



Yanis Varoufakis on why the world needs a new Non-Aligned Movement

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Yanis Varoufakis: Friends, comrades, fellow members of the Progressive International. It is a serious joy and a great honour to be amongst you. Shockingly this is my first time in Cuba. I didn't want to come here as a tourist in the past, and I'm so pleased to be here to get down to work. To work on what matters to Cuba, Latin America, the Americas, Asia, Africa, Europe, even my long suffering Greece. And that is what we're here about. We're here to work towards building a new Non-Aligned Movement that will work effectively this time, I hope, towards a new International Economic Order. Before getting down to business, I need to pay tribute to this land and to its people. When our party MeRA25 announced that I would be coming to Cuba, the initial reaction by a very large array of commentators was one of contempt. "Varoufakis is going to the last communist dystopia". The anti-communist wing of the Greek political spectrum are saying, but even leftists, former comrades, still formerly of the left, who have lost their revolutionary zeal a long time ago, and for whom politics is all about finding some way of compromising within a huge compromise, they were also quite cynical about my being in Cuba. "That's long past, comrade" was a kind of comment. But what I can tell you is that one thing the anti-communists, the reactionists, the former comrades, those who accuse me of destroying Greece by continuing to say no to the International Monetary Fund until very last moment, what all these people have in common when they talk about Cuba is something they cannot repress. A deep seated respect for the Cuban people. Even the anti-communists! The reason for this, comrades, friends, is that if you walk around Athens today, what you will see is a city which is much richer than Havana. Less dilapidated, more European. But if you look closely into the eyes of the people walking around, what you are going to see is people who are dispossessed, humiliated, with their democracy a sham. Why is that? Because on the 5th of July 2015 they came ever so close to our own revolution with a brave 62% vote against the International Monetary Fund, against the predatory bankers, against the local oligarchy. But at the same night our people were overthrown by our leadership and the revolution was crushed. And yet even those who have

seen been pressured to believe that there was no alternative to accepting the surrender to the Capitalist International, let's put it this way, even they look to the people of Cuba with deep seated respect, I would even say a touch of jealousy, because the people of Cuba have not surrendered. Well, speaking of Athens, and that's the last time I mentioned my homeland, back in May, it was the 15th of May on behalf of the Progressive International, together with one of our comrades, Jeremy Corbyn from the United Kingdom, and Ece Temelkuran from Turkey, we issued the Athens Declaration. The Athens Declaration was our response to the hideous war in Ukraine against the background of unprecedented warmongering. It was also the first call for a new Non-Aligned Movement. Allow me to read some brief extracts from that Athens declaration. We stand with every people suffering invasion, displacement and aggression. We demand an immediate cease fire in every conflict, the withdrawal of occupying forces and a comprehensive peace under the auspices of the United Nations. We oppose the division of the world in competing blocs that invest in rampant militarism, hyper modern weapons of mass destruction and a new Cold War. We believe that lasting peace can be achieved only by replacing all military blocs with an inclusive international security framework that de-escalate tensions, expands freedoms, fights poverty, limits exploitation, pursues social and environmental justice, and that eliminates the domination of one country by another. With these thoughts in mind, we call upon Democrats across the world to join forces in a new Non-Aligned Movement as a route to lasting peace and globally shared prosperity. And there you have it. 50 years after the original Non-Aligned Movement, we're back at square one. We're trying to build it up again. First in Athens today in Havana. Thankfully, we don't need to write new, inspiring speeches, we have them. We have a good stock of them. All we need to do is to repeat the words of Fidel at the United Nations Assembly in October of 1979, when he said: "The dean of weapons, threatening language and arrogance on the international scene must cease. Bombs can kill the starving, the diseased and ignorant, but they cannot kill hunger, diseases or ignorance." And that "the international monetary systems," said Fidel, "predominating today is bankrupt and it must be replaced." Well, nothing can be more current today. Let us not get depressed that we are back at square one, that we need to repeat the same speeches and launch the same campaigns, because comrades we need to remember that every generation is condemned to fight the same fight again and again and again. With greater focus every time and always by learning from the mistakes of the previous generation. So as we are restarting the process of building a new Non-Aligned Movement to forge a new international economic order, we must ask ourselves: Why did we lose the last time? Why were we so comprehensively defeated in the 1980s and the 1980s and the 1990s? Why did the original Non-Aligned Movement fall prey to neo-imperialism's highest form, which is of course globalisation, financialized capitalist globalisation? The short answer is because capitalists, in practice, proved better internationalists than we were. Because they understood the nature of neo-imperialism better than we did. And that's why they won. What did they understand better than we did? They understood better than we did the new audacious imperialism that was born in 1971, when Bretton Woods collapsed and the United States dollar was no longer convertible to gold, prompting Richard Nixon to send a message to Europeans, European governments and the

