



Varoufakis Summit 2020

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Janis Varoufakis (JV): The question I'm going to be asking today has two axes. One is, why a Progressive International? Why do we need a Progressive International? And the second part, the same question, why does a Progressive International need to think about post-capitalism. The era we live in will be remembered for the triumph of what I call a twin authoritarianism in whose wake the vast majority of humanity experiences unnecessary hardship and the planet's ecosystem suffers avoidable climate change.

JV: But I want to take you a bit further back for a brief period, what Eric Hobsbawm referred to as the short twentieth century. The establishment forces were united in dealing with challenges from progressives, from a variety of progressives. You'll recall that they were the original Social Democrats who sought to redistribute power from capital to labour within capitalism. They were the Soviet linked regimes that experimented with noncapitalist but centralised modes of production. There was Yugoslavia trying its hand out, very interestingly, with self-management. There were the national liberation movements in Africa. There was the original radical green movement in places like western Germany. Back then, the establishment was united against all those progressive challenges to its authority.

JV: Personally, I grew up in this town in Athens under a right wing fascist dictatorship that was instigated by the United States administration under Lyndon Johnson, which was, you know, paradoxically, the most progressive administration within the United States when it came to domestic policies; to the Great Society, to the civil rights movement. And yet they did not hesitate to carpet bomb Vietnam and to prop up fascists in my country. Indeed, what we now call the rebuilt liberal establishment used the fascists and local despots liberally to prop up the so-called Western way of life, the Fear and Loathing of Right-Wing Populism,

which today can be found on every page of The New York Times. Was simply absent back then. Only the progressives were portrayed by the liberal establishment as a threat to Western Civilisation. Never the Papadopoulos or Pinochet monsters. Now, things changed remarkably after 2008, the year the Western financial system imploded following 25 years or so of financialization under the guise and the cloak of ideology called neo-liberalism. Global capitalism in 2008 had its 1929 moment that nearly brought it to its knees. The immediate reaction was to use the central banks, printing presses, but also to transfer huge losses for the bankers onto the shoulders of the weakest citizens around the world in order to float financial institutions and markets. This combination of socialism for the very, very, very few and stringent austerity for the masses did two things.

JV: First, it depressed real investment globally. Firms could see that the masses, the horrible lawyers, Americans say, just didn't have the money to buy their wares, so they did not invest. At the same time, the printing presses of the central banks were creating huge quantities of cash savings, liquidity for the rich primarily. The result was this discontent amongst the many and the stupendous riches amongst the oligarch. Secondly, the second thing it did, it gave rise initially to progressive movements, uprisings. You will remember Occupy Wall Street in the United States and Britain and others in Spain. There were many here in Syntagma square in Greece. Various left wing forces that even managed to get the hands on some government levers in Latin America. But they were all one after the other dealt with efficiently, either by the establishment directly, think of the way they crushed the Athens Spring, the Greek spring here in the summer of 2015 or indirectly through the stagnation of global capitalism. Think of Latin American progressive regimes that effectively were undermined as Chinese demand for their exports collapsed as a result of the imbalance between global savings and global investment. As progressive causes were snuffed out one after the other the discontent of the masses had to find an expression. It was then that the post-modern mid-war period emerged, mimicking the rise of Mussolini. Who remember Mussolini promised to look after the weakest and to make them feel proud to be Italian again. Our generation witnessed the rise of what I call a Nationalist International. Rightist expression of Brexit. Remember the slogan, "We want our country back". Donald Trump, we're going to look after those that Wall Street left behind.

JV: Bolsanarro, Modi, Le Pen, Salvini, Orban. It is thus that for the first time since the Second World War, the great political clash was not between the establishment and assorted progressives, but between different parts of the authoritarian establishment. One part appearing as the stalwarts of liberal democracy, the other as the representatives of illiberal democracy. Of course, this clash between the liberal establishment and the Nationalist International was utterly illusory. Mr Macron, for president of France, needed Marine Le Pen. Without Marine Le Pen, McCrone could ever be president. And Marine Le Pen needed Macron and the liberal establishment whose austerity policies were fanning the flame of discontent, which made Le Pen a political player. Nevertheless, the fact that the liberal establishment and the Nationalist International, were in reality accomplices does not mean that the cultural and personal clash between them was not real, was not authentic. The authenticity of that clash, between Hillary Clinton and Donald Trump as an example, despite the lack of any real policy difference between them... What did Trump do when he moved into the White House? He took people from Wall Street instead of draining the swamp and put them in the Treasury. So despite this nonexistent poor policy difference between them,

the authentic clash between those characters made it next to impossible for progressives to be heard over the cacophony caused by this clash. This is, I submit to you friends, why we need the Progressive International because the fake opposition between the two variants of the twin authoritarianisms of the liberal establishment and of the Nationalist International threatens humanity. And they threaten humanity by trapping us in a business as usual agenda that destroys life prospects and wastes opportunities to end climate change.

