SOCIETY REGISTER 2019 / 3(2): 67-95
ISSN 2544–5502
DOI: 10.14746/sr.2019.3.2.05

THE VAROUFAKIS-TSIPRAS LINE WAS DOOMED TO FAIL FROM THE WORD 'GO'

ÉRIC TOUSSAINT[1]

[1] Committee for the Abolition of Illegitimate Debt (CADTM), 35 rue Fabry, 4000 Liège, Belgium. ORCID: 0000-0002-0897-6687, Email: eric.toussaint4@gmail.com

ABSTRACT: This article on Varoufakis's book, *Adults in The Room: My Battle with Europe's Deep Establishment* (2017) and about what happened in Greece in 2015 is a guide for left-leaning readers who are not happy with the dominant narrative meted out by the mainstream media and the Troika-controlled governments. These readers are also dissatisfied with the former Greek Finance Minister's version. As a counterpoint to Varoufakis's story, I have highlighted events that he is silent about, and I have expressed different views on what he should have done and what he did instead. My story runs parallel, and not opposite, to his.

It is crucial to thoroughly analyse the policy implemented by the Varoufakis-Tsipras government because, for the first time in the 21st century, a radical left-wing government was elected in Europe. If we want to avoid another disaster, it is absolutely vital to identify the flaws and understand what went wrong.

This critique of the Greek government's policy in 2015 is not primarily meant to point out the respective responsibilities of Tsipras or Varoufakis as individuals. It is imperative to analyse the politico-economic orientation that was followed, so that we can ascertain the causes of failure, understand what could have been tried instead, and learn what a radical left-wing government can do in a country in the periphery of the Eurozone.
KEYWORDS: Varoufakis, Syriza, Greece, Greek Debt Crisis, European Union

THE EARLY PHASE OF THE NEW TSIPRAS GOVERNMENT

Varoufakis says that during the electoral campaign's last phase in January 2015, Alexis Tsipras received a message from Jörg Asmussen (Varoufakis 2017, chap. 5), an adviser to the leaders of the SPD, a member of the coalition government led by Angela Merkel. Asmussen offered to help a prospective Syriza government in the forthcoming negotiations with the European institutions. He suggested extending the current Memorandum so that the government could buy some time to continue the reforms stipulated by the Troika before signing a new deal.

Jörg Asmussen recommended collaboration between the Tsipras team and Thomas Wieser (Austrian Social Democrat), who was (and still is) a key player in the Eurogroup and was seen as a potential ally of the Greek government during its upcoming negotiations. A written note from Thomas Wieser was attached to Jorg Asmussen's email. It informed Tsipras and Varoufakis as to what Wieser believed, namely that the ECB had no plans to pay what it owed Greece – that is, reimbursement of profits the Bank made on the Greek securities it held. This contradicted the ECB's assurances of 2012 (see Toussaint 2017a). The amount owed but never remitted to Greece was nearly €2 billion (a considerable sum for such a small country). This was equivalent to the estimated cost of implementing the humanitarian measures Syriza had promised. Unofficially, they also came to know that the Troika was not going to disburse the sums pledged in the second Memorandum, which expired on February 28, 2015. The IMF and EFSF were supposed to make these payments before the Memorandum's deadline (Varoufakis 2017, chap. 5). Thus, the warning was loud and clear: The Troika was going to financially asphyxiate the upcoming government led by Syriza.

Then everything happened very fast. Syriza swept the January 25 elections, and the Syriza – ANEL government took office on January 27.

Varoufakis does not bother to describe how the government was composed. He highlights a few issues that concern him directly. He indicates that his first hurdle concerned Alexis Tsipras. Varoufakis wanted his allies, Euclid Tsakalotos[1] And George Stathakis,[2] To hold posts 'in a ministry linked to economic policy', but Tsipras had decided to appoint Panagiotis Lafazanis to one of those two posts. Lafazanis, one of the main leaders of the Left Platform within Syriza, supported the unilateral suspension of debt repayments and held a 'pro-Grexit position'. Varoufakis writes: 'Alexis had appointed Panayiotis Lafazanis to the ministry (of Productive Reconstruction). This was terrible." Then he continues: "With Lafazanis in one of the key ministries, and with Euclid – who agreed with our covenant – outside the cabinet, my negotiation strategy was in jeopardy' (Varoufakis 2017, chap. 5). According to Varoufakis, Tsipras refused to dismiss Lafazanis, arguing: 'I need Lafazanis inside the cabinet and in an economic ministry to prevent him from pissing in from the outside. If I strip him of it now, on the night before our swearing-in, he will turn even more against me than he already is. The Left Platform will be up in arms' (Varoufakis 2017, chap. 5).

Let me remind you that Lafazanis opposed the capitulation of July 2015, resigned as

[1] Tsakalotos was considered to be a part of Syriza's centre-left contingent, known as the group of 53. The subsequent events clearly showed that Tsakalotos became complicit in an orientation that led to the July 2015 capitulation. Then he became just one more politician who was continuing the offensive against social rights.

[2] Stathakis clearly belonged to Syriza's right-wing and, just like Varoufakis, vehemently opposed Syriza's radical position on the debt issue. He was the Minister of Economy in the first Syriza government from January 27 and managed to keep his ministerial post, even in the second Tsipras government from September 23, 2015, by dint of his support for the capitulation.

minister, voted against the third Memorandum as an MP, and left Syriza with around twenty MPs and many activists to form a new political party (Popular Unity).

Finally, Varoufakis convinced Tsipras to appoint Tsakalotos as Alternate Minister in charge of economic matters within the Ministry of Foreign Affairs, so that he could participate in all the negotiations with the policymakers and be on all the trips to Brussels.

This brings us to what he calls the *war cabinet* (apparently, Tsipras and others who were part of it also used the same term), that is to say, the circle of ministers and officials directly involved in Tsipras's strategy. Varoufakis says the following regarding the war cabinet: 'When its members were in Greece, rather than in Brussels or elsewhere, the war cabinet met daily. It comprised Alexis, Deputy Prime Minister Dragasakis[3], Alexis's alter ego Nikos Pappas, myself, Euclid and Sagias, the cabinet secretary. Often, we were joined by Chouliarakis[4], chair of the Council of Economic Advisers, Stathakis, the economy minister, and Gabriel Sakellaridis, the government's spokesperson' (Varoufakis 2017, chap. 6, note 10).

VAROUFAKIS'S FIRST DAYS AS MINISTER

Varoufakis explains that in his first three days in office he buckled down to organize his ministry, put his team of collaborators to work, estimate the liquidity available to the government for debt-servicing and running the State apparatus (e.g. payment of pensions and civil servants' salaries). He was told that it would take 'Anything between eleven days and five weeks' to settle the last issue.

Varoufakis also explains that the Troika had already debilitated his ministry immensely; three areas under his jurisdiction were partially off-limits to the minister: 1) the department in charge of the recapitalization of private banks (the Hellenic Financial Stability Fund or HFSF), 2) the department responsible for privatization (the Hellenic Republic Asset Development Fund or HRADF), and 3) the administration for tax collections, headed by a CEO from the private sector.

Varoufakis realized on 30 January that Dragasakis and Tsipras had decided to further deplete his ministry by withdrawing his jurisdiction over the banks. While Tsipras, Pappas and Dragasakis accepted his proposal of asking the European creditors to take over the Greek banks (see Toussaint 2017b), he says, Varoufakis admits in his book that this project was abandoned from the very beginning of his tenure.

This proposal to hand over the banks to the European creditors went against the interests of the Greek people. This was one of Varoufakis's six *sine qua non* conditions for agreeing to become finance minister. It is extraordinary that he gave it up in the

---

[3] Yanis Dragasakis (1947): a Syriza leader, a friend of bankers', a member of the 'trio' with Tsipras and Pappas. Deputy Prime Minister from February 2015 to July 2019. Pushed towards the capitulations of 20 February and 13 July 2015.

[4] George Chouliarakis: President of the council of Economists; Finance Minister in the interim cabinet from 28 August to 21 September 2015; one of Greece's main negotiators in Brussels to set up the 13 July agreement. He systematically defended the Troika's interests.

very first days of his tenure in the Ministry.

This was only the beginning of a long series of broken promises. Varoufakis explains that he embarked on various significant projects along with his team. Some are extremely interesting: 'developing the parallel payments system' in case of conflicts with the creditors; the campaign against the previous government's decision to promote gambling for increasing public revenues; certain measures to counter widespread tax evasion, etc. Other projects were more than dubious, or even downright unacceptable, for instance, a tax amnesty project. Varoufakis (2017, chap. 6) describes it as follows:

> I would announce that for the next fortnight a new portal would be open on the ministry's website on which anyone could register any previously undeclared income for the period 2010-2014. Only 15 per cent of this sum would be required in tax arrears, payable via web banking or debit card. In return for payment, the taxpayer would receive an electronic receipt guaranteeing immunity from prosecution for previous non-disclosure.

THE RADICAL IMAGE OF VAROUFAKIS

On January 30 in Athens, Varoufakis held his first meeting with Jeroen Dijsselbloem, the Dutch Socialist minister who was then the President of the Eurogroup. A press conference followed, and it was largely instrumental in presenting an immensely radical image of Varoufakis to the public eye, nationwide and abroad. TV channels from all over the world telecast the clash between Varoufakis and Dijsselbloem. Varoufakis defied an arrogant Dijsselbloem, who was obviously rude to the minister he had come to meet.

The mainstream media attacked Varoufakis, but the Troika officials, as well as the foreign dignitaries, behaved like bullies who could not bear those signs of resistance, while Varoufakis seemingly symbolized a nonconformist government resisting the injustice of the powerful.[5]

[5] This is how Varoufakis describes the scene: when the press conference of January 30 ended, Jeroen Dijsselbloem 'jumped to his feet to storm out. But I had managed to stand up at the same time and offer him my hand. Somewhat thrown by my gesture, and as he had to walk past me to reach the exit, he awkwardly took my hand in his without stopping. The photographers pounced. Their pictures showed an ill-mannered Eurogroup president rudely brushing past me before the customary handshake had been completed'.