world's capitalists, saying: "The dollar, as of today, is your problem." And how right Nixon was. As the American - the US, I should not say American - as the US deficit skyrocketed, the world was flooded with American dollars. And the banks, the central banks outside the United States were forced to use these American dollars, since they could not be converted to gold anymore as the reserves with which they backed their own currency. The dollar suddenly became something like an IOU issued by the hegemon. Before long, the global financial system was backed by IOUs issued by the hegemon, who decided what foreigners holding those IOUs could do or couldn't do with the IOUs issued by the hegemon. America was now a fully fledged deficit country with a big trade deficit, but it was nothing like any other deficit country in the world. You see Argentina, France, India, Greece... needed to borrow dollars. America didn't need to borrow dollars to back up its currency. It didn't need to raise interest rates in order to prevent an exodus of dollars, the exodus of dollars was the foundation of American hegemony. Capitalists in surplus countries, countries like Japan, Germany and later, of course, China saw the American trade deficit as a great saviour. It was a huge vacuum cleaner. The American trade deficit that was sucking into America the net exports of Germany, Japan, China. And what did the Japanese, German and later Chinese capitalists do with all these dollars that they earned? They sent them back to the United States, couldn't do anything else with them, to buy property in the United States, American government bonds, and the few companies that the American government allowed them to buy - not Boeing, not Microsoft, none of the crucial ones. Meanwhile, the deficit countries in the Global South, in Asia, in Latin America, they constantly agonised over a shortage of dollars, which they had to borrow from Wall Street to import the medicines, energy and the raw materials necessary to produce their own exports for earning the dollars with which to repay Wall Street. Inevitably, every now and then, as you all know, the Global South deficit nations run out of dollars and could not repay Wall Street. That is when the West sent in the bailiffs, the International Monetary Fund, that lent the dollars on condition that the debtor government handed over the country's land, water, ports, airports, electricity, telephone networks, even its schools and hospitals to the local and international oligarchs, who grabbed this treasure, took rents, and what did they do with the rents? Sent them to American rentier capitalism, to invest in them. Washington, comrades, had found the magic formula that no other empire had discovered before, of how to make wealthy foreigners and wealthy governments and poor governments and the poor of the world finance the American government and the net imports of the American economy. A Chinese official once described to me globalisation as something that was founded on a dark deal. That's how the Chinese official put it to me: a dark deal. Why did he call it dark? Because it was founded on that dark, unspoken, implicit pact, between America's ruling class and foreign capitalists and rentiers. Let me put it slightly differently: suppose you could end American hegemony today, there is a button here, you can press it and end US hegemony. Who would stop you and pressing it? Okay, the US authorities, the military, the CIA, Wall Street, Silicon Valley, they would try to stop you from pressing this button, but they are not alone. A crowd of non-Americans would stop you from pressing it, including German industrialists, Saudi sheiks, Greek oligarchs, European bankers, and, yes, Chinese capitalists. In other words, the

