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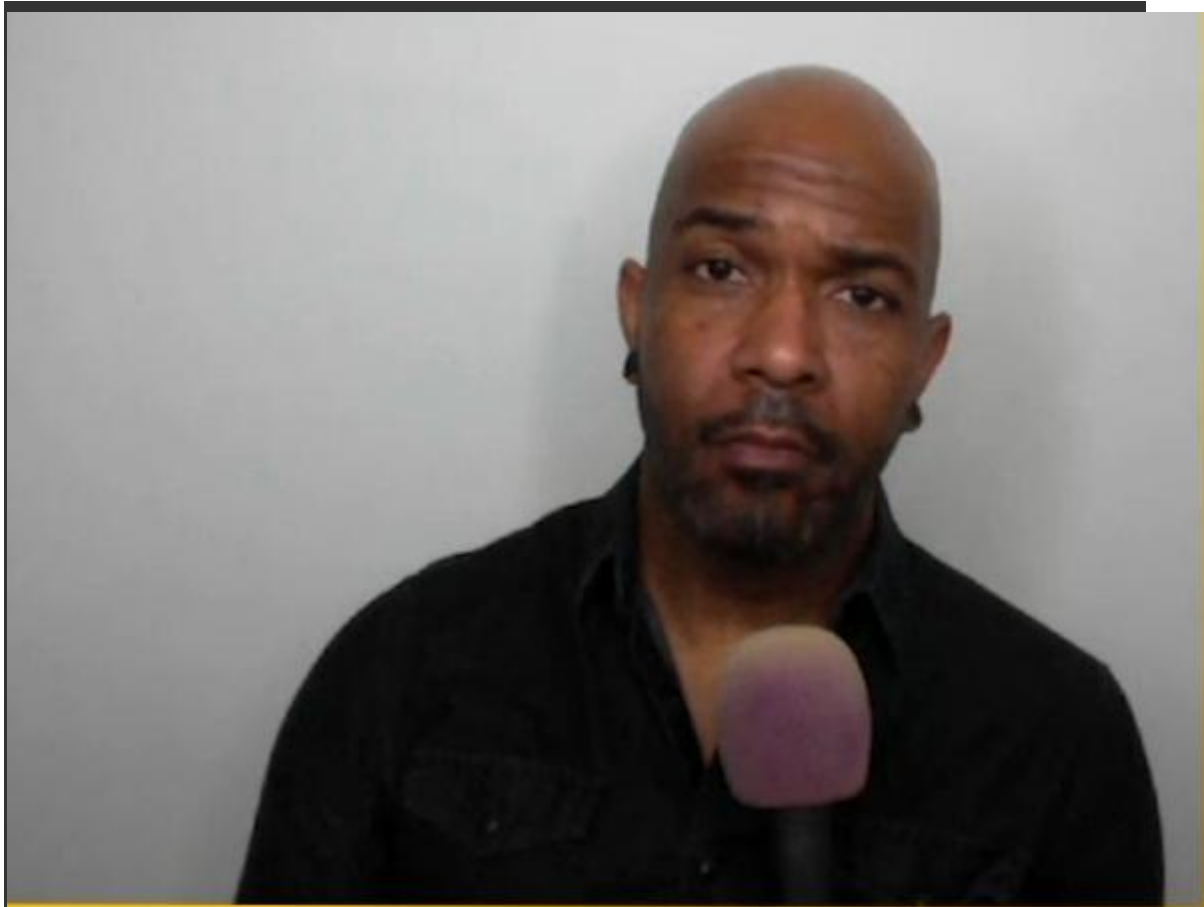
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YANIS VAROUFAKIS: WE ARE LIVING IN A POST-CAPITALIST, TECHNO-FEUDALIST DYSTOPIA

World-renowned Greek economist, author, and politician Yanis Varoufakis argues that global capitalism as we know it is dying—and something much worse is taking its place.

BY [JASON MYLES](#) AND [PASCAL
ROBERT](#) FEBRUARY 22, 2022





Yanis Varoufakis speaks with This Is Revolution co-hosts Jason Myles and Pascal Robert. Screenshot/TRNN



From the push to turn more of the workforce into precarious “gig workers” to the ways profit-seeking digital platforms condition how we act and think while extracting free data from us, we can see and feel everyday the creeping evidence that we are living in a new reality. As world-renowned Greek economist, author, and politician Yanis Varoufakis argues, “This is how capitalism ends: not with a revolutionary bang, but with an evolutionary whimper. Just as it displaced feudalism gradually, surreptitiously, until one day the bulk of human relations were market-based and feudalism was swept away, so capitalism today is being toppled by a new economic mode: techno-feudalism.”

In their latest interview for TRNN, co-hosts of *THIS IS REVOLUTION* Jason Myles and Pascal Robert speak with Varoufakis about how this “techno-feudalist” system emerged, what sets it apart from the global capitalist system that

preceded it, and what it will mean for humanity if we don't stop it. Yanis Varoufakis formerly served as the finance minister of Greece and is currently the secretary general of MeRA25, a left-wing political party in Greece that he founded in 2018. He is a professor of economics at the University of Athens and the author of numerous books, including *The Global Minotaur: America, Europe and the Future of the Global Economy* and *Another Now: Dispatches from an Alternative Present*.

