," he [said](#) of the Black Sea Grain Initiative, was "to supply grain to countries in need, including those on the African continent, has not been implemented."

It is likely that the Black Sea Grain Initiative will restart within the month. Earlier suspensions have not lasted longer than a few weeks. But this time, it is not clear if the West will give Russia any relief on its ability to export its own agricultural products. Certainly, the suspension will impact millions of people around the

world who struggle with endemic hunger. Billions of others who are hungry because of financial speculation in food markets are not impacted directly by these developments.

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Why Capitalism Is Leaving The U.S., In Search Of Profit



Richard D. Wolff

Early U.S. capitalism was centered in New England. After some time, the pursuit of profit led many capitalists to leave that area and move production to New York and the mid-Atlantic states. Much of New England was left with abandoned

factory buildings and depressed towns evident to this day. Eventually employers moved again, abandoning New York and the mid-Atlantic for the Midwest. The same story kept repeating as capitalism's center relocated to the Far West, the South, and the Southwest. Descriptive terms like "Rust Belt," "deindustrialization," and "manufacturing desert" increasingly applied to ever more portions of U.S. capitalism.

So long as capitalism's movements stayed mostly within the U.S., the alarms raised by its abandoned victims remained regional, not becoming a national issue yet. Over recent decades, however, many capitalists have moved production facilities and investments outside the U.S., relocating them to other countries, especially to China. Ongoing controversies and alarms surround this capitalist exodus. Even the celebrated hi-tech sectors, arguably U.S. capitalism's only remaining robust center, have invested heavily elsewhere.

Since the 1970s, wages were far lower abroad and markets were growing faster there too. Ever more U.S. capitalists had to leave or risk losing their competitive edge over those capitalists (European and Japanese, as well as U.S.) who had left earlier for China and were showing stunningly improved profit rates. Beyond China, other Asian, South American, and African countries also provided incentives of low wages and growing markets, which eventually drew U.S. capitalists and others to move investments there.

Profits from those capitalists' movements stimulated more movements. Rising profits flowed back to rally U.S. stock markets and produced great gains in income and wealth. That chiefly benefited the already rich corporate shareholders and top corporate executives. They in turn promoted and funded ideological claims that capitalism's abandonment of the U.S. was actually a great gain for U.S. society as a whole. Those claims, categorized under the headings of "neoliberalism" and "globalization" served neatly to hide or obscure one key fact: higher profits mainly for the richest few was the chief goal and the result of capitalists abandoning the U.S.

Neoliberalism was a new version of an old economic theory that justified capitalists' "free choices" as the necessary means to achieve optimal efficiency for entire economies. According to the neoliberal view, governments should minimize any regulation or other interference in capitalists' profit-driven decisions. Neoliberalism celebrated "globalization," its preferred name for capitalists'

choosing to specifically move production overseas. That “free choice” was said to enable “more efficient” production of goods and services because capitalists could tap globally sourced resources. The point and punchline flowing from exaltations of neoliberalism, capitalists’ free choices, and globalization were that *all citizens benefited when capitalism moved on*. Excepting a few dissenters (including some unions), politicians, mass media, and academicians largely joined the intense cheerleading for capitalism’s neoliberal globalization.

The economic consequences of capitalism’s profit-driven movement out of its old centers (Western Europe, North America, and Japan) brought capitalism there to its current crisis. First, real wages stagnated in the old centers. Employers who could export jobs (especially in manufacturing) did so. Employers who could not (especially in service sectors) automated them. As U.S. job opportunities stopped rising, so did wages. Since globalization and automation boosted corporate profits and stock markets while wages stagnated, capitalism’s old centers exhibited extreme widening of income and wealth gaps. Deepening social divisions followed and culminated in capitalism’s crisis now.

Second, unlike many other poor countries, China possessed the ideology and organization to make sure that investments made by capitalists served China’s own development plan and economic strategy. China required the sharing of incoming capitalists’ advanced technologies (in exchange for those capitalists’ access to low-wage Chinese labor and rapidly expanding Chinese markets). The capitalists entering the Beijing markets were also required to facilitate partnerships between Chinese producers and distribution channels in their home countries. China’s strategy to prioritize exports meant that it needed to secure access to distribution systems (and thus distribution networks controlled by capitalists) in its targeted markets. Mutually profitable partnerships developed between China and global distributors such as Walmart.