JV: How can we break the stranglehold of these twin authoritarianisms? Look at our defeats in Greece in July 2015, when a promising progressive rebellion against austerity for the people and bailouts for the oligarchy took place. Or look at the successful undermining of Jeremy Corbyn and Bernie Sanders within their own political parties. Corbyn and Bernie Sanders, very much like popular progressive leaders in Brazil, Bolivia and Ecuador, were driven out of the political contest. Look at the way a veil of silence is drawn over the courageous struggles for self determination by countless communities in Asia and in Africa. Look carefully at this multitude of defeats. And I think you will agree that the only one thing that could prevent them is an effective, well-organised, Progressive International? Has the time not come, friends, for progressives to emulate the bankers and the fascists in one way? In utilising, deploying and energising internationalism, is it not time to follow that example, to unite across borders behind a common agenda, to create a common narrative, to press our capacities into the service of the same agenda in favour of the many, deploying a joint investment plan into saving the planet? This is the time I submit to you. I think the time has truly come.

JV: Now is the moment when either we form an effective, successful, progressive international or we share the blame for humanity's failure to serve people and planet.

JV: But what does a progressive international entail in practical terms, I hear many of you ask? What does it mean in practise? While such a grand project cannot be based on anyone's blueprint and must be constructed organically and democratically through crowdsourcing of ideas, if you will? At least one thing is clear, clear to me. The Progressive International cannot succeed if it simply emulates efforts like the World Social Forum or the brilliantly open discussion format of Occupy Wall Street, of the Indignant Citizens Movement in Syntagma Square, of the Indignados which gave a platform to everyone to express themselves. We need something that these earlier attempts at bringing progressives together lacked; a common programme and the collective action plan.

JV: I've already spoken in favour of confronting the internationalism of the bankers, of the fascists with a progressive internationalism. The fascist and the bankers, lest we forget, do possess a common programme. Whether you speak to a banker in Chile or a banker in Switzerland, you will hear the same narrative, the same story. How financial engineering provides the capital necessary to invest in everything we need. Blah, blah, blah. We know why privatisation is a must that only fools and irrational thinkers dispute the need to offer investors certainty against local legislatures and populists and parliaments and courts.

Similarly, every time you speak to a member of the Nationalist International, you hear the same story. How electrified border fences are essential for sovereign democracies. The threat to our culture and to our social welfare system from migrant labour. The importance of looking after the natives while making the life of those deemed less than loyal or worthy citizens or of their own religion, make their life harder. My point is we progressives also need a common programme. We must also speak with one humanist programmatic voice across the world.

JV: Talk, of course, is cheap unless backed by action. The liberal establishment did not have this problem. They are in government almost everywhere. And even if not in actual government, they're certainly in power. They're politicians, bureaucrats and bankers act upon the world every second of the day, always and consistently in a manner that promotes their own collective common programme. The Nationalist International also act upon the world, whether through violence on the streets of Portlands or "unclear" or through the policies of Trump, Bolsanarro, Modi, they are never short of a series of acts in total harmony with their misanthropic, xenophobic, reactionary common agenda. We need to emulate them in this regard, too. We need to plot to plan and carry out collective actions? So in summary, the Progressive International needs, in my view, two things, a common programme and an uncommon collective action plan.

JV: Now, what collective action plan should we envisage? You remember Chris Smalls, who used to work in an Amazon warehouse somewhere in New Jersey. I believe he shot momentarily to fame when it was revealed that after having fired him for staging a protest against the unhygienic conditions in the Amazon warehouse where he worked, Amazon's über-powerful directors spent a long teleconference planning his character assassination. Even though a considerable number of public figures spoke out in Chris's defence the furore had no effect. Amazon emerged from a lockdown richer, stronger and more influential than ever. As for Chris, once he's five minutes of fame, wherever he remained fired and vilified. Now, what would it take for the progressive international if we had already established ourselves properly as an organisation back then? What would it take to make a difference? Imagine that we were to call globally a day of inaction, a particular day of the week of a month when we call upon citizens of the world not to visit the Amazon Web site just for one day. Now it costs nothing not to visit Amazon.com for one day, even if you are a heavy Amazon user. But the cost to Amazon would be very significant. This could be a start. Identifying multinational companies that abuse workers locally and for us to target them globally, utilising the great disparity between the costs to participants in such action and the cost to targeted firms would be a good start. Then in a follow up phase, a second phase, we could combine these consumer days of inaction with trade union days of action at the local level aimed at the company and its affiliates.

