A NEW ECONOMY FOR BRAZIL

FOUNDATIONS FOR A JUST, SUSTAINABLE, AND SOVEREIGN DEVELOPMENT PROJECT

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GLOBAL FUND FOR A NEW ECONOMY

This document seeks to contribute to the debate on Brazil's development pathways, providing a starting point for the development of a new economy in the country. To that end, we begin with three key questions: (i) why do we need a new economy?; (ii) what do we mean by a new economy (what it is and what it is not)?; and (iii) how can this new economy be steered in practice?

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1.1.WHY IS IT IMPORTANT TO DISCUSS A NEW ECONOMY TODAY?

The debate on the need for a new economy is not confined to an academic discussion or the pursuit of an abstract ideal of how the economy should function. Rather, it responds to a tangible reality: we are living in a context of polycrisis[1], in which economic, social, climate, democratic, and geopolitical crises overlap, intersect, and reinforce one another mutually. This critical conjuncture exposes the shortcomings of the current economic model, threatens progress achieved, and pushes the planet's boundaries towards the point of no return. Against this backdrop, crises that were once addressed in isolation must now be tackled more comprehensively. Fragmented responses therefore tend to be insufficient and, in some cases, counterproductive. If the problems are interconnected, the solutions must be as well.

Although most traditional economic theories argue that the economy should be autonomous from other dimensions of social life, the current economic model lies at the root of the multiple crises we face today. Far from being isolated flaws that can be corrected within an otherwise functional system, they instead reflect the structural contradictions of the model itself, driven by the accumulation of wealth at the expense of the common good and health of the planet.

Against this backdrop, business as usual is no longer a viable option, and there is a need to rethink the very foundations of development. Marginal adjustments will not be enough, since tackling interconnected challenges calls for negotiation, innovation, and political coordination. Put differently, the current conjecture calls for a new project.

In Brazil, this debate takes on distinct dimensions. The country's recent history combines significant achievements, particularly during the 2000s and early 2010s, with the persistence of structures that limit the continuity of these milestones. Improvements were made in income distribution, access to rights was expanded, social participation was strengthened, progress was achieved in strategic areas such as science, technology and innovation (STI), and Brazil took on a more prominent role on the international stage. Nevertheless, these achievements were not enough to bring about a lasting transformation of the country's productive structure and the foundations of its development.

It is against this very backdrop that the 2026 elections assume particular significance. In a highly polarized setting, what is at stake is not merely the alternation of power, but rather the choice between consolidating recent achievements and entering a new cycle of setbacks that would deepen inequalities and jeopardize the country's future. At the same time, continuity in and of itself is not enough. Structural transformations must be pushed forward to ensure economic development, social justice, national sovereignty, and environmental sustainability.

[1] To learn more about the concept of polycrisis, we recommend the following article: Henig, D. & Knight, D.M. (2023). Polycrisis: Prompts for an Emerging Worldview. Anthropology Today, 39: 3-6. Available at: https://rai.onlinelibrary.wiley.com/doi/10.1111/1467-8322.12793.

2. WHAT NEW ECONOMY ARE WE TALKING ABOUT? (WHAT IT IS - AND WHAT IT IS NOT).

More than just a development project, a new economy is a political choice about the country's future direction. That is, the economy does not operate separately from politics: every economic decision involves interests, priorities, and contestation over who wins, who loses, and what kind of future should be built. The term new economy appears frequently across a wide range of forums for debate - from academia to the private sector and multilateral organizations. This does not mean that there is a consensus about its meaning. On the contrary, it reflects a growing debate not only over the meaning of the term itself, but also over how the economy should be managed in light of the challenges faced by a society shaped by a model of capital accumulation.

This contestation is at the heart of the debate. In some cases, the term new economy is used to describe energy transition agendas that preserve the current logic of wealth and power concentration. In others, however, the term points to structural transformations in the way of producing, distributing wealth, and organizing economic life.