He goes on to add: 'The streets of Athens would never be the same for me after that press conference. Taxi drivers, suited gentlemen, old women, schoolchildren, policemen, conservative family men, nationalists and far-Left recalcitrants alike – a whole society whose sense of pride and dignity had been offended by the previous governments' servitude to the troika and its political bosses – would stop me in the street to offer thanks for that brief moment' (Varoufakis 2017, chap. 6).

Stathis Kouvelakis, who was then a member of Syriza's Central Committee, describes the Varoufakis phenomenon in this way: 'We must say a few words about the immense impact that the phenomenon called Varoufakis had. It's rather ambiguous. Certainly, there is some political theatre involved with it

VAROUFAKIS AND THE SYRIZA GOVERNMENT'S PROGRAMME

The Thessaloniki Programme, presented in September 2014, promised to terminate the second Memorandum and introduce a national reconstruction plan instead, abolish most of the public debt, discontinue the austerity measures, reinstate the Greek people's social rights, restore wages and pensions to where they were before the first Memorandum of 2010, end privatization, nationalize the banks, establish a public development bank, reduce the public and private debts of low-income households, create 300,000 jobs, and revive democracy.

Varoufakis was opposed to this programme and made no bones about it in his book. His take on September 2014 is as follows:

> (…) Alexis had delivered a major speech in Thessaloniki outlining Syriza's economic platform. Gobsmacked, I got hold of the text and read it. A wave of nausea and indignation permeated my gut. Straight away I went to work. The article that emerged less than half an hour later was used soon after its publication by Prime Minister Samaras to lambast Syriza in parliament: "Even Varoufakis, your economic guru, says that your promises are fake". And so they were (…) It was in fact such a ramshackle programme that I did not even bother to criticize it point by point (Varoufakis 2017, chap. 4).

He claims to have accepted the ministerial post on condition that six economic proposals would be implemented on a priority basis. Let us take a look at those measures once again.[6] 'Debt restructuring comes first' (author's note: without reducing the debt stock, while the Thessaloniki Programme promised to write off most of the 'public debt's nominal value'). 'Second, a primary surplus of no more than 1.5 per cent of national income and no new austerity measures. Third, wide-ranging reductions in sales and business tax rates. Fourth, strategic privatizations under conditions that preserve labour rights and boost investment. Fifth, the creation of a development bank that would use remaining public assets as collateral to generate a domestic investment drive, and whose dividends would be channelled into public pension funds. Sixth, a policy of transferring bank shares and management to the European Union…' (Varoufakis 2017, chap. 4).

Of these six priorities, only the second and fifth corresponded to the Thessaloniki Programme, but these were abandoned after the agreement of February 20, 2015.

---

and that contributes to depoliticising the situation. But it is not only that: Yanis Varoufakis was considered to be really different, and this could not be narrowed down to his looks (…) Apparently this went alongside his assertion of a genuine political dissent. The Varoufakis phenomenon certainly would not have occurred had he not exploded in one of his first official appearances and in the presence of Jeroen Dijsellbloem, the president of the Eurogroup: "Go hang yourself! We want nothing to do with the Troika anymore!" Apparently it was a breach in the system, certainly with some very superficial elements, but it also expressed the desire to leave the current political framework, a desire which temporarily found its signifier in Varoufakis' (Kouvelakis 2015).

[6] I cited those six measures, with my comments, in the first article of this series (see Toussaint 2017b).

THE PROPOSALS VAROUFAKIS MADE TO THE TROIKA

Contrary to the caricature presented in the dominant media and by the governments of the creditor countries, Varoufakis, as chief negotiator, made very moderate propositions to the Troika which were a setback, or even in contradiction with the Thessaloniki Programme. He assured the 'Adults' that the Greek government was not asking for a reduction of the debt. He suggested that the different forms of debts held by the Troika be exchanged for new issues over a longer period, thus reducing the annual strain on the Greek budget. He did not dispute the legitimacy or the legality of the debts. This is very serious.

He did not point out the right and the will of the Greek government to conduct an audit of the debt. In his book, there is no mention of the debt audit commission created by the President of the Greek parliament. Not one word. This certainly was not because this initiative was not known in Greece. On the contrary, it was very well spotlighted. Varoufakis chose to remain completely silent on the debt commission because it did not enter into his vision of the negotiations.

He proposed to redraft a part of the ongoing Memorandum in order to prolong it and to adopt certain of the measures it proposed. He repeatedly affirmed that 70% of them were acceptable. He added that many measures that could be applied were positive but that 30% of the Memorandum should be replaced by measures that would have a neutral effect on the budget. That meant introducing new measures, mainly to ease the humanitarian crisis, which would not increase the deficit that the Samaras government had budgeted because they would generate increased revenues or have the result of reducing spending in certain areas.

Varoufakis confirmed that the government he represented would not challenge the privatizations that had taken place since 2010, and moreover, more were possible on condition that the price was right, and the buyers respected the labour rights.

Varoufakis also confirmed that Greece could not be salvaged unless it remained in the Eurozone. He held back any mention to the opposing negotiators that the Syriza party programme implied that the Greek State would exercise control over the private banks of which it was the majority shareholder.

One of the genuinely radical elements in Varoufakis's discourse is that on several occasions at the start of his period in office he said plainly that the Troika was not democratically legitimate, and his government would not collaborate with it. However, when referring to his book, it is evident that, in practice, he accepted the Troika. It only disappeared in words. The only concession the Troika made was to agree to the pretence that it did not exist. Although the Troika played hide and seek, it knew how to make its presence felt. Varoufakis shows that the Troika was always present and real at all the key moments of negotiation and of decision taking.

Varoufakis well describes how heavy the debt burden was. He had worked out the needs for repayments for the year 2015: '(...) it turned out that for 2015 alone the Greek state needed €42.4 billion just to roll over its debts, the equivalent of 24 per cent of national income. Even if the troika were to disburse all the money specified by the second bailout loan agreement, we would still be €12 billion short. For a country with no capacity to borrow from private investors, empty coffers and a devastated population, meeting these debt repayments meant only one thing: the plunder of what was left in the reserves of pensions funds, municipalities, hospitals and public utilities, while going to the troika cap in hand to borrow huge amounts more, pledging to squeeze our pensioners, municipalities, hospitals and public utilities yet further, all in order to give the money back to the troika. Only a lobotomy could have convinced me that doing this was in our people's interest' (Varoufakis 2017, chap. 5). Further on he says, recounting his first meeting with the President of the Eurogroup on 30 January in Athens, '(…) debt repayments for 2015 alone amounted to 45% of all the taxes it hoped to collect' (Varoufakis 2017, chap. 5).

The problem is that in accepting, on 20 February, to continue all debt payments according to plan until 30 June 2015, he accepted a situation worse than the hellish one described above because the creditors had not taken on any promise to make the least payment. €7 billion would be needed before the end of June 2015. That sum must be compared with the €2 billion needed by the Thessaloniki Programme to meet humanitarian needs, to the end of 2015. My own figures show that because of debt repayments, no more than €200 million was spent by the Tsipras government between February and June 2015, which was quite insufficient.

It was clear that in continuing to repay without the guaranty of receiving fresh money, the situation could only get worse. It was just as clear that the second Memorandum had to be followed by a third for the creditors to grant new loans to repay the previous ones.

Varoufakis's claim that another outcome was possible was only a fanciful belief that the creditors could be simply persuaded to allow Greece to end the most antisocial of the austerity measures, the shackles of the Memorandum, and to reduce the size of repayments during 2015 (without changing the outstanding capital). This position could not hold water.

VAROUFAKIS'S NEGOTIATING STANCE

At the meeting on 30 January between Varoufakis and the President of the Euro-group, Jeroen Dijsselbloem, the latter clearly indicated that he was not interested in the mandate that the Greek people had granted to the Tsipras government. He refused to replace the Memorandum with a new agreement and would not even modify the Memorandum as it existed, saying that the European Central Bank could prevent Greek banks from having normal access to liquidities.

Hoping to find support from their so-called 'socialist' governments in loosening the grip of austerity policies, Varoufakis met the French and Italian leaders and the British leaders who at the time were seeking to turn their economy around even if that caused a bigger deficit. Then he went to Frankfurt to try to sweet-talk the ECB and finally to Berlin.

Before going a meeting was held with Tsipras, Pappas and Dragasakis. Varoufakis got the green light to not ask for a morally sound debt write-off. In so doing Varoufakis renounced a fundamental argument before international public opinion that could have put the creditors into difficulty on one their weakest points. Varoufakis recognized that the secret agreement at this meeting was in contradiction with the official Syriza orientation: 'Syriza's position on public debt had been nothing more than a crude demand for an unqualified write-down. With half the party still demanding a unilateral haircut of most of the debt, most not even privy to the idea of a debt swap, and with only a tenuous, verbal covenant binding the leadership trio to my strategy (…)' (Varoufakis 2017, chap. 5). Thus, Varoufakis rejected the programme on which Syriza had been elected to government and rebuffed the Syriza base.

As from 1st February, a week after Syriza formed its government, Varoufakis began his first tour of Europe as a Minister in the company of Euclid Tsakalotos. On Sunday 1st February the schedule was tight: an official meeting with Michel Sapin, French Minister of Finance, another with Emmanuel Macron, French Minister of the Economy and four unofficial meetings with Poul Thomsen, deputy director of the IMF for European affairs, Pierre Moscovici, European commissioner for economic and monetary affairs, Benoît Cœuré, second in command at the ECB and with Francois Hollande's Secretary. On Monday second February he was in N°10 Downing Street in London with George Osborne, the British Conservative Prime Minister, after which he gave a talk to two hundred financial actors invited by the Deutsche Bank. The next day Varoufakis went to Rome to meet the Italian Minister of Finance, Pier Carlo Padoan. Finally, on the 4th he had a meeting in Frankfurt with Mario Draghi and the executive council of the ECB.

