

# Greek Finance Minister Yanis Varoufakis' mission to save capitalism

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This week, Britain's *Guardian* published an essay by Greece's Finance Minister Yanis Varoufakis, entitled, "How I became an erratic Marxist."

Varoufakis has been portrayed as leading the fight, along with Prime Minister Alexis Tsipras, against the austerity programme imposed on Greece by the European Union. This, in turn, is said to be proof that Syriza constitutes a model "left" party to be emulated throughout Europe and internationally.

The frank account given by Varoufakis of his political beliefs, motives and history belies such claims.

His is a highly revealing statement, one that is very rare in that he clearly feels the need to explain himself and attempts to do so with a degree of honesty. In doing so, he lays bare not only his own political outlook, but that of an entire social layer.

In his essay, adapted from a lecture delivered in 2013, Varoufakis makes clear that he is neither a Marxist nor a revolutionary, but at best someone whose politics can be described as vaguely reformist. He is not a member of Syriza, but was chosen to represent the government precisely because of these views. He wants nothing more than to convince the ruling elite that they risk plunging the continent into an economic and political catastrophe and to advise them to take an alternative path.

Varoufakis begins by stating that the crisis of 2008 was not merely a "cyclical slump," but one that "poses a threat to civilisation as we know it."

"[T]he question that arises for radicals is this: should we welcome this crisis of European capitalism as an opportunity to replace it with a better system? Or should we be so worried about it as to embark upon a campaign for stabilising European capitalism?"

"To me, the answer is clear," he replies. "Europe's crisis is far less likely to give birth to a better alternative to capitalism than it is to unleash dangerously regressive forces that have the capacity to cause a humanitarian bloodbath, while extinguishing the hope for any progressive moves for generations to come."

"For this view," he adds, "I have been accused, by well-meaning radical voices, of being 'defeatist' and of trying to save an indefensible European socioeconomic system. This criticism, I confess, hurts. And it hurts because it contains more than a kernel of truth."

Varoufakis says that he has "campaign[ed] on an agenda founded on the assumption that the left was, and remains, squarely defeated." He now wishes to "convince radicals" that they too must work to defend "a repugnant European capitalism whose implosion, despite its many ills, should be avoided at all costs."

## Who is Varoufakis?

Varoufakis explains that he wrote a doctoral thesis in 1982 that was

"deliberately focused" so that "Marx's thought was irrelevant," after which he became a lecturer based upon "the implicit contract ... that I would be teaching the type of economic theory that left no room for Marx."

In 2000, he took his first step into the political arena in Greece as an adviser to "the future prime minister George Papandreou, hoping to help stem the return to power of a resurgent right wing."

Instead, he is forced to admit, "As the whole world now knows, Papandreou's party not only failed to stem xenophobia but, in the end, presided over the most virulent neoliberal macroeconomic policies that spearheaded the eurozone's so-called bailouts thus, unwittingly, causing the return of Nazis to the streets of Athens."

It took Varoufakis six years to come to this conclusion. Even then, after finally breaking with Papandreou in 2006, "[M]y public interventions in the debate on Greece and Europe have carried no whiff of Marxism."

Nevertheless, he asserts, "Karl Marx was responsible for framing my perspective of the world we live in."

Varoufakis attributes this to the influence of his "metallurgist father," together with the impact of "the strange times I grew up in, with Greece exiting the nightmare of the neo-fascist dictatorship of 1967-74."

At no time does Varoufakis display any understanding of the political forces at work during those tragic events, including the role played by the Stalinist Communist Party, even though his father served time in an island prison camp for Greeks who had fought with the partisans in the 1946-49 civil war. His mother too was a feminist active in the Women's Union of Greece, founded by members of Pasok.

His political outlook was common to that of the "left" milieu around Pasok, having been inspired to study economics after meeting the party's founder, Andreas Papandreou. Regarding the essential conformism of his views, one can note that among his various criticisms of Marxism, is that it inspired movements which "instead of embracing liberty and rationality as their rallying cries and organising concepts ... opted for *equality and justice* ..." [Emphasis added.]

