

# Yanis Varoufakis: “Syriza Was a Bigger Blow to the Left Than Thatcher”

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**Interview by**  
George Souvlis

When Syriza was voted out of office in July 2019, the once great hope of the European left could not even claim partial successes. Elected in January 2015 on the promise of saving Greece from austerity, in its early months the government led by Alexis Tsipras insisted that it was preparing a confrontation with the Troika of European institutions. Yet just hours after a referendum on July 5, 2015 in which 61 percent of Greeks refused a fresh round of austerity, Tsipras folded to European demands. After further memoranda swallowed by Syriza, Greece is set to remain subject to Troika policies until 2060.

Tsipras's capitulation on referendum night also saw the departure of Finance Minister Yanis Varoufakis. Throughout the first months of the Syriza government he had done battle with Greece's creditors at the Eurogroup — the informal, indeed secretive meeting of eurozone finance ministers which exercises effective political control over the single currency. At thirteen Eurogroup meetings, Varoufakis insisted that Europe should plan debt relief rather than continue with eternal austerity in the name of a debt that could never be paid. Yet his appeals to abandon the strategy of “extend and pretend” were quickly shut down.

Greece may have drifted out of the headlines, but austerity measures continue apace — and the institutions running the eurozone remain as opaque as ever. On February 14, 2020, Varoufakis — today a member of the Greek parliament for the MeRA25 party — offered the parliament's president a USB stick with his recordings of the fateful Eurogroup meetings from 2015. The president refused to accept them: but Varoufakis is now promising to publish them online early in March.

In a far-reaching interview, he spoke to *Jacobin's* George Souvlis about his experience as Greek finance minister, how he's seeking to overcome Syriza's disastrous record, and how the European issue skewered Labour in Britain.

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GS

Recently, you offered the president of the Greek parliament the recordings of Eurogroup meetings from the period you were finance minister. Would you like to tell us briefly what these proceedings are about? What did they bring up that hadn't been known until now? And why do you think the president of the parliament refused to accept them?

YV

After five years of lying about what was going on in these Eurogroup meetings, the Troika's domestic political forces in Greece panicked at the thought that they would hear with their own ears what truly went down there.

As if to confirm that anti-democrats demand that we live in darkness and opacity, they are now demanding that no one should be able to witness how the Troika personnel refused to engage in any serious policy debate with me, of how they closed down every avenue to an honorable agreement, of their technical incompetence and, above all else, of their black propaganda with which they tried to portray me as a rude recalcitrant that tabled no serious proposals — when precisely the opposite was true.

Why release these files now? Two events led me to the decision: First, the new right-wing New Democracy government recently legislated the sale of nonperforming mortgages to funds that will trigger mass evictions of families that, due to the never-ending crisis, cannot service their mortgages.

From May 1, 2020, a new wave of misery is going to engulf our already defeated population. In Parliament, where I lead MeRA25 (DiEM25's new progressive party in Greece), the prime minister and his ministers took turns to "explain" what they are doing by blaming their new liquidationist drive on ... me and the manner in which I "upset" my finance minister colleagues in those Eurogroup meetings in 2015!

The second reason is that my former government colleagues in Syriza have just leaked an internal review of what they did wrong since 2014 and why they were defeated in the July 2019 general election.

Their main conclusion seems to be that their finance minister in 2015 (me!) antagonized his colleagues in the Eurogroup, failing to table reasonable proposals, being recalcitrant etc. (i.e., Syriza fully adopted the Troika's narrative). These developments convinced me that the fake news concerning the 2015 Eurogroup meetings are providing the cover for a new wave of assaults against the weakest of citizens. Only by letting the public know what happened in there, can we defend the majority who are about to be assaulted again.

GS

Looking at Syriza's record, what do you think were the missed opportunities? Did Syriza fail to prepare Greek society as a whole for what would happen if the Troika said no to the government's proposal?

YV

I'm not an expert on Syriza — I wasn't even a member! The reason I got involved with Syriza was because of my direct relations with Alexis Tsipras and two or three other people who were coming to me to discuss debt bondage and how to get out of it. It was only when they told me that [they were interested in my] answer to questions such as how to stop the European Central Bank from shutting down the banks, how do we plan for the possible transition to a national currency if need be ... that I thought, OK, since they claimed to agree with what needed to be done in the short term, to use a fantastic opportunity to escape Greece from the debtors' prison, I couldn't say no.