At each occasion, Varoufakis proposed an exchange of debt without reduction or write-down.[7] He made it clear that the Greek government would pay private sector debt on the nail (about 15% of the Greek debt was held by private holdings – Greek or foreign banks, investment funds or vulture funds, among others).

The first contact with Benoît Cœuré, a Director of the ECB, was very revealing. He came straight to the point – did the government have, or have not, the intention to restructure unilaterally the Greek government bonds that the ECB owned? Putting the issue in this urgent fashion plainly revealed it was what the ECB feared more than anything else. It was an entirely feasible option that Varoufakis had mentioned several times before becoming Minister. The values in question had been issued under Greek jurisdiction over the 2010-2011 period. The ECB had bought them at 70% of their value but counted them at 100% while at the same time demanding excessive interest rates. Equivalent values held by Greek pension funds had undergone a 'haircut' of 53% in March 2012. The ECB had refused that the same measure be applied to the values it held. The Greek government would have had the moral, and indeed the legal, right to take such an action. It will be seen further on that; finally, the Greek government never would take such action on the ECB-held values, even though it should have done so and would have had a very good chance of winning on the issue.

[7] As he himself indicates, Varoufakis' main proposal in terms of debt restructuring is in line with the text entitled *A Modest Proposal for Resolving the Euro Zone Crisis* (2013). Carrying out this proposal, which consisted of pooling public debts in the Eurozone, would have involved a joint decision by the governments of the Eurozone so as to provide relief to public finances and to leave austerity policies behind.

In London, before a hall full of bankers and investment fund directors, Varoufakis sought to reassure them that private creditors have nothing to fear. He reiterated his false thesis of the 2010 Greek government failure (see details here: Toussaint 2017c). This comforted them and gave them leave to concentrate on the public debt crisis. He told them: 'Second, I admitted that we had a divided cabinet; that, yes, there were those who wanted Grexit, who were not interested in negotiating with the EU and the IMF, convinced that nothing good would come of it, and who just wanted out. And then there were those of us around the prime minister whose objective was a negotiated solution within the eurozone. But I added on a positive note, this division would not affect the negotiations, which would be conducted by my core team. Our Grexiteer colleagues would not get in the way but would be patient and give us a chance to demonstrate that a viable agreement was possible. As long as Greece's official creditors, the EU and the IMF, were willing to strike a mutually advantageous agreement, the world of finance had nothing to fear from my Left Platform colleagues in government' (Varoufakis 2017, chap. 5). Several times, Varoufakis tried to convince his hearers that the majority of the government had totally reasonable positions, which should be given support in order to neutralize, within the Syriza government and in the party, what he considered to be an irresponsible extreme left. He was sure he had convinced the hall: 'As I had remarked to the City's financiers (…) it was a measure of the depth of the euro crisis that it took a radical left-wing government to table mainstream liberal proposals for its solution' (Varoufakis 2017, chap. 5).

While in Rome Varoufakis met the Italian Minister of Finance, who informed him that he softened-up the German government and particularly Schäuble by pushing through a labour market reform in the face of opposition from the social movements. 'That turned out to be "labour market reform" – code for weakening workers' rights, allowing companies to fire them more easily with little or no compensation and to hire people on lower pay with fewer protections. Once Pier Carlo had passed appropriate legislation through Italy's parliament, at significant political cost to the Renzi government, the German finance minister went easy on him. "Why don't you try something similar?" he suggested. "I'll think about it," I replied. "But thanks for the tip"' (Varoufakis 2017, chap. 5).

In the end, that is where the strategy that Tsipras and Varoufakis choose together led. The Italian 'socialist' Minister's words contain a profound truth. The reasoning of the European leaders is to inflict the easing of constraining labour legislation and lower wages to render European goods and services competitive in the face of foreign-produced merchandise and services. The conditions inflicted on Greece are part and parcel of this strategy, and Varoufakis has refused to understand that or radically oppose it. The enormous Greek debt is a fundamental weapon used by the public creditors to make an example of Greece to drive home what it costs to any people who may resist their power, and of course to strip workers of their rights.

ON 4 FEBRUARY, THE ECB BRINGS OUT ITS TOP GUNS ON THE GREEK GOVERNMENT

On 4 February in Frankfurt, Varoufakis met ECB directors: Mario Draghi, its President, and three others – the Frenchman Benoît Cœuré, the German Sabine Lautenschläger and the Belgian Peter Praet. Euclid Tsakalotos still accompanied Varoufakis.

Mario Draghi announced that the Board of Directors of the ECB would probably decide, during that afternoon, to cut-off access to liquidities for Greek banks. As Varoufakis says, 'It was an explicit, calculated act of aggression' (Varoufakis 2017, chap. 5).

This requires explanation. The ECB provides liquidities to the banks in the Eurozone. To gain access, the banks (whether public or private) must deposit financial securities as guarantees. This is called 'collateral'. The collateral may be of different types, such as, among others, public debt securities or securities on private corporations. The ECB may consider that the instruments that are deposited are doubtful, either because they lack sufficient guarantees or are low quality. In this case, it may block access to further funds. This provokes doubt and a 'run' on the banks.

The only way out for the banks in difficulty is to get emergency liquidities from the national central bank. This is a costly solution. Should the national central banks do this, they must demand a high-risk interest rate. What is more, the sums available are limited and evolve weekly. When this happens, the national central bank's directors meet each Friday to fix the amounts to be made available for the week to come, after analysis of their situation. Again, the ECB must agree and may limit the volume of liquidities that may be made available. Should this happen, the government will order banks to shut their doors, which is what happened at the end of June 2015 when the ECB stopped all emergency liquidities in order to influence the 5 July referendum. This forced the Greek government to close the banks as from Monday 29 June (see Voanews 2015).

Back to 4 February 2015. The ECB decision to close Greek banks' access to funds was clearly a quick and aggressive strategy to destabilize the Greek government. This strategy had been enacted even before the elections took place. In fact, at the end of December 2014, once the Greek government had called snap elections to take place on 25 January 2015, the director of the Greek central bank, Stournaras, a one-time friend of Varoufakis (see Toussaint 2017c), deliberately made announcements aimed at worrying depositors in Greek banks. In coordination with Samaras, Stournaras weighed on the Greek voters, hoping to maintain the outgoing 'New Democracy' conservative government. Consequently, withdrawals began to increase sharply.[8] Samaras's oft-repeated campaign themes were: 'If you vote Syriza relations with Brussels will be difficult; the ECB will cut liquidities; chaos is just around the corner'. Despite this co-

[8] Varoufakis writes: 'Since 15 December, when Stournaras accelerated the bank run that Prime Minister Samaras had begun, depositors had withdrawn €9.3 billion from Greek banks, and the rate of withdrawals had hit €1 billion daily. By the time of the election, €11 billion would have found its way abroad or under mattresses. To be able to pay out so much money, the banks had had to increase their dependence on the ECB to the tune of more than €60 billion' (Varoufakis 2017, chap. 5).

ercion, Syriza won the election, but Stournaras remained the governor of the Greek central bank – he is in Greece the plenipotentiary of Mario Draghi and the European leaders opposed to Syriza.[9] He should have been replaced. He was not, and as we shall see further on it was Varoufakis who convinced Tsipras to keep him in place.[10]

So, the ECB decided on 4 February 2015 to immediately apply extreme measures on the Tsipras government. Not moral pressure or coercion but direct aggressive action, as Varoufakis describes it in the passage cited above.

The effects of such decisions are, in fact, immediate. First, the Greek banks are forced to pay higher rates to have access to liquidities. This weakens their positions. Second, short-term financing for the Greek State becomes much more difficult. This meant that the liquidities granted by the ECB were used to purchase short-term (less than one year) Greek treasury bills. This permitted the Greek government to keep going (Eurozone governments cannot borrow from their own central banks). As the ECB was limiting liquidities, the Greek government had to borrow from Greek banks at much higher interest rates, thus adding to the Greek debt burden.

So, by reducing Greek banks' liquidities and increasing the cost of financing, the ECB made it more difficult for the Greek treasury to find funds from the Greek banks.[11]

---

[9] Varoufakis sums up the import of Stournaras's speech at the annual meeting of the Central Bank's shareholders in Athens on 26 February: 'I realized it was the kind of speech that Antonis Samaras, the former prime minister, would have made had he defeated us on 25 January: a paean to the previous government's policies, a repetition of the lie that Greece had been recovering prior to our election, a total espousal of the troika's agenda and a series of veiled threats against the government' (Varoufakis 2017, chap. 10). He also writes 'As for Governor Stournaras, he was the troika's local functionary in more ways than one'.

[10] In 2014 already, Varoufakis had claimed that it would not be necessary to replace Stournaras if Syriza came to power. Varoufakis tells about a conversation he had at a meeting with Tsipras, Pappas, Dragasakis, Tsakalotos and Stathakis in June 2014: '"Is it a coincidence that three days from today Prime Minister Samaras will transfer Stournaras from the finance ministry to the governorship of the central bank?" I asked. "It's obviously a stratagem in anticipation of your electoral victory". At that point, Alexis grew angry. "The first thing I shall do as prime minister is demand Stournaras' resignation. I will drag him from the central bank kicking and screaming if need be". Pappas offered several even more drastic solutions to this problem. I pointed out that it hardly mattered who sat in the governor's office' (Varoufakis 2017, chap. 3). Another passage in Varoufakis's book shows that he told Tsipras he should not get rid of Stournaras: 'Alexis had repeatedly told me and others that removing Stournaras was his top priority. Ironically, I had advised moderation and tempered his animosity towards Stournaras, pointing out that the government could not remove the governor of the Bank of Greece without a major clash with the ECB's executive council (…) But in trying to contain Alexis's fury towards Stournaras, I had created the impression among the Syriza leadership that I was soft on the troika's favourite son in Athens' (Varoufakis 2017, chap. 10).