Defining the concept of a new economy also requires explaining what it is not: the old economy. The intensification of neoliberalism has increasingly led to old projects being presented in a revamped guise. This is the case with proposals that start using terms such as inclusion, sustainability, and climate justice, but ultimately reproduce the structural foundations of the old economy. A political agenda that advocates increasing wealth without discussing its socially just distribution; that promotes an energy transition without questioning who is in charge of natural resources and who benefits from them; or that uses the climate agenda to open up new markets without tackling the structural causes of the environmental crisis does not represent a new economy. Rather, it represents the continuation of the old economy, albeit with new wording.

Neoliberalism has established itself not only as a set of liberal economic policies, but also as a logic that reshapes competition as society's guiding principle. As a result, values that are fundamental to social well-being and planetary health become subordinated to market logic.

The development of a new economy project is gaining momentum across the global progressive movement. Against this backdrop, extreme inequality, democratic backsliding, and environmental degradation are not seen as accidental flaws of capitalism, but rather as the result of political choices that promote the concentration of wealth, the capture of democratic institutions, and the transfer of their costs to the most vulnerable populations. We therefore see the new economy as a structural counterpoint to neoliberalism and its many expressions: austerity as a universal remedy, the normalization of inequalities as an alleged side effect from pursuing market equilibrium, and environmental destruction as a manageable problem.

Finally, a new economy takes shape through concrete public policies and actions that challenge neoliberal practices. This path does not start from scratch. The new economy, instead, is built through an ongoing dialogue with progressive organizations and intellectual traditions that consistently and rigorously show that an alternative path is not only desirable, but also possible and necessary. A new economy is not a spontaneous evolution of the market economy, but rather a development project that seeks to bring about structural transformations. Therefore, its core principles are rooted in social justice, national sovereignty, and environmental sustainability, in conjunction with the defense of human rights, democracy, and multilateralism.

Table 1. What the New Economy Is (and What It Is Not)

#	What the New Economy Is	What the New Economy Is Not
1	A model that brings together economic development, social justice, and environmental sustainability	A model that treats economic growth as an end in itself, leaving inequalities and environmental impacts to be addressed later
2	A political project based on public choices and democratic debate over the pathways of development	A "natural" progression of the market or a technical adjustment that does not require political decision-making
3	An economy that reduces structural inequalities and promotes well-being, decent work, and the care economy	A model that normalizes inequalities, undermines decent work, and concentrates wealth
4	An economy that respects planetary boundaries and integrates biodiversity conservation into development	A high-carbon, resource-intensive model that treats the environment as an externality
5	A model that makes sustainability economically viable by aligning market incentives and rules with environmental sustainability	A system in which illegal or predatory activities continue to be more profitable than sustainable alternatives
6	A development strategy that strengthens the country's productive, technological, and industrial capacities	A passive integration into the global economy, based on commodity exports with no value added
7	A State that is able to plan, coordinate, and drive structural transformations, in dialogue with society as a whole	A minimal or captured State, limited to correcting isolated market failures
8	A model that coordinates policies across different levels (local, national, and international)	Fragmented, disjointed policies with limited implementation capacity
9	An economy guided by strategic priorities that connects public investment, innovation, and well-being	Dispersed policies that lack strategic direction and are guided by short-term interests
10	A model that strengthens national sovereignty and promotes a fairer multilateral system capable of expanding access to finance, technology, and more balanced conditions for development	A model that reinforces structural dependence on external flows, technology, and finance under unfair conditions, without, however, strengthening the country's autonomy and negotiating capacity
11	A just ecological transition that distributes costs and benefits equitably	A green transition that reproduces inequalities or shifts costs onto vulnerable populations
12	An economy that organizes public policies coherently, coordinating fiscal, productive, and social instruments	A set of isolated policies that lack coordination and have no systemic impact

2.1. THE NEW ECONOMY AS A DRIVER OF THE THREE PILLARS OF SUSTAINABLE DEVELOPMENT: SOCIAL, ENVIRONMENTAL, AND ECONOMIC

The new economy is part of the broader debate on sustainable development, understood not as a set of independent goals, but rather as an integrated approach that inextricably links the social, environmental, and economic dimensions. By the same token, the new economy can be understood as a driving force, as well as a way of putting this approach into practice, and thus help reshape development based on the interdependence of these three pillars.

