



BOLIVIA, THE SPECULAR REFLECTION



Latin America, a large geographic region so prosperous, wonderful and libertarian in its originality, is today shaken, burned and mobilized in the face of the challenging fascist aggression. Its destiny transits through the quicksand of the intensification of the imperial parapolitics towards the extermination of its root values. In the recolonizing mentality of the government of Donald Trump and other “rulers” of their satellite countries, it is intended to install the matrix that our nations suffer from a state of socio-political weakness, which is the fundamental premise that mediates the idea of -with an unprecedented impact - that the region still lives in the darkness of the so-called new world, “discover open” by the centers of world power in the mid-thirteenth and fourteenth centuries.

They are trying to eliminate to definitively erase the referents of greater depth and popular reach such as the independence ideals of Simón Bolívar, José de San Martín, Francisco de Miranda, José Martí, the legacies of Hugo Chávez, Fidél Castro and the vigorous indigenous inheritances of Túpac Katari, Túpac Amaru, Guaicaipuro, and the resistant signs of the original Andean, Mayan, Inca and Caribbean peoples. Despite their differences languages, their religions, their ways of life and their physical traits.

Coup against Evo

It was an action orchestrated by the US government, connected with the economic and powerful elites of Bolivia. It

is a struggle to preserve or guarantee the necessary stabilization of its legitimacy and its sovereignty of its natural wealth of the region. In the case of Bolivia, lithium, gas, in addition to seize their territory and to abolish the rights of Bolivians.

The mixture of such denigrating elements as racism and its “principled” uprising by the coup agents, has been defined by President Evo Morales as a class struggle, bloody as they have all been since the time of the bourgeoisie’s emergence, of the accumulation of capital and the inequalities that this implies.

Bolivia, however, resists. And it is part of the aggravating cultures of America. It is also obscene that the OAS presents itself in this imperial crusade against the peace and sovereignty of the peoples. Its participation in the coup, which forced President EVO MORALES to resign publicly to avoid a national massacre, is a fact that delegitimizes that international body as a peace forum and makes it blatantly an instrument of the Trump administration, by encouraging the matrix of electoral fraud as fuel for a fascist action against the Bolivian people.

The international community must demand itself, the non-participation as an actor in its deliberations, declare Luis Almagro unpleasant and his political and legal responsibility in that ignominy against Bolivian sovereignty.

VENEZUELAN PEOPLE GO TO STREETS AGAIN TO DEFEND THEIR GOVERNMENT AND REVOLUTION: SAYS NO TO THE COUP IN BOLIVIA



PETRO: PAST, PRESENT AND FUTURE



Petroleum futures contracts are among the most negotiated contracts in the global financial market. Imagine a mini futures contract for oil and other commodities, roughly equivalent to a barrel of oil, transferable and fractional as a currency, implemented on a cryptographic platform similar to that of a bitcoin and that allows payments in a relatively short time. That is the petro.

Petro Creation

Petro was created almost two years ago as a cryptocurrency with a nominal value defined in terms of the price of oil. Its launch opened the possibility of positioning a cryptocurrency that is both currency and future oil contract, a Venezuelan creation. The fact that the petro is implemented on a cryptographic platform avoids the problem of the financial blockade that the US is currently imposing on Venezuela, by having control of the bank transfer system called Swift and having the ability to pressure large transnational banks.

The petro was created in the middle of the fervor around the cryptocurrencies that were in 2017 since they had multiplied their value remarkably. Petro's promoters from the government spoke of an anchor of the value of Petro to the price of oil but at the same time of a possible speculative rise in its value, as was the case with bitcoin, ether and other cryptocurrencies. It was the first stage of conceptual inaccuracies.

An emission of petros was made in the style of an ICO (Initial Coin Offering), which included the sale of petros at

discounted prices, which in the long run represented a capital loss for Venezuela. The cryptographic fashion ended in 2018, giving way to a more solid redefinition of the petro, although with the same idea of having its implementation on a cryptographic platform.