[11] Private banks receive cash with which they buy government securities for profit. Then they deposit these securities as collateral with the central bank in order to obtain liquidity (credit) that they use to buy other public securities (Greek banks are granting less and less credit to the private sector, and the share of non-performing loans in their credit portfolio is increasing at a rate of 45% in 2015. So they are

At the same time, on the one hand, other private foreign funding was difficult to find, or downright non-existent. On the other hand, as we have seen, the ECB no longer intended to cede to Greece the profits that it had made on its debt (€2 billion should have been reimbursed over 2015). This also was a purely political decision. In 2014 the ECB had made some reimbursements to the Samaras government even though it was behind in applying the second Memorandum. Even before the result of the election of Tsipras was known emissaries of the Euro group and the ECB made it known that the promised €2 billion would not be paid.

Finally, because the ECB considers that securities lose their value because of the situation of the banks, as well as of the State, deteriorates, this increases withdrawals and further restricts the State's access to funds.

There is further proof of the politically aggressive nature of the ECB's decision to cut off liquidities to Greek banks. As we have said, the ECB may consider that a country's banks are of such high risk that they should not receive further liquidities and a rescue plan should be applied to them, for example, by injecting fresh capital (which had been done in the framework of different Memorandums). The problem for the ECB is that in June 2014 all the Greek banks had passed the European banking authority stress test. It was clear that the result had been overvalued in order to justify the ECB helping Greek banks during the period of the Samaras government, who had just lost the European elections to Syriza. What is certain is that the banks were in a very bad way, in 2009 as in 2014 and in 2015. The ECB pretended surprise in discovering the real situation just days after the election of Tsipras. This was all purely political manoeuvring.

On the morning of 4 February, how did Varoufakis, who describes the decision of the ECB to restrict normal access to liquidities to Greek banks as a premeditated act of aggression, react to this news? Very moderately! Unbelievable! This is what he said: 'I began my reply by expressing my great and genuine respect for the manner in which Draghi had striven from the first day of his presidency to do whatever it took to save the euro while adhering as far as possible to his bank's charter and rules. This skilful balancing act was what had bought Europe's politicians the time they needed to get their act together, address the crisis properly, and thus alleviate the impossible circumstances in which the ECB had found itself: responsible for saving the eurozone's failing economies while being prohibited from using the essential means – ones available to any normal central bank – of doing so.

"Alas, the politicians did not use the time you bought for us wisely, did they?" I said. The expression on Mario's face conveyed embarrassed agreement. I continued: "You have done a fantastic job in keeping the eurozone together as well as in keeping Greece in the euro, especially in the summer of 2012. What I am here to put to you today is that you continue to do this during the next few months, granting us politicians the time and monetary space necessary to strike a workable deal between Greece and

lending more and more to the state because it is safer than lending to the private sector). If the central bank limits access to liquidity, banks buy less securities and demand a higher yield, which increases the cost of borrowing for the government.

the Eurogroup…"' (Varoufakis 2017, chap. 7).

Not a word on the brutality of the ECB since 2010, nor on the scandalous profits made by buying Greeks bonds between 2010-2012. On the contrary, Varoufakis compliments the Board of the ECB for its 'fantastic job'. Then he continues by again proposing to exchange values in order to avoid reducing the value of the Greek bonds held by the ECB.

Draghi refused the proposal and did not allow himself to be cajoled by it. Draghi reproached Varoufakis for having mentioned, several times, a possible unilateral write-down of the ECB's Greek bonds (see further up). Varoufakis replied: 'I will not even think of it – as long as you do not close down our banks' (Varoufakis 2017, chap. 7).

How could Draghi interpret that? The only conclusion he could come to was that if that afternoon the decision was taken to close Greek banks' access to liquidities, without going so far as actually to close them, there would be no significant reaction from the Greek government. So it was done! In doing so, this put pressure on the Greek government started to stifle it and bring it to bay in the hope of extracting concessions.

Another criticism can be made about Varoufakis's proposal. Whereas he himself, several times before he became Minister of Finance, had denounced the unacceptable, abusive and highly scandalous nature of the ECB operation on the Greek securities bought during the 2010-2012 period, he proposed to Draghi a 'money laundering' operation. These old securities (which are dubious, to say the least) are replaced by new securities that carry the same value (but at lower interest rates). We must realize that by doing so, Varoufakis made it almost impossible to apply a Plan B (which included the unilateral haircut proposal): if the negotiations failed, it would be difficult to explain to journalists and public opinion that the Greek government has the right to apply a unilateral haircut. Indeed, if Greece was prepared to exchange its debt securities held by the ECB for securities of the same value, why should it then be right for it to apply a discount? Consistency in argumentation is necessary to convince. The government should have told the truth loud and clear about the scandal of Greek securities purchased between 2010 and 2012. That consistency was wanting in Varoufakis's reasoning.

Moreover, it is obvious that this proposal by Varoufakis had absolutely no chance of success because it would have set an unacceptable precedent for those in favour of austerity. The problem is not technical: Varoufakis' proposal did not raise any real technical problem. The obstacle was and still is political: European leaders are totally opposed to the idea of allowing European states (whether they are in the Eurozone or not) to pool their debts because this would remove a major possibility of pressure for continuing the neoliberal offensive. Varoufakis's proposal went completely against the logic of the most recent European treaties. It had no chance of success, and the negotiating strategy should not have been based on this fantasy.

The demand included in the Thessaloniki Programme should have been put forward: the cancellation of most of the debt, explaining that it was illegitimate, odious, illegal and unsustainable. Of course, European leaders could not accept this request, but the Greek government could develop an international campaign of explanation in order to gain broad public support. It could initiate an audit process and declare a moratorium until the audit was completed.

It was essential not to get caught in the wheel of repayment. It was necessary to use the principle of international law that allows a State to declare a moratorium on payments in view of the state of necessity in which it finds itself[12]. The existence of a humanitarian crisis was the indisputable proof of such a state of necessity. The following reasoning had to be developed: ‘We are launching an audit (with citizen participation) because what is at stake is finding out why we have reached such a high level of indebtedness – national and international public opinion must know. We do not anticipate on the results of the audit, but it is only normal for payments to be frozen during an audit. Therefore, we suspend repayments during the audit, except for short-term debt. We were elected to replace the Memorandum with a new reconstruction plan. Let’s give time to the negotiation process and meanwhile be patient as we suspend scheduled payments on long-term debt’. If it had launched and used an audit process, the Greek Government should have said, in order to strengthen its position vis-à-vis the Troika: ‘I am merely enforcing Article 7 (9) of Regulation 472 adopted by the European Parliament on 21 May 2013 requiring EU Member States subject to a structural adjustment plan to carry out a full audit of their debt in order to explain why the debt has reached an unsustainable level and to detect possible irregularities’.

Payment suspension had to be urgently decreed, for instance on 12 February 2015. Indeed, between 12 February and 30 June 2015, Greece was to repay €5 billion to the IMF.

If we take into account the other amounts to be paid to the IMF in 2015, an additional €3 billion must be added. The ECB demanded repayment of more than €6.5 billion to be made in July-August 2015.

Actions also had to be taken regarding banks. As the ECB took the initiative to sharpen the Greek banking crisis, it was necessary to act at this level as well and implement the Thessaloniki Programme which said: ‘With Syriza in government, the public sector will take over control of the Hellenic Financial Stability Fund (HFSF) and exercise all its rights over the recapitalised banks. That means that it will make decisions about the way they are run’. It should be noted that in 2015 the Greek State, through the Hellenic Financial Stability Fund, was the main shareholder of the four largest banks in the country, which accounted for more than 85% of the entire Greek banking sector. The problem is that, because of the policies pursued by previous governments, its shares had no real weight in the banks’ decisions because they did not entail the right to vote. It was, therefore, necessary for the Parliament, in accordance with what Syriza had pledged, to transform the so-called preferential shares held by the public authorities (which do not entail voting rights) into ordinary shares giving the right to vote. Then, in a perfectly normal and legal way, the State could have exercised its responsibilities and provided a solution to the banking crisis.

Finally, two important steps still had to be taken. Firstly, in order to deal with the banking and financial crisis sharpened by Stournaras’s statements since December

[12] About the state of necessity as inscribed in the 1969 Vienna Convention on the law of treaties see Vivien and Lamarque 2011.

and by the ECB's decision on 4 February, the government should have decreed a control of capital movements in order to put an end to the flight of capital out of the country. Secondly, it should have set up a parallel payment system. Varoufakis claims that he had a concrete proposal in this respect, but he did not propose to implement it following the ECB's aggression on 4 February.

We shall comment on the alternative strategy to be followed concerning the debt and on the banking crisis further in this series.

In the evening of 4 February, after receiving a phone call from Mario Draghi confirming that the granting of normal liquidity had ceased, Varoufakis published a press release which began as follows: 'The ECB is basically trying to abide by its own rules, motivating both us and our partners to reach a political and technical agreement quickly, while keeping the Greek banks liquid' (Varoufakis 2017, chapter 7). He himself characterizes his statement as follows: 'packaging a shock as a non-event' (Varoufakis 2017, chap. 7).

On 5 February 2015, Yanis Varoufakis, accompanied by Euclid Tsakalotos, was in Berlin to meet his German counterpart, Wolfgang Schäuble,[13] on the one hand, and Sigmar Gabriel, Vice-Chancellor and Federal Minister for Economic Affairs and Energy within the grand coalition of Angela Merkel's CDU-CSU and the SPD, on the other hand.

Varoufakis's meeting with Schäuble began badly, as the latter refused to shake hands with him. Varoufakis made the following two points: 'First, I was not asking for a debt write-down, and I made clear that the over-all unity of my debt-swap proposals would benefit Germany as well as Greece. Second, I stressed the importance I placed on catching tax cheats and effecting reforms that would encourage entrepreneurship, creativity and probity across Greek society' (Varoufakis 2017: 211).

They finished by giving a press conference together. Schäuble, excluding any possibility of common ground, declared right away: 'We agreed to disagree' (Varoufakis 2017: 214).