Did I trust that they had a blueprint for the future? No, but nobody does. The Bolsheviks had no blueprint for what would follow after 1917. If you want an operational plan before every revolution, then no revolution will take place. So, when comrades within Syriza said to me after the surrender of Tsipras on July 5, 2015, "Oh but Yanis, you didn't really have an operational plan," I said, "so bloody what?" You do not break with the past, you do not push history to the brink only if you know exactly what's going to follow after. We had enough of an operational plan.

What happened in 2012, whether they broke from their tradition or not, is neither here nor there for me. It is not as if they had a splendid legacy or a notable tradition to behold. Even the Eurocommunists that preceded Syriza never impressed me as particularly radical. I hoped that the gravity of the historical moment would create ruptures and the gravitational force that would forge a popular front for change. I still believe that if two or three people, Tsipras primarily, had not buckled during the first five or six months of 2015, those forces would, indeed, have been unleashed. Greeks like to say that the fish starts rotting from the head down. All those good people, Syriza people, who ended up as functionaries of the oligarchic establishment following Tsipras's surrender in July 2015 would have been good comrades at the forefront of the great fight if the head had not begun to rot.

GS

After the full four-year experience of the Syriza government, how would you evaluate its economic performance? Any different from the previous Troika-dictated governments?

YV

They were more adamant and efficient in the application of austerity, more ruthless in privatizations, and as Wolfgang Schäuble said, the only government that actually saw through the Troika program.

GS

Do you think one of the problems that Syriza's agreement with the Troika produced was to discredit the Left as a viable political option in the eyes of the Greek electorate? What can be done to overcome that, and do more than be seen as more of the same?

YV

I'd agree with you, but you're understating the case. Syriza's capitulation was the worst blow against the Left for decades.

This was a party that had carried on its shoulders the aspirations of progressives around the globe, not just in Greece and Europe. They hoped that it would remain uncompromised in its fight against the worst kind of austerity and against the worst kind of lie — that you can escape a wholesale crisis of capitalism through greater indebtedness, which comes with austere strings attached that shrink national income.

This was, in a sense, an even worse blow against the Left than Thatcher. She destroyed the unions and introduced the dogma of TINA: There Is No Alternative. Syriza's capitulation extended TINA to the Left. It was as if the Left acknowledged that there is, indeed, no alternative. Watching the faces of the Troika leaders stand side by side with Syriza ministers and listening to the latter parrot the Troika leaders' language that austerity would be defeated by the growth that austerity would bring — there could be no greater legitimization than that for their illegitimate austerity and miscellany of colonial policies.

Podemos was effectively finished the day after — through Pablo Iglesias, they effectively endorsed Tsipras's surrender. The sense of defeat for the Left across Europe was the greatest boon both for the establishment and the fascist international.

GS

How would you interpret New Democracy's policies since its election?

YV

We are now in the tenth year of a massive crisis of Greek capitalism. The first phase saw wholesale panic among the establishment, reflecting the panic of Wall Street, the City, Deutsche Bank and so on. It was only worse here because the foundations of Greek capitalism are even flimsier and there was this panic to sign on the dotted line of gigantic loans, for the sake of arresting the oligarchy's own collapse. This was the first Memorandum, the €110 billion loan from the Troika in May 2010.

The second phase was the second Memorandum, the purpose of which was, once the first bailout monies were used to make whole the French and German banks, to stabilize the Greek banking sector and bourgeoisie. They used up that second €110 billion loan to

that purpose at the time when the middle classes were suffering just as much as the working class. The third phase came with the Syriza government which, after the summer of 2015 capitulation, signed two Memoranda: the Third Memorandum [accepted in July 2015, contrary to the referendum result] and then a “silent” Fourth one in August 2018, that bound Greece to Troika policies until 2060.

By that third phase, we have a very interesting new development. Up until then, everybody was losing, except the very few oligarchs who never lose. But some time between 2017 and summer 2018, a segment of the Greek upper middle class managed to latch on to rent-seeking activities from which they profit massively while the rest of society continues to sink into bankruptcy. That includes everyone connected to the hedge funds and vulture funds that purchase nonperforming loans from the banks. Buying up a mortgage whose face value is €100,000 for €4,000 or €8,000 it is very difficult to lose money — especially now that house prices are rising again.

Suddenly, a whole cabal of hedge funds, of advisors, of accountants, of parasites, are making the highest profit rates in global capitalism, here in Greece. It's a bit like vultures feasting on the flesh of a dying corpse. It was Syriza's government that oversaw this new phase. You can see that from how those who bought Greek public bonds in 2016, 2017, made the greatest returns in the bond market worldwide, even though the Greek state is bankrupt and the debt burden continues to get heavier every day.