This perspective requires us to move past the view that treats these three pillars as separate spheres or as capable of offsetting one another, as if gains in one dimension could justify losses in another. On the contrary, it is based on the recognition that economic decisions produce simultaneous effects on the social and environmental dimensions, which, in turn, reinforce one another and shape economic outcomes themselves. Any proposal for transformation must take into account the absence of hierarchy and the interdependence among these dimensions from the outset. Separating them is not merely an analytical simplification, but rather a mistake that undermines the ability itself to devise effective and coherent responses to today's challenges.

Building on this understanding, we propose the following three pillars for the new economy.

2.1.1. SOCIAL PILLAR: EQUALITY AND WELL-BEING

The social pillar places inequality at the forefront of the analysis, not as an externality, but rather as a structural element of the economic model. This entails recognizing the importance of decent work, the care economy, well-being, participation, and socialjustice in shaping the direction of development. It also requires explicitly addressing existing societal vulnerabilities, since the benefits and costs of economic growth are not distributed equitably. All too often, profits and gains are privatized while losses are socialized[2]. Addressing these asymmetries directly is a central part of this pillar.

[2] This trend has been widely discussed in academic papers. In The Entrepreneurial State (2014), Mariana Mazzucato describes how the State often takes on the risks associated with research and development investments, while the returns are captured by the private sector. Similarly, in Risk Society (1986), Ulrich Beck argues that advanced modernity is characterized by the socialization of risks and privatization of benefits, particularly in the context of environmental, technological, and financial crises.

2.1.2. ENVIRONMENTAL PILLAR: PLANETARY BOUNDARIES AND TERRITORIAL APPROACHES

The environmental pillar stems from the recognition that the climate crisis, biodiversity loss, and the crisis of socio-ecological systems are produced by the current economic model itself and, as such, should guide its reorganization. This entails incorporating planetary boundaries as constraints on productive, institutional, and land-use decisions, while also explicitly accounting for the territories and ways of life of Indigenous Peoples and local communities, recognizing their role in conserving and promoting the sustainable use of natural resources. It also entails strengthening environmental safeguards and rejecting solutions that, whether in the name of the transition or sustainability, reproduce or deepen social, territorial, financial, and technological asymmetries, both within and across countries. At the same time, it requires viewing sustainability as part of a development strategy capable of adding value, expanding productive and technological capacities, and addressing historical inequalities.

2.1.3. ECONOMIC PILLAR: FROM THE MICRO LEVEL TO INTERNATIONAL INTEGRATION

The economic pillar recognizes that the new economy cannot be limited to macroeconomic or institutional frameworks but must also produce proposals capable of engaging with people's everyday lives. It further recognizes that economic incentives are decisive. As long as illegal or predatory activities continue to be more profitable than sustainable alternatives, structural change will not occur. Furthermore, it considers how Brazil is integrated into the global economy, recognizing that international cooperation and multilateralism can serve as drivers to ramp up access to finance and technology on more equitable terms, while promoting fairer trade practices and strengthening the conditions for transformation in Brazil as well as in other developing countries.

Finally, the new economy must incorporate, across all three pillars, dimensions such as: (i) intersectionality[3] (particularly race and gender); (ii) democracy, participation, and representation; and (iii) multilevel governance. These are necessary conditions for building a fairer, more sustainable, and sovereign development model.

[3] Coined in 1989 by activist and researcher Kimberlé Crenshaw, the term intersectionality refers to the ways in which different dimensions of identity - such as gender, race, and class - overlap and interact, producing distinct and intersecting forms of inequality and discrimination (see Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory and Antiracist Politics, 1989. Available at: https://chicagounbound.uchicago.edu/cgi/viewcontent.cgi?article=1052&context=uclf).

2.2. THE NEW ECONOMY AS A POLITICAL PROCESS

The new economy will neither emerge spontaneously nor as the automatic result of increasingly modern markets. Its development depends on political choices - which extend far beyond party politics - negotiation among different social actors, implementation capacity, and contestation over development priorities. This means that the transition to a new model will neither occur all at once nor follow a linear path: it requires decisions made today that respond to urgent needs while also laying the foundations for deeper transformations.