After a light-hearted retort, Varoufakis adopted an ecumenical tone: '(…) I visited a European statesman for whom European unity is a lifelong project and whose work and efforts to unify Europe I have been following with great interest since the 1980s'. Among other things, he said: 'On the challenges facing the EU more generally, I suggested that we respect the established treaties and processes without crushing the delicate bud of democracy' (Varoufakis 2017: 214). How could anyone seriously think that respecting the treaties and procedures of the EU is compatible with the blossoming of the fragile bud of democracy? Indeed, throughout the book, Varoufakis demonstrates that the EU stranglehold violates Greek democracy.

On the Greek side, it was unwise to invoke the respect for the treaties as this could provide a powerful argument to European leaders to demand that they should be applied in Athens. It was something to avoid at all costs since the two Memoranda signed by Greece in 2010 and 2012 themselves amounted to international treaties.

[13] Federal Minister of Finance from 28 October 2009 to 24 October 2017. Since then, he has presided the Bundestag.

7 FEBRUARY. FIRST MEETING OF THE COMPLETE NEW GOVERNMENT

'On Saturday morning, 7 February, I attended our first cabinet meeting'. One imagines that he is referring to the first meeting of the complete new government, but this is not certain… merely a supposition. Whichever meeting it was, he carries on: 'Oscar Wilde's quip about democracy was at the back of my mind: "It is impractical and it goes against human nature. This is why it is worth carrying out". Having wasted a few precious hours on a largely ceremonial occasion at which too many of us spoke for too long to say too little, I rushed back to my office where the Lazard team and my people were working on the three non-papers I would be taking to Brussels [author's note: these were working papers with no official status]' (Varoufakis 2017: 226). This is all Varoufakis tells us about that assembly. His terse comments on the government's first meeting go a long way to revealing Varoufakis's perception of how politics should be conducted and his disdain of, or failure to understand, the battles to be waged within a government as well as within civil society, if democracy is to be put into practice. Varoufakis confined himself, without trying to break out of it at the time and without questioning that attitude today, to the intimate inner circle that Tsipras created and to which he was summoned when the prince judged necessary.

MONDAY 9 FEBRUARY

Varoufakis shows no real interest in the debates of the Greek Parliament. The only time he mentions them in any sort of detail is the session of Parliament held on Monday 9 and Tuesday 10 February, when he presented and defended the proposals, he intended to make at the meeting of the Eurogroup that was to take place two days later in Brussels. 'Tomorrow I shall be telling my Eurogroup colleagues that we accept the principle of continuity between previous government undertakings and our new government's mandate (…)' (Varoufakis 2017: 227). This was unacceptable because of the mandate that voters had given the government in the elections of 25 January. The Thessaloniki Programme that was Syriza's reference during the electoral campaign declared: 'We assume responsibility and are accordingly committed to the Greek people for a National Reconstruction Plan that will replace the Memorandum as early as our first days in power, before and regardless of the negotiation outcome' (see the box on the Thessaloniki Programme in Toussaint 2018).

If these words meant anything, it was a commitment by Tsipras as head of government to assert to the Eurogroup and everyone else that his government refused the principle of continuity regarding commitments made by previous governments as far as the Memoranda were concerned. It was not simply a question of the meaning of words, but of the effective application of a policy of change. By asserting the principle of continuity without the slightest exception, Varoufakis was enclosing negotiations in the narrow, coercive framework of application of the Memorandum. Unfortunately, this was indeed what was to happen, and in particular, because of this early renunciation of applying the programme for which Syriza had been elected to government.

Varoufakis's reasoning, which resulted in capitulation, deserves to be read carefully: 'The official document describing Greece's programme, known as the Memorandum of

Understanding (MoU), was a list of reforms (austerity targets, the institutional elimination of social benefits, privatization targets, administrative and judicial changes and so on) that the previous government had agreed to as the conditions (conditionalities in Troika-speak) for receiving the second bailout loan. There was no way we would implement these conditions in full, since doing so would involve accepting massive pain for absolutely no gain, especially as more than 90% of the bailout loan had been disbursed before we were even elected. However careful study of the MoU list in 2012 had made clear to me that many of its measures could be implemented without too much social damage. Accepting these elements, which comprised about 70% of the MoU, in return for our demands, while rejecting the genuinely toxic measures of the remaining 30%, was a strategic move' (Varoufakis 2017: 228). This negotiating position amounted to abandoning the commitment of the Thessaloniki Programme to replace the Memorandum by a reconstruction plan. He says that he clearly declared to Parliament: 'As reasonable partners we shall include in our reform agenda up to 70% of the measures in the existing programme (...)' (Varoufakis 2017: 228).

Pursuing this logic of submission, he made the following announcement: 'I commit to not passing any legislation during the negotiations that derails our target for a small budget primary surplus' (Varoufakis 2017: 227). That meant that the Minister of Finance would oppose any law, however good and necessary it might be, if its impact on the budget might be to prevent the securing of a primary surplus.[14] In other words, the deadly dictatorship of the primary surplus would carry on regardless. This is not theoretical; it is purely practical. When Varoufakis said that, he knew that the creditors, starting with the ECB, had no intention of providing any further finance to Greece (as mentioned above, '90 % of the bailout loan had already been disbursed before we had even been elected' and Varoufakis knew that the Troika had no intention of paying the remaining 10%). Yet in the Thessaloniki Programme the possibility of realizing a primary surplus was based on the fact that the money owing to Greece would be paid (in particular the €2 billion of ECB profits on Greek bonds and the outstanding amount that the Troika was to pay Greece under the terms of the 2nd Memorandum, due to end on 28 February 2015).[15] Varoufakis knew that this would not happen, which meant that the money required to combat the humanitarian crisis and revive the economy would not be available unless Greece agreed to respect its previous commitments to pay off

[14] Securing a primary surplus usually means compressing expenses not related to debt repayment so that receipts (income) would be higher than expenditure (outflow). So the primary surplus is calculated without taking public-debt repayments into account. Once the payments are taken into account, the budget is in deficit and new loans are required to keep going.

[15] The Tsipras government also hoped to be able to count on the sum of €11 billion which was the balance of the amount allocated for the recapitalization of banks and that Syriza wished to redirect towards the creation of a development bank and to reinforce the public sector. Excerpt from the Thessaloniki Programme: 'Regarding the starting capital of the intermediary organization and the cost of establishing a public development bank as well as special-purpose banks, totalling €3 billion, we will finance it from the so-called "comfort pillow" of around €11 billion of the Hellenic Financial Stability Fund, intended for the banking system' (see Toussaint 2018).

its creditors and realize a primary surplus. He was careful not to explain all this to Parliament, mostly composed of people who were not economists, but led them up the garden path as Finance ministers so often do.

In his summary of how he presented his policy to the Greek Parliament, Varoufakis never once alludes to the demand for cancellation of a greater part of public debt as enshrined in the Thessaloniki Programme. This contrasts with the speech made in the same forum by Zoe Konstantopoulou at the time of her election as Speaker of Parliament on 6 February 2015: 'Initiatives (...) will be taken to ensure that Parliament makes an essential contribution in promoting the demands for cancellation of most of the debt, the integration of clauses on growth and guarantees to stop the humanitarian crisis and come to the rescue of our people. Parliamentary diplomacy is neither purely ceremonial nor the equivalent of public relations. It is a precious tool that we need to make good use of through the President, as well as through international relations committees and friendship committees.

We need to ensure, in this way, that the case of Greece – the demand for a fair solution that will benefit our people, through the cancellation of debt and a moratorium on payments – becomes the object of energetic claims in an interparliamentary campaign. This campaign will rely on directly informing other parliaments and national assemblies, as well as those European populations who are already mobilized in solidarity with our people' (see Konstantopoulou 2015). The Speaker of the Greek Parliament was right to insist on the need to declare a moratorium on debt payments as a means of getting most of the debt cancelled. It was a condition *sine qua non* of the fulfilment of Syriza's commitments and the start of the changes the population had been promised.

20 FEBRUARY IN BRUSSELS: THE ROAD TO CAPITULATION

Varoufakis went to Brussels and, just before the Eurogroup meeting began, Jeroen Dijsselbloem gave him two pieces of bad news, which Varoufakis does not see as such: 1. The €11 billion of the Hellenic Financial Stability Fund (HFSF) left over after the recapitalization of banks – money that the Tsipras government had planned to use to realize part of its electoral promises – was being sent to Luxembourg instead of being placed at Greece's disposal; 2. The Memorandum was to be extended to 30 June (which suited Varoufakis).

In reality, the agreement of 20 February is the equivalent of a vassal subjecting himself to a suzerain, at the same time proclaiming himself the equal of the suzerain. Let us recall Varoufakis's words before the Hellenic Parliament just ten days before: 'If you cannot imagine walking out of a negotiation, you should never enter it. If you cannot fathom the idea of an impasse you might as well confine yourself to the role of a supplicant who implores the despot to grant him several privileges but who accepts in the final analysis whatever the despot grants' (Varoufakis 2017: 227-228).

Varoufakis reports contradictory reactions. Jeffrey Sachs congratulates him, while he is severely criticized by Manolis Glezos, a hero of the Resistance and Syriza MEP since February 2015, and the well-known composer Mikis Theodorakis – both left-wing childhood heroes of his, as he puts it (p. 281). In a public communiqué, Manolis Glezos apologized to the Greek people for having encouraged them to vote for Syriza in January 2015.

Varoufakis explains that from 21 February, he proceeded to write the reforms that they would propose 'as a substitute for the MoU' to be submitted to the Eurogroup on 23 February. It is interesting to note that today, Varoufakis makes no bones about the fact that the idea was to try to amend the current Memorandum; but at the time, Tsipras and he told the population that it was a new agreement and that Greece was now no longer the prisoner of the Memorandum and the Troika, renamed 'the institutions'.