Beijing’s “socialism with Chinese characteristics” included a powerful development-focused political party and state. Conjointly they supervised and controlled an economy that mixed private with state capitalism. In that model private employers and state employers each direct masses of employees in their respective enterprises. Both sets of employers function subject to the strategic interventions of a party and government determined to achieve its economic goals. As a result of how it defined and operated its socialism, China’s economy gained more (especially in GDP growth) from neoliberal globalization than

Western Europe, North America, and Japan did. China grew fast enough to compete now with capitalism's old centers. The decline of the U.S. within a changing world economy has contributed to the crisis of U.S. capitalism. For the U.S. empire that arose out of World War II, China and its BRICS allies represent its first serious, sustained economic challenge. The official U.S. reaction to these changes so far has been a mix of resentment, provocation, and denial. Those are neither solutions to the crisis nor successful adjustments to a changed reality.

Third, the Ukraine war has exposed key effects of capitalism's geographic movements and the accelerated economic decline of the U.S. relative to the economic rise of China. Thus the U.S.-led sanctions war against Russia has failed to crush the ruble or collapse the Russian economy. That failure has followed in good part because Russia obtained crucial support from the alliances (BRICS) already built around China. Those alliances, enriched by both foreign and domestic capitalists' investments, especially in China and India, provided alternative markets when sanctions closed off Western markets to Russian exports.

Earlier income and wealth gaps in the U.S., worsened by the export and automation of high-paying jobs, undermined the economic basis of that "vast middle class" that so many employees believed themselves to be part of. Over recent decades, workers who expected to enjoy "the American dream" found that increased costs of goods and services led to the dream being beyond their reach. Their children, especially those forced to borrow for college, found themselves in a similar situation or in a worse one. Resistances of all sorts arose (unionization drives, strikes, left and right "populisms") as working-class living conditions kept deteriorating. Making matters worse, mass media celebrated the stupefying wealth of those few who profited most from neoliberal globalization. In the U.S., phenomena like former President Donald Trump, Vermont's independent Senator Bernie Sanders, white supremacy, unionization, strikes, explicit anti-capitalism, "culture" wars, and frequently bizarre political extremism reflect deepening social divisions. Many in the U.S. feel betrayed after being abandoned by capitalism. Their differing explanations for the betrayal exacerbate the widely held sense of crisis in the nation.

Capitalism's global relocation helped [raise](#) the total GDP of the BRICS nations (China + allies) well above that of the G7 (U.S. + allies). For all the countries of the Global South, their appeals for development assistance can now be directed to

two possible respondents (China and the U.S.), not just the one in the West. When Chinese entities invest in Africa, of course their investments are structured to help both donors and recipients. Whether the relationship between them is imperialist or not depends on the specifics of the relationship, and its balance of net gains. Those gains for the BRICS will likely be substantial. Russia's adjustment to Ukraine-related sanctions against it not only led it to lean more on BRICS but likewise intensified the economic interactions among BRICS members. Existing economic links and conjoint projects among them grew. New ones are fast emerging. Unsurprisingly, [additional](#) countries in the Global South have recently requested BRICS membership.

Capitalism has moved on, abandoning its old centers and thereby pushing its problems and divisions to crisis levels. Because profits still flow back to the old centers, those there gathering the profits delude their countries and themselves into thinking all is well in and for global capitalism. Because those profits sharply aggravate economic inequalities, social crises there deepen. For example, the wave of labor militancy sweeping across nearly all U.S. industries reflects anger and resentment against those inequalities. The hysterical scapegoating of various minorities by right-wing demagogues and movements is another reflection of the worsening difficulties. Yet another is the growing realization that the problem, at its root, is the capitalist system. All of these are components of today's crisis.

Even in capitalism's new dynamic centers, a critical socialist question returns to agitate people's minds. Is the new centers' organization of workplaces—retaining the old capitalist model of employers vs. employees in both private and state enterprises—desirable or sustainable? Is it acceptable for a small group, employers, exclusively and unaccountably to make most key workplace decisions (what, where, and how to produce and what to do with the profits)? That is clearly undemocratic. Employees in capitalism's new centers already question the system; some have begun to challenge and move against it. Where those new centers celebrate some variety of socialism, employees will more likely (and sooner) resist subordination to the residues of capitalism in their workplaces.