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TRANSCRIPT

Jason Myles: Good morning, good afternoon, and good evening. Welcome to another episode of This is Revolution podcast working in conjunction with The Real News Network. If you are enjoying the interviews that we are doing for The Real News, please don't forget to hit the like and subscribe, definitely hit that bell, as we're constantly dropping these things at different times throughout the month, so you want to stay notified. You want to hit the bell, so whenever we go live, whenever they drop a new one, you know. So without any further ado, because time is of the essence, let me bring in my homey, my co-host, my dawg. He is the man of the hour. He is a writer for *Newsweek* and *Black Agenda Report* and also my best Haitian friend in Miami. He's the Pascal Robert. [applause]

Pascal Robert: Peace and greetings to the audience, peace and greetings to The Real News Network, peace and greetings to Jason Myles. I'm your only Haitian friend in Miami.

Jason Myles: Yeah, it might be right. [laugh track] I might just have you... Wait a minute. Yep. Yep. I think you're my only Haitian friend.

Pascal Robert: I wasn't going to speculate that, but I figured as well.

Jason Myles: Am I your only Black friend from Oakland?

Pascal Robert: No.

Jason Myles: Oh wow. [sad trombone noise] It's horrible that you are so well-rounded with your friendships.

Pascal Robert: And very round.

Jason Myles: You are. I was going to leave that out, but we could make those jokes all day. [laugh track] But we won't because it's a serious show with a very serious guest, even though I can see our guest mildly giggling in the virtual green room. I hope our guest is ready for a very good, fun conversation. If the financial crash of 2008 showed us anything, it's capitalism's ability to adapt and morph into something new, maybe even more hideous. Central banks using their money-printing capability to uphold global finance has allowed, according to our guest, value extraction to shift away from markets and onto digital platforms, creating a new techno-feudalism. To discuss this theory more in depth, let's bring in our guest Yanis Varoufakis, a former finance minister of Greece. He is the leader of the MeRA25 party and professor of economics at the University of Athens. Please welcome the Yanis Varoufakis. [applause]

Yanis Varoufakis: I love your sound effects.

Pascal Robert: Glad you do, Yanis.

Yanis Varoufakis: Very basic, but very, very poignant.

Jason Myles: We try.

Yanis Varoufakis: It's good to be in your mix. Thank you for having me.

Jason Myles: Thank you for agreeing to come on. We made a list of people that we wanted to talk to when we decided to do this deal with The Real News, and your name was on that list. When your team agreed to get back to us, we were like, oh dammit, we got to read all these books now. That guy wrote like 45 books.

Yanis Varoufakis: Yeah. My daughter tells me that I suffer from verbal diarrhea, she said. That's my daughter for you.

Jason Myles: I recently got your fiction book. I didn't know you wrote a fiction book. In doing these things, we try to go back and watch different appearances and you definitely have a lot of appearances in various languages. I was watching an interview you did last year, I was like, oh, damn, he wrote a science fiction book? So, I just got it. I started reading it at like 2:00 in the morning. But there's a quote in your book that I thought encapsulates this theory, "A minor slaving away on the dark side of the moon, Sam is driven mad when he discovers that he is one of many clones that have been created by his company as a supply of cheap, disposable workers, and that he has been duped with implanted memories into believing his long-dead family are still alive back on Earth awaiting his return."

‘Science fiction is the archeology of the future,’ a leftist philosopher once said. It is now on the verge of offering the documentary for our present.” From your book *Another Now*. So, is the dystopian future of science fiction, was that part of you coming up with the idea of techno-feudalism?

Yanis Varoufakis: I’m not sure. Science fiction is part of everybody’s thinking, especially those who don’t think that they’ve been influenced by science fiction. Science fiction has always been with us. Even the Aboriginal dreamers of Australia 40,000 years ago, if you look at their cave paintings, they imagine things that didn’t exist. Look at Plato, the ancient Greek philosopher Plato, he uses science fiction all the time. He doesn’t think of it as science fiction, but he has this in the *Republic*, the famous Plato’s *Republic* text. He has a science fiction device. He says, imagine that there is a shepherd who finds a ring in the forest. He puts it on his finger, then twists it and suddenly he’s invisible. He uses this device in order to enter the king’s palace, murder the king, marry the queen and then become ruler. Plato is using this as a device in order to ask the question, is he going to be living the good life? Is he going to be happy doing this?

So, science fiction has always been with us. I have to say, we said this backstage just before we came online, but full disclosure here, folks, I am a Trekkie. [sad trombone noise] Live long and prosper. Look, does the dystopian aspect of science fiction inform us? I think absolutely. In a book that I wrote sometime ago, I called it *Talking to my Daughter About the Economy: A Brief History of Capitalism*. I finished the book by saying that, look, the way we are proceeding as a species, given the technologies of the world, fantastic technologies. I’m a techie as well. I love technology. I don’t like the way we use technology. But I love technology. The way that we have fashioned these fantastic technologies, especially the internet,

artificial intelligence now and so on, where there's a fork on the road which is coming up.

It will either take us to a liberal communism, which is *Star Trek*. There's no right to property. There's no money. There is a hole in the wall that replicated, that produces energy. Nobody needs to work. They discuss philosophical issues and explore the cosmos. And they only have to deal with issues like money and trade when they come up to the Ferengi at the far regions of the universe, who are still stuck in a neoliberal capitalist dystopia. So either we're going to move towards a liberal communism using this technology or we're going to be experiencing *The Matrix* as a documentary. Because if you think about *The Matrix*, I mean, *The Matrix*, Neo and his mates at the beginning, they don't know that they are servants of machines. They think that they are leading a normal life while at the same time living in false consciousness and working as essentially batteries, human electricity producers serving the interest of the machines.