Petro relaunch

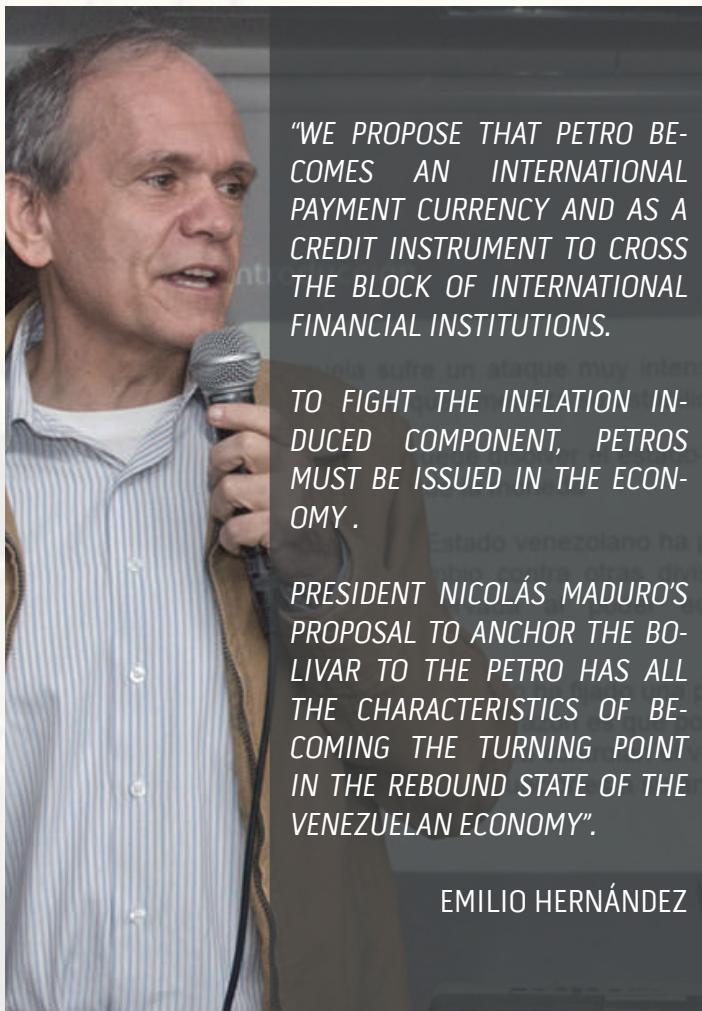
The petro had a relaunch in August 2018, when it went from being a currency based on the classic speculative concept of cryptocurrencies to being a cryptocurrency of guaranteed value, that is, a stable coin. At the same time, its nominal value went from being that of a barrel of oil to a more or less fixed value of around 60 dollars.

Having a currency whose value is guaranteed by the Venezuelan state, which undertakes to accept it as the payment currency of its main export products (oil, gold, diamonds, iron, aluminum, etc.) at the sovereignly defined nominal value, provides us with a relatively stable anchor.

Once the stability of the petro is consolidated, it would only be necessary to implement a stable exchange policy, which could even be a fixed parity (pegging), between the bolivar and the petro to achieve the much-desired stabilization of the bolivar. Any economic agent who wishes to sell the bolivar below the price determined by the bolivar-petro parity, except for reasons of opportunity cost, would be losing money because the Venezuelan state can sooner or later honor the value of the Petro due to its huge mineral reserves.

The total value of the reserves of oil, gold and other minerals, which serve as a guarantee of payment of the Petros, exceeds by 4 orders of magnitude, that is, more than 10,000 times, to the amount in petros of the current currency in bolivars that are currently in Venezuela. Consequently, enough petros can be issued, equivalent in price to a minimum amount of mineral reserves, to give solid support to the Venezuelan national currency. It can be done even by significantly increasing the circulation in bolivars. Of course, it should be avoided that the emission of petros is excessive and jeopardizes its own international market value.

A policy of free convertibility between bolivars and petros at a fixed exchange rate, guaranteeing the value of the Petro as expressed above and withdrawing the exchanged bolivars from the circulating currency, would be a formidable counterweight to the force of the speculative exchange market and that acts for destabilization purposes politics, as has been demonstrated on several occasions. However, a backdoor to capital flight can be opened and a law that avoids speculative purchase of petros in the primary market, that is, directly to the State, may be necessary.



"WE PROPOSE THAT PETRO BECOMES AN INTERNATIONAL PAYMENT CURRENCY AND AS A CREDIT INSTRUMENT TO CROSS THE BLOCK OF INTERNATIONAL FINANCIAL INSTITUTIONS.

TO FIGHT THE INFLATION INDUCED COMPONENT, PETROS MUST BE ISSUED IN THE ECONOMY.

PRESIDENT NICOLÁS MADURO'S PROPOSAL TO ANCHOR THE BOLIVAR TO THE PETRO HAS ALL THE CHARACTERISTICS OF BECOMING THE TURNING POINT IN THE REBOUND STATE OF THE VENEZUELAN ECONOMY".