JV: The prospect of such global action in support of local workers or communities has immense scope. With some clever communication and planning, such acts and campaigns can become a popular way, people around the world can embrace, to get a feeling that they are helping make the world a freer and fairer place. And what should our common plan be, what should be striking for? Well, the good news is that we now have an array of different green

deals to choose from. However, while each one of them contains useful ideas, I think we need to synthesise them into an overarching, coherent, international coordinated plan and international Green New Deal that is common to all progressive's. We know what we must do, what must be part and parcel of this international group. We need power generation that shifts massively from fossil fuels to renewables. We need land transport. That must be electrified while air transport and shipping must turn to new zero carbon fuels like hydrogen, meat production needs substantially to diminish, greater emphasis on organic plant crops. Strict limits on physical growth for anything from toxins and CO2 production to cement. We also know that all this is going to cost at least eight trillion dollars a year. So we need to find ways of creating or imagining, envisioning, planning institutions that will coordinate the various works and distribute the costs and benefits between the Global North and the Global South.

JV: Now, the task seems enormous undoubtedly. In a world where even a modest Paris agreement is in tatters it sounds like an ominous undertaking. This is precisely why we need a New Deal narrative at the planetary scale. The reason why Roosevelt succeeded in 1933 was because his new deal came at a time when the Grapes of Wrath were filling and growing heavy for the vintage. Its singular achievement was to address people who had given up and to inspire them the hope that, astonishingly, there is an alternative, that there are ways of pressing idle resources. Idle cash. Huge mountains of cash. Doing nothing. Into public service. The New Deal success was to present a plan that made sense to the disheartened and offered opportunity to the entrepreneurial. A plan that changed the frame from which a majority of people assessed their collective circumstances and capacities. The key questions of funding and distribution can also be answered through this new frame. The eight trillion dollars that I mentioned. Can be easily financed both from public and private sources. Public finance, just like that of the original New Deal, must involve transnational bond instruments and revenue neutral carbon taxes so that the money raised from, for instance, taxing diesel can be returned to the poorest of citizens relying on diesel cars in order to strengthen them generally, but also allow them to buy an electric car. Meanwhile. How do we defeat tax evasion without an international minimum corporate tax rate? That is internationalism in action. Say, a 25 percent minimum corporate tax, which can then be redistributed from around the world, taking into account the geographical distribution of the sales of the multinationals. To plough these resources into green investments, we need new organisations.

JV: How about a new Organisation for Emergency Environment Cooperation? OEEC. The namesake of the original OEEC was used in the 1950s to channel Marshall Plan funding into Europe for the purposes of rebuilding. This time it would not be rebuilding. It would be building up brand new green technologies. The green transition, not rebuilding the brown polluting industries. The OEEC could pull the brainpower as well of the international scientific community into something like a green Manhattan Project, only one that aims instead of mass murder, it aims at ending extinction.

JV: Even more ambitiously, the progressive international can propose an international monetary clearing union of the type that, John Maynard Keynes proposed at Bretton Woods in 1944, including, well-designed restrictions on capital movements, by rebalancing wages,

trade and finance at a planned "unclear" Both involuntary mine migration and involuntary unemployment will recede. Therefore, ending the moral panic over the human right to move freely about the planet.

JV: Friends, the need for a common agenda and a collective action plan for us all means that the Progressive International needs to feature an international organisation. The great question for all of us involved in this magnificent initiative of the Progressive International.. The great question is how can we create this essential organisation without falling prey to the usual organisational pitfalls like exclusion, bureaucracy, power games within organisations? This is a difficult question that members of the Progressive International must address. It's not a question I have an answer to. But, you know, not having an answer to it is a good thing. This is an answer we must come up with together. We must crowdsource it. We must crowdfund it. We must co-create it. But at one point I want to make at this juncture, is the difficulty in answering this question about how we are going to get organised? Is no excuse for not proceeding. The bankers and the fascists have found answers. OK. It is harder for us progressives because we have a natural aversion to hierarchies, to bureaucracies, to the encroachments of patriarchy and paternalism. It's harder for us to find a way of organising ourselves at a global scale. But we have a duty to find answers.

JV: Friends, some say that the time for a Green New Deal has come and gone. That this is too late. That capitalism cannot be civilised, tamed or rendered compatible with humanity's survival? I have to admit that I agree with them. An international Green New Deal is necessary. Of this, I have no doubt. But I do believe it is not sufficient.