Karl Marx is great critique of capitalism, is that in the end, the technologies that are developed in an environment of private ownership of capital – Capitalism, in other words – Those technologies, instead of becoming our servants, our slaves, we become enslaved to them. Well, that's *The Matrix* for you. So, science fiction is a wonderful way of organizing our thinking about the present. It's got nothing to do with the future, as far as I'm concerned. I don't care about the future.

Jason Myles: It's interesting. I find it very interesting that you say that because I now live in Mexico, but before, I'm a native Californian, and we had a bill that passed called Proposition 22 which really started to destroy a lot of the small labor rights that people were getting within the gig economy. Part of the pushback from... There was a bill called AB5. I don't

know how much you were following California State law, but there was a bill that was going to give a lot of rights to workers to be viewed as workers and not independent contractors.

Yanis Varoufakis: I did follow that.

Jason Myles: They still weren't even allowed to unionize with the first bill. And even with that, Uber, Lyft, and all the other food delivery companies, platforms, as you talk about, sued, got this proposition, put it together that even took away those rights. One of the things that they sold to the drivers, even, was the fact that you're not part of *The Matrix*. You are your own boss.

Yanis Varoufakis: Of course.

Jason Myles: I find that fascinating in this –

Yanis Varoufakis: The whole chapter in *Das Kapital*, in Marx's *Kapital* explaining exactly this, called piece rates, the idea that capitalist employers... The one thing capitalists hate more than anything is having to have workers in their premises. So if they can subcontract work, labor, to workers that are stay at home and work on piece rates or drive their own car in the case of Uber, or rent out their own apartment for which they take all the risks and pay the insurance and so on, Airbnb, all that, they will do it. The problem is that to produce serious value they need to concentrate lots of workers in one factory, like an Amazon warehouse or a Tesla shop floor. And that's where they want to go, which was happening in the 19th century in Britain, which is no rights, just the precariat.

The proletariat started life as a precariat. And then because of [inaudible] activity, they managed to become the proletariat. In

other words, they acquired certain rights. And then with the 1929 disaster, *The Grapes of Wrath* in the United States, in Europe and so on, capitalism had to be saved from itself by creating more demand for stuff. That's the New Deal. And then the Bretton Woods system after the Great War. So, especially when there was a Soviet Union to antagonize capitalism, they started granting more and more rights, redistributing money, creating free education in some countries or cheaper education in the United States for the workers and so on, until 1991 when this competition from communism disappeared. And then they said, okay. Now, we don't need to give them anything. We'll take everything back. Which is exactly what they did, and you just described one way of doing it.

But yeah, if I may just add one last vignette, which I'm sure you'll want to take further, things are worse than what you're saying. Because yes, technologies, apps and so on have been used to robotize human beings and make them turn them into a precariat again. However, why am I saying that things are worse? Because now, exploitation has really become universal. If you think about it, every time anybody posts anything on Facebook, or tweets, or goes into Amazon and posts a review, you're adding capital to the capitalists directly. Up until now, or recently, okay, the only way capital could be created was through labor, through wage labor. You worked for a capitalist, the capitalist retains your surplus value, and from that surplus value the capitalist builds capital up.

Now, the whole of humanity, even the middle classes and the upper middle classes, they are constantly on their phone. Even by telling Google Maps where you are and what you're doing at that moment you are adding to Google's capital, and you don't get paid for it. So you've got big tech, you've got the platforms that you mentioned robotizing the workers in their warehouses and shop floors, but also finding remarkable ways of exploiting

the rest of us, those who are not working directly for them, to produce directly capital for them.

One last thing, think of Alexa or Google Assistant. This machine is absolutely remarkable in terms of the effect it has had on the system we live in. It really is a sign of the times to come, of what I call techno-feudalism. Because think about what it is. It's a machine where you supposedly, you tell it to do things for you. So you ask it to order milk or to order cookies or to switch on the lights, to follow your orders. But what it really does is this. It's the top end, the front end of a cloud-based network where the machine is trained by you so that the system, this cloud-based system, can train you to want what the manufacturing capacity of that same machine wants you to buy. Hmm? That's not science fiction.

Jason Myles: That's right.

Yanis Varoufakis: It's happening [inaudible] today.

Jason Myles: That's definitely science fiction. That is the essence of it.

Pascal Robert: Well, Yanis, I wanted to actually get directly to the point you're alluding to in this particular position. One of the themes that we have on our show is called the 50-plus year counterrevolution where basically, the idea is that in the last 50-plus years of American and global geopolitics starting in 1968 is basically a counterrevolution or reaction to the socioeconomic push of the New Left period in the 1960s, which in America briefly created the New Deal civil rights coalition. Can you explain in detail how you believe the current and developing form of capitalism that we see in the West is a distinct evolution or devolution to something other than the

standard pivot to neoliberalism that we saw starting in the 1970s?

Yanis Varoufakis: Well, that question really gets me here. Thank you for it. Because you're just putting your finger on what really matters. You mentioned 1968, the period between 1968 to 1971, between LBJ exiting the White House and Richard Nixon blowing up the Bretton Woods system on the 15th of August 1971, the Nixon Shock. That period changed the world. So, allow me to share with you my perspective. And I'll try to do it as briefly but succinctly as I can. After the 1900 to 1905 period of the creation of the first networked companies by people like Thomas Edison, who used electromagnetism in order to create the big conglomerate, because you needed electromagnets to create electricity networks, telephone networks, the grid, the grid companies.

