



## Interview with Yanis Varoufakis

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**Zain Raza (ZR):** Welcome to The Source, a program dedicated to providing a voice to whistleblowers, former insiders and policy experts. My name is Zain Raza, and today we're joined by best-selling author, former finance minister of Greece and the co-founder of the Democracy in Europe Movement 2025, Yanis Varoufakis. Yanis, thank you for joining us again.

#0:33#

**Yanis Varoufakis (YV):** Great pleasure.

**ZR:** So before I delve into the social and economic issues surrounding Europe, I want to briefly talk to you about Julian Assange who has been forced to seek refuge in the Ecuadorian embassy in London since 2012 and until recently he was not charged for anything. So now the Ecuadorian embassy is tightening restrictions around him and there are reports that the US government is planning to criminally prosecute him. What precedent does this send for publishers and what does this mean for press freedom?

#1:00#

**YV:** Well, first they are getting Julian. Then they will get you. Me. Everyone. This is a clear struggle for freedom of the press and for the right of citizens to know that which governments are doing behind their backs, supposedly on their behalf. Julian has never been charged for anything. His name has been dragged through the mud over the Swedish case. Even progressives were cajoled into believing that he was running away from Swedish justice on the rape charges. And whenever the supporters of Julian were pointing out that Julian would like nothing more than to face his accusers in Sweden but the only reason why he is not getting out of the Ecuadorian embassy is because he knew that there was a secret national security apparatus ready to pounce upon him from the United States. Simply because he

embarrassed the security apparatus by revealing all the information that we now know and cherish. Regarding massacres in Iraq, in Afghanistan, the CIA papers in 2017.

Even progressives were cajoled into thinking or saying “Oh come on, this is paranoia. He’s simply trying to avoid facing up to the charges in Sweden”. Now we know, because by an accident, by a cock-up in United States, the authorities have actually published the charges that are being laid against him, which are effectively spying charges. Which means that if Julian steps out of the Ecuadorian embassy, he will be arrested by British police. Then he would be extradited to the US and then we will never hear from him again. He will be like Chelsea Manning, he will disappear into the Guantanamo-like system. Even his lawyers will not be told what he has been charged with and that is only for the purpose that people like you and me and our audience and everybody else out there do not have access to the dirty secrets of our security apparatus, supposedly in our name.

#3:18#

**ZR:** Let’s get to Europe now. In Germany, the center is collapsing as we see in the federal and regional elections. The era Mutti or Angela Merkel is coming to an end, many are saying now. And Brexit is going back and forth in a drama, it’s also coming to an end. Some are saying it might go on for a longer time. Lately the standoff between the EU and Italy about its budget is escalating. So before it was like on the periphery the problem and now it seems that the instability is reaching its core. Can you comment briefly on these developments, is this all due to migration and refugees or is there something deeper and underlying at work here?

#3:56#

**YV:** It has nothing to do with migration, nothing to do with refugees. Our generation has a duty to itself to grasp what is happening to it. And what is happening to our generation is quite simple and complicated at the same time. The simple story is this. 2008 was our generation’s 1929. Just like in 1929, it all began with Wall Street. Wall Street is always the earthquake epicenter of capitalism. When capitalism reaches unsustainability levels beyond a certain threshold, then it crashes in Wall Street. This is what happened in 1929, it’s what happened in 2008. The inane establishment that was supposedly managing global capitalism, the Davos crowd, to be this way, were completely caught unaware. They had no idea even what happened. So they clamped down through an authoritarian policy of socialism for the finances and austerity for the masses.

They tried to keep the lid on a crisis that was beyond their control or understanding. Just like in the 1920s and 30s, the center did not hold. Just like in the 1920s and 30s, you had a cynical attempt to shift the costs of the crisis on to the shoulders of the weakest members of society. And the result was fascism. This is exactly what’s happening here. Brexit, Angela Merkel’s fall from grace, Matteo Salvini’s fascist movement in Italy, Orbán in Hungary. The fact that every major center-left or center-right party in Europe is now collapsing.

These are all the aftershocks, the aftereffects of our generation’s 1930s. And it is essential for us as democrats, as progressives, and this is what DiEM25 is trying to do in Europe, to unite across different European countries and forget about the old-fashioned political system

going to a new politics that confronts simultaneously the collapsing ruling class apparatchiks and the rising fascists, nationalists, xenophobes. This is a difficult struggle, but this is our generation's duty.