Varoufakis' claims to being an "erratic Marxist" will be dealt with at greater length elsewhere. Suffice it to say that his theoretically confused account depicts Marxism in terms that are infused with existentialist idealism, refracted through the prism of post-modernism. He speaks, for example, of "Marx's mesmerizing gift for writing a dramatic script for human history, indeed for human damnation, that was also laced with the possibility of salvation and authentic spirituality."

For Varoufakis, Marx did not uncover real laws governing the objective movement of the capitalist mode of production. Rather, "Marx created a narrative populated by workers, capitalists, officials and scientists who were history's dramatis personae."

**Thatcherism not only conquers, it convinces**

Varoufakis studied at Essex University from 1978, and then began his academic career in the UK. Under the heading, “Thatcher’s lessons,” he describes his experiences in the 1980s as seminal:

The lesson Thatcher taught me about the capacity of a long-lasting recession to undermine progressive politics, is one that I carry with me into today’s European crisis. It is, indeed, the most important determinant of my stance in relation to the crisis. It is the reason I am happy to confess to the sin I am accused of by some of my critics on the left: the sin of choosing not to propose radical political programs that seek to exploit the crisis as an opportunity to overthrow European capitalism, to dismantle the awful eurozone, and to undermine the European Union of the cartels and the bankrupt bankers.

Speaking of his experiences in Britain, Varoufakis describes having initially “thought that Thatcher’s victory could be a good thing, delivering to Britain’s working and middle classes the short, sharp shock necessary to reinvigorate progressive politics; to give the left a chance to create a fresh, radical agenda for a new type of effective, progressive politics.”

Instead, “As life became nastier, more brutish and, for many, shorter, it occurred to me that I was tragically in error: things could get worse in perpetuity, without ever getting better.”

The “left”, he adds, “became more introverted, less capable of producing a convincing progressive agenda and, meanwhile, the working class was being divided between those who dropped out of society and those co-opted into the neoliberal mindset.”

As a result, Thatcherism, he asserts, “permanently destroyed the very possibility of radical, progressive politics”—and not just in Britain.

He asks, “What good did we achieve in Britain in the early 1980s by promoting an agenda of socialist change that British society scorned while falling headlong into Thatcher’s neoliberal trap? Precisely none. What good will it do today to call for a dismantling of the eurozone, of the European Union itself, when European capitalism is doing its utmost to undermine the eurozone, the European Union, indeed itself?”

Varoufakis concludes from these experiences that, given the failure of the “left”, the only possible outcome of the present crisis of European and world capitalism is fascist reaction. If preventing this “means that it is we, the suitably erratic Marxists, who must try to save European capitalism from itself, so be it.”

With Europe’s elites “behaving today as if they understand neither the nature of the crisis that they are presiding over, nor its implications for the future of European civilisation ... the left must admit that we are just not ready to plug the chasm that a collapse of European capitalism would open up with a functioning socialist system.”

### **An ahistorical account**

Varoufakis’ extremely demoralised outlook assigns to a grocer’s daughter from Grantham the world-historic role as the gravedigger of the entire socialist project. It is a position that is both ahistorical and which turns political reality on its head.

He leaves out entirely the period of intense and potentially revolutionary struggles that unfolded on a global scale in the period between 1968 and 1975. This began with the May-June 1968 General Strike in France and included the 1973 military coup in Chile, the fall of the fascist dictatorship in Portugal in April 1974, followed in July by the fall of the Greek

military junta, the collapse of the Nixon administration and the US defeat in Vietnam. In the UK, a mass strike movement led by the miners brought down the Conservative Government of Edward Heath in February that same year.

Mass movements involving millions of workers were betrayed and prevented from becoming a revolutionary challenge to capitalism by the Stalinist and social democratic parties. Moreover, a significant factor in the inability of the working class to mount a political challenge to these betrayals was the role played by the various Pabliste and state capitalist tendencies in opposing the necessary break from these organisations.