Now, the grid companies were exceptionally expensive to fund. Stock exchanges and banks were not able to... They were not liquid enough. So you had this mergers amongst bankers. So you had big finance being created to fund big business. And then you had the Roaring Twenties. So the whole thing took off, irrational exuberance, huge megawatts, mega-profits, mega-debts. And the whole thing came crashing down in 1929. So, that was a period of the original neoliberates, the idea that the market knows best. It's self-regulating. Everybody is going to be rich. Poverty is going to be a choice. That kind of nonsense of the 1920s. 1929 destroys all that. And then the New Deal comes in. So, Roosevelt, who was a smart patrician, understands that he needs to put the financial genie into the bottle and to create a plant capitalist, the state capitalist, because that's what the New Deal was and that's what the war economy was doing.

The war economy was unbelievable. It was more or less a copy of the Soviet Union. Well, the only difference being that the businesses remained in the ownership of individuals, of the private sector, but they fixed prices. They fixed quantities. They had public funding of science, rations and so on. The war economy was a Soviet-like economy with private owners, which is what the Japanese and the Chinese later copied, really. I mean, that's what the Chinese state capitalism is. It's a copy of what happened during the New Deal. The [inaudible] is beginning to end, is coming to an end in 1944 at the time when the allies were invading Normandy, and that's when Roosevelt convened the Bretton Woods conference, okay, in New Hampshire. What the Bretton Woods system was, was an extension of the New Deal to the known world, to the known capitalist world.

Between 1944 and 1971 you had a period when the big monopolies, the technostucture, as John Kenneth Galbraith called them, they were effectively fixing prices, fixing quantities, introducing marketing through televisions and so on to tell people what to want while producing that which they told people they should want. Nevertheless, it was a period of declining inequality because the financial genie was put back into the bottle and banking was extremely boring. Capital controls were in place. The state was clamping down on the bankers in big finance. That whole system was predicated upon the whole world running on the dollar. It was a dollar standard. It wasn't the gold standard. The Bretton Woods was a dollar standard. But for the dollar to remain the currency of the capitalist world, the United States economy had to be a surplus economy. They had to produce more stuff for sale than you were, your country, was absorbing into its territory. That ended in 1965 with the Vietnam War, with the Great Society and so on.

Okay. From '68 – And that's why I'm ecstatic that you mentioned '68 – From '68 onwards, this system was going.... The writing was on the wall. It was going to be killed off. Why? Because America became a deficit country and the dollar could not continue to be the linchpin of the global capitalist monetary system, because up until then, there was only one currency. It was the dollar. Every exchange rate was fixed to the dollar. That was jettisoned in 1971. This is remarkable. What happened was in Washington DC – And I've read transcripts. I've done a lot of research. I've published... What? 12 years ago, a book called *The Global Minotaur* in which I put forward the answer that I'm giving to you now, my thesis. What happened was this. The people in government, and it was a combination of Democrats and the Republicans. Don't forget that John Connally was a former Democrat. He had worked with LBJ. Volcker was embedded in there, who was also a Democrat, but he worked with Nixon and with Kissinger.

They were all working together. They faced the following question, and Kissinger asked that question during one of those meetings amongst themselves, how can we maintain American hegemony now that we are a deficit country? And the answer they gave was spectacular and unique in the history of humanity, of capitalism. They said, okay. What are we going to do, folks? We're going to increase our deficits and we're going to use the American trade deficits in order to... We use it like a vacuum cleaner. We will suck into the American territory the net exports of the Germans, the Dutch, the Saudi Arabians, the Japanese, later the Chinese. And how are we going to pay for this deficit? We will suck also into New York Wall Street, their profits, by making Wall Street the financial capital. And that's what they did. But to do that, they had to unleash the genie, the financial genie from the bottle in which the New Deal had put it in. And that's financialization for you.

Neoliberalism was just an ideology that was crafted on top of the financialization. Between 1980, after the Volcker Shock, and 2008, you had this remarkable situation where the United States was indeed the recycler of net exports and net capital flows. So, European, Asian net exports were coming to the United States because of the American deficit, but the profits of the German, the Dutch, the Japanese, and later the Chinese capitalist was also going to the United States, therefore closing the loop. That was what we call neoliberalism, simply the ideology that legitimizes this monstrous, wonderful, just grew exuberant beast. That beast came to its end in 2008. Because on top of the tsunami of money that was riding the waves of the Pacific and the Atlantic to end up in Wall Street, that those profits were getting there, the financials, if you give them \$5 billion every day, this is about the average of net flows into Wall Street, they devise derivatives and other products by which to make it grow bets effectively, like wages.

They created so many of those bets that when those crashed in 2008 – Then from the model that you described, and you asked me to comment on from the 1960s though was the technostructure, which is what Galbraith referred to it as – At that moment, you have the makings of what I now call techno-feudalism. Because what happens after 2000 is this. The great central banks, the Fed, the Bank of England, the European Central Bank, the Bank of Japan, the Bank of Sweden, they got together in April 2009 in London and they decided to print mountain ranges of money to refloat banking while practicing austerity for everybody, for everybody else, effectively. So you had socialism for the banks and you had crashing austerity for the masses.

Now, that did two things. Firstly, it refloated finance. So finance has never done better than they've done after 2009. I mean, it's amazing. If you have a pandemic, nobody buys stuff. Everybody

loses their wages, and yet the stock exchange riches goes from one record high to another because they are printing money to give to them. So, there's no sense of markets, of competition, of even capitalism, where central banks print the money to give to the bankers to play in the stock exchange. So the stock exchange decouples. It's like it's taken off planet Earth. Elon Musk wants to go to Mars. Well, finances have already gone to Mars. You needed central bank money as fuel. And everybody else is stuck with shitty jobs, second-rate services and so on and so forth, inequality and all that. You know that.