It is, therefore, an intentional political process marked by conflicts, contradictions, negotiation, setbacks, and contestation. There is no single path, nor is there a previously established order to follow. Tensions among the different levels of political action are not external obstacles, but rather part of the transformation itself. Against this backdrop, viewing the new economy as a process entails recognizing that change requires choice, coordination, and contestation over time.

2.3. THE NEW ECONOMY WITHIN THE BRAZILIAN CONTEXT

In keeping with global alliances and debates on a new economy, advancing this agenda in Brazil depends on building a development project that is at once socially and regionally just, environmentally sustainable, and sovereign at the international level. Advocating for a new economy in Brazil entails reaffirming the role of the State as a driver of structural transformation, with the capacity to plan, coordinate, and steer economic policies aimed at making this development project viable.

At the international level, this translates into a commitment to multilateralism and to building a more equitable order. In this context, multilateralism is not an end in itself, but rather a means of reducing global asymmetries, expanding access to finance and technology on fairer terms, and strengthening Brazil’s as well as other developing countries’ capacity to defend their own interests. Brazil gathers all the right conditions to contribute to the reform of global financial and governance institutions, helping to rebalance relations between the Global North and the Global South. Beyond the institutional debate, this approach reaffirms the country's ability to determine how its natural resources are used, how knowledge is produced, and how its development strategy is shaped.

3. DIMENSIONS OF THE NEW ECONOMY

The following dimensions constitute interdependent components of a development project for the country. They should not be understood as isolated compartments, but rather as interconnected transformation fronts linking political choices, state capacity, productive restructuring, participation and social well-being, environmental sustainability, technological sovereignty, and international integration. Across all of them, we seek not only to outline strategic directions for building a new economy, but also to point out public policy agendas and instruments capable of translating these principles into concrete courses of action. The examples presented throughout this section should not be regarded as exhaustive, but rather as illustrating how different policies can operate in a complementary manner to help reshape Brazil's development.

DIMENSION 1: DEVELOPMENT AS STATE POLICY: STATE CAPACITY, SOCIAL PARTICIPATION, AND MULTILEVEL GOVERNANCE

Building a new economy requires reaffirming the role that the State has as a key actor in shaping, coordinating, and driving development. This entails strengthening its institutional, financial, and administrative capacities to plan long-term transformations, guide investment, and coordinate economic, social, and environmental policies around the country's strategic priorities. State capacity, however, is not limited to federal government activities, nor can it be exercised in isolation from society. It depends on strengthening mechanisms for social participation and coordination among the State, workers, the productive sector, social movements, and civil society, as well as on multilevel governance capable of coordinating the federal government, states, and municipalities in implementing development agendas.

This includes deepening intergovernmental dialogue, strengthening coordination mechanisms across different levels of government, and incorporating new social, environmental, climate, and productive priorities into planning and territorial development instruments. Against this backdrop, public procurement can also serve as a cross-cutting instrument of state coordination, helping to align the State's purchasing power with social, technological, and productive priorities.

This dimension also includes reviewing the criteria by which the State itself defines its priorities and evaluates its results. This entails moving beyond the use of Gross Domestic Product (GDP) as the primary measure of success and incorporating indicators of well-being, job quality, income distribution, care coverage, emissions reductions, and climate resilience to guide public spending and assess the effectiveness of public policies.

Dimension 1. Development as State Policy: State Capacity, Social Participation, and Multilevel Governance	
Examples of Public Policies	**Relationship to the New Economy**
• Green Gross Domestic Product (Green GDP) (Law No. 13,493/2017; still pending regulation) • Proposal to establish an Environmental-Economic Accounting (CAE, in Portuguese) system comparable to systems adopted in other countries (Law No. 13,493/2017; still pending regulation) • Brazilian National Climate Change Plan (Plano Clima 2024–2035) • Public procurement to foster sustainable and strategic development (Law No. 14,133/2021; Law No. 15,226/2025; Decree No. 11,890/2024)	These policies show that Brazil's national development depends on the State taking deliberate action to define priorities, coordinate policies, and guide economic activity. By mobilizing planning instruments and redefining the criteria for assessing economic performance, while incorporating social and environmental dimensions, and using public spending strategically, the policies help align different sectors and levels of government, thereby integrating social, environmental, and productive objectives into a shared development project.