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Is The US Dollar On The Verge Of Being Dethroned As The World’s Currency?



Gerald Epstein is Professor of Economics and a founding Co-Director of the Political Economy Research Institute (PERI) at the University of Massachusetts, Amherst.

Gerald Epstein looks at how the loss of the dollar's reserve currency status could impact the U.S. and world economy.

Since Russia invaded Ukraine, and especially after Washington imposed sweeping sanctions on Moscow, a number of countries across the world — including Brazil, China, India, Iran, Saudi Arabia and South Africa — have been pushing back against the hegemony of the U.S. dollar in the global economy. As this de-dollarization movement picks up steam we are forced to ask: Is the U.S. dollar's dominance under threat? Would ending the U.S. dollar hegemony benefit the world?

Progressive economist Gerald Epstein sheds light on the de-dollarization debate in this exclusive interview for *Truthout*. He explains the role the dollar plays as an international currency in maintaining U.S. global hegemony, discusses how imperialism helps to boost the currency role of the dollar, and analyzes whether de-dollarization is really happening and how the loss of the dollar's reserve currency status could affect both the U.S. and the world economy. Epstein is professor and co-director of the Political Economy Research Institute (PERI) at the University of Massachusetts Amherst, and author of a forthcoming book from the University of California Press titled, *Busting the Bankers' Club: Finance for the Rest of Us*.

C.J. Polychroniou: The U.S. dollar has been the world's principal reserve currency since the end of World War II thanks to an agreement reached by the U.S. and its allies at Bretton Woods in 1944 to create an international currency exchange regime in which the dollar was pegged to gold. The U.S. unilaterally severed the links between the dollar and gold in 1971, effectively ending the Bretton Woods system, but the dollar still remains the international reserve currency, though non-dollar reserve currencies have increased substantially over the past 10 to 15 years. What is the actual role of the dollar as the primary reserve currency for the global economy?

Gerald Epstein: The U.S. dollar is the dominant "international money" used in much of the world. It has held sway since at least the end of the Second World War and probably a bit before. First, I should explain the roles that "international money" plays.

Like "domestic money" — the good 'ole U.S. dollar used in the U.S., for example

— international money serves in several different roles. It serves as a “medium of exchange” in everyday transactions; that is, you use it when you buy a piece of pizza or a new car. A second role is as a “store of value” to keep some of your savings in. For example, if you have a piggy bank, you most likely have dollar bills or coins in it. Third, it is used as a “unit of account”; that is, the units in which prices are announced. For example, we are using the dollar as a unit of account when we say: “this banana costs 1 dollar and 75 cents,” or “this house costs 1 million and 750 thousand dollars,” or “I owe 25 thousand dollars in student loans that I still must pay because of the Supreme Court.” International money is also used as a “means of payment”; that is, it is used to service and repay debts.

International money also has some important additional roles that domestic money does not serve. The most important are: as an “intervention currency,” which is when it is used by central banks to buy and sell international currencies in order to affect their international exchange rate (for example, when the Mexican central bank buys Mexican pesos with U.S. dollars in order to prop up the value of the peso relative to the dollar); and as an “anchor currency,” which is when a country wants to tie the value of its currency to the value of another currency (for example, when Namibia wants to keep its currency value equal to the South African rand). Relatedly, most central banks hold “reserves” (foreign exchange reserves) consisting of foreign currencies, and in some cases gold, in order to intervene in the currency markets and to have foreign currencies to pay for imports and service foreign loans, when needed.

The U.S. dollar plays a dominant role in many of these uses as international money in many parts of the world. The degree to which it plays these roles vary by role, by geographical area and over time. But, overall, there is no other currency that plays as many roles in as many places as the U.S. dollar. Because of this dominance, the U.S. dollar is often referred to as the international “key currency.”

But the U.S. dollar is not the only currency that plays these roles. The most important among the latter include the euro, the British pound, the Japanese yen, the Swiss franc, and in some parts of the world, the Chinese renminbi.

Note how *few* currencies play these roles. Most countries’ currencies play almost no role as an international currency. For example, most countries cannot even borrow on international capital markets in their own currencies. When Ecuador

borrowers from foreign banks, the loans are denominated in dollars or euros, for example. When Ecuador has to repay its loan, it has to have enough dollars to do so. When the United States borrows from Saudi Arabia, it just has to pay back in dollars, a currency that the U.S. prints. Easy, peasy.