supremacy of the dollar has been just as functional to the interests of US rentier capitalism as it was to German, Argentinian, Nigerian, Korean and Chinese capitalists. Without the dollars and Americans global dominance, Chinese, Japanese, Korean or German capitalists would not have been able continually to extract colossal surplus value from their workers and then stash it away in America's rentier economy. Meanwhile, Argentinian, Greek, Russian, Ukrainian and Indian oligarchs will not be able to loot our countries, take their public assets, liquidate them and turn them into property rights in the United States. The lesson for us is simple: We must not repeat the mistake of thinking that the new international economic order would be built because the governments or the elites of the South are going to band together against the North, against Washington, or the European Union. Our Non-Aligned Movement will fail if we give it a narrow role, a narrow role of bringing together the G77, the BRICS, in opposition to the West. We need to beware not only the functionaries in London, in Paris, in Brussels, in Washington, who work tirelessly to make sure that we fail, that nothing changes, but also government officials who are very close to the interests of capitalists in the Global South, including in China, and who use the US trade deficit to exploit their people, their country, and then stash their dollarized surplus in the United States, in the Cayman Islands, in Delaware, in the dollar circuits. Do we want to be true internationalists? If we do, then let's not forget who are the one people, one people who have probably most to gain from the end of US dominance: The American working class in the United States, who have been condemned for decades to immiseration, the "deaths of despair", to being called deplorables. Yes, let us never forget that imperialism's victims have always resided both in the metropolis and in the periphery. That the current international economic order, which we want to smash, inflicts different types of misery on workers everywhere. Globalisation forced American workers into an immiseration brought on by under-investment and de-industrialisation. It was as if part of the Global South had moved into the Midwest, into the north of England, into parts of Germany, into parts of Greece, of Italy and Spain. At the same time, the same globalisation process forced Chinese workers in the coastal towns of China to suffer the frenzied exploitation associated with over-investment. It was as if parts of the north of the Global North had moved to these Chinese cities, but the people working there were working with wages and conditions of the immiserated Global South. Different miseries, same recycling process, same recycling mechanism that takes values extracted at the local level and recycles them globally. Today, this same globalisation which turned American deficits, feeding Chinese capital into American rents, this globalisation today is being replaced, as we speak, by a new Cold War between the United States and China. One that poses an imminent threat upon life on Earth. What exactly is behind that new Cold War? China's frenzied industrialisation was not a problem for Washington as long as the dark deal was operational, as long as Chinese capitals needed the dollar to turn the United States trade deficit into an instrument for extracting surplus value from Chinese workers and then depositing it in the United States. As long as this was going on, Washington did not have a problem with industrialisation of China. So what has changed? Two things. The first thing that has changed is the emergence of a new type of capital. I call it cloud capital. Now, capital as Karl Marx defined it so beautifully, it is a produced means of production. Like a steam engine, like a