On the evening of 23 February, Varoufakis writes, 'Once it [the text] was submitted on Monday evening, Mario Draghi, Christine Lagarde and Pierre Moscovici would have the following morning in which to review it before the Eurogroup teleconference scheduled for Tuesday afternoon. There would be no quibbling; the three of them would pass judgement on the list of measures in turn, giving it either a green light or a red flag, with ministers having no say' (2017: 281-282). How then could anyone claim, as Varoufakis did in public at the time, that the Troika no longer existed, and that Greece was free again? He himself acknowledges that he agreed to submit to Lagarde (IMF), Draghi (ECB) and Moscovici (European Commission) the list of proposals that the Greek government then intended to send officially to the Eurogroup.

The agreement made with the Eurogroup on 20 February 2015 states that: 'The Greek authorities reiterate their unequivocal commitment to honour their financial obligations to all their creditors fully and timely' and 'commit to refrain from any rollback of measures and unilateral changes to the policies and structural reforms'. By signing it, Varoufakis and Tsipras were breaking their commitment to put an end to the Memorandum and to replace it with a programme of reconstruction. They renounced their intention to question the legitimacy of the debt and suspend payments. They were subjecting Greece to the whims and wishes of the Troika once more, for it was quite certain that the latter was not going to agree to a programme of measures enabling the government to realize its electoral promises. The agreement of 20 February was the first official document whereby Varoufakis and Tsipras abandoned the main proposals of the programme for which Syriza had been brought to government.

VAROUFAKIS BARELY MENTIONS THE IMPORTANT DEBATE WITHIN SYRIZA'S PARLIAMENTARY GROUP

On the evening of 25 February and until late into the night, Syriza's parliamentary group held a crisis meeting. In his book, Varoufakis mentions it once, very vaguely, in a single line and with no date given: 'The grumblings of some Syriza MPs notwithstanding, the mood across the land was ebullient' (2017: 305).[16]

In fact, at the meeting of Syriza MPs, about a third were opposed to the 20 February

[16] The story about 'the grumblings of some Syriza MPs' is the official version that was taken up by certain media (*To Vima* in particular, though not *Kathimerini*). All, however, noted that the atmosphere at the meeting had been 'dramatic'.

agreement. Among these were the President of the Hellenic Parliament, Zoe Konstantopoulou, and all the ministers and deputy ministers of the Left Platform (P. Lafazanis, N. Chountis, D. Stratoulis, C. Ysichos) as well as Nadia Valavani, Deputy Minister of Finance, and Thodoris Dritsas, Alternate Minister for Shipping and the Aegean.[17]

It is obvious that Varoufakis underestimated the significant opposition that was expressed very early on within Syriza's parliamentary group and among government members, not to mention Syriza's Central Committee. Later, when a vote was held at the meeting of the Central Committee on 28 February and 1st March 2015, 41% of Central Committee members opposed the agreement of 20 February. From Varoufakis's account and other sources, it is clear that the parliamentary group and government ministers who were not in the war cabinet were not kept fully informed about the negotiations. In fact, what transpired was that neither the Cabinet, nor the MPs, nor Syriza officials had been made aware of the decisions made ahead of the agreement. At best, Tsipras would give them a biased briefing afterwards.

TSIPRAS AND VAROUFAKIS ADVANCE TOWARDS FINAL CAPITULATION

From the end of April 2015, under pressure from European leaders, Tsipras left Varoufakis out of the negotiations in Brussels, though not withdrawing his Minister of Finance portfolio.

Tsipras agreed to make further concessions to the Troika, involving multiple contacts and discussions. Varoufakis claims that Tsipras wrote to the Troika at the end of April 2015 signalling his agreement to achieve a primary budgetary surplus of 3.5 % per annum for the period 2018-2028. This fresh climb-down would have made ending

[17] An indicative vote by a show of hands had been held towards the end of the meeting, very late at night. At that point, there were about 120 MPs present, and about 40 of them voted 'no' or indicated a 'blank' vote, which in Greece is tantamount to voting against. The six ministers concerned voted blank. A brief account of this meeting was published on 26 February 2015 on the Greek alternative press website, 'ThePressProject' in an article written by Vasiliki Siouti: 'It seems that the SYRIZA government is having a difficult time gaining support for the deal signed between Varoufakis and the Eurogroup. At a twelve hour-long meeting of the SYRIZA Parliamentary Group held on Wednesday 25th February, parliamentarians criticized the deal signed between the Greek government and the Eurogroup. The meeting culminated with an indicative vote for or against the deal. Panagiotis Lafazanis, the leader of the Left Platform and current minister for productive reconstruction and energy, requested that the votes be counted, but this was rejected. Nonetheless, with about thirty MPs having left the room when the vote took place, a third of the MPs present rejected the deal either with a 'no' or a 'blank' vote.

All deputies of the Left Platform and several others – amongst them Zoe Konstantopoulou, the President of Parliament; Nina Kasimati and others – voted 'no' or blank. Government ministers such as Panagiotis Lafazanis, Nikos Chountis, Dimitris Stratoulis, Kostas Isichos, Nadia Valavani and Thodoris Dritsas voted blank. Many of those deputies who voted blank expressed disapproval of Varoufakis's manoeuvres.

Deputies took their positions based mainly on briefings from Varoufakis and prime minister Alexis Tsipras, since they have not received full documentation of what was agreed at the Eurogroup' (New Left Project 2015).

austerity impossible as it meant further cuts in social spending and the acceleration of privatization. Yet the Troika was still not satisfied, demanding even more concessions, and no agreement was reached.

Meanwhile, the Truth Committee on Greek Public Debt, set up by the president of the Hellenic Parliament, was working hard to produce its Report and recommendations before the end of the second Memorandum, which had been extended until 30 June 2015. The plan was to present the Report in an open session of Parliament on 17 and 18 June 2015 as a contribution to discussions on the Memorandum and negotiations. The Committee's mandate was to identify the proportion of debt that could be defined as illegitimate, illegal, odious or unsustainable.

The Truth Committee was composed of 30 members, 15 from Greece and 15 from abroad, including several professors of law from universities in Great Britain, Belgium, Spain and Zambia, a former United Nations independent expert on the effects of foreign debt and respect of human rights, experts on international finance, auditors of public accounts, people who had previous experience of public debt audits, a former president of a central bank and former minister of the economy, bank specialists having acquired profound knowledge of the banking sector in the course of their careers. Of the 15 people from Greece, several had experience of the world of banking, in the domains of international finance, law, journalism and health.

The members of the Truth Committee, of which I was the scientific coordinator, agreed on definitions for terms corresponding to illegitimate, odious, illegal and unsustainable debt, and on a work method. They were divided into six working groups, of which three analysed debts claimed by the various creditors: one group audited debts claimed by the IMF, the second those claimed by the ECB and the third those by the 14 countries of the Eurozone that had granted bilateral loans in 2010. The latter also audited debts due to two organizations founded by the European Commission to make loans to Greece, the European Financial Stability Fund (EFSF) and the European Stability Mechanism (ESM) that followed it. There were three other working groups. One was to produce an analysis of the process of incurring public indebtedness before 2010. The second was to make a rigorous evaluation of the measures dictated by the Troika (and accepted by successive governments since 2010) and of their impact on the exercise of fundamental human rights. The sixth and final working group was composed of several legal experts who drew up conclusions in legal terms and made recommendations for the Greek government.

The various creditors (IMF, ECB and 14 Eurozone countries) that were represented by the Troika held more than 85 % of Greek debt in 2015.

A significant part of the Committee's work was carried out in public. The sessions took place in parliament and were broadcast live on the parliamentary channel. Over the weeks, the audience grew and grew, as the public began to turn away from the private television channels that were hostile to the Tsipras government. The public channel ERT, closed since June 2013 at the request of the Troika, only resumed broadcasting on 11 June 2015, a week before the audit Committee presented its conclusions.

The Truth Committee then proceeded to interview witnesses, and those hearings were also broadcast live on the parliamentary channel. Philippe Legrain, a former direct advisor to the president of the European Commission during the First Memorandum, came from London to testify[18], as did Panagiotis Roumeliotis, Greece's former representative at the IMF at the beginning of the First Memorandum[19]. These interviews enabled a wide public to grasp the real reasons for the intervention of the European Commission, the ECB and the IMF.

Despite our repeated requests, Yanis Varoufakis did not help the Truth Committee to carry out its mission. It is patently obvious that he was not the slightest bit interested in the Committee, as he does not mention it once in the book in which he recounts the events of 2015. He failed to understand that the Truth Committee and the conclusions it produced could be a huge aid to Greece in freeing itself from its creditors, with powerful arguments that would convince public opinion in Greece and across the world. Of course, for the Committee's proposals to be translated into action, the government members would have to publicize the challenges the Committee had faced and the work it had done. Who was better placed in the government to bring the debt audit into the limelight than the minister of finance himself?

Varoufakis's and Tsipras's refusal to mention the Truth Committee's work on the international stage was directly related to the disastrous strategy they had decided upon. They found it hard to swallow the fact that Zoe Konstantopoulou[20] the president of the Hellenic Parliament had given the Committee an official mandate.

As for Tsipras, his support for the Truth Committee was purely formal, and he was careful never to mention it in his public declarations abroad.

Within Syriza too, a deep malaise was developing. Nevertheless, it was difficult for party activists, even those at the top level apart from the narrow inner circle around Tsipras, to really perceive what was happening. Tsipras, who was both the leader of the party and prime minister, communicated very little with his comrades. He did not tell them of the concessions he was making to the Troika and let it be understood that he was about to take a radical shift in the position since the European leaders were not responding positively to the government's demands. He made maximum use of attacks from enemies of Syriza to ask party members to stand united and trust the government.

Yet on 24 May 2015, at a meeting of Syriza's central committee, an amendment proposed by the Left Platform criticizing government strategy and the way negotiations were going and calling for unilateral measures to effectively implement the Thessa-

[18] Hearing of Philippe Legrain, former advisor to Barroso, at the Hellenic Parliament (11 June 2015): 'le gouvernement grec a tout intérêt à ne pas céder aux créanciers' (It is in the Greek government's best interests not to give in to its creditors) (CADTM 2015). Also quoted by Ozlem Onaran (2015).