So, while much is made of the difference between the “key currency” (the U.S. dollar) and everyone else, perhaps a *more* important demarcation of inequality and hierarchy in the world is between so-called hard currencies (currencies that also serve as international money) and soft currencies (currencies that do not serve as international money). Soft currency countries are at a grave disadvantage because they must acquire hard currencies in order to survive in the global economy.

Now I can give some quantitative historical perspective on this.

In 1950, the U.S. produced 62 percent of world manufacturing output. In 1975, almost 80 percent of official foreign exchange reserves in the world were held in dollars, and the U.S. accounted for 43 percent of the world manufacturing output. By 2022, the U.S. accounted for less than 20 percent of world manufacturing output — about 22 percent of world GDP. But 60 percent of the world’s official international reserves were still being held in the U.S. dollar.

To what extent is the preeminent role of the U.S. dollar in the global economy linked to the size and strength of the U.S. economy?

As the numbers I presented just above suggest, at the time the U.S. overtook the British pound sterling around the time of the First World War, the size and economic strength of the U.S. was very important in determining the international role of the dollar. But by the turn of the 21st century, the relative size and strength of the U.S. economy had greatly fallen (indeed, the Chinese economy now is or soon will be the largest economy in the world), yet the overall role of the U.S. dollar in international money has remained [dominant](#).

Is there a connection between the resiliency of the dollar’s role as global currency and the dynamics of financialization and/or the mechanisms of U.S. imperialist hegemony?

Yes, to both questions. While the U.S. has become much smaller in the world in terms of manufacturing output and even in the production of nonfinancial

services, it has remained a huge global power financially. The U.S. dollar is used in 60 percent of the world's bank loans and deposits; it accounts for almost 70 percent of the global debt issued in foreign currencies (e.g., Brazilian international borrowing in foreign currency); and the U.S. dollar is involved in almost 90 percent of all [global foreign exchange transactions](#), most of which are for various kinds of financial trading and speculation.

In short, the U.S. has become one of the most “financialized” countries on the planet and this financial dominance props up the international role of the dollar. Importantly, causation runs the other way, too: having the dollar as the key international currency also enhances the role, profits and power of U.S. finance in the world.

Likewise, imperialism helps to prop up the key currency role of the U.S. dollar and this key currency role facilitates U.S. global political and military power — that is, the use of international power to extract resources from other countries for the benefit primarily of U.S. capitalists and the 1 percent.

There is a good deal of evidence, starting with the work of my former graduate student, [Roohi Prem](#), which identifies the importance of military and [diplomatic power](#) as an underpinning of first the pound sterling and then the U.S. dollar's key currency role. Countries that are dependent on the U.S. for military support and arms sales and that are part of U.S. diplomatic and military alliances are more likely to hold U.S. dollars as currency reserves. This was very obvious with West Germany during the 1960s, which was totally dependent on U.S. defense, but it shows up in the data today in more subtle ways. Again, causation runs in multiple directions. Countries use their dollar holdings as a signal that they are part of the U.S. “camp” and the United States sees the holding of dollars as a sign of support.

What does the U.S. get out of all this?

There is a debate among economists and political scientists about this. Some economists, such as Robert McCauley, formerly of the Bank for International Settlements (BIS) and Paul Krugman of City College, say the answer is: not much. But if this were true, how can one explain the lengths to which the U.S. government goes to protect and further the role of the dollar. For example, the U.S. Federal Reserve and Treasury engage in massive financial rescue operations

at crisis times such as the 2008 financial crisis and the 2020 COVID crisis, to offer dollar lifelines to foreign central banks so they can stabilize the dollar use of these countries' banks and other financial institutions. They use diplomatic capital to make sure that the key global transactions signaling network (SWIFT) is dollar-friendly, etc. Some have [argued](#) that the U.S. has gone to great lengths to ensure that oil prices continue to be denominated in dollars.

The fact of the matter is that having the dollar as the world's key currency gives the U.S. government significant power to call the shots financially in the global economy; it gives a leg up to U.S. financial institutions in the global economy because they have easy access to U.S. dollars from the Federal Reserve; and it makes it easier to finance the massive U.S. budget deficit and foreign borrowing.