tractor, a 3D printer today, or an industrial robot. It's been produced to produce other things: a produced means of production. What's cloud capital? Well, it is Internet based, it lives in the cloud and it is a produced means of behaviour modification. Behaviour modification is something we always try to do. Every priest, orator, politician, author has tried to modify the behaviour of people. Advertisers, that's what they do, they try to modify our behaviour. But what has changed is that today machines using artificial intelligence are modifying behaviour, they're a capital good. Who controls today's cloud capital, controls, increasingly, the world's surplus value. Now, how does this connect at all to the new Cold War? Well, it is the reason Donald Trump started it. Remember when he banned Huawei from using Android and then tried to Americanise Tik-tok? Why did he do that? America dominates the world by dominating finance through Wall Street and the dollar, but it is also increasingly dominating the world through cloud capital: Silicon Valley. China is threatening, has been threatening for a few years, America's dominance in both fields: money and cloud capital. Friends today, today as we speak, there is an application, an app on Chinese phones. Actually, not only Chinese phones, you can download it, it's called WeChat. It belongs to Tencent, the Chinese conglomerate. Only today, 38 billion messages will be exchanged on WeChat, many of which include payments. Anyone who has that application can stream music, watch videos, read the news, and at the same time, without exiting the app, make payments. And that includes millions of non-Chinese, who are connected to the Belt and Road Initiative, who have connections with yuan-based bank accounts. Now consider the other development of great significance: In October 2020, the People's Bank of China initiated a remarkable experiment with a digital currency. If you put together WeChat or apps like WeChat from the Chinese private sector with the central bank of China's digital currency, what you have is the only superhighway of money and data that can compete with that of Wall Street, the Federal Reserve - central bank of the United States - and Silicon Valley put together. Until recently, that was not a problem for Washington because nobody really used that superhighway. It was like building a huge road and nobody's travelling on it. Until Putin invaded Ukraine. And in retaliation, the United States confiscated \$300 billion of Russia's central bank money. Suddenly, non-American money panicked - not just Russian money - and increasingly they have been using this Chinese-built superhighway. That is a worry for Washington and it is the reason why Joe Biden last October launched total economic warfare against China by declaring a microchip ban. Nothing to do with the military. Nothing to do with the worry that the Chinese military sector is going to improve rapidly and overpower the Americans. It's got to do with this superhighway of money and data. Friends, comrades, we've never been closer to a nuclear holocaust than today. When I was writing this speech, I checked the Doomsday Clock. Remember the Doomsday Clock from the 1940s? It showed 100 seconds before midnight. Today, I checked it again, it's 90 seconds. Apparently because of some German tanks being sent to Ukraine. And that's without even looking at the other Doomsday Clock, which is ticking viciously, the one that is counting down the moment when humanity is going to go past the point of no return from climate disaster. And what is the global ruling class doing to avert these catastrophes? Nothing. They're doing everything they can to push humanity over both cliffs at once. This is why we need a new Non-Aligned Movement and a

new international economic order. At this point, I think it is important, it helps to clarify what it means politically, ideologically and ethically to be non-aligned. It does not mean to be neutral. As we stated in the Athens Declaration: We are steadfastly on the side of the invaded, the victims of aggression, whether they are in Palestine, in Yemen, in Cuba, in Western Sahara, or indeed in Ukraine. But at the same time, we must be the first to criticise any abuse of freedom and democratic rights wherever it happens. Our new Non-Aligned Movement must reclaim freedom from the liberals that have usurped it. From Peru today, where our comrades are being shot dead, to Iran, where heroic women are leading brave men in their demonstrations against the theocratic regime, under the banner woman - life - freedom. You may object and ask: Is the Iranian government not fighting against US imperialism? Absolutely. However, just because a regime is at loggerheads with the United States, with US imperialism, does not give them a free pass to violate their basic freedoms and the rights of our comrades in their countries. You see what I'm getting at. Our truly Non-Aligned Movement must be dialectical. We must be able to defend the state of Iran from the encroachments of the CIA, the Pentagon. US imperialism, while at once supporting the progressives in Iran that are resisting the regime's corrupt theocracy, and the local agents of the CIA in Iran trying to subvert the demonstrations against the government of Iran. You may well ask: And what about China? How should the new Non-Aligned Movement approach the China question? In two ways, I suggest. First, respectfully; in view of the magnificent economic miracle performed by the people of China, whose achievements we must defend against the encroachments of US imperialism and the new Cold War. And secondly, critically; not only in relation to basic freedoms and human rights, but also in terms of good old fashioned class struggle. President Xi recently, over the last year or so, has made some interesting pronouncements. Interesting promises of a clash with China's rentiers, with China's big tech cloud capital owners, Jack Ma, for instance, and with traditional capitalists. Xi has outlined a program for boosting workers incomes, something that I believe he understands has to take place against the model of mercantilism of basing Chinese growth on net exports. Now, this is a difficult task for the Chinese government and it would be good to be achieved. Good for the Chinese people, good for a new international economic order. As it will be good for China during this new exploding debt crisis in the developing countries, in the Global South to give massive, large haircuts to the debt of countries that cannot repay. Those would be good steps in the direction of a new international economic order and our new Non-Aligned Movement should be pushing the Chinese leadership in that direction critically and respectfully. Now, turning to this concept of a new international economic order; how do we envisage it? Any transition to a sustainable economic order will require a large green investment fund. Cuba's foreign minister Bruno Rodriguez Parrilla in a recent G77 and China meeting put the necessary figure to between 3.3 and \$4.5 trillion a year. I say that nothing short of \$10 trillion a year will do. Are these feasible numbers? Yes, they are, technically, of course they are. Imagine a repurposed World Bank, backed by a digital world currency - currency unit, like the SDRs - issued by a repurposed International Monetary Fund, where the deal is, internationally, that all capital and trade flows are denominated in this currency unit and 10% of those flows are converted into green investments, especially in