DIMENSION 2: WORK, INCOME REDISTRIBUTION, AND WELL-BEING

The lives of Brazilians cannot be reduced to work alone. Accordingly, the progressive reduction of working hours without cuts in wages should take center stage in the construction of a new economy and serve as the starting point for a broader discussion on wages, labor relations, and leisure time. Brazil must adapt to ongoing transformations in the labor market without sacrificing social protection for those who generate the country's wealth on a daily basis. To this end, there is an urgent need to regulate work on digital platforms by guaranteeing employment status, social security protection, and collective rights. It is also necessary to make formal employment more viable and economically attractive by simplifying the tax system for microentrepreneurs and expanding access to subsidized credit and technical assistance for cooperatives and productive associations committed to decent work.

The care economy - carried out predominantly by women - must be recognized, valued, and adequately funded. This can be achieved by expanding social security rights and access to social protection programs, while also scaling up full-time public care services, such as childcare centers and institutions providing care for the elderly.

Finally, recent advances in tax reform should be deepened by increasing the progressivity of taxes levied on wealth and inheritance, thereby strengthening income redistribution and complementing existing social policies.

<table>
<tr><th colspan="2">Dimension 2. Work, Income Redistribution, and Well-Being</th></tr>
<tr><th>Examples of Public Policies</th><th>Relationship to the New Economy</th></tr>
<tr><td>End of the Six-Day Workweek (Constitutional Amendment (PEC) 148/2015; and PEC 8/2025)
Fare-Free Public Transportation (Tarifa Zero) (Constitutional Amendment (PEC) No. 25/2023; Bill (PL) No. 3278-A/2021)
Regulation of Digital Platform Activities (Complementary Bill (PLP) No. 12/2024; and PLP No. 152/2025)
National Care Policy (Law No. 15,069/2024)
National Integrated Early Childhood Policy (Decree No. 12,574/2025)</td><td>These policies reshape the relationship between work, income, and well-being by redefining working time, expanding social protection, and broadening access to essential services. They combine labor market regulation, measures to reduce the cost of living, and stronger care policies to improve living standards, reduce inequalities, and enhance economic security.</td></tr>
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DIMENSION 3: ECOLOGICAL TRANSFORMATION AND PRODUCTIVE REORGANIZATION

There is an urgent need to reorganize Brazil's productive structure and pattern of international integration. The global economy is entering a new stage in which the energy transition and the data economy are reshaping competitive advantages and strengthening the influence of countries that either control or internalize strategic stages of these value chains. Brazil possesses strategic natural, economic, and social assets to reposition its productive structure in this context, and ecological transformation can provide a pathway to combine reindustrialization, value addition, and sustainability.

Against this backdrop, several priorities take center stage: green industrial policies with local content requirements in sectors such as renewable energy, sustainable mobility, and low-carbon technologies; policies to promote the bioeconomy; and land tenure regulation instruments and economic incentives that make territorial protection as well as the sustainable use of natural resources more advantageous and profitable than illegal deforestation and other environmental crimes.

Climate justice cuts across this particular dimension. This means that any transition policy must ensure prior consultation with Indigenous Peoples and traditional communities, distribute its benefits equitably, and protect workers in sectors affected by decarbonization through productive reconversion programs and income support.

Dimension 3. Ecological Transformation and Productive Reorganization	
Examples of Public Policies	**Relationship to the New Economy**
• Ecological Transformation Plan – Novo Brasil (New Brazil) • New Industry Brazil (NIB) • Transition to low-emission agricultural production (Law No. 12,187/2009; Decree No. 10,431/2020; Decree No. 10,606/2021) • Energy Transition Fund financed by oil and gas revenues (proposal	These policies integrate industrial policy, public financing, and land-use transformation to reshape Brazil’s productive model through ecological transformation. By combining reindustrialization, low-emission agriculture, and investment in clean energy - including through the use of oil and gas revenues to finance the energy transition - they integrate sustainability, value addition, and job creation into a long-term development strategy.