[19] Hearing of Panagiotis Roumeliotis (15 June 2015), former representative for Greece at the IMF from March 2010 to December 2011: 'Il faut que les creanciers reconnaissent leurs responsabilités' (Creditors must acknowledge their responsibility) (Paumard 2015).

[20] Zoe Konstantopoulou (1976): Syriza MP from 2012 to September 2015, President of the Hellenic Parliament from February to September 2015. Set up the Committee for Truth on the Greek Debt in March 2015. Opposed the 20 February 2015 agreement and the betrayal of the 5 July 2015 referendum. In 2016, she created the party called Course on Freedom.

loniki programme, had won 44 per cent of votes[21].

On 17 June, in the Hellenic Parliament, the Truth Committee presented its Preliminary Report before the president of the Hellenic Parliament, the prime minister and a dozen members of the government. It fell to me to deliver the main report and that was broadcast live on the parliamentary channel[22]. A dozen MPs from other countries attended. They came from France, Belgium, Germany, Spain, Argentina, Tunisia and other countries to show their support of the Committee's work and of the demand for cancellation of illegitimate debt. The Report concludes that the entire debt claimed by the Troika is illegitimate, odious, illegal and unsustainable. Tsipras, who came to greet the Committee at the beginning of the session, left without making any public declaration. The public presentation of the different parts of the Report took two whole days. The Report, just under a hundred pages long, was distributed in Greek as well as English and published straight away on the Hellenic Parliament's website. In the weeks that followed, it was translated and published in French, German, Italian, Spanish and Slovenian.

Meanwhile, on 18 June at the meeting of the Eurogroup in Brussels, the Troika put the squeeze on the Greek government. Benoît Coeuré, of the ECB, announced that Greek banks might have to close on 22 June (Dendrinou and Varvitsioti 2019: 112). Christine Lagarde, for the IMF, was also aggressive.

Confronted with the Troika, who wanted a humiliating capitulation for which Tsipras did not feel ready, he finally called a referendum. He made the decision on 26 June, after a summit held in Brussels on 25 June where once again, the presidencies of the European Commission, and the Eurogroup, the heads of government of the Eurozone, the ECB and the IMF had brought maximum pressure to bear on him.

Tsipras left Brussels on 26 June and announced that a referendum would be held on 5 July 2015. Over the following days, to all those who were waiting for Tsipras to finally take a firm stance to stop the concessions being made to the Troika, the call for a referendum seemed like a wonderful signal of renewed hope. The hope was all the stronger since the government was asking the people to say what they thought of the Troika's demands and called for them to be rejected.

This is the way that the question the Greeks were to answer was formulated: 'Do you approve of the proposal made to Greece by the European Commission, the IMF and the ECB during the Eurogroup meeting of 25 June, and composed of two parts, which constitute their unified proposal? The first document is entitled *Reforms for the Completion of the Current Program and Beyond* (2015) and the second, *Preliminary*

[21] After the 20 February agreement, the Left Platform's amendments got more than 40 per cent of votes in the Central Committee, well over the 30 per cent of elected members of the Left Platform. A 'break-away' bloc had formed within Syriza including, apart from the Left Platform itself – that is, the Lafazanis tendency – and the Trotskyist organization DEA (International Workers' Left), Zoe Konstantopoulou, the former Maoists of the KOE tendency (Greek Communist Organization), a splinter-group from PASOK, and finally Manolis Glezos and Yanis Milios.

[22] See the video with English subtitles: Eric Toussaint's speech at the presentation du Preliminary Report of the Truth Committee on Greek Public Debt, 17 June 2015 (Toussaint 2015).

Debt Sustainability Analysis for Greece (2015), the possible answers were stated as 'Not approved/No' and 'Approved/Yes'.

The two documents referred to were made public by the government and could be read or downloaded on the referendum website.

This was making democracy triumph over the dictates of the creditors, no more, no less. It was late in the day, but there was still time for the government to pull itself together and push through a series of alternative measures should the people mandate the government to reject the Troika's demands.

It is not clear what Tsipras really intended in calling the referendum.

Varoufakis considers that the aim of Tsipras's inner circle (from which he excludes himself on this matter) in calling the referendum, was to get the legitimacy for capitulation. When he called the referendum, was Tsipras already thinking that the government would lose it, as Varoufakis claims? It is hard to know. Varoufakis says that Tsipras expected the 'yes' vote to carry it which would give him the legitimacy to capitulate.

One thing is certain: for Tsipras calling a referendum did not signal breaking away from the Troika. It was a tactical move aimed at regaining the initiative to get out of the deadlock and continue negotiations in better conditions.

That Varoufakis should have been convinced that the 'yes' vote would carry it shows just how disconnected he was from how the majority of Greeks felt.

The fact that the 'no' vote won without there having been a proper campaign organized by the government shows how determined a large part of the population was to resist the creditors.

As for the Troika, their reaction was violent: the ECB managed to force the government to close the banks during the week before the referendum.

On Monday 29 June, Juncker condemned the call for a referendum – an unheard-of step for a president of the European Commission – and appealed to Greeks in no uncertain terms to vote 'yes' rather than 'to commit suicide'. His words may well have been counterproductive.

On 30 June, Benoît Coeuré, Member of the Executive Board of the ECB, announced that if the Greeks voted 'no', they would almost certainly be expelled from the Eurozone, whereas if they voted 'yes', the Troika would come to Greece's rescue. François Hollande made a similar declaration.

The mainstream media in Greece all appealed for a 'yes' vote and explained that if 'no' carried it, it would lead to catastrophe.

On 3 July, people swarmed to Syntagma Square to listen to Tsipras and clamoured their fervour for the 'no' vote. Many eyewitnesses noted that Tsipras was visibly uncomfortable as the crowd applauded him heartily for his courage in facing down the creditors. He kept his speech brief.

There were far fewer people at the 'yes' rally than the 'no' one.

On 5 July, the results were unmistakeable: a high rate of participation (62.5 per cent) and 61.31 per cent of 'no' votes. In the working-class areas, the 'no' vote reached 70 per cent. A poll indicated that 85 per cent of young people between 18 and 24 years old voted 'no' (Kouvelakis 2015: 148).[23]

The European leaders were totally nonplussed: their threats had not produced the desired effect on the Greek people.

Yet on 6 July, Tsipras met with the parties who had campaigned for the 'yes' vote and, within 24 hours, had drawn up with their help a position that conformed to the Troika's demands, even though those demands had been rejected in the referendum. This was a betrayal of the people's verdict, all the more flagrant as he had publicly sworn to respect the result of the referendum, whichever way it went.

Tsipras immediately renewed contact with Brussels and found that the European Commission and leaders of the Eurogroup, very angry with him, intended to make him pay for his insolence and to humiliate the Greek population.

Despite this, Tsipras went to Brussels to hand over the proposal that he had concocted with the 'yes' parties. It closely resembled the proposal rejected two days earlier by the 61.31 per cent of the Greeks who had taken part in the referendum. However, the European leaders told Tsipras that they no longer trusted him and demanded a vote in the Hellenic Parliament on the proposals which from their point of view was the only way to make them credible and the condition upon which they insisted before resuming official negotiations. Tsipras did as he was told and on 10 July, he received massive support from the Hellenic Parliament to submit his plan to the Troika once more. The three parties which had lost the referendum voted in favour of the new plan while the president of the Hellenic Parliament, six ministers and deputy ministers from the Left Platform and other Syriza MPs refused to approve it (Varoufakis was absent, having chosen to be with his daughter in his residence outside Athens). Out of 300 MPs, 251 voted in favour of the capitulation plan proposed by Tsipras. It was a full-blown crisis for Syriza.

Regarding debt, the text clearly said that there would be no reduction of the amount of Greek debt: 'The Euro Summit stresses that nominal haircuts on the debt cannot be undertaken. The Greek authorities reiterate their unequivocal commitment to honour their financial obligations to all their creditors fully and in a timely manner.'[24]

The pressure brought to bear by the European leaders triggered vigorous expressions of rejection the world over. On 13 July, the hashtag #THISISACOUP was tweeted 377,000 times all around the globe.

On 15 July, Syriza's crisis deepened. A letter signed by 109 members (out of 201) of Syriza's central committee rejected the13 July agreement, referring to it as a *coup d'Etat* and demanding an emergency meeting of the central committee. Nevertheless, Tsipras, as president of Syriza, did not call a meeting of the central committee until two weeks later.

On 15 and 16 July, Parliament, with the votes of New Democracy, Pasok and To Potami, but without the votes of thirty-nine Syriza MPs out of 149 (thirty-two against,

[23] Note that the Communist Party (KKE) called for a blank vote, with the risk that the 'yes' vote would carry it. (See Kouvelakis 2015: 165).

[24] See the Statement of the Euro Summit at Brussels, on 12 July 2015, accessible on the Council of Europe's official website (Euro Summit Statement 2015).

including Varoufakis, six abstentions and one absence), approved the first package of austerity measures, regarding VAT and pensions, demanded by the 13 July agreement.

On 17 July, in the wake of the 13 July agreement, the European Commission announced that they were releasing a further loan of 7 billion euros. Alexis Tsipras proceeded with a cabinet shuffle, dismissing in particular two ministers from the Left Platform, Panagiotis Lafazanis and Dimitris Stratoulis. Varoufakis had resigned on 6 July and Nadia Valavani, the deputy finance minister, on 15 July.

On 20 July, Greece repaid €3.5 billion to the European Central Bank and €2 billion to the International Monetary Fund.

On 22 and 23 July, Parliament adopted the second package of immediate measures demanded by the Troika. Among the Syriza MPs, thirty-one voted against, and five abstained. Varoufakis voted in favour.

On 14 August, the Hellenic Parliament adopted the Third Memorandum by 222 votes against sixty-four (thirty-two of which were Syriza members out of a total of 149). There were eleven abstentions (ten from Syriza).

On 20 August, Greece repaid €3.2 billion to the ECB.