The U.S. dollar has been facing challenges from the renminbi and the euro in recent years, to the point that there are growing calls from countries like Brazil and Southeast Asian nations for trade to be carried out in currencies besides the U.S. dollar. Indeed, Russia and China have developed their own payment gateway and more and more countries seek alternatives to the U.S. dollar. Would you say that de-dollarization is real? And is it a good thing?

As you say, there are attempts to reduce the world's reliance on the U.S. dollar. There are areas, particularly in Asia, where the renminbi has become used more in the denomination of trade; in Europe too, trade has been invoiced more in euros and less in dollars. So, there is a push in some areas to de-dollarize. Nonetheless, as I have already indicated, the overall strength of the dollar has remained [very high](#). Part of the reason is the financial and military/political strength of the U.S. And part of the reason is simply inertia. Once lots of people in the world speak English, English remains the international language; once lots of countries use the dollar, they continue to use the dollar.

Would de-dollarization be a good thing? It depends, to some extent, on what replaces it. If, as economist John Maynard Keynes envisaged, a global currency run by a global central bank that better reflected the interests and needs of the world's population were to replace the dollar, yes: this would likely be a very good thing. If the renminbi replaced it? Or if there was a broader multicurrency sharing as is the most likely evolution? Yes. This would almost certainly be better. The dominance of U.S. finance and of U.S. global military adventurism that is aided by the dollar is unhealthy for the world. A more shared role for global

defense would be, in my view, a much fairer and hopefully peaceful outcome.

Of course, the role of the dollar per se is not the source of all evil, nor taming it will be a solution for all evil. But it could help.

The most common argument one hears against de-dollarization is that there is, in reality, no credible alternative, while it is often said that if countries started trading with one another in their own currencies, there would be increased currency risk and potentially wild fluctuations in exchange rates. Aren't these sound arguments against de-dollarization?

There is some truth to this, perhaps. But, on the other hand, the problem already persists for developing countries: short-term speculative capital flows in and even more quickly flows out. The key problem here is the uncontrolled speculative flows of international capital, not the existence of a multicurrency system.

What would happen if the U.S. dollar was dethroned as the world's primary reserve currency? How would it affect the global economy, as well as the U.S. economy, and the laboring classes?

As I have suggested, it might reduce U.S. military adventurism. It might also reduce, however, the ability of the U.S. to run large budget deficits and current account deficits. The former would mean that the working class would need to build and utilize more political strength to demand government priorities serve the needs of people, rather than of the top 1 percent, banks, military contractors and fossil fuel companies. Current account deficits might also increase local production in the U.S. which, under the right circumstances, could be a boon to domestic employment.

As for the rest of the world, it might tilt some of the global financial and political power elsewhere. Whether the world's workers or world's capitalists outside of the U.S. capture that power is a big question, which I cannot answer here.

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The Impact Of Plastic On Human Health



*We know that plastic is choking the planet.
But it could be killing us, too.*

In 2019, the European Commission’s Scientific Committee on Health, Environmental and Emerging Risks published a [statement](#) that identified 14 emerging health and environmental issues. Right near the top of that list was plastic waste. The committee emphasized the “urgent” need “for a better assessment of hazard and risk” associated with exposure to plastics of different shapes and forms.

The Facts About Plastic

During World War II, U.S. plastic production [increased by 300 percent](#). Since then, plastic has become ever more ubiquitous, and by 2014, according to market research firm PlasticsEurope, had surpassed [300 million tons produced per year](#). There’s a good reason for that. The wondrous nature of plastic is that it’s lightweight, highly malleable, and resistant to biodegradation. It is widely understood that this last property is the root of what has emerged as one of the most intractable environmental problems as the plastic waste piles up around the globe. What is less understood are the exact reasons why.

Plastic is made up almost entirely of hydrocarbon chains, which are an incredibly stable type of molecular bond. In cases where hydrocarbon chains occur naturally, that stability is a necessary component of an organism’s function and generally forms part of a greater ecosystem. Plastics, however, are synthetic, which means they’re no good as a food source for microorganisms (with at least [one rare exception](#)) and, as we’ve so tragically come to learn, that is a major problem.