DIMENSION 4: MACROECONOMY, FINANCE, AND INCENTIVES

Discussions over the fiscal rules that shape Brazil's macroeconomy are as sensitive as they are urgent. Although current fiscal rules allow for some expansion of public spending, they nevertheless continue to impose constraints that are incompatible with the needs of the Brazilian State and limit public investment. Revising these rules does not mean pushing for unchecked or indiscriminate public spending, but rather ensuring the flexibility needed to address historical inequalities and drive productive transformation. Across the world, States are re-emerging as drivers of development, prompting a reassessment of rigid fiscal stability approaches that, for a long time, have steered economic policy almost exclusively despite their high social costs.

In this regard, new criteria are needed for the design of fiscal rules. This includes, for instance, incorporating employment indicators into defined inflation targets and creating stabilization mechanisms that allow public investment to be maintained during periods of stagnation and crisis.

Long-term public financing instruments are also critical to the new economy. The Brazilian Development Bank (BNDES) should continue to be strengthened as a driver of sustainable development and the green transition in Brazil, serving, on the one hand, as a de-risking instrument for productive investment and, on the other, expanding its role as a provider of subsidized credit to emerging sectors such as artificial intelligence, semiconductors, and electric batteries.

In the field of taxation, fiscal benefits that fail to demonstrate measurable contributions to job creation, innovation, or social returns should be reviewed; efforts to target tax evasion and aggressive tax planning, particularly by large companies and multinational corporations, should be enhanced; and subsidies, public procurement, and public financing should be conditioned on the fulfillment of verifiable socio-environmental requirements aligned with the Brazilian Sustainable Taxonomy. The objective is to ensure that socially and environmentally responsible practices are no longer the exception and instead start benefiting from tangible incentives.

Dimension 4. Macroeconomy, Finance, and Incentives	
Examples of Public Policies	**Relationship to the New Economy**
• Taxation of very high profits and dividends (Law No. 15,270) • Tax on large fortunes (Direct Action of Unconstitutionality by Omission (ADO) 55) • Brazilian Sustainable Taxonomy (Decree No. 12,705/2025, under development) • Taxation of the consumption of high-emission luxury goods and services (proposal)	These policies reshape the economic incentive structure by taxing income, wealth, and consumption patterns while directing capital flows toward activities aligned with social and environmental objectives. By combining progressive taxation with sustainable classification and financing instruments, they help reduce inequalities, expand investment capacity, and ensure that the economy is aligned with ecological transformation.

DIMENSION 5: TECHNOLOGY, INNOVATION, AND SOVEREIGNTY

Investment in Science, Technology, and Innovation (STI) is one of the pillars of development and one of the main tools through which the country can expand its productive capacities, reduce dependencies, and overcome historical and technological gaps as part of a technological catch-up process. The ongoing transformations in the global economy require not only greater investment in STI, but also a review of the design, coordination, and objectives of STI public policies.

Two concepts have taken center stage in this debate. The first is technological sovereignty[4], understood as a country's ability to define its own priorities for research and technological innovation. In Brazil's case, this is particularly important given the risk that the country may potentially remain confined to the role of a supplier of strategic resources for other economies' energy transition, without, however, developing its own productive, technological, and industrial capacities.

The second concept is that of mission-oriented policies[5], which has established itself as a reference for both industrial and STI policies. This approach seeks to align financing, institutional coordination, and research and innovation efforts around strategic, concrete challenges for the country, requiring greater coordination across different areas, sectors, and levels of government.

Some of the priority measures include building public capacity in strategic areas such as semiconductors; regulating artificial intelligence through requirements for algorithmic transparency, data protection, and accountability for automated discrimination; strengthening data sovereignty; and capacity-building for workers in occupations emerging from the ecological transformation and the digital economy.

Public procurement policies should require progressively higher levels of domestic technological content in strategic sectors such as health, energy, public safety, and education, thereby creating demand capable of spurring domestic investment in research and development. Likewise, data sovereignty should be treated as public infrastructure, supported by national servers, open standards, and transparent governance mechanisms for the platforms that mediate economic and social life.