New Democracy won last July and essentially promised to maximize the rents of that class. Being a coalition between quasi-fascists and neoliberals, New Democracy under Kyriakos Mitsotakis has to balance the total liberalization of the market for the little people's liquefied private wealth, through the purchase of nonperforming loans, with the kinds of nationalism and organized misanthropy which the xenophobic, neofascist element of the party needs. The combination of the two brings about a new form of authoritarianism, because when you evict people from their homes you need a strong ruthless police force and a band of bailiffs to do it. But it's the same police force you need to support the eviction of people from squats and the clash with anti-establishment forces.

So, this is not just a political choice. It's part of Greece's political economy. Syriza's Fourth Memorandum created circumstances for a new parasitic oligarchy to rise up, profiting from the continued bankruptcy of the many, and created circumstances of increased authoritarianism and violence against Greek society.

GS

But the authoritarianism increased already under Syriza . . .

YV

That's part of what I'm saying — Syriza started in 2017–18 to serve the interests of the parasitic oligarchy. They oversaw the creation of new class conflicts in which they had to take the side of the oligarchy. This is obvious on many different fronts, e.g., the fire sale of lucrative airports and the railways to the normalization of casualized, rented labor.

The Syriza official narrative is that they were forced by the Troika into surrender, which is of course true once you have ruled out resistance. Even if it were true that escape from the troika's debt prison was impossible (which it is not), they refuse to countenance the option of resigning their posts and returning to the streets alongside the oligarchy's victims. By choosing to stay on, in order ostensibly not to forfeit government to the Right, they were co-opted by the oligarchy — the most permanent defeat possible.

Final confirmation of the wholesale defeat was what the Syriza government did in Lesbos. Did the Troika force them to create Moria, the unspeakable concentration camp for refugees? Syriza did that. Once progressives surrender on one large issue, austerity for instance, they become ripe to surrender on almost every issue.

GS

It's very impressive how Syriza present everything as inevitable, there was no other choice . . .

YV

TINA!

GS

But at all levels. For example, before they got elected, they had a program to democratize the police, not even connected to the European Union. But they didn't even do the minimal stuff here, for instance prohibiting political violence.

YV

You're quite right. But that proves my earlier point that when you buckle on the important and crucial issues, like to the Troika, you'll buckle on everything. So, you're right, they could have democratized the police — but they didn't. They could have not imprisoned refugees — but they did. They could have not signed the Merkel-Erdogan treaty — but they signed it. There was no reason, no pressure from Brussels or Germany, to enter a sordid alliance with Benjamin Netanyahu, and to push Greece — traditionally pro-Palestinian and critical of the Israeli state's ethnic cleansing in Palestine — into the arms of someone like Netanyahu, whom every progressive Israeli I know loathes. It was the apotheosis of the domino effect.

GS

In July, MeRA25 — the Greek section of DiEM25 — elected nine members to the Greek parliament. Can you give us some impression where its voters come from, how you built labor support, and support among students?

YV

We've done some research. It's really very difficult for people in a party bubble, especially a new one like ours, to know. We got 196,000 votes. Most commentators assumed they were disheartened former Syriza voters who came to MeRA25. We have the hard data now, that under 50 percent of those who voted for us had ever voted for Syriza before. Twenty to 30 percent used to vote for the Right.

But that's not surprising. The magnificent aspect of the referendum of 2015 is that right-wing working-class voters disentangled themselves from the establishment parties they used to support — and voted for "No." That same night they were betrayed by Tsipras. They needed to go somewhere. A lot flocked back to New Democracy, a lot voted for Syriza because they thought "better to be tortured by a torturer who's not enthusiastic about it" than one that is, but some of them came to us, in continuity with their anti-establishment vote in 2015.

We're doing really well among the young — precariat, students, and so on. If you look at seventeen- to twenty-five-year-olds, we scored something like 13–14 percent, against 3.4 percent overall. Meanwhile, we're doing abysmally above the age of forty-five with less than 1 percent over sixty-five. We face a major challenge with the older generation, even though we are the only ones who really oppose what's happening to their pensions and the evictions and foreclosures. We have a lot of work to do to get to them, primarily because they do not use the social media that is our only means of disseminating our proposals and positions. We also need to overturn the demonization, of me personally and anyone who opposed the Troika, blasted into people's living rooms daily by the establishment TV stations. Social media is our only way of contacting voters.

