

Democracy Now*

(Interviewed by Amy Goodman, Democracy Now, 7th May 2012)

In France's presidential election, François Hollande was elected as the first Socialist to lead France in 17 years.

Greek citizens rejected two parties in parliamentary elections that had pledged to enact harsh international bailout measures. Meanwhile, Greece's neo-Nazi Golden Dawn party could enter parliament for the first time. ”

Just like after 1929, when you start with a Wall Street collapse, which then spreads throughout the breadth and width of the world capitalist economies, similarly, after 2008, we have an economic crisis that shook the foundations of the eurozone,” says Yanis Varoufakis, professor of economic theory at the University of Athens in Greece. “The political class, just like in the 1930s, has failed spectacularly to mount a response to this economic crisis, and now there is a political implosion.”

AMY GOODMAN: In France's landmark presidential election, François Hollande has defeated incumbent Nicolas Sarkozy, making him the first Socialist in 17 years to lead Europe's second-biggest economy. Hollande soared to power on an anti-austerity platform in the midst of the euro crisis, demanding a European Union treaty limiting debt be expanded to include measures to produce economic growth. During his campaign, he proposed special taxes on banks and oil companies, as well as a 75 percent tax on those earning over a million euros, roughly 1.3 million U.S. dollars, annually.

Hollande's victory was narrow but uncontested. Official results showed him with 51.6 percent of the vote, while Sarkozy had just over 48 percent. He is the first Socialist to win the French presidency since François Mitterrand in the 1980s. Hollande gave his victory speech in his stronghold of Tulle in central France Sunday.

PRESIDENT-ELECT FRANÇOIS HOLLANDE: [translated] I don't know if you can hear me, but I have heard you. I have heard your will for change. I have heard your strength, your hope. And I want to express to you all of my gratitude. Thank you. Thank you. Thank you, people of France, gathered here, to have allowed me to be your president of the republic.

AMY GOODMAN: As François Hollande headed to Paris, he addressed supporters at Place de la Bastille, a traditional rallying point of the left. His jubilant supporters gathered to celebrate, drinking champagne, chanting, “Sarko, it's over!” This is Arnaud Montebourg, a member of France's Socialist Party.

ARNAUD MONTEBOURG: [translated] I believe that he is laying the groundwork for more than just the alternative with a lot of emotion. It is history. It hasn't happened for a Socialist president for 24 years. It is possible, the French say it, to not accept the fatality of the financial markets, of deregulated finance, of unlimited globalization.

AMY GOODMAN: The newly elected Hollande also campaigned on a promise to pull France's troops from Afghanistan by the end of the year, two years ahead of the planned U.S. withdrawal. He's set to meet with NATO leaders at their summit in Chicago later this month, where the focus will be on Afghanistan.

Meanwhile, incumbent Nicolas Sarkozy called Hollande to congratulate him on winning. Sarkozy accepted his defeat and urged supporters to accept the new leader of France.

PRESIDENT NICOLAS SARKOZY: [translated] Dear compatriots, the French people have made their choice. If you trust me, I ask you to listen to what I have to tell you. I have thought about it a lot. France has a new president of the republic. It is a democratic choice, republican.

AMY GOODMAN: Meanwhile, in Greece, voters sent their own message against austerity Sunday during the country's parliamentary elections. The two main parties that had pledged to enact harsh international bailouts suffered significant losses at the polls. Voters rejected the governing parties in favor of far-left and far-right parties that have both opposed budget cuts. "Left Coalition" leader Alexis Tsipras said he wanted to form a left-wing coalition rejecting the terms of Greece's bailouts.

ALEXIS TSIPRAS: [translated] We are sure that the Greek people will send a strong message to all of Europe for a change of course. There is no room for the barbaric bailout agreement in our European course.

AMY GOODMAN: Meanwhile, Greece's neo-Nazi Golden Dawn party could enter parliament for the first time if their tally of almost 7 percent holds up. The party had pledged to, quote, "clean up" Greece by expelling all legal and illegal immigrants. The group, which openly displays books on Aryan supremacy at its party offices, has been frequently linked to racist attacks but denies beating up migrants.