But the second pillar of techno-feudalism, one is central bank money replacing capitalist profits, and the second thing is, you mentioned that before, platforms, platforms replacing markets. Now, Amazon is not a monopolistic market. It is not a market. Amazon.com is not a market. Remember back in the era of Theodore Roosevelt, when Standard Oil had the monopoly of petrol in various cities around the United States, the monopoly that Theodore Roosevelt famously broke down or broke up. Well, you would drive into a town and there would be three petrol stations. It would all be Standard Oil. So they would have a monopoly power over you. But still, Standard Oil did not own the road, every shop in the town, the air you breathe, the park benches in which you would sit if you wanted to take a break.

In Amazon.com, the moment you enter Amazon.com you enter a fiefdom, an electronic fiefdom, a digital fiefdom, owned by one man. One man decides what you're going to see. Imagine, it's like driving into Oklahoma or something and there being one person or the algorithm of one person taking your head and turning it around here and there, make sure that you see what the algorithm wants you to see and you don't see what the algorithm doesn't want you to see. What you sell or buy on that platform is determined by that one algorithm, by terms and

conditions set by that one company. That is not a capitalist market. It's not even a monopolistic market.

So, I know that this was too long an answer, but to answer very, very briefly, what has changed after this topsy-turvy world that was created after 1971 broke down in 2008 was a post-capitalist dystopia. I call it techno-feudalism because it is based on the replacement of capitalist profits by state money and the replacement of markets by platforms belonging to very few individuals, call me Jeff Bezos or Zuckerberg or whatever, with everything else. I mean, capital is everywhere. I'm not saying that we don't have capital. Capital is everywhere, except that this system is not capitalism. It's something worse than capitalism.

Pascal Robert: I'd like to counter that, because – Not that I agree or disagree on that, I'm not even qualified to do that – Is that the position I want to ask you is that your definition hinges on central bank basically printing money through quantitative easing being one major factor, which I would agree is a major distinction that we've seen in the 50-year counterrevolution period. The second element is the rise of these technological platforms, Amazon, Google, Facebook, that become such mega-corporate monopolies with such a low amount of overhead in terms of actual labor costs or anything else yet such a massive control over the net trading capacity of securities in terms of their stock value and so on and so forth that they become almost kind of like gigantic feudal lords as opposed to actual companies.

Yanis Varoufakis: That's right.

Pascal Robert: They're definitely not industrial or manufacturing. But my question is that, what happens in the current moment where we are seeing inflation and the central

banks are now pivoting to move away from that traditional paradigm of quantitative easing? We had early this year, the Federal Reserve saying they're going to raise interest rates at least three times and they've already admitted that they're going to go back away on the quantitative easing. Many people would assume that means recession, definitely, when you have a pseudo recovery that's been completely allowed by central banking financing the 1%. So, if your techno-feudalism is hinged upon largely this central banking flooding of currency through buying securities, i.e. quantitative easing, since the rise of inflation and then the central bank saying that they're going to pivot away from that, how does that demonstrate the validity of your thesis if they've already shown a willingness to alter that trajectory?

Yanis Varoufakis: Well, they haven't really though, have they? I mean, if it wasn't for the techno-feudal aspects that I described, interest rates would've been 5% already. I mean, if you look at the money supply and money demand, if you look at the money market, if you look at what used to be called macroeconomics, the Fed... I mean, it's preposterous that interest rates are so low at the moment. Why are they taking so long to adjust their policy? They're taking so long because they know they've created zombified corporations, corporations that depend on the central bank money. And they're very reluctant. They are damned if they do and they are damned if they don't. Now, let's wait and see.

I mean, in the European... Think about it, we, in Germany today, and you know how inflation-phobic the vast majority of Germans are because of the past experiences with hyperinflation and so on. Here in Europe today, we have 7% inflation in Germany, 7%, and the interest rate remains a minus 0.8% to this day. Okay. They will increase it, but why are they taking so long? Because they understand that this new

techno-feudalist structure is in very dire straits because inflation is a major challenge, but if they increase interest rates, if they stop pumping money, if they stop using money, what's going to happen is that the large corporations that keep the whole show on the road are going to crash.

If you look at the index of companies that... Think about Uber, Uber has never made a profit. They rely on a sense of bank money. Netflix has never made a profit. Tesla, tiny profit served, nothing to speak of. All these megaliths rely on the production of central bank money. I tell you what I think is going to happen. I think they will have to increase interest rates, but at the same time keep printing money. So, they will find themselves in this kind of conundrum. The only way of killing off techno-feudalism is by creating a Great Depression that will make the earlier Great Depression look like a walk in the park.

Jason Myles: That's frightening.

Yanis Varoufakis: Yeah, it is. Yeah. They are shit-scared now. The good people in the Fed, in the European Central Bank, in the Bank of England, we have a very scientific expression here in Europe, they're shitting bricks. They're seriously terrified. They're also terrified of something else, let me add that geopolitical dimension, the digital central bank currency coming from China, because the Chinese are very smart at this. They are introducing that, which we should have introduced a long time ago, which is a state central bank cryptocurrency or digital currency, or distributed ledger currency, whatever you may want to call it, because that's the way for the future anyway, even whether we're talking about this society we are in or a social society. This is the way it should go. It should cut out the middleman. Because effectively, when you have a central bank like we do under capitalism today, the only people who have the right to have an account with the central bank are the bankers.