On one hand, there’s the obvious issue of what happens to all that accumulated plastic trash. We all know the answer to that one: It turns into giant islands of floating trash, it goes [up into poor turtles’ nostrils](#), and is found in the stomachs of

[beached whales](#). According to a 2022 [study](#) published in the online journal Nature Communications, blue whales could be ingesting as much as 10 million pieces of microplastic every day. According to the World Wide Fund for Nature's [Living Earth 2018 report](#), 90 percent of the world's seabirds have plastic in their stomachs, [a figure that is expected to rise to 99 percent by 2050](#).

Marauding Microplastics

Over the course of several decades, as plastic is exposed to the elements, it begins to decompose into smaller particles. While this process, known as photooxidation, does not affect plastic on a molecular level, it does eventually break it down to its nanoparticles. If you're finding that hard to imagine, picture a grocery bag that's been zapped by a shrink ray: It's the exact same piece of plastic, only now it's microscopic.

On the surface, this result may appear to be a good thing. Out of sight, out of mind, right? If only it were that simple. Plastic may actually be at its most threatening once it has broken down to the point it's invisible to the naked eye because at that point, those little particles can travel a lot faster and further, and into the bodies of animals, including us.

[Research](#) conducted by the State University of New York at Fredonia found a significant amount of microplastics in bottled water. To be precise, 10.4 microplastic particles per one liter of water were recorded in a sample of 259 bottles representing 11 major brands across nine countries, including Aquafina, Dasani, Evian, Nestlé Pure Life and San Pellegrino, reflecting twice the amount of plastic found in a previous study using tap water. Researchers suggested the plastic contamination could have partially come from the bottling process.

Avoiding bottled water and sticking to municipal water won't necessarily solve the problem of ingesting microplastics from drinking water.

["Substantial amounts of microplastics"](#) were recently found in tap water and rivers throughout South Africa, according to a recent study conducted by scientists from North-West University. Zoologist Henk Bouwman, a member of the research team, explained that the findings were conclusive, but the implications remain unclear. "There is no consensus yet on any health impacts as the science is still in its infancy," he [told](#) Johannesburg's Daily Maverick. "It might be benign, and it might not be. There are a whole lot of things we don't understand at this

stage.”

This topic was further explored by National Geographic in a [2018 article](#). For the piece, Chelsea Rochman, an ecologist at the University of Toronto, shared her [research](#) that found that fish suffered liver damage from ingesting polythene plastic (the kind plastic bags are made of), while oysters exposed to polystyrene tended to produce fewer eggs and less mobile sperm. But this does not necessarily mean humans will suffer the same effects.

Plastics and Human Health

Given the ubiquitousness of microplastics, it's no surprise that they have infiltrated our bodies too. A breakthrough study [published in 2022](#), using blood donated by members of the general public, found the tiny particles in 80 percent of the samples. A 2023 UK [study](#) found that microplastics can pass through blood vessels to vascular tissue, potentially contributing to damage inside the vein. Other studies have shown that they are present in [our feces](#), [our lungs](#), [our stomachs](#) and, most worryingly, in [placentas](#).

It is not yet clear what effect this infiltration has on human health.

As the National Geographic article's author Elizabeth Royte points out, it's difficult to study the impact of microplastics on human health for a number of reasons. First, there's the simple fact that “people can't be asked to eat plastics for experiments.” Extrapolating the findings from fish experiments doesn't work either, as “plastics and their additives act differently depending on physical and chemical contexts,” as well as the fact that “their characteristics may change as creatures along the food chain consume, metabolize or excrete them.” As a result, notes Royte, “we know virtually nothing about how food processing or cooking affects the toxicity of plastics in aquatic organisms or what level of contamination might hurt us.”

For Rochman, there is no doubt that “there are effects from plastics on animals at nearly all levels of biological organization.” [Studies show](#) that in fish, microplastic pollution (MP) causes structural damage and affects metabolic balance, behavior and fertility. In laboratory mice and rats it causes similar biochemical and structure damage.

OK, so we may not have clear evidence on the direct health impacts of microplastics where human beings are concerned, but what about more

immediate side effects?

For one, there's the fact that microplastics are foreign particles entering our bodies. Inflammation, for instance, is a response triggered by the immune system to this sort of invasion, writes Rachel Adams, a senior lecturer in biomedical science at Cardiff Metropolitan University, in [The Conversation](#). Another cause for concern is that these microparticles act as carriers for other toxins entering the body. Toxic metals like mercury and organic pollutants like pesticides are just two examples of hazardous materials that could enter the body attached to plastic particles. They can slowly accumulate over time in our fatty tissue.