For more on the changing face of Europe, we're joined now by Yanis Varoufakis. He is a professor of economic theory at the University of Athens in Greece.

Yanis Varoufakis, welcome to *Democracy Now!*

YANIS VAROUFAKIS: Thank you.

AMY GOODMAN: Let's begin in France. The significance of Hollande's victory?

YANIS VAROUFAKIS: It is a culmination of a cascade. Recall that two years ago the euro crisis began. And it is the economy, stupid. In exactly the same that you had a domino effect, toppling effectively states, beginning with Greece, then we went to Ireland. Those states became insolvent, went bankrupt. Then we moved to Portugal, then we moved to Spain, and we keep moving. We are moving to Italy, and at some point we'll come to France. At the same time, there was a cascade of collapses of governments. It began in Ireland, then we moved off to Portugal. All those governments fell. Yesterday, we had another two governments that fell. One was the government of Mr. Sarkozy. France is going to be the battleground for the euro. And the failure of the eurozone to react rationally, efficiently to this crisis was the undoing of Mr. Sarkozy. What

happened in Greece was not just a change of government; it was a political implosion, the implosion of a whole regime.

AMY GOODMAN: In terms of Hollande, tell us his story. How did he come to lead the Socialist Party and become the—now the new president of France?

YANIS VAROUFAKIS: Hollande rose almost by default. The Socialists are a fragmented party. They have fractures. They've had a long history after their titular head, François Mitterrand, the only Socialist ever to have been elected president, passed away. The Socialists actually never got on with one another. And you'll recall that in the last presidential election, the one that Mr. Sarkozy won, it was Ségolène Royal, who is the ex-partner of Mr. Hollande, that stood against Sarkozy. Mr. Hollande was not particularly loyal to her in that election. I think he actually undermined her. They have four children amongst themselves, but they couldn't actually get it together with that election. This time around, he didn't get much support from her or from the Socialist Party. It was the collapse of the legitimacy of the austerity policies of Mr. Sarkozy that effectively handed Mr. Hollande the presidency of the republic. So this is not a pro-Hollande vote; it's an anti-Sarkozy vote.

AMY GOODMAN: At a mass rally in January, Hollande decried the world of finance as it currently functions.

FRANÇOIS HOLLANDE: [translated] My real enemy doesn't have a name or a face or a party. He'll never run as president, and so he'll never be elected, although he does govern. My enemy is the world of finance.

AMY GOODMAN: Shortly after winning first-place position in the first-round presidential ballots, Hollande told journalists, if he was elected, quote, "there will be no more free trade and unlimited competition." What does that mean?

YANIS VAROUFAKIS: It means that there was a jostling for position between Sarkozy and Hollande, because if you read the speeches of Mr. Sarkozy, he was also waging, supposedly, war against the world of Anglo-American finance. French politics is replete with such rhetoric. In essence, I don't think there's going to be much of a difference. Mr. Hollande is, as of today, heavily constrained by the bank—the central bank of France, which is surely going to be onto him with words of caution about what the French president must do to retain the trust of the markets, and you will see a different Mr. Hollande. If you recall, François Mitterrand, the first president that came from the Socialist camp, was elected in the early '80s on the basis of an almost Marxist platform. Within a year or so, he had become effectively a Thatcherite. I don't expect to see much of a difference from Hollande. But the significance of Hollande is that it's like a seed being planted in the foundations of the eurozone, which hopefully will flourish, and the result will be an end to the idiocy which passes as economic policy in the eurozone at the moment.

AMY GOODMAN: Professor—

YANIS VAROUFAKIS: But—

AMY GOODMAN: Professor Varoufakis, let's move to Greece. What happened?

YANIS VAROUFAKIS: Greece is going through its Great Depression, something akin to what the United States went through in the 1930s. This is not just a change of government. It's a social economy that has entered into a deep coma.