the Global South. Technically, it is straightforward. However, politically it's not. Green Keynesianism will fail for reasons that Michal Kalecki, for those of you who remember Michal Kalecki from the 1930s and 40s - Polish marxist economists - explained so vividly when he was criticising Keynesianism. What he said was this: Even if the bourgeoisie panics and adopts Keynesian policies to save his own skin, the moment those policies begin to work, the first four or five 5 minutes, the bourgeoisie will ditch these policies and will go back to its own extractive, exploitative policies. Because, let's face it, it is in the capitalist class' nature to block the very road that leads to its own salvation. Which means only one thing. That to implement the necessary green Keynesian policies we must do something that Keynes would have hated: Dismantle the global empire of capital, which prefers to see the end of the world, than the implementation of the green Keynesian policies that could prevent the end of the world. Now, how do we do that? Well, nothing short of a revolution will do, comrades. It's really very simple. Now, that may sound like an impossible dream. Well, it is a prerequisite for saving humanity, exactly the same way that we were taught by Fidel and by all those leaders of the progressive movements of the past. How do we do it? Our revolution must use the technology of big tech. Their cloud capitalist, in order to cooperate and in order to activate our campaigns across the board internationally, in a coordinated and effective fashion. A first step, the progressive international has shown the light to: every year, every December, the progressive international organises a strike against Amazon; "Make Amazon Pay". And how should that be? Well, to reclaim its plundered commons: our lands, our oceans, the air, very soon outer space, they're privatising it. I don't know whether you know that, they're doing it already. There are two things we need to do internationally. We need to legislate so that corporations belong to those who work in them on the basis of one person - one share - one vote and we need to deny banks the monopoly on payments. Banks and profits will then wither, as economies wind themselves off share markets and the financial sector. At the same time, profits and wages are no longer meaningful concepts, since everybody will be a shareholder in the company in which they work. This simultaneous death of the market for shares and of the labour market, along with a defanging of banks, will automatically redistribute wealth, make it possible to offer a basic income to everyone and thus as a magnificent by-product, remove the major incentives to war. The end of capitalist power over society will allow communities collectively to decide health provision, education and investment, investment in saving the environment from our virus-like growth. Genuine democracy would only then become possible, to be practised in the workers assemblies and the citizen's assemblies, not behind closed doors where oligarchs meet. This twin democratisation of money and capital sounds like an impossible dream, doesn't it? But I submit to you, comrades, it's not more impossible or it doesn't sound more impossible that once the idea of one person - one vote, of the end of slavery, of the end of a divine right of Kings sounded. This twin democratisation is nothing short of a precondition for the survival of us as a species, it is that simple. Those are the tasks of the new Non-Aligned Movement we must now build. Its ultimate purpose: To end the legalised robbery of people and planet, which is fuelling climate catastrophe. Nothing less than the total vanquishing of capital's authority over human societies can end depravity and save the planet. Comrades, friends, this

is not a drill and it is not a pipe dream. We can pull it off, together. Thank you.

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