Next Tsipras called for early elections on 20 September. He won because a good many Syriza voters could see no way out other than voting for Tsipras to avoid the right returning to government. They voted for the lesser evil because they knew that the right would do even worse things in terms of austerity measures. The list of Popular Unity put up by the great majority of Syriza members and MPs who had rejected the Third Memorandum did not obtain a high enough score to enter parliament (the list won 2.86 per cent while the threshold was at 3 per cent). There was not enough time for the list to be made known, and it failed to propose a credible alternative.

On 23 September, the Truth Committee for Greek Public Debt held a meeting at the Hellenic Parliament, called by Zoe Konstantopoulou, who was still the president of parliament at that point as the new cabinet had not yet been sworn in. The Committee adopted two new reports and deemed the new debt contracted through the Third Memorandum also odious.[25]

Three days later, on 26 September, Tsipras had Nikos Voutsis elected as president of Parliament. They decided to dissolve *ipso facto* the Truth Committee on Greek Public Debt and to remove all documents relating to its work from the parliamentary website.

CONCLUSION

Over the two-month period following the betrayal of the people's verdict of 5 July, Tsipras put into practice an orientation which led to disaster. On several occasions, he could have taken a different turn but failed to do so. The enthusiasm that the referendum of 5 July had given rise to was intense and ended in terrible disappointment.

[25] Truth Committee for Greek Public Debt, 'Illegitimacy, Illegality, Odiousness and Unsustainability of the August 2015 MoU and Loan Agreements' published 5 October 2015 (CADTM 2015b), consulted 16 September 2019. See also: 'The Third Memorandum is unsustainable just like the previous two' published 1 October 2015 (CADTM 2015c), consulted 16 September 2019.

Did Varoufakis steadfastly defend a credible alternative, as he claims? Clearly, he did not. He accompanied Tsipras and his inner circle and never publicly distanced himself while there was still time. When he resigned, he did it in terms that compound the confusion. In the public explanation of his resignation on 6 July he wrote:

> Soon after the announcement of the referendum results, I was made aware of a certain preference by some Eurogroup participants, and assorted partners, for my… 'absence' from its meetings; an idea that the prime minister judged potentially helpful to him in reaching an agreement. For this reason, I am leaving the Ministry of Finance today. I consider it my duty to help Alexis Tsipras, as he sees fit, to exploit the capital that the Greek people granted us through yesterday's referendum (…) I shall fully support Prime Minister Tsipras, the new minister of finance and our government. (Varoufakis 2017: 472)

As for his Plan X, it was not until his decision to close the banks that Varoufakis discovered, as he himself declares, that the Bank of Greece disposed of a reserve of bank-notes in euros to the amount of €16 billion which, had the government chosen to, could have been put back into the circuit, for example by stamping them as a non-convertible complementary currency, and put into circulation via automatic cash machines. At this point, he confesses that he had opposed the use of this financial manna while the leader of the Left Platform was trying to persuade Tsipras to make use of it.

Fortunately, Varoufakis did add his voice to the refusal of the Third Memorandum in the night of 15 to 16 July, voting 'no' with the MPs of the Left Platform and Zoe Konstantopoulou.

There were no major spontaneous mobilizations because the majority of left-wing people who had fought mainly between 2010 and 2012 trusted Tsipras, and he never called upon the people to mobilize. As for the left-wing forces outside parliament who called for mobilization, they were too weak.

The factors which led to disaster are clearly identifiable: the refusal to confront European institutions and the Greek ruling class, the practice of secret diplomacy, repeated announcements that the negotiations would obtain good results, the refusal to take the necessary strong steps (that is, they should have suspended debt payments, controlled capital flows, taken control of the banks and cleaned them up, put a complementary currency into circulation, raise salaries and pensions, lower VAT rates on certain commodities and services, cancel illegitimate private debt), the refusal to make the rich pay, the refusal to call for national and international mobilization, and more.

FUNDING: This research received no external funding.

CONFLICTS OF INTEREST: The author declares no conflict of interest.

REFERENCES

CADTM. 2015. "Audition de Philippe Legrain, ex-conseiller de Barroso, au Parlement grec (11 juin 2015): le gouvernement grec a tout intérêt à ne pas céder aux créanciers." Jun 12, Retrieved October 10, 2019 (http://www.cadtm.org/Audition-de-Philippe-Legrain-ex).

CADTM. 2015b. "Illegitimacy, Illegality, Odiousness and Unsustainability of the August 2015 MoU and Loan Agreements." Oct 4, Retrieved October 10, 2019 (http://www.cadtm.org/Illegitimacy-Illegality-Odiousness).

CADTM. 2015c. "The Third Memorandum is Unsustainable just like the previous two." Oct 1, Retrieved October 10, 2019 (http://www.cadtm.org/The-Third-Memorandum-is).

Dendrinou, Viktoria and Eleni Varvitsioti. 2019. *The Last Bluff: How Greece came face-to-face with financial catastrophe & the secret plan for its euro exit*. Athens: Papadopoulos Publisher.

Euro Summit Statement. 2015. Brussels, July 12, Retrieved October 10, 2019 (https://www.consilium.europa.eu/media/20353/20150712-eurosummit-statement-greece.pdf).

Konstantopoulou, Zoe. 2015. "Discours prononcé par Zoé Konstantopoulou, lors de son élection en tant que Présidente du Parlement hellénique." *Committee for the Abolition of Illegitimate Debt,* Feb 14. Retrieved October 10, 2019 (http://www.cadtm.org/Discours-prononce-par-Zoe).

Kouvelakis, Stathis. 2015. *La Grèce, Syriza et l'Europe néolibérale. Entretiens avec Alexis Cukier.* Translated by CADTM. Paris: La Dispute.

New Left Project. 2015. "Syriza MPs revolt against the agreement." *New Left Project* Feb 28, Retrieved October 10, 2019 (http://www.newleftproject.org/index.php/site/article_comments/syriza_mps_revolt_against_the_agreement?fbclid=IwAR2f_t9qVML1kJxTUMe2kG1Agl71IJ40lvgoHP3xuCXVzHHCPct7n5P0vh0).

Onaran, Ozlem. 2015. "Why Europe Needs A Debt Conference." *Committee for the Abolition of Illegitimate Debt,* June 30. Retrieved October 10, 2019 (http://www.cadtm.org/Why-Europe-Needs-A-Debt-Conference).

Paumard, Emilie. 2015. "Audition de Panagiotis Roumeliotis (15 juin 2015), ex-représentant de la Grèce au FMI de mars 2010 à décembre 2011: «Il faut que les créanciers reconnaissent leurs responsabilités»." *Committee for the Abolition of Illegitimate Debt,* June 17. Retrieved October 10, 2019 (http://www.cadtm.org/Audition-de-Panagiotis-Roumeliotis).

Preliminary Debt Sustainability Analysis for Greece. 2015. Retrieved October 10, 2019 (https://web.archive.org/web/20150701094649/http:/www.referendum2015gov.gr/wp-content/uploads/2015/06/P.S.A.pdf).

Reforms for The Completion of the Current Program and Beyond. 2015. Retrieved October 10, 2019 (https://web.archive.org/web/20150701094650/http:/www.referendum2015gov.gr/wp-content/uploads/2015/06/REFORMS-FOR-COMPLETION-OF-CURRENT-PROGRAM-1.pdf).

Toussaint, Éric. 2015. "Eric Toussaint's speech at the presentation of the preliminary report of the Truth Committee." *Committee for the Abolition of Illegitimate Debt,* Aug 11. Retrieved October 10, 2019 (http://www.cadtm.org/Eric-Toussaint-s-speech-at-the).

Toussaint, Éric. 2017a. "ECB's odious profits on the backs of the Greek people." *Committee for the Abolition of Illegitimate Debt,* Oct 17. Retrieved October 10, 2019 (http://www.cadtm.org/ECB-s-odious-profits-on-the-backs).

Toussaint, Éric. 2017b. "Yanis Varoufakis's Account of the Greek Crisis: A Self-Incrimination - Part One: Proposals Doomed to Fail." *Committee for the Abolition of Illegitimate Debt,* Aug 24. Retrieved October 10, 2019 (http://www.cadtm.org/Yanis-Varoufakis-s-Account-of-the).

Toussaint, Éric. 2017c. "Varoufakis's questionable account of the origins of the Greek crisis and his surprising relations with the political class." *Committee for the Abolition of Illegitimate Debt,* Sept 1. Retrieved October 10, 2019 (http://www.cadtm.org/Varoufakis-s-questionable-account).

Toussaint, Éric. 2018. "The Varoufakis-Tsipras Line was Doomed to Fail from the Word 'Go'." *Committee for the Abolition of Illegitimate Debt,* Feb 5. Retrieved October 10, 2019 (http://www.cadtm.org/The-Varoufakis-Tsipras-Line-was).

Varoufakis, Yanis. 2013. "A Modest Proposal for Resolving the Euro Zone Crisis." *Yanis Varoufakis: Thoughts for the post-2008 world.* Retrieved October 10, 2019 (https://www.yanisvaroufakis.eu/modest-proposal/).

Varoufakis, Yanis. 2017. *Adults in the Room: My Battle with Europe's Deep Establishment*. London: The Bodley Head.

Vivien, Renaud and Cécile Lamarque. 2011. "Suspending public debt repayments by legal means." *Committee for the Abolition of Illegitimate Debt,* July 6. Retrieved October 10, 2019 (http://www.cadtm.org/Suspending-public-debt-repayments).

Voanews. 2015. "Greece Teeters on Brink of Euro Exit as Referendum Approaches." *Voa*, June 29. Retrieved October 10, 2019 (https://www.voanews.com/episode/greece-teeters-brink-euro-exit-referendum-approaches-3695631).

BIOGRAPHICAL NOTE

Éric Toussaint is spokesperson for the Committee for the Abolition of Illegitimate Debt (CADTM) in Liège, Belgium.

OPEN ACCESS: This article is distributed under the terms of the Creative Commons Attribution Non-commercial License (CC BY-NC 4.0) which permits any noncommercial use, and reproduction in any medium, provided the original author(s) and source are credited.

ARTICLE HISTORY: Received 2019-10-22 / Accepted 2019-11-26