Quantifying Harm

"We do not currently have clear evidence that plastic microparticles in drinking water have a negative effect on health," writes Adams. "But given the effects other particles can have, we urgently need to find out more about plastic microparticles in the body."

John Meeker, professor of environmental health sciences and global public health at the University of Michigan, concurs. "We first need to figure out how best to measure exposure then document whether people are being exposed, and, if so, how much," wrote Meeker over email. In order to do this, he continued, scientists need to determine what environmental factors influence exposure levels and "what aspects of microplastics could be most relevant to toxicity—is it size, shape, chemical makeup or additives used in the plastics, or even toxins picked up by the plastic from its surrounding environment?" Once these factors have been established, we can begin to consider how the body processes these plastics, and what effects the various levels of exposure can have on humans over a period of time.

"Once we have found ways to measure exposure in humans, we will then need to conduct cohort studies in various types of populations to look for associations between exposure and various health endpoints," said Meeker, advising that "these should be done in concert with experimental laboratory studies on toxicity to establish estimates about health risk." Some efforts have begun in this direction. For example, in 2022 California became the first state in the USA to adopt a [state-wide microplastics strategy](#). Among other actions, the state [requires monitoring of microplastics](#) in drinking water and investigate whether it should set a limit on the particles in this water to protect public health.

For the gamblers out there, this lack of scientific certainty at present might seem like an invitation to continue rolling the plastic dice. The potential hazards of microplastic, however, are far from the only cause for concern.

Bothersome BPA and Problematic Phthalates

Modern living has made it so that there's no escaping contact with plastic—and the various extra chemicals it contains. Take [Bisphenol A \(BPA\)](#), which gives plastic its shape and structure, and the [phthalates](#) that make plastic soft and flexible. We end up ingesting a fair amount of these chemicals when plastic comes into contact with our food or [even our skin](#). In turn, this affects our hormone levels, which is why, for the most part, chemicals such as BPA are heavily regulated. There is a growing body of research showing that exposure to industrial chemicals commonly found in plastics may help contribute to [metabolic disorders like obesity and diabetes](#).

Added to this is the concerning fact that an increasing number of these chemicals are being detected in humans. A recent [study](#) conducted by the University of Exeter found traces of BPA in over 80 percent of teenagers. Reporting on the study, The Guardian [explained](#) how BPA mimics estrogen, and in so doing disrupts the endocrine system, which is responsible for regulating metabolism, growth, sexual function and sleep. But as is the case with microplastics, it is difficult to draw conclusive causal links between BPA and these health impacts due to ethical concerns around testing on humans.

Despite this lack of certainty, there's enough cause for concern that governments have responded to this plastic plight. Legislation has been passed in [Australia](#), [Canada](#), the [European Union](#) and the [United States](#) restricting or prohibiting the use of phthalates in certain consumer products. According to a [paper](#) published by the Indian Journal of Occupational and Environmental Medicine, these moves respond to the “variety of adverse outcomes” caused by the chemical, “including increased adiposity and insulin resistance” as well as “decreased levels of sex hormones, and other consequences for the human reproductive system.”

While it's important to understand the health impact of plastic, perhaps a more pressing question is what happens when we tell ourselves that plastic is safe—and continue to produce it in ever greater quantities. According to Statista, a market research firm, global plastic production has grown from [50 to 335 million metric tons over the past four decades](#). Chances are likely that the ultimate consequence

of our plastic consumption will be something far greater, and perhaps direr, than our current scientific understanding is able to predict.

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In Chile, Having A Good Constitution Doesn't Guarantee Social Change



A conversation with Bárbara Navarrete, secretary-general of the Communist Youth of Chile.

“We are a generation totally interested in taking power,” says [Bárbara Navarrete](#), the new secretary-general of the [Communist Youth of Chile](#). This generation came of age with examples such as Gabriel Boric, Chile’s president, who is only 37 years old, and Camila Vallejo, the president’s chief of staff, who is only 35. By constantly engaging in the political arena and reaching the highest levels of the government, people like Boric and Camila—as they are known—“push us to get involved, to take sides,” Navarrete says. Fifty years after the coup that devastated

Chile, people like Navarrete oscillate between hope in a government led by former student leaders (such as Boric and Camila) and devastation at [the defeat of a new constitution](#) in [2022](#). They also have to contend with [the rise of the right wing](#), which now holds offices in the legislature, including the presidency of the Senate.