#6:22#

**ZR:** Since 2017 a lot of movements are springing up, however when I observe them or research on them, I see that there's no really concrete economic plans, proposals, history context. What makes DiEM25 different than other movements and how important is it for young people today to know about basic economics?

#6:45#

**YV:** The fundamental difference between what we're doing at DiEM25 and all the other progressive and good movements of the past, is that all the other movements began by gathering around a table or in center squares or on the streets united by an emotional urge to change the world, but without a program of how to do it. DiEM25 did it exactly the other way around.

We started life, we were inaugurated as you know in Berlin in February 2016 and spent two years answering the question: How could things be dealt with, managed differently? What do we do about private debt? What do we do about public debt? What do we do about poverty? How do we fund an anti-poverty program? How do we challenge property rights on the capital returns, universal basic dividend? What do we do about a jobs guarantee scheme that will allow people to stay in their communities and not have to migrate either within their country or internationally? And we came up with a European New Deal, that's what our program is.

Once we had that and we were convinced by our own program, then we branched out and created electoral wings, everywhere including here in Germany today for the purpose of taking this program out onto the streets, into the squares, in meeting rooms. This is a profound difference and I'm afraid that in answering your question as to why should young people learn about economics, my message to them is, economics is boring. Economics sucks. But it is the language in which politics is negotiated and done. And each one of us needs to understand the basics that are necessary so that our participation in the political struggle can be effective.

#8:37#

**ZR:** You mentioned the universal basic dividend, also one can interpret this as universal basic income in its essence, I'm talking about. So usually people think it's a leftist idea but you argue that it entails liberal values as well. Could you elaborate on that?

#8:56#

**YV:** Well, it's one of those ideas that has adherence in almost every political family. Even ultra right-wing libertarians support it because they see it as an alternative to a social welfare system. We at DiEM25 do not see it as an alternative to a social welfare system. We see it as something quite separate but absolutely essential. And to put it very very simply, we disagree with the idea that it should be funded from taxes, because we think that a major

issue of our era, of the era of robotics, of automation, of platform capitalism, of Airbnb, of uberisation, the real issue is that we have conglomerates that now own whole market spaces and their capital is being produced by you and me. Every time we search something on a google search engine we are contributing to the capital of Google.

But society, you and me, are not benefiting from the profits of that capital, the retention of capital are appropriated privately by the shareholders of Google. So our view effectively challenges the capitalist foundation of corporate capitalism in the era of automation. And what we're saying is a chunk of the shares of these conglomerates must be confiscated and put into a trust fund for society where the dividends fund a universal basic dividend for everyone. Because everyone is now contributing to these people's capital.

And even from their perspective in the end if we don't do something like that, the increasing concentration of ownership rights in the hands of those conglomerates will create a major chasm between on the one hand their capacity to produce stuff, services, whatever, and our capacity to pay for them. So in a sense we are even saving them from themselves, those corporations like Google.

#10:51#

**ZR:** Let's get back to European politics. The finance ministers of Germany and France recently came up with an announcement about progress in a common Eurozone budget which should entail stuff like quick financial assistance in times of economic crisis, assisted investment and structural reform, and the Eurozone budget will be part of the greater EU budget. Is this what Europe has been waiting for and what the European New Deal is also advocating?

#11:19#

**YV:** It is rearranging the deck chairs from the Titanic instead of steering it away from the iceberg. They are adding insults to injury. We do need a Eurozone budget but they are not proposing a Eurozone budget. They are proposing - this is typical for the European Union - they proclaim something inane, so that they don't do it in practice. Remember in 2012, the banking union - there's supposed to be a banking union in Europe, we have no banking union in Europe - we have something called the banking union so that we do not have to have a banking union.

If an Italian bank goes bust, it is up to the Italian government to look after it. That's not a banking union. To have a monetary union with national banking systems is an affront to logic. Similarly, to have a monetary union without a Eurozone budget is an affront to logic. So what do they do? They proclaim that we have a banking union in order not to create one. They proclaim that they even have a Eurozone budget but if you look at the details, what are they proposing? They are proposing to embed within the European Union budget, a credit line from which states can borrow money but then repay them during supposedly better times. That's not a Eurozone budget. You know what this is? This is a troika, the Greek troika, at large.