[4] The concept of technological sovereignty used here closely resembles Evgeny Morozov's perspective, which examines countries' autonomy in governing digital and productive infrastructures in the face of so-called "digital extractivism," whereby peripheral economies serve as data and resource providers while technological value is concentrated in major global centers (see, for example, Digital Socialism? The Calculation Debate in the Age of Big Data, 2019). It also resonates with Mariana Mazzucato's approach in The Entrepreneurial State (2014), emphasizing the role that the State has in setting strategic priorities for technological and productive development. As Morozov states, "fighting for technological sovereignty without fighting for economic sovereignty is useless" (in an interview with Le Monde Diplomatique, available https://diplomatique.org.br/lutar-por-soberania-tecnologica-sem-lutar-por-soberania-economica-e-inutil/).

[5] The concept of mission-oriented policies, conceptualized by Mariana Mazzucato, proposes organizing public action not around isolated sectors or projects, but rather around broad strategic objectives capable of steering investment, institutional coordination, and innovation. These missions should be ambitious yet realistic, cross-sectoral and interdisciplinary, provide clear guidance, and foster multiple bottom-up solutions (see Mission Economy: A Moonshot Guide to Changing Capitalism, 2022).

Dimension 5. Technology, Innovation, and Sovereignty	
Examples of Public Policies	**Relationship to the New Economy**
• National Strategy for Science, Technology, and Innovation (ENCTI) 2024–2034 • Planned Obsolescence Bill (PL) No. 805/2024) • Strengthening reverse logistics through the inclusion of waste pickers (Law No. 12.305/2010; Decree No. 11.414/2023) • Community banks and popular and solidarity finance (Complementary Bill (PLP) No. 93/2007)	These policies redefine technological development by building national capacities, transforming production patterns, and expanding access to economic and productive instruments. They integrate science and innovation policy, circular economy practices – including recognizing the work of waste pickers - and inclusive finance, thereby strengthening technological sovereignty, expanding productive autonomy, and democratizing access to the economic and technological pillars of development.

DIMENSION 6: SOVEREIGN FOREIGN POLICY, INTERNATIONAL COOPERATION, AND MULTILATERALISM

The development of a new economy in Brazil is constrained by structural factors that cannot be addressed through domestic action alone. In an international system characterized by power asymmetries, developing countries continue to face unequal access to financing, technology, and markets. The high cost of capital for developing countries, driven by unfavorable risk perceptions and exclusionary international financial architectures, undermines national long-term investment strategies.

At the same time, strict intellectual property rules hinder access to strategic technologies and constrain industrialization processes, while certain trade agreements and rules oftentimes reinforce regressive patterns of specialization and relationships of dependence.

External vulnerability is also reflected in the key role played by the U.S. dollar and the international monetary hierarchy. Reliance on a strong currency for financing, trade, and reserves increases exchange-rate risks, puts pressure on public debt, and reduces policy spaces available to developing countries. In periods of inflationary shocks or rising interest rates in developed economies, this asymmetry translates into capital flight, currency depreciation, higher borrowing costs, and deeper macroeconomic instability across the Global South. These things underscore that debates on development, sovereignty, and productive transformation must take into account not only domestic variables but also the constraints imposed by the international political economy.

Against this backdrop, a sovereign foreign policy, international cooperation, and multilateralism are central pillars of a new economy. This is not merely about a somewhat abstract defense of cooperation among countries, but rather about using it to reduce the structural obstacles hindering development and expanding Brazil's ability to define its own development path. This includes pushing for reforms to the international financial architecture, promoting greater access to financing on fair terms, challenging rules that undermine technological diffusion, strengthening monetary and financial cooperation mechanisms, and renewing multilateralism - including the United Nations - as a legitimate and effective space for political coordination, negotiation, and the development of collective responses to the challenges posed by development, inequality, and the climate crisis.

At the same time, foreign policy can serve as a vehicle for exploring economic, productive, and technological complementarities among Global South countries, particularly in Latin America and the Caribbean. Advancing regional integration can expand consumer markets, bring together different industrial bases, technological capabilities, and the availability of natural resources offered, thereby creating the scale required for industrial and ecological transition policies that would be weaker if pursued separately. For example, strengthening regional value chains, supported by South-South cooperation mechanisms and multilateral, regional, and national development banks, can help reduce external vulnerabilities, foster value addition, and enhance Brazil’s as well as the region’s strategic autonomy. As such, foreign policy ceases to be peripheral and starts becoming an integral part of a project for just, sustainable, and sovereign development.