So, when there is QE, effectively, the bankers get the money and then they waste it. They give it to their own mates. They give it to Google. They give it to Apple. Apple and Google don't need money. They're sitting on huge piles of cash. So they take this money and they go to the stock exchange and they buy back their own shares, which sends the share price through the roof but without any investment in anything humanity needs. So, how do you cut out the middleman? Well, giving every one of us a bank account, a digital wallet, a digital wallet with a Fed, with a European Central Bank. The Chinese are already doing that. And I can tell you that people in Frankfurt, people in Washington, the Fed and European Central Bank are really... I mean, I wouldn't be able to emulate them, nor would you, because we don't have any hair, but they're pulling their hair out. They are really pulling their hair out.

Pascal Robert: Another question I wanted to ask you on the techno-feudalism theory in terms of how does that actually look in terms of the way labor reacts to that reality? One of the things we're saying... And there have been questions in terms of whether or not there is an accurate increase of strike activity or labor activity in the United States. There have been countervailing reports that actually argue that there has not been a real increase in labor resistance via strikes, and that there's actually been a decrease in unionization. There are some people who are looking at some of the strike activity and the labor activity in the United States as a demonstration that labor is rebelling from the state planning or the central bank planning, the Great Resignation, things of this nature. What exactly does this techno-feudalistic paradigm that you're presenting, how does it work out in terms of the way in which labor, if labor will even still be necessary, reacts or functions in that paradigm?

Jason Myles: And then I want to add this on it, just because we have to be as difficult as we can in the time we have,

how does this affect rents in the techno-feudalism world? So, I'll take my answer off here.

Yanis Varoufakis: Well, the second part of the question is easy to answer because central bank money has been inflating house prices and all of the asset prices, and then you add to that the inflation caused by the supply chain reaction of disruption and what you have is the tragedy of the renters and the tragedy of the people who do not own their homes all over the world, in the United States, in Greece, in France, in Berlin, where there is a rebellion regarding housing all over the world. But going to the original point about labor action, industrial action, about resistance, being a Trekkie, I have to throw this in, feudalism is a bit like The Borg in *Star Trek*. When they meet you, they say, you will be assimilated. A resistance is futile. That is like Jeff Bezos speaking to workers in Amazon warehouses. Or to us as capitalists or to small businessmen and women.

So, how do we resist? Look, we can't do it the way we were doing it in the 19th century with just heroic trade union action. Because if you think about it, strike action, which will remain important, strike action, nevertheless, is a terrible, terrible balance of cost and benefits for workers. For workers that strike against Amazon, think of Chris Smalls in New Jersey, remember, a couple of years ago. Think of how he was destroyed. His reputation was destroyed by the board of Amazon. In the 19th century, miners that went on strike, they were killed, they were maimed, their families went hungry. So, the personal cost of these strike actions is gigantic and the personal benefit is tiny, if it exists.

Sometimes there's no benefit. And even when the strikes succeeds, the scabs, the strike breakers, get the benefits as well. The calculus of collective action is very much against labor, has always been, and it's getting much, much harder to sustain

successful industrial action, especially when people have been financialized, when you owe a mortgage and three days out of work or without the paycheck means that your house is foreclosed upon. So, I think that what we should do, and I've been advocating about it and it's in one of the chapters of my novel, *Another Now*, I try to explain, to narrate how a completely modern new form of collective action can emerge.

Now, let me give you an example of this. On Black Friday last December and the December before that, the Progressive International, which is a movement to which 200 million workers belong, or trade unions with affiliations from 200 million workers around the world, and suddenly I was involved with setting it up, we started a rolling strike against Amazon under the banner of Make Amazon Pay. Last Black Friday it started in Vietnam. The first strike happened there. A few hours later it moved to Thailand. From there it moved to Bangladesh, from there to India, from there to Germany, from there to New Jersey, from there to Seattle. This rolling strike in internationalizing the struggle against these international feudal lords. But that's not enough, I don't think. Imagine if the next time we do it, we also combine it with an international consumer boycott on the day of this international strike to ask people not to visit Amazon.com.

It's not a great sacrifice. We're not saying don't buy things from Amazon ever, just one day, just don't visit Amazon.com one on the day of this rolling strike. Because think about it, if I was right in what I was saying before that we are all victims of Amazon exploitation in the sense that the use our [inaudible] reviews, our purchasing habits and so on to enhance their own capital and we don't get anything out of it, then we should strike collectively as humanity against Amazon with particular demands about climate change, about looking after workers, paying taxes and so on. And a combination of industrial strikes,

rolling industrial strikes with consumer boycotts. I would even go further. Let's employ some left-wing progressive financial engineers to attack on that same day the derivatives involving bonds issued by some of these big tech companies. That kind of techno-rebellion, I call it, which incorporates elements of the traditional industrial strike idea and practice with capacities that the technology of the beast provides us.

Pascal Robert: Okay. I want to move more to a statecraft question because we have limited time, so I'm going to be direct here, and I really want your answer. When Syriza, the left political administration that took over Greece in the earlier 2000s, rules to power, progressives and leftists were enthralled with the capacity of those proclaiming socialism or social democracy seizing power. Some consider Syriza to have failed in its mission or to have surrendered to the austerity politics of the parasitic capitalist Troika, the European Commission, the European Central Bank, and the International Monetary Fund. Do you consider Syriza to have been a failure, and do you think Syriza represents the limitations of the democratic socialist belief that electoralism or electoral politics can bring forth actual change to the capitalist order without actual true revolution? Can the same be said of Jeremy Corbyn or Bernie Sanders, that that notion and that pathway is a fantasy?