A federal budget, a Eurozone budget, should be a budget that is funded through a common safe asset, a common bond. Unless you have the capacity to borrow at a federal level, you don't have a federal budget. Unless you have the capacity to impose federal taxes, you don't have a federal budget. And also, think about it, this Eurozone budget they are talking about, which is effectively little loans they are giving, austerity strings attached to one another, tiny ones, this budget is going to be embedded within the EU budget which is altogether 1 percent. Now, for a federal budget to have any macro-economic significance, you need at least 20 percent of GDP. *At least* 20 percent of GDP. This is going to be a fraction of 1 percent, ok? They are pulling our legs. We have a duty as citizens to look at these proclamations by the French and the German finance ministers and collectively laugh very loudly.

#13:42#

**ZR:** Another proposal that came out of the European Union was a joint military. They are talking about boosting spending in cyber defenses, creating a drone that would serve the European Union. Is this a way to revive capitalism through boosting the military-industrial complex or is it a good idea given the adventures of NATO, or how do you assess the situation?

#14:05#

**YV:** If we wanted to boost European capitalism, the obvious thing would have been to invest in a green energy union so that we can have renewable energy across Europe and decouple ourselves from Gazprom and Mr Putin. That would work very nicely. But instead, we're talking about creating a European army which is a bit curious, and intriguing. Let's say we were to create a European army.

Let's say we have a 1 million strong European army armed to the teeth. What are we going to do with it? Who is going to decide when and where to send this army into the battlefield? What government, the German government? Mr Juncker? With what legitimacy? There is nothing more dangerous than sending an army into a battlefield, and there is nothing that demands and deserves more democratic legitimacy than a decision to send young men and women to kill and be killed.

The idea of a European army may be fine once we have a European government. But that requires federation. To create a European army without a federal democratic constitution is to create a rogue army that will be detrimental to the interests of the world.

#15:24#

**ZR:** How much time is left until the EU falls apart? And what can individuals, particularly young people, do offline and online to change that fall?

#15:33#

**YV:** No time. The European Union is at an advanced stage of disintegration and I don't just mean Brexit. Brexit is one example, a very obvious example, but a way in which the centrifugal forces within Europe are now tearing it apart. Think about the Italian government,

the Hungarian government, the Polish government. Think about what's happening within Germany.

You have the CSU in Munich, in Bavaria. You have elements within the CDU, you have a collapsing SPD, you have an FDP which is advocating policies that will certainly destroy the Eurozone in the name of rectitude. So the whole of the European Union is now being pulled apart. There is no time left. We should have acted yesterday. Let's act today, given that we didn't do that.

#16:26#

**ZR:** You are candidating for the European elections representing DiEM25 from Germany. Why Germany? And also talk about your vision.

#16:35#

**YV:** DiEM25 started live in Berlin in February 2016. That was not a random choice. As we said during the inauguration in the Volksbühne theater nothing good is going to start in Europe until it begins in Germany. The German economy is the powerhouse of Europe. The German people are committed Europeans to a very large extent, decreasingly so because of the failures of the establishment, but nevertheless this is the battleground for Europe. It is not Italy, it is not Greece, it is not Portugal. DiEM25 is going to fight in Portugal, in Italy, in Greece, in France, in Ireland, everywhere. But this is the battleground.

My candidacy for the European Parliament in Germany symbolizes the end of the myth that there's a North-South divide, that there's a clash between northern Europe and southern Europe, and our determination to demonstrate to the people of Germany, the people of Greece, the people of France, that the real clash is between progressives and authoritarians everywhere. And until and unless we change the mood in Germany, the mood is not going to change anywhere across Europe.

#17:52#

**ZR:** Yanis Varoufakis, best-selling author, activist and co-founder of the Democracy in Europe Movement 2025, thank you so much for your time again.

**YV:** Thank you.

#18:00#

**ZR:** And thank you guys for joining us today. Don't forget to subscribe to our YouTube channel and to donate. Because if you don't, we won't be able to produce independent and non-profit news and analyses. My name is Zain Raza. See you guys next time.

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