Dimension 6: Sovereign Foreign Policy, International Cooperation, and Multilateralism	
Examples of Public Policies	**Relationship to the New Economy**
• BRICS Laboratory on Trade, Climate Change, and Sustainable Development • Patent pool for climate technologies (BRICS, with shared intellectual property and streamlined licensing among member countries) • Joint regional public procurement of medicines (UNASUR/MERCOSUR, with coordinated negotiation and procurement) • Africa-Latin America and the Caribbean Transregional Cooperation Agenda for a Green Industrial Policy (GRIP - Green Industrial Policy, focused on trade, technology, and financing) • Tropical Forests Forever Facility (TFFF) - an international financial mechanism led by Brazil to compensate for the conservation of tropical forests and mobilize long-term investment • Global Alliance for Just Transitions (proposed international platform based on the G20 Global Alliance against Hunger and Poverty and aimed at mobilizing financing, facilitating technology transfer, and strengthening capacities for the implementation of just transitions) • Incentives for importing and exporting low-carbon products (proposal)	These policies strengthen the role of foreign policy and international cooperation as development instruments by fostering cooperation among Global South countries, technology sharing, and new financing mechanisms. They combine trade and climate coordination efforts, expanded access to strategic technologies, joint public procurement, and innovative financial instruments for global public goods, thereby enhancing collective influence, reducing structural asymmetries, and strengthening economic and political sovereignty.

4. FINAL REMARKS: A NEW ECONOMY AS A SHARED PROJECT UNDER DEVELOPMENT

The new economy is neither a fixed blueprint nor a finished set of measures. Above all, it is a project under development that seeks to respond to a context of polycrisis and the need to redefine Brazil's development on new pillars. It is about recognizing that there is no neutral technical solution to today's challenges: what is at stake are choices about how to organize economic life, distribute wealth, address inequalities, manage ecological limits, and expand the country's ability to decide on its own future in a sovereign manner.

The six dimensions discussed in this document do not represent isolated compartments, but rather interconnected and cross-cutting dimensions of a single project. It is precisely this coherence across dimensions, time horizons, and levels of action - from the local to the international - that distinguishes a new economy from a set of well-intentioned, albeit disconnected sectoral policies. This means recognizing that transforming Brazil's development depends not only on domestic choices, but also on how the country positions itself within the international political economy, addresses external constraints, and works to expand its decision-making space in areas such as financing, technology, trade, and climate. What is at stake is not merely the effectiveness of each individual measure, but the very ability to sustain the choices required for structural transformation over the long term and in the face of adversity.

This project is under development, and its consolidation depends on an institutional, fiscal, and regulatory framework capable of making economic transformation both viable and politically sustainable. That is, it is not only a matter of drafting appropriate public policies, but also of creating the right conditions for those policies to reinforce one another. To that end, a public architecture is needed to sustain transformation over the long term by combining planning, financing, intergovernmental coordination, social participation, and regulatory capacity. In other words, the consolidation of a new economy depends as much on the quality of public policies as on the ability to create the right conditions for their continuity, scale, and democratic legitimacy.

At the international level, concrete pathways must be pursued to help consolidate a sovereign foreign policy committed to international cooperation, renewing multilateralism, and developing more equitable rules of global governance capable of reducing historical asymmetries and enhancing the influence of Brazil and other developing countries.

Building on these six strategic dimensions, Plataforma CIPÓ and Transforma will dedicate themselves to developing a repository of proposals and solutions aimed at collecting, systematizing, and reshaping public policies and legislative proposals that help translate this agenda into concrete transformation pathways for Brazil. Rather than concluding the debate, this document seeks to launch a work and advocacy agenda focused on developing alternatives capable of guiding a coherent project for socially just, environmentally sustainable, and sovereign development.

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NEW ECONOMY FOR BRAZIL

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