

# Speech at the Kreisky Forum, Vienna: an address to the Austrian Social Democrats

Sunday 29 September 2013, by [TSIPRAS Alexis](#) (Date first published: 19 September 2013).

**Last week, Alexis Tsipras (SYRIZA's chair) gave a talk at the Kreisky Forum, in Vienna. In it he addressed Austrian social democrats, in Bruno Kreisky's old residence. I post Tsipras' speech here for two reasons: First, because it sends an interesting message to central European social democrats (Austrian and German in particular). Secondly, because this important speech seems to have gone unnoticed by the mainstream media. Your views on the speech below will, as always, be very welcome.**

**Yanis Varoufakis**

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Dear Gertraud, dear all,

Thank you for your kind invitation. I am honoured and glad to be here. In Bruno Kreisky's home. Among Austrian friends who, I assume, share with me the same concerns regarding our common European home. Our common home which is presently threatened by a dangerous social and political time bomb deep in its foundations. A time bomb which we can and must defuse.

**As you know, I am not a social democrat.**

But I am deeply aware of Bruno Kreisky's greatness and of the importance of the social democracy that he believed in and which he practised with honesty and dedication during his lifetime. And I have a huge respect for his achievements.

The reason I begin with the statement that I am not a social democrat is not, of course, because I want to raise an ideological barrier between you and me. Dialogue and political alliances are at the heart of the culture, in the DNA of my party, SYRIZA, as an essential part of the democratic road to socialism with freedom and democracy.

I am sure that with most of you I share the same or similar values. However, I cannot hide my surprise and disappointment with the political turn that most European social democratic parties have taken in recent years.

Dear friends,

As I am sure you are aware, in Greece we have been experiencing lately the revival of the appalling Nazi phenomenon. The atrocious political murder of an anti-fascist musician, Pavlos Fyssas, which took place in a Piraeus neighbourhood, is proof of their goals and methods.

In 1967 Bruno Kreisky was one of the leaders of European solidarity movements to restore

democracy in Greece.

Greek democrats will forever be grateful to him and his Austrian comrades for proving their friendship to the Greek people at critical times.

I am afraid that the re-emergence of Nazism is connected to the harsh austerity policies imposed on Greece by the troika of lenders and successive Greek government – notably the one currently in power, which is a coalition government between the conservative New Democracy and PASOK.

**Today's PASOK is in eclipse because it failed to perceive the consequences both of the crisis per se and of the neoliberal management of the crisis for a deficit country, such as Greece, participating in an architecturally flawed monetary union subjugated to an symmetric shock.**

There is a lesson to be learned from the crisis for all of us but especially for the social democratic parties

Dear Friends,

In the 1990s, most European social democratic parties gradually divorced themselves from policies that try to regulate capitalism.

However, there were times post-World War II and courageous and inspired European socialists, like Bruno Kreisky, marched on the road of social democratic values, principles and policies.

In a recent *Spiegel* article, the *Financial Times* columnist Wolfgang Munchau argued on the issue:

“The SPD finally gave up on Keynesianism when the last Keynesian in the party, Oskar Lafontaine, quit in 1999, and left the field open to Gerhard Schroeder, who later pursued his supply-side reforms.

Today, the SPD is just another conservative supply side party, where the differences with the CDU are reduced to discussions about distribution, but no longer about fundamental issues. This is why the debate between Merkel and Steinbrück has been so lame – a duet as some newspapers called it”.

I absolutely agree with this view. If social democrats had followed the legacy of statesmen, such as Bruno Kreisky, Willy Brandt or Olof Palme, Europe would not have turned into today's neoliberal desert.

Dear friends,

Let's all recall the 1929 Crash. Allow me to encapsulate what had happened at that time in two sentences:

1. the so to speak “common currency” of that period, that is the Gold Standard being a system of fixed exchange rates crashed and burned.  
the government denied that there was an architectural fault in the whole design, insisted on austerity and in the policy of escaping the crisis through net exports.
2. That was a set of economic policies that historians associate with the rise of fascism in southern Europe and Nazism in Central and Northern Europe.

Do you notice the similarities with the present situation in Europe?

The Eurozone resembles the Gold Standard with a difference that makes things worse: instead of fixed exchange rates among currencies, there is a single currency from which it is impossible to escape at a time of severe crisis.

But, because it is so badly designed, that common currency did two terrible things to us. Two things that make the analogy with the Gold Standard very, very apt:

First, it caused massive capital movements during the first years of its existence from the surplus developed Eurozone countries toward the Periphery.

Surplus countries have capital intensive oligopolistic industries that produce capital goods and consumer goods which the Periphery cannot produce at all – or at a price that is competitive.

By its very nature, a monetary union between such advanced economies and a less advanced and less capitalized Periphery will generate increasing trade surpluses.

But these trade surpluses immediately create mountains of profits in the surplus countries that far exceed their investment needs.

The result is that the interest rates collapse in the surplus countries and, for this reason, the northern bankers have an incentive to divert their capital to the Periphery, where interest rates are higher. This is why capital flows to the Periphery in large quantities.

And why is this capital flow a problem?

Because the money that flows into the Periphery creates bubbles.

In Greece, it caused a bubble of public debt as the state borrowed on behalf of the developer-cleptocrats who then used the money to create all sorts of bubbles indirectly.

Then, all of a sudden, but very predictably, Wall Street collapsed in 2008. All this capital that had flooded the Periphery left instantly. And those who had never benefitted from any of these bubbles ended up owing all the money.

Just like Hoover, in the late 20's and 30's, European conservative and social democratic governments insisted that un-payable debts must be still be paid.

But how?

With new debts that were taken from the surplus countries.

It was in this way that bankrupt Greece ended up, in May 2010, accepting the largest loan in human history which accelerated national income loss.