Jason Myles: Well, is that the problem of socialism in one country?

Yanis Varoufakis: No, I don't think so. I think that you're right. Look, failure is okay. I don't mind failure. We try things. We fail. We try again. It was worse than failure. It was [betrayal]. With your question, you just shoved a dagger in my heart because I'm still not recovered psychologically from what happened in 2015. We did excite a great deal of enthusiasm amongst progressives and left-wingers across the world. We had

an obligation to them and we failed them. We failed all of you. We betrayed everyone, because we got into government in a way that was inspiring. A party of 4% went from 4% to 40% in two years. In two years. And then for five months, we struggled against the West of the creditors around the world. I was leading these negotiations as a finance minister.

When they presented us with an ultimatum, which I was prepared to accept, either you sign on the dotted line or we throw you out of the Euro currency area and you have to fend for yourselves, I was prepared to fend for ourselves, because that's what it means to be prepared to take things down to the wire. We called supposedly a referendum to get the support of the people. Every opinion poll said we would lose in the referendum. Every opinion poll said that 55% would vote against us and against the proposal that we should fight on, and we got 62% saying we should fight on. The people rose to the occasion, but we overthrew the people. Our government overthrew the people.

That very insane night when we got 60%, my comrade and prime minister, Alexis Tsipras, we had this four-hour clash in his office when he was trying to convince me that this is time to surrender and I was trying to convince him it's not time to surrender. It's exactly the opposite. It's time to fight on. He surrendered. On that night I resigned and formed another party. But the damage we did to progressives around the world. I mean, Podemos in Spain were destroyed as a result of that. Our commerce in Britain, our commerce even in the United States, I remember giving a talk in California, the disappointment in the face of our comrades there at this surrender. So yeah, look, I think it would be good if we had the socialist revolution around the world, but I think that still, my comrades who surrendered very lightly off, we were letting them off the hook if we say that this is socialism and culturalism, that we cannot resist.

Resistance is futile in one country. No, it is not. We could have stood on our own two feet. We would've suffered many costs, but our people were ready for it. The 62% who voted for us to continue fighting, they were not under any illusion. They knew we would suffer, that this was going to be a financial war, but we wanted to fight it. I had old people coming up to me and saying, look, I'm poor. I have a very small pension. I'm happy to let it go if it means that we are not going to surrender. The night when the result of our referendum was announced, you should have seen the elation amongst the multitudes out there. And that night, the prime minister said surrender. So, we need –

Jason Myles: What caused them to surrender? What was the calculation?

Yanis Varoufakis: I've written a whole book about this in [inaudible]. It's called *Adults In The Room*. I can tell you, writing the book was even more painful than leaving the events.

Jason Myles: You're just trying to twist the dagger more, Pascal, aren't you? The man is [crosstalk] said he's hurt.

Yanis Varoufakis: Look, Pascal, I have to say that with the benefit of hindsight, there were elements within our party, including the prime minister, who were never serious about clashing with the powers that be. We're always going to surrender. I didn't know that, that's why I was so disappointed in them. But looking now at what they did... Because they stayed in power. I left, they stayed in power, though [inaudible] neoliberal deals were done under them. This person that I'm referring to, my former comrade Tsipras, was hugging Donald Trump and going into bed, metaphorically, with Benjamin Netanyahu, forming an alliance with the apartheid state in Israel and with a dictator in Egypt. They were forging deals with

Exxon Mobil to drill for oil and gas in the Mediterranean. Those were my comrades. So, I've said enough on this.

Jason Myles: Well, that's why *Star Wars* might be the superior science fiction story because in *Star Wars*, [crosstalk] we see the proletariat –

Yanis Varoufakis: *Star Wars* sucks. I'm not going to stand for that.

Jason Myles: ...That is severely [crosstalk 00:47:22].

Yanis Varoufakis: There's no proletariat in *Star Wars*.

Jason Myles: There is.

Yanis Varoufakis: No, [crosstalk 00:47:25].

Jason Myles: Just like you say, equality in the Outer Rim. Look, I will send you an email off-air.

Yanis Varoufakis: *Star Wars* is simply a remake of the Roman Empire with elements of Christianity thrown in there. It's very [inaudible].

Pascal Robert: Woo. I love the slander.

Jason Myles: We will have an off-air conversation.

Yanis Varoufakis: No. No, let's have it on air another time. Let's talk *Star Wars* versus *Star Trek*. Okay?

Jason Myles: [inaudible].

Yanis Varoufakis: Feudalism, which is *Star Wars* versus liberal communism, which is *Star Trek*.

Jason Myles: And we will discuss why the feudalism of *Star Wars* is shown to be the problem, which leads to the second empire that you get with the three new movies. It actually goes into that, that it never really addressed the inequalities that happen in the Outer Rim. But that's enough science fiction mumbo-jumbo. I can go on for this for hours upon hours.

Yanis Varoufakis: Me too.

Jason Myles: We can talk about more movies, [crosstalk], *Tron*, *Terminator*, *Total Recall*.

Yanis Varoufakis: Of course.

Jason Myles: We can do it all.

Yanis Varoufakis: Indeed.