Navarrete's own story is an example of, in her words, "the crossroads of experiences that affect this new generation in their way of doing politics." Her family directly experienced the consequences of the dictatorship in a peripheral part of Santiago. Born a few years after the end of the dictatorship, Navarrete learned about politics in the [student mobilizations of 2011](#), while she studied at an [important women's school](#) in the city. For nine months, the students took over the school in protest against Chile's private education model. Two political tendencies dominated the school—anarchism and communism; Navarrete opted for the latter.

During her time in the student protests, Navarrete says she saw "clearly the institutional alienation" of her generation. They may have grown up after the dictatorship, but they were surrounded by its institutions (including the coup constitution of 1980). "We felt," she says, "a detachment from laws and institutional culture," and they were left with a feeling of "incomprehension" toward the institutions' legitimacy. This resulted, she says, in "an overwhelming need to change everything, including the constitution."

The Results Are Not Random

Enshrining a new constitution for Chile before the 50th anniversary of the 1973 coup would have been a major achievement. But the draft constitution—produced with immense democratic input—was [defeated](#) in the elections on September 4, 2022. In the aftermath of that election, the government set up a committee of experts to produce a new draft that would be approved by 51 members of a constitutional council ([elected by direct vote](#) on May 7, 2023). The right-wing Republican Party won [35.4 percent of the vote](#), which gave it 23 constitutional council members. The Communist Party of Chile headed a coalition that won the second-most votes, [with 28.6 percent](#).

For Navarrete, the victory of the Republican Party "is neither a surprise nor an isolated event." In the first round of the 2021 presidential elections, the Republican Party's candidate José Antonio Kast [took the lead](#). "The right has

polarized the country,” she said, and it has defined the center-left government of Boric through “caricatures.” A substantial part of Chile, she says, “feels more represented by the positions of the reactionary right” as a result. “This is not a perfect situation,” Navarrete says, but “we can continue to dispute the issues by being present there.”

No Constitution Guarantees Change

“The democratic exercise that is being carried out with respect to the current constitution is, in itself, better than the way the current one was designed,” Navarrete told me, insisting that although constitutional change is important on the road to social change in Chile, it is not the only route. If the draft of the constitution had been approved in September 2022, the material and governmental situation would have altered, “but that, in itself, does not guarantee the transformation of the country,” says Navarrete.

From her point of view, the results of September reflect a profound disagreement or disconnection between the discussions in the constitutional convention—which wrote the rejected draft—and what the left parties had been proposing for the country. The “disconnection” is linked to the nature of the decade-long protest movement and the social agenda that it had tabled. “We ended up convincing ourselves,” Navarrete says, about the lack of this “disconnection,” which was “a mistake that cost us the [electoral approval]” of the new constitution. The gap between the political parties and the social movements has to be closed since it is these movements, she says, which are “the main engine of any transformation of the country.”

Against ‘Denialism’

The Communist Party of Chile is 111 years old. It is part of the government of Boric. This is the fourth time the party is in government; one of the previous times was during the Popular Unity government of President Salvador Allende (1970-73). As Chile goes into a period of commemoration for the 50th anniversary of the coup, Navarrete notes that this would be a good time to reflect on reparations, justice, and a commitment to never return to dictatorship.

The situation in Chile is “fragile,” she says, because there is a growth of “denialism,” the view that nothing really bad happened during the coup and the dictatorship. Laws against denialism [have been rejected](#) by the Chilean parliament. “We cannot allow [this discourse] to advance and consolidate,” says

Navarrete. “As a government, we have a profound responsibility not to romanticize memory or democracy per se, but to value them as the best conditions for developing politics and making the changes that are needed for those most in need.”

On May 28, Luis Silva, an elected constitutional council member and a member of the Republican Party, declared [during an interview with Icare TV](#) that at this historic moment, “a slightly more considered reading” of Augusto Pinochet’s government should be made. “He was a man who knew how to lead the state.”

Regarding these statements, Navarrete alleges that “the right wing believes that based on freedom of expression, all opinions are equally valid.” In contrast, she says, “There is no justification for a genocide of which we were victims as a country and thousands of families. There are people who are still searching for their loved ones.”

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