The absence of social democrats in the tradition of Bruno Kreisky created the political space for anti-crisis policies which gave rise to a new and invisible economic wall between the creditor surplus countries of the North and the debtor deficit countries of the South.

Dear friends

I have been speaking for a while now and I have hardly mentioned Greece.

Let me, therefore, say a few words about my long-suffering country.

Greece is not a special case.

Greece may have been the weakest link of the Eurozone chain.

But even if Greece did not exist, the Eurozone chain would have another weakest link.

Greece was, to put simply, the canary in the mine whose death should sound the alarm – telling the miners – the rest of our European partners – that there is something wrong with the mine.

Instead, the dying canary was starved to almost-death; it was treated like a scapegoat.

Even if Greece had managed to become far leaner, fitter and modernized before 2008, we would have fallen flat on our faces within a Eurozone that could not sustain the earthquake of 2008.

Perhaps we would not have been the first to fall. But we would have fallen anyway. For if Ireland, the country that topped all lists for ‘good’ outcomes, fell, Greece was bound to fall too. As was Portugal, Italy, Spain – eventually even France.

I do not wish to argue that Greece requires no reforms or has no weaknesses. That would be absurd.

All that is true. But no reforms can take place if the economy collapses.

However, there is another truth that you may not have heard of.

It is the fact that our kleptocracy has formed an alliance with Europe’s elites to propagate a number of lies about Greece.

Lies that shift the blame for our country’s weaknesses from the kleptocrats to the common, hard working Greek people.

Lies that help them impose policies that are terrible for Greece, awful for Austria and the rest of Europe but excellent for the bankrupt bankers and convenient for the Eurocrats.

Please allow me to dispel some of these mythical lies:

### **Myth Number One**

Greek labour is over-protected.

### **Myth Number Two**

The Greeks are lazy.

### **Myth Number Three**

The Greek labour market is too rigid.

Do you know that since 2001, every year one third (33,3%) of waged workers are laid off.

### **Myth Number Four**

Greek unemployed workers are receiving over-generous unemployment insurance payments.

### **Myth Number Five**

Real wages in Greece converged between 2000 to 2009 toward average Eurozone real wages, They never actually reached that level.

I could go on and on. But I choose to stop here.

If you really want to understand why Greece remains in depression the answer is simple: It is caught up in a Eurozone that imposes austerity upon Greece and upon the rest of the Periphery.

However, now that we are in it, the cost of dismantling it would be horrendous for all of us.

So, even if we think it is a terrible monetary union, one that divides our peoples by means of a single currency, we have a duty to re-designe it.

Unfortunately, such a re-design will not be effected easily.

There are huge vested interests, in keeping things the way they are.

- The bankrupt bankers of Greece and Spain, in total cooperation with the bankrupt bankers of Germany and France, do not want to see any drastic changes.
- The politicians presently in power do not want any radical changes either.
- The Euro-crats are particularly against any admission to having designed bad institutions.

Unfortunately, if the bankers, the ruling politicians and the Euro-crats get their way, Europe will disintegrate.

Do you want a glimpse of what will happen here in Vienna once the disease spreads from the Periphery, as it definitely will?

Then come to Greece and look for yourselves at the boarded up shops, the empty factories, the fear that migrants have on their faces as they walk home at night.

Dear friends

It doesn't have to come to that.

**SYRIZA will win the next elections in Greece and will succeed a fundamental political change.**

A government of the Left in Greece will extend a hand to Europe's social democrats, to Europe's free thinking liberals, to all Europeans who do not want Europe to slide into a nightmare.

And we will ask them to join us in a common project: The project of stabilising the Eurozone - a first step towards an open, democratic and cohesive Europe.

To do this, we will have to negotiate forcefully with the main levers of institutional neoliberalism in Frankfurt, in Berlin, in Brussels, in Paris.

To do so, we will need your support.

Not just in order to achieve a better outcome for Greece. But in order to forge a better Europe, a humane Europe.

A SYRIZA government will not expect the suffering workers of Germany or Austria to bankroll our recovery, against their interests.

A Syriza government will put on the table a European Marshall Plan, which will include a proper banking union, a centrally managed public debt by the ECB, a massive program of public investment.

Above all, we are requesting a special conference on the european debt in the entire periphery, by analogy to the 1953 London Conference for the German debt at the time, which decided to cut a large portion of it, a moratorium on the payment of interest and a growth clause.

These are the minimum demands of a future Syriza government.

- They can be granted today without any Treaty changes.
- Without any need for the German or the Austrian taxpayers to pay for the Periphery.
- Without any loss of sovereignty of our Parliaments.

My intention is to look at the hard working German or Austrian worker in the eye and say to her or to him:

**They made us take the largest loan in history from you. But none of that benefitted our people. It was all a cynical ploy to transfer losses from the northern banks' books to your shoulders.**

It will not be easy to convince Mrs Merkel, Mr Asmussen, Mr Draghi.

We shall have to be ready to suffer the consequences of their resistance.

But I shall suffer these consequences.

The only alternative is to accept the slow death of my nation and the slow disintegration of the Eurozone – which will destroy the European Union itself.

To conclude, my party, Syriza, is intent on promoting a European agenda for the salvation of the Eurozone as a means to giving Greece a chance to breathe.

I do not know whether the Austrian social democratic party will join me in this struggle, for saving Europe from itself.

But I am convinced that Bruno Kreisky would want them to join me.

Let's join forces to do good. Across Europe.

Thank you

**Alexis Tsipras**

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**P.S.**

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<http://yanisvaroufakis.eu/2013/09/24/alexis-tsipras-at-the-kreisky-forum-vienna-the-complete-speech-address-to-austrian-social-democrats/>