It was only in the aftermath of these defeats that the bourgeoisie was able to begin a counter-offensive against the working class that was politically codified in the beggar’s broth of supply side economics associated with Thatcher and Reagan. Even then, the ruling class continued to rely on the Labour and trade union bureaucracy to impose defeats on the working class, as exemplified by the 1984-85 miners’ strike.

When he asks what good was done by those promoting “an agenda of social change,” Varoufakis refers to a host of petty bourgeois groups that gravitated around the Labour Party and the trade unions that were themselves rapidly careening to the right. This was an era in which his co-thinkers on the euro-communist wing of the Communist Party, from which Syriza later emerged, were proclaiming Thatcherism as an all-conquering radical force and proof that the working class no longer represented an agency of social transformation.

Varoufakis only echoes this political apology for the betrayal of the labour and trade union bureaucracy when he blames the working class for having either “dropped out” or been “co-opted into the neoliberal mindset.”

When he asserts that a crisis of European capitalism can only benefit “the Golden Dawn Nazis, the assorted neofascists, the xenophobes and the spivs,” he is in fact repudiating any possibility of socialism. If a systemic crisis of global capitalism does not pose the necessity for its revolutionary overthrow, then nothing ever will. His own *raison d’être* thus becomes making a politically hopeless appeal to the ruling class, seeking to convince the super-rich that they are making a terrible mistake by implementing policies that could lead to a social explosion. It is an appeal that has fallen on deaf ears.

The political logic of his approach is that Syriza must save capitalism at all costs. Therefore how will he approach workers who simply don’t get the message, or those “sectarians” from the left who oppose such an agenda and argue for revolution? They must be opposed and, if necessary, suppressed.

### **Varoufakis as a social type**

Varoufakis closes his lengthy presentation with a “final confession.” It is worth repeating because it exposes the social impulse behind the politics of the entire pseudo-left.

He writes of “indulging a feeling of having become agreeable to the circles of polite society. ... The sense of self-satisfaction from being feted by the high and mighty did begin, on occasion, to creep up on me ....

“My personal nadir came at an airport. Some moneyed outfit had invited me to give a keynote speech on the European crisis and had forked out the ludicrous sum necessary to buy me a first-class ticket. On my way back home, tired and with several flights under my belt, I was making my way past the long queue of economy passengers, to get to my gate. Suddenly I noticed, with horror, how easy it was for my mind to be infected with the sense that I was entitled to bypass the *hoi polloi*.”

Speaking on behalf of a party that is now in coalition with the right-wing nationalist Independent Greeks, and which pitches its appeal to the leaders of the EU and to President Barack Obama, he declares, “*Forging alliances with reactionary forces, as I think we should do to stabilise Europe today*, brings us up against the risk of becoming co-opted, of shedding our radicalism through the warm glow of having ‘arrived’ in the corridors of power, ...” [Emphasis added.]

As a self-exposure, this statement leaves nothing to be desired. But Varoufakis is describing not only his own trajectory, but that of a broader social strata. Syriza has indeed “arrived” in the corridors of power, but similar political formations want nothing more than to emulate their success.

There is nothing particularly remarkable about Varoufakis’ biography. His equivalents can be found in The Left Party in Germany, the New Anticapitalist Party in France, the International Socialist Organization in the US or the Socialist Workers Party in the UK. Such parties constitute a definite social tendency that is rooted in and expresses the interests of the affluent upper-middle class, which desires nothing more than a more favorable distribution of wealth within the top five-to-ten percent in return for their political services on behalf of the bourgeoisie.

It is to them that Varoufakis offers his final piece of advice:

“The trick is to avoid the revolutionary maximalism that, in the end, helps the neoliberals bypass all opposition to their self-defeating policies and to retain in our sights capitalism’s inherent failures *while trying to save it, for strategic purposes, from itself.*”



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