It's a country that is effectively verging to the status of a failed state. Greece is going through an existentialist crisis. And just look at the numbers. The Socialist Party had 44 percent of the vote only two short years ago. It went down to 13 percent. The opposition, conservatives, they were at the low tide mark of 35 percent, 35 percent in 2009. They would have been in a position they should be picking up votes. They went down below 20 percent. The political class of Greece, effectively, has been thrown out by the electorate. This is very exciting and very worrying at the same time. The rise of the Nazis is something to be lamented.

AMY GOODMAN: *The Guardian* reports today Greek TV channels are reporting the country's electoral earthquake has been met with stunned silence by officials at the International Monetary Fund in Washington.

YANIS VAROUFAKIS: It's their week of discontent, because, for the second time around, the International Monetary Fund has fomented—first time was in Latin America, and perhaps Southeast Asia in the late 1990s. Now it's the second time their policies and their heavy-handed approach to a failing economy has created a spectacular failure in their own hands.

AMY GOODMAN: Meanwhile, Greek conservative leader Antonis Samaras said Sunday he's ready to try to form a "national salvation" government and appealed to pro-European parties to join him.

ANTONIS SAMARAS: [translated] We are ready to take the responsibility of the formation of the government of national salvation, with two specific aspirations: that the country remain in the euro and the amendment of the policies of the bailout agreement so that there is growth and relief in Greek society. Today I submit this open proposal towards all the parties that accept the European course of the country and the need for a change of economic policy. I understand the rage of the people, but our party will not leave Greece ungoverned.

YANIS VAROUFAKIS: [inaudible] frenzied attempt by the powers that be in Europe to convince Mr. Samaras, the leader of the Conservative Party, the leader of the Socialists, the fragmented and heavily defeated Socialists, and the leader of one of the small left-wing parties to forge a coalition in order to continue business as usual regarding the implementation of the austerity plan. Now, in other words, following the election, we are now going to be witnesses to a wholesale attempt by the European leadership in Brussels, in Frankfurt, in Berlin, to ensure that the popular will in Greece is subverted and that austerity continues, possibly dressed up by means of some nice anti-austerity rhetoric, when in reality the policies don't change.

AMY GOODMAN: You mentioned the Nazi party in Greece, the rise of it. And also in France, you have Marine Le Pen, although she didn't win, certainly rising in popularity.

YANIS VAROUFAKIS: The ultra right does not need to win in order to gain power. The fact that they are rising in influence on the streets and in parliament is sufficient to inflict a major blow on democracy, to color the whole complexion of democracy. Let me give you a very simple example. Only two weeks ago, the Socialist minister of public order introduced compulsory HIV tests on paperless migrant prostitutes, which were carried out by means of force, police brutality,

and then their photographs were published in newspapers and on websites, official government websites. And all that was in order to demonstrate that you don't need to elect Nazis if you can elect me. When Nazis manage to influence the agenda in that way, they don't need to be in government.

AMY GOODMAN: The ultra-nationalist, far-right Golden Dawn says it will start by forcing immigrants out of Greece after exit polls show it would pass into parliament for the first time since the end of a military dictatorship in 1974.

REPORTER: What will be the first measure change?

NIKOLAOS MICHALOLIAKOS: All the illegal immigration out! Out of my country! Out of my home!

AMY GOODMAN: So he wants legal and illegal immigrants, Golden Dawn.

YANIS VAROUFAKIS: He's a Nazi. He wants a Kristallnacht against anyone that doesn't look Greek, whatever that means.

AMY GOODMAN: Final comments on the significance of the elections in Greece and France?

YANIS VAROUFAKIS: It just goes to show that, just like after 1929, when you start with a Wall Street collapse, which then spreads throughout the breadth and width of the world capitalist economies, similarly, after 2008, we have an economic crisis that shook the foundations of the eurozone. The eurozone was never designed to sustain such a great financial crisis, and the eurozone now is unraveling. The political class, just like in the 1930s, has failed spectacularly to mount a response to this economic crisis, and now there is a political implosion. Whether the fragmented opposition to the idiocy, which passes as economic policy in Europe, is going to find a common voice in order to stop the rot and put an end to the rise of the Nazis is something that we're going to have to wait and see.

AMY GOODMAN: Yanis Varoufakis, I want to thank you very much for being with us, professor of economic theory at the University of Athens in Greece.