EMILIO HERNÁNDEZ

Why two coins instead of one?

One question that many ask is whether it is convenient to keep the bolivar and the petro or if the petro should replace the bolívar.

Using the same currency as a currency and national currency leads to the problem characterized by the Triffin Dilemma, according to which a currency that is both an internal currency and a currency with a foreign value reserve function, can cause problems to the long being a single currency, you must have only one monetary policy. In this scenario, a good internal monetary policy could be bad externally and vice versa. China understood that dilemma and they have two yuan, one for internal use and one for international trade. On the contrary, the US decision to impose the dollar as an international reserve currency in the agreements of the Bretton Woods Conference in 1944, has brought to this country a breakdown of its internal production, which has been largely replaced by the China's domestic production. The US cannot devalue the dollar because its currency would lose international confidence as a store for value.

In Venezuela, we must strengthen the bolivar, but it is not advisable to sell gold or oil in bolivars, because the bolivar would become the reserve currency of our customers. It is better to collect exports in petros and have separate monetary policies for bolívar and petro. Occasionally the exchange rate between the bolivar and the petro could be revised.

Way to go

The petro has already been put into circulation, even when there is a national debate about its use. On the one hand, some believe that the petro must have its space as a national currency, while others opt for the option that the petro must be an instrument of value reserve within Venezuela and its use must be mainly as currency for the sale of our exports. I prefer this second option. It is not necessary to circulate internally to start functioning as a stabilizing instrument of the bolivar. The bolivar must remain the national currency, but underpinned by the petro, at a stabilized exchange rate.

Another debate is the nominal value of petro in currencies. Be chose a value more or less equivalent to 60 dollars, with minimal fluctuation concerning this currency. This could be a problem because there is no motivation to buy Petros with dollars. Since the petro is a kind of 60-dollar bill, it is

generally preferable to maintain the dollars.

The real anchorage to the price of a basket of commodities, with its consequent, rises and falls in dollars, maybe a better option. Although it may seem that commodity prices are not very stable, if we compare them with the devaluation of the bolivar since 1983 (of 10 orders of magnitude!), Commodity prices are very stable.

If petro becomes a currency with nominal value anchored to the current value of a basket of commodities, it would most likely have a more active market. This market would be that future of oil's and other commodities. Many people and many states that buy these types of assets, or that buy gold, do so for several reasons, including to take refuge in their capitals, given the perception that the dollar will sooner or later suffer a fall in value. Keeping the petro anchored to the value of Venezuelan export commodities and honoring its value upon receipt as payment for exports, the Petro would become a reserve currency of international val-

ue. Although its use is limited, it will be more than enough to stabilize the Venezuelan economy.

Conclusion

Petro has enormous potential as a monetary stabilizer in the Venezuelan economy. The authorities have not yet taken the firm step of establishing a fixed or relatively stable exchange rate between the bolivar and the petro, but I estimate that this step will be taken soon. Another important step is to unpin the dollar's petro to anchor it to the value of a commodity basket. It is only necessary to overcome the orthodox and dollarized visions that still govern our monetary policies. This evolution in monetary thinking is happening, not only in Venezuela but throughout the world.

Emilio Hernández
Professor of Information Technology
Simón Bolívar University - Venezuela
Columnist in the Orinoco Courier

VENEZUELA EN BLOCKCHAIN LIFE 2019



Joselit Ramírez, Superintendent of Cryptoactive and Active Venezuela's related communities presented Petro's achievements in the Blockchain Life 2019, held in Moscow, Russia, on October 16 and 17.

The event considered the most important cryptocurrency forum in the world brought together more than 6,000 participants and important world leaders of the blockchain industry and cryptocurrencies from more than 74 countries. In his speech, the Venezuelan representative presented the achievements made by petro in economic matters as the first sovereign digital currency, showed the progress in the implementation of petro as a mechanism for investment, savings and commercial exchange, as well as the sale of its goods and services, industry, commerce and the general public. He predicted that petro puts Venezuela at the forefront of the transformation of the world economy, leaving behind the traditional financial model, to overcome the sanctions imposed by foreign powers.

During three years of existence, the forum has become an international platform for the development of hundreds of companies in the industry, a meeting place for market leaders with representatives of government agencies, a place of thousands of contracts that influenced the development of the Technological world.

"Venezuela is the first country in the world that assumes as a State the use of a cryptocurrency and collects the policies and operation in terms of crypto assets, legally supported by the Constitutional Decree of the Integral System of Cryptoactives."

Joselit Ramírez