GS

MeRA25 speaks of constructive and realistic disobedience — what does this mean for the party strategy?

YV

Campaigning for socialism that will come at some time in the future is irrelevant to people who can't put food on the table and are about to lose their home today or by the end of the week. Telling them that all these terrible things won't happen when we have socialism invites a tired look — and a dismissive "get off." Then they go back home and privatize their fears and vote for a lesser evil among the larger parties. Maximalism, in the final analysis, is not revolutionary.

For us, the policy of constructive disobedience is the only way to be truly progressive and pragmatic. That doesn't mean compromising, like pragmatism in the sense of believing in civilizing capitalism and proposing to manage it. My understanding of "pragmatic" is different. Take, for instance, the foreclosures and evictions. The government has pushed through parliament a bill for liquidating smallholders and passing on their property to vulture funds. We can say no to that — of course we do, alongside other forces. But it is far more effective to say to people: here is something they could have done within the present framework instead of what they did.

So, for instance, we demonstrate that a public bad bank can be created — completely legal within the EU framework — to which the bad loans are transferred in exchange for public bonds whose value is shored up by the value of the mortgaged properties and some state guarantees. This way, all evictions can end with the debtors' loan being frozen ad infinitum for a monthly fee that covers the bad bank's operations, and which

does not exceed, say, one-third the homeowners' disposable income. This is something the government could have done today under the existing legal and regulatory framework to protect indebted households and small business.

If you point out to suffering families and small entrepreneurs this road not taken by the government, they immediately ask: "why did they not do this, if it was within their own law and even philosophical framework to do it?" When you explain that they chose not to do it because they have adopted as their own the interests of the vulture funds, then they get angry and are far more prone to join the movement than if you were to try to convert them to socialism.

This is our policy of constructive disobedience: You put forward constructive, moderate proposals that even the Right could implement tomorrow morning. And then you build a movement of civil disobedience to oppose the government's decision not to implement it.

GS

What are your plans for MeRA25?

YV

One completely fair criticism is that MeRA25 is not a grassroots party — yet. We have people in the grassroots but we're not fully connected to existing movements, and we don't even have a fully-fledged party mechanism. It couldn't be otherwise — about fifty of us decided to create a party from scratch, because we'd had enough of this complete surrender to hopelessness and to the Troika. We managed to gather almost 200,000 votes in our first attempt and enter Parliament. That was a magnificent feat, but only a first step.

The next great wager is to convert MeRA25 into a grassroots movement connected to existing movements and give it a democratic structure it now lacks. The only way to do that was to start a process leading to a deliberative party Congress in the end of May.

Every day, local branches meet with and support representatives of local communities, fighting against gold mines, against attempts to shut down cooperatives in Thessaloniki, against the privatization of garbage disposal, the destruction of river systems and forests, against drilling for oil and gas, the casualization of labor, school closures ... we're moving in the direction of building the party from the bottom up, using the Congress as a pretext.

We have a very ambitious agenda, and we'll be taking it around Greece. Not only to demonstrate how clever we are, but to allow people who didn't even know of the party's existence to become part and parcel of the process of developing that agenda, in a fully participatory manner.

GS

If it was in government would your party want to stay in the European Union at all costs — or on what conditions?



YV

Before saying more on this, it is important to distinguish between Grexit and Brexit, two situations that people wrongly conflate. Brexit became prominent, and successful, because it was a home-grown campaign, reflecting opposition to Britain's membership of the European Union from both Left and Right.

Grexit, in contrast, became big news not because of a domestic campaign to get Greece out of the European Union, or the euro, but as a threat from the Troika to a succession of Greek governments: submit your people to stringent austerity and sell us your family silver for a pittance, or we shall reduce you to a pulp by throwing you out of the euro.

So, there are two fundamentally different propositions. One concerns the eurozone and one concerns the European Union. From where I stand, a left-wing campaign to exit the EU is a terrible idea, even if one agrees — as I do — that it was a mistake to enter the EU. Why not exit if you should not have entered? For two good reasons: First, exiting will not return you to where you would have been had you not entered. Secondly, as Brexit has shown, any attempt at Lexit [an exit from the Left] will only blow an inauspicious wind in the sails of right-wing exiters. Turning now to the membership of the euro, which is quite different from membership of the EU; I am vilified by the Right and Syriza as someone prepared to get out of the euro — a charge that I am confessing to. Yes, in 2015 I was prepared to exit the euro (and to reissue a national currency) if the alternative were debt bondage. I still am ready to exit the euro, and so is MeRA25, even though it is not our proposal.