JV: Now, consider what happened about a month ago on the 12th August 2020, the day the news broke in London that the British economy had its greatest slump in its history. More than 20 percent down nationally. Minutes later, the London Stock Exchange jumped up by two percent. Similarly, look at Wall Street. Look at the financial centres around the world, financial markets are doing pretty well, thank you very much. At a time when workers and industrial capital are suffering massively. In other words, the world of money and finance is decoupled from the world of production. Capitalism has undermined itself to such an extent that maybe we have already stepped into what I call post-capitalism without realising. Of course not the post capitalism that as progressives and socialists envisaged once upon a time. A Progressing International needs seriously to take into account the possibility that capitalism is not only worth terminating for good progressive socialist reasons, but more pressingly that capitalism is going through a spasm that is giving rise to, yielding at dystopian post capitalism as we speak. If I'm right on this, even members of the Progressive International who still entertain hopes of civilising capitalism must consider the possibility that the Progressive International has a duty to look beyond capitalism. Indeed, to plan for a decent humanist capitalism.

JV: While this is not a moment to plan for post capitalism, it is useful to begin imagining what it might be like. Without the capacity for imagining what comes after capitalism that we

mix in with our realistic international Green New Deal, our Progressive International will fail to inspire either us oldies in need of a boost of hope or the generation of youngsters seeking a vision worth fighting for. In a book that came out just last week called *Another Now*, I tried to do this, imagining. To imagine for instance, imagine that my generation, our generation back in 2008 responded to the collapse of financial markets creatively. Imagined we staged peacefully a High-Tech revolution that led to a post-capitalist economic democracy. What would it look like? Now, to be desirable, at least from where I'm standing, our post-capitalism should definitely feature markets for goods and services. The alternative to having markets for potatoes is a Soviet type rationing system that vests arbitrary power in the ugliest of bureaucrats. Too dreary for my imagination.

JV: But to be crisis proof and not misanthropic. There is one market that post capitalism must definitely do without; the labour market. Why? Because once labour or labour time, if you want, has a rental price, the market mechanism inexorably pushes the price of labour time down while commodifying every aspect of people's work, even of people's leisure during the epoch of Facebook. The greater the system's success in doing this, in pushing down the rental price of labour and commodifying the labour process, the less the changed value of each unit of output, the lower the average profit rate for capitalist firms and ultimately the nearer the next capitalist crisis. Can an advanced economy function without labour markets? You bet it can. Amending corporate law so uncertain every employee into an equal partner with the same share, one employee, one share, one vote doesn't mean that they are remunerated equally, but that equal partners. That would be as unimaginably radical a move today as universal suffrage was in the 19th century.

JV: By granting every employee one share one vote. The idea was initially proposed in the 1920's, if you recall, by the anarcho syndicalists, the distinction, the tug of war between wages and profits ends. And with a new digital collaborative tool standing by to remove all inefficiencies that would otherwise hamper the prospects of a democratically run corporation, the possibility of a democratised economic life, production process, becomes distinct. That could bring immediately the demise of share markets. Because then shares would simply not be tradable. And the moment you have the demise of share markets, you have the demise of mergers and acquisitions. Throw into the mix. Central banks that provide every resident in that country with a free digital bank account. They're already thinking about doing this under capitalism. Once that leverage from mergers and acquisitions linked to share markets has now become extinct. Once they disappear. What is the point of banks? Banks disappear, too. Goldman Sachs and the like become extinct without even the need to ban them legally.

JV: Now, what if we take this idea a bit further, proposing that the central bank credits everybody's central bank digital bank account with a fixed monthly stipend, a universal basic dividend? As everyone would use their central bank account to make domestic payments, most of that money would be shifting from one part of the database of the ledger, the central bank to another. Additionally, the central bank can be instructed to grant a certain amount of money to every newborn baby. A trust fund for every baby which they can use when they grow up when they're 18. Therefore, persons in this system market system, but socialist market system, post-capitalist market system would have two forms of income. One is money

that comes in as a social dividend. And money that comes in in the form of profit shares. Income from participating in the corpo-syndicalist economy. Market economy that I mentioned before. In this economy, how does the government get funded? No more income tax is necessary. No sales taxes are necessary. Imagine just three forms of taxation. One is you tax every company, which are, of course, all co-operatives. You just tax five percent of their revenues. That's the first tax. Secondly, a carbon tax. We will always need a carbon tax until we go to a zero carbon emitting economy. And thirdly, proceeds from leasing land, which belongs, is in its entirety to the community. It is leased for private time at limited use, and the rent goes to the community. Now, once we have imagined these changes, suddenly a market socialist blueprint has almost written itself. Freed from corporate power, unshackled from the indignity imposed upon the needy by the welfare state and liberated from the tyranny of the clash between profits and wages, persons and communities can begin to imagine new ways of deploying their talents and creativity.

JV: Friends summing up. Faced with the onerous task of fighting against the twin authoritarianisms. We progressive's need a plan. We need a common organisation and we need a common will to envision post-capitalism together. Our progressive internationalism is a unique opportunity to satisfy these three historic needs across the world. We can do it.

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