Pascal Robert: Well, I want to ask one final question and I would be remiss if I didn't ask... I'm going to have to hold you to this, Yanis, so please take this question, and I think it is necessary, if you can, please. One of the subjects of discussion we have on our show is regarding the inability of the left or progressive politics to capture the political imagination of significant numbers of Black and Brown people in America. As dialectical and historical materialists, we realize that there is a significant racial component to raise Western capitalism from

the period of primitive accumulation to the postindustrial moment where Black people disproportionately are relegated to labor redundancy, poverty, and the reserve army of labor. As Richard Wolff would call, Black people are the shock absorbers of capitalism.

Why do you think the current manifestation of leftists are unable to capture the imagination of Black and Brown communities as they were able to do in the '60s and the '30s and even in the 1880s, which was necessary for the left to even be successful? Do you think that certain types of policies, perhaps even reparations, would be necessary to be able to actually be considered to regain that faith in those communities?

Yanis Varoufakis: Oh, that's a huge question and I wish I had the answer. But what I can tell you is that the problem with the radical left, especially in the United States, but not only the United States, in Europe as well, is that there's no class analysis. There is a lot of talk about inequality, but I don't care about inequality. Marx didn't give a damn about inequality. I care about exploitation, I care about segregation, and I care about the extractive power of the few over the many, the power to extract. Okay. Marx was criticizing capitalism not for creating inequality or being unfair. He didn't give a damn about the word fairness. Marx didn't think that it was important, that it made sense that you could define it. He was criticizing capitalism as being inefficient, divisive, and exploitative, extractive. The moment you introduce extractive power you have divisions, and those divisions will always create walls segregating people with characteristics that are absolutely irrelevant or should be absolutely irrelevant.

Let me give you an example, if I may. In an earlier life when I was still an academic, before I got into politics, I was actually

conducting laboratory experiments. In one of those experiments back in Australia in the 1990s, I had randomly selected people playing chicken games against one another, one on one, repeatedly, not the same people, but you played with one person and another person. But it was completely anonymous. You couldn't see anything about... You knew nothing about the person that you were playing this conflictual game against, nothing. It could be a man, a woman, Black, white. You had no idea. What I did was I introduced in one of the treatments randomly selected colors, half of the players were blue and the other half were red. So the only thing you knew about your opponent was a color that they had, but you knew it was randomly selected so you knew that it should make absolutely no difference.

May I suggest that the result was that in all those experiments, within 10 minutes, there was segregation between the blues and the reds. In some experiments, the blues became the dominant and in other ones it was the reds that became dominant. So when you've got a game, a mode of production, a system of producing and distributing which is naturally conflictual and naturally extractive, you are going to have multiple segregations, divisions between people that... Some of them will have to do whether you're left-handed or right-handed, whether you're Black or whether you are white, whether you're a man or whether you're a woman, whether you have this accent or that accent, because capitalism succeeds when it divides and rules. The problem with the left is that it never, in the last 20 years, tied up the extractive capitalist process with a process of segregation and racism, and sexism, for that matter.

Pascal Robert: Hmm. So you think that there was negligence on the part of the left to understand the role of racism and sexism and capitalism.

Yanis Varoufakis: Of course. I always blame the left, always, on everything.

Pascal Robert: We do that a lot too, so we don't have a problem with that.

Yanis Varoufakis: Well, we are the great losers of history. And I mean, the way we have proven remarkably authoritarian towards one another. I mean, the Gulag was created for communists. Stalin killed communist before he killed anybody else. We, ourselves, within our movements, go to a meeting, go to any left-wing meeting, the authoritarianism is there, especially... Let me put it differently. The testosterone is just floating.

Pascal Robert: Authoritarian [inaudible]. Yeah. No.

Yanis Varoufakis: And even amongst women comrades. So, that's why I always believed that our flags should be red and black, a red for revolution and black to remind us of the darkness within each one of us.

Pascal Robert: Very Haitian.

Jason Myles: Ah, that explains the red and black coffin in [inaudible].

Yanis Varoufakis: Aha, correct.

Jason Myles: Aha.

Pascal Robert: It's very Dessalinian, by the way. That was the Desalin flag, was red and black.

Yanis Varoufakis: Exactly.

Jason Myles: Well, Yanis, thank you again for taking the time to talk with us today. Hopefully we can get to Greece and you can take us to the dope spots in Greece and we can hang out, have a good old leftist [crosstalk] time.

Yanis Varoufakis: No, I have to take you to the [crosstalk]. I have to take you to the prison camps where Afghans and Pakistanis and Nigerians and Indians now are incarcerated for the crime of wanting to breathe and dream, who've arrived on boats, who survived the boats through the Aegean Sea, end up in prison camps built by European Union money. This is a great collective guilt that we should all feel here in Europe.

Jason Myles: Around the world.

Yanis Varoufakis: Yeah.

Jason Myles: Well, thank you. And on that very somber note, we –

Yanis Varoufakis: Well, thank you very much. I truly, truly enjoyed this.

Pascal Robert: Thank you.

Jason Myles: Thank you. Well, hopefully we can do this again.

Yanis Varoufakis: Yeah, absolutely. I'm available, always. We have to go about *Star Wars*. I have to dissuade you about the –

Pascal Robert: Hold on, we'll set it off and we may schedule that.

Jason Myles: Yeah, don't hang up. We gotta play that outro music. Thank you guys. Don't forget to hit the like and subscribe to The Real News if you like this content. Also, hit us up at Twitter @TIRShowOakland. Who would you like us to talk to next? All right. We are out.

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