



Yanis Varoufakis on the European New Deal - Part 2

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ABOUT THE INTERVIEWEE

Yanis Varoufakis is a professor of Economic Theory at the University of Athens, former finance minister of Greece and founder of the Democracy in Europe Movement 2025 (DiEM25). Varoufakis is also the author of several books on the European debt crisis, the financial imbalance in the world and game theory.

DiEM25 is a pan-European, cross-border movement of democrats that is focused on addressing the economic and social problems faced by Europe today. It provides an alternative to austerity policies that it argues are dividing the continent and fueling the rise of "international nationalists".

INTERVIEW

acTVism (acTV): In the previous segment you referred to a "Carbon Tax" to finance social projects. Is this "Carbon Tax" targeted at consumers and working people or the industry?

Yanis Varoufakis (YV): Industry. Industry is getting away with murder in terms of climate change. The attempt by the European Union to create a pseudo-market for emissions, for CO₂, failed spectacularly because they tried to use a neoliberal solution for something that neoliberalism has no solutions for. They tried to create the emissions trading scheme and it failed. It just crashed and burned. So that is why we are saying it is high time that we replace it with a very, very simple tax where CO₂ emissions bring a cost to those who create them at the level of industry. We should all pay for the environment each according to his or her capacity and each according to his or her damage that they inflict upon the environment. There is no doubt about that. And if we need to incentivize citizens to leave their CO₂ producing diesels behind and pressurize politicians and local governments for better green transport systems that's a good thing.

acTV: Let's switch gears, DiEM25 mentions "Maintainers" in its socioeconomic plan. What are "Maintainers" and why is DiEM25 supporting them?

YV: Innovation is essential for any dynamic society that wants to keep moving into the future proudly and happily. But every innovative society requires those who do the old-fashioned work of maintaining existing systems. Both technical systems and social systems. So those who replace powerlines, this is not rocket science, it's not artificial intelligence, it's old-fashioned work that has been happening for decades but it is essential work. Those who clean the sewers, those who rebuild the sewers, it is very dirty work, it is not rocket science, it's not particularly popular and impressive but it is essential. Without the sewers, we would all die of disease. Those who take meals to old people in their homes. The nurses, the teachers, the nursery teachers, these are the maintainers of a society that modern society, capitalist modern society has neglected, has discarded, has treated with contempt but yet they are the ones who are keeping the whole show on the road. And it is about time that we look after them, we treat them with the respect that they deserve and we also reward them for doing the dirty jobs, the difficult jobs, the essential jobs without which society would crumble and simply not be worth living in.

acTV: Why should Germans support DiEM25's European New Deal given that they are doing relatively well? What can Germany expect if it fails to support this proposal?

YV: My experience speaking to many different kinds of representatives of German society is that this country consists of citizens caught up in a wave of insecurity. Yes, everybody is in surplus. The government is in surplus, corporations are in surplus, households have savings but each and every citizen in this country knows in their bones that this is not sustainable. Because let's face it, if everybody is saving in a country like Germany somebody has to borrow. And if the country is in surplus in aggregate, effectively all your savings in this country will have to be sent abroad to be invested. So, it's like... and trusting your future to foreigners whom you cannot control, that causes a great deal of disdain in Germany. And rightly so, because it destabilizes the rest of the world, too. Effectively, you are exporting deflation to the rest of Europe and to the rest of the world. And by exporting deflation you are bringing the point in time closer when there is going to be a fall in demand for your net exports, for net German exports abroad. And when you combine this with an aging population and a Europe which is increasingly in the clasp of centrifugal forces that are tearing it apart, Germany is riding a wave that it cannot continue forever, that is going to crash. And the effect of this crash is going to be humanly very problematic for the people of Germany and for the people of Europe. So, in effect, the message of DiEM25 to the average German citizen and voter, who may be conservative, who may not have, at the top of their list of priorities, a pan-European transnational progressive agenda, our message is: beware, a surplus can only be sustained if the deficit of the others is also sustainable. And if the deficit of the others is not sustainable, your surpluses are not sustainable, and, therefore your savings are in peril. And the only way we can stabilize your future is by stabilizing the future of Europe. And this is what DiEM25 can offer. A European New Deal with the capacity and the rationality, and I believe Germans are very drawn to the idea of rationality as they should be because of the tradition in this country of practical reasoning, to stabilize everybody's future at once.

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