



Yanis Varoufakis: Perspectives of Democracy & the German election

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acTVism: What do you understand by the term “democracy”?

Yanis Varoufakis: Democracy is a process. It is the best process we have available for the purposes of ensuring that power is not used in order to subjugate, and in order to create a kind of society in which in fact nobody would really want to live in, including the powerful. So democracy is an imperfect system of government; it's never set in stone. It is constantly in flux, constantly work in progress; it needs to be contested again and again; and in the end it's a very fragile flower that is very easy to trample upon.

acTVism: How does the Diem25 movement practice Democracy?

Yanis Varoufakis: We have labored long and hard to ensure that we preach democracy outside, but we practice it at home, because democracy begins at home. We are struggling – and it is a struggle – to maintain what is called a combination of horizontal and vertical. So horizontality means that anyone, you, anyone, who has just joined Diem, as long as you espouse our manifesto and our principles, can start an organization – we call it a spontaneous collective, a DSC, Diem Spontaneous Collective – in your region amongst people of similar interests, and just take it away, and indulge in activism and criticism and political organizing, in debates in your area amongst your colleagues, that promote our common principles, without the permission of anyone, any central authority within Diem. All these spontaneous collectives contribute to the policy, the framework of Diem25, to our campaigning.

At the same time, we also have verticality; we have a coordinating collective, something like a central coordinating committee, for the purpose of coordinating, because you need to coordinate this big beast, now that we have hundreds and hundreds and thousands of members, hundreds of organizations and tens of thousands of members.

Maintaining the horizontality-verticality balance is work in progress, but as I said it works, democracy is working for us. There is no such thing as the big, perfect democratic model; it's something that constantly has to be created as we move on.

acTVism: Your comments on the upcoming German election?

Yanis Varoufakis: Given the circumstances on the ground and the effective demolition of the credibility of almost everyone – Ms. Merkel has lost her own credibility within the CDU, the SPD has no credibility than amongst the good people that support it, the Greens are non-existent, they have been co-opted by ordo-liberalism to a very, very large degree, die Linke is split – given this sad state of affairs, I think that a hung parliament is the best thing we can hope for.

The most disastrous outcome would be the one that I think is very likely, a coalition between the Christian Democrats and the Free Democrats. And this would be a disaster because the Free Democrats are – even though they have good positions on a number of things, like refugees, like borders – being liberals or neoliberals, their view of what needs to happen in Europe, in the Eurozone in particular, is *absolutely* catastrophic. Dr. Wolfgang Schäuble is going to have a great ally in the FDP. Stopping this coalition between the Christian Democrats and the FDP should be every progressive's goal at the moment.

acTVism: Is the European Union democratic?

Yanis Varoufakis: The European Union was constructed on purpose as a democracy-free zone. Just like OPEC, the Organization of Petroleum Exporting Countries, was constructed as a cartel. Similarly, remember the first name of the European Union; it was called the European Community of Coal and Steel,¹ just like OPEC. A cartel. It was an economic and of course a political *and* a cultural project, but it was a cartel. The bureaucracy in Brussels was installed there as a bureaucracy of a cartel. Its purpose was to ensure that there would be no *demos*, playing any role in decision making.

Of course, there had to be a great deal of communication, a great deal of, let's say in old-fashioned terms, people don't like the term, propaganda, and that took the form of creating a democratic shell into which to embed this cartel. So you have a European Parliament, although it's not really a parliament, there are no normal legislations of a parliament, in the universal sense of legislation, and in the end all the decisions are taken behind closed doors, without any transparency and accountability.

So, when people say there is a democratic deficit in Brussels and the European Union, I say to them, no, you're being extremely analytically imprecise: There is *no* democracy, zero democracy. What we need to do is: We need to confront this cartel, *clash* with it mercilessly, in order to democratize it. But then again, let's think back to the 19th century. Capitalism was *meant* to exclude democracy. Even the first parliament, the House of Commons in Britain – its purpose was to keep the *demos* out. And democratic movements storm the castles, and we need to storm the Brussels castles.

acTVism: Does the European Union treat its members equally?

Yanis Varoufakis: You will allow me to answer this question by means of a real case, the discussions I had with Wolfgang Schäuble. At some point, in our discussions, I said to him, I mentioned the case of the privatization of fourteen regional airports in Greece. A privatization

¹ Official English name: European Coal and Steel Community.

that the Troika of lenders and he himself were really pushing, really hard on us, and which in the end, after my resignation, happened.

All of them were purchased in the end for a pittance by Fra-Port, a German, actually nationalized company, a state-owned company, and I said to Wolfgang, I said, Wolfgang, would you ever agree that in Germany all these all-important airports should be privatized, be sold to a single company – in other words, no to competition – if you sell all of them to one company, you create a monopoly, without any shares being retained for the regional governments, or for the federal government?

Would you ever agree to that in Germany? He said: *No*, of course I wouldn't! And that's where I said: Why are you imposing it on us? And his answer, in not so many words, but through most of the expressions used, was: You can't expect the same rules to apply to Greece and to Germany. You are a default colony.

acTVism: Are there double standards when it comes to trade issues?

Yanis Varoufakis: The German government, in particular Dr. Wolfgang Schäuble, talk again and again and again about the rules, and how important they are. And of course, that is true; they do insist that everybody has to stick to the rules. But it turns out that they themselves don't. So for instance, agreements. When agreements are broken by Greece or by Portugal, Greece and Portugal are lambasted.

But there are several important, crucial agreements made with Greece which were violated from the other side. So for instance there was an agreement that the profits made by the European Central Bank from Greek government bonds should be returned to Greece. Those have not been returned to Greece. Instead Doctor Wolfgang Schäuble pocketed a very large percentage of them and put them in his budget against the explicit agreements on the European level.

Let me give you another example of broken rules. According to the excessive deficit and surplus balancing procedures in the European Union, an authority should get penalized if you have an excessive budget deficit, but you should also be penalized if you have an excessive trade surplus. Anything above six percent of GDP should immediately bring upon you a penalty. Now Germany has violated this by means of a trade surplus which is more than nine and a half percent, not six, but nine and a half percent.

And what has happened to the rule according to which it should be penalized within the EU? It's been quietly forgotten. Now what happens when rules are only applied to the weak? You end up with an autocracy, like we had in the 19th century; it used to be called something like gunboat diplomacy. This is what we have today.

acTVism: What are your predictions about the future of democracy in Europe?

Yanis Varoufakis: I forbid myself from entering the guessing game. Our job as activists, as citizens, as politicians, as members of Diem25 is not to predict, but it is to act. With a moral responsibility to ourselves, we have a very finite life, at least that's what I think, we might as well have fun, trying to change this world, not to adapt ourselves to it. And a part of it means, no pessimism, no optimism, but great hope in the capacity of humanity to wrestle control over its destiny, from forces that are both idiotic and authoritarian.

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