Our proposal, that we put to the electorate with some success last July, was simple: we shall unilaterally (i.e., without negotiating with the Troika) legislate the minimum that needs to be done to stop the majority of Greeks from falling deeper into hopelessness. If the Troika, in its wisdom, chooses to throw us out of the euro, let them do their worst. Even though it will cost us dearly in the short run, in the long run our people will be better off. Moreover, if we believed this and acted defiantly, the Troika would most likely hold back as Grexit would cost them around €1 trillion.

That's our stance more generally: on policies regarding nonperforming loans, on primary surpluses, on taxation, on what to do with debt, we are not going to negotiate with the Troika or with Brussels. We shall legislate the minimum requirements for making the Greek political economy sustainable again — and leave it to the Troika to decide whether they want to punish us, and themselves, via Grexit. This is not a bluff, for a simple reason: whether they proceed with Grexit or not, the majority of Greeks will be better off in the longer run than if we capitulated like Syriza.

To recap, we are not naïve. We have no doubt that the Troika or Brussels will thoroughly reject every single proposal we make. But we are not going to negotiate them. The mistake in 2015 was to negotiate these things. A MeRA25 government will legislate unilaterally those minimum requirements for making Greece sustainable again. If they want to throw us out of the eurozone for that, we invite them to do so, without ever proposing it ourselves.

GS

Do you think the size of the Labour Party's defeat in Britain had to do with Brexit?

YV

From the moment Jeremy Corbyn became Labour leader, the preponderant powers within the party behaved in a way that highlighted their determination to get rid of him even if that meant keeping the Tories in power forever. They tried one coup after another against Jeremy, in a manner that made very clear that preventing Labour becoming genuinely progressive on foreign policy and domestic policy was paramount to them. Just as the Democratic establishment would rather have Trump in the White House than Bernie Sanders.

From the perspective of Brexit, I find it astonishing that the greatest losers of all time, the hard Remainers — the very people who misjudged the atmosphere in Britain, the very people who effectively shot themselves in the foot by dismissing the referendum outcome as an error by idiots who should never have had the right to vote, the very people who antagonized good working-class people who happened to disagree with them on Brexit, the very people who pushed for a second referendum not as a means of democratizing Britain but simply in order to annul the first, and in so doing, created the circumstances for Boris Johnson to become prime minister and do a hard Brexit — these amazing losers have the audacity to blame Jeremy Corbyn for Labour's defeat. I find that a wonderful combination of audacity and ill-judgement.

Jeremy's position on Brexit has been eminently sensible, from the beginning. His nuanced and unenthusiastic support for Remain was the correct call, as far as I'm concerned. What he said was, people like us — him, me, others — were against entering the European Economic Community in the 1970s, as was the wonderful Tony Benn, on good democratic grounds. But after forty-three years of being part and parcel of the EU, extricating Britain from a wholly undemocratic EU will, in the end, do considerable damage to those whom we consider our people. So, on balance, we supported Remain, with a view to work for a Labour government that, when in Brussels, vetoes the hell out of the neoliberal attitudes within the EU. That was an eminently nuanced and responsible position.

After the referendum, which we lost, it was responsible to respect the result and say, well we lost, let's try and implement a Brexit that minimizes the cost to the working class. So, we proposed a customs union that doesn't wreck the supply lines that keep Nissan in Sunderland and close alignment with the single market. And what was the reaction of the hard Remainers? To lambast Jeremy Corbyn's sensible position while demonizing Brexiteer Labour voters and demanding a second referendum by which to correct the verdict of the first one.

Corbyn kept telling them that, if they kept doing this, both Labour and the Remain vote would be divided while the Tories, after some internal pogrom, would unite under the hard Brexit flag. After all, is this not history's lesson — that the Tories, driven by a remarkable urge to serve the ruling class's interests, will always unite in the end? The

moment Boris Johnson took over from Theresa May, I could see the writing on the wall: our side of British politics had lost, because we would be divided between Remainers and Leavers.

The Labour manifesto — and Jeremy was right again, here — *did* win the argument. Without doubt, a very substantial majority of people agreed with renationalizing parts of the railway that suck — even the Tories are saying they may have to renationalize Southern Rail. They agreed with the idea of free broadband, a public utility that boosts productivity massively for small companies, families, and so on. They agreed with the green transition policies, the national investment bank. But in the end, Brexit was weaponized by hard Remainers less fearful of a hard-right, hard Brexit Johnson government than a Corbyn-led radical Labour Party.