Yanis Varoufakis: Why we must save the EU

Yanis Varoufakis Tuesday 5 April 2016 06.00 BST

The first German word I ever learned was Siemens. It was emblazoned on our sturdy 1950s fridge, our washing machine, the vacuum cleaner – on almost every appliance in my family's home in Athens. The reason for my parents' peculiar loyalty to the German brand was my uncle Panayiotis, who was Siemens' general manager in Greece from the mid-1950s to the late 1970s.

A Germanophile electrical engineer and a fluent speaker of Goethe's language, Panayiotis had convinced his younger sister – my mother – to take up the study of German; she even planned to spend a year in Hamburg to take up a Goethe Institute scholarship in the summer of 1967.

Alas, on 21 April 1967, my mother's plans were laid in ruins, along with our imperfect Greek democracy. For in the early hours of that morning, at the command of four army colonels, tanks rolled on to the streets of Athens and other major cities, and our country was soon enveloped in a thick cloud of neo-fascist gloom. It was also the day when Uncle Panayiotis's world fell apart.

Unlike my dad, who in the late 1940s had paid for his leftist politics with several years in concentration camps, Panayiotis was what today would be referred to as a neoliberal. Fiercely anti-communist, and suspicious of social democracy, he supported the American intervention in the Greek civil war in 1946 (on the side of my father's jailers). He backed the German Free Democratic party and the Greek Progressive party, which purveyed a blend of free-market economics with unconditional support for Greece's oppressive US-led state security machine.

His political views, and his position as the head of Siemens' operations in Greece, made Panayiotis a typical member of Greece's postwar ruling class. When state security forces or their stooges roughed up leftwing protesters, or even killed a brilliant member of parliament, Grigoris Lambrakis, in 1963, Panayiotis would grudgingly approve, convinced that these were unpleasant but necessary actions. My ears are still ringing with the rowdy exchanges he often had with Dad, over what he considered "reasonable measures to defend democracy from its sworn enemies" – reasonable measures that my father had experienced first-hand, and from which he would never fully recover.

The heavy footprint of US agencies in Greek politics, even going so far as to engineer the dismissal of a popular centrist prime minister, Georgios Papandreou, in 1965, seemed to Panayiotis an acceptable trade-off: Greece had given up some sovereignty to western powers in exchange for freedom from a menacing eastern bloc lurking a short driving distance north of Athens. However, on that bleak April day in 1967, Panayiotis's life was turned upside down.

He simply could not tolerate that "his" people (as he referred to the rightist army officers who had staged the coup and, more importantly, their American handlers) should dissolve parliament, suspend the constitution, and intern potential dissidents (including rightwing democrats) in football stadia, police stations and concentration camps. He had no great sympathy with the deposed centrist prime minister that the putschists and their US puppeteers were trying to keep out of government – but his worldview was torn asunder, leading him to a sudden spurt of almost comical radicalisation.

A few months after the military regime took power, Panayiotis joined an underground group called Democratic Defence, which consisted largely of other establishment liberals like himself – university professors, lawyers, and even a future prime minister. They planted a series of bombs around Athens, taking care to ensure there were no injuries, in order to demonstrate that the military regime was not in full control, despite its clampdown.

For a few years after the coup, Panayiotis appeared – even to his own mother – as yet another professional keeping his head down, minding his own business. No one had an inkling of his double life: corporate man

during the day, subversive bomber by night. We were mostly relieved, meanwhile, that Dad had not disappeared again into some concentration camp.

My enduring memory of those years, in fact, is the crackling sound of a radio hidden under a red blanket in the middle of the living room in our Athens home. Every night at around nine, mum and dad would huddle together under the blanket – and upon hearing the muffled jingle announcing the beginning of the programme, followed by the voice of a German announcer, my own six-year-old imagination would travel from Athens to central Europe, a mythical place I had not visited yet except for the tantalising glimpses offered by an illustrated Brothers Grimm book I had in my bedroom.

Deutsche Welle, the German international radio station that my parents were listening to, became their most precious ally against the crushing power of state propaganda at home: a window looking out to faraway democratic Europe. At the end of each of its hour-long special broadcasts on Greece, my parents and I would sit around the dining table while they mulled over the latest news.

I didn't fully understand what they were discussing, but this neither bored nor upset me. For I was gripped by a sense of excitement at the strangeness of our predicament: that, to find out what was happening in our very own Athens, we had to travel, through the airwaves, and veiled by a red blanket, to a place called Germany.

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The reason for the red blanket was a grumpy old neighbour called Gregoris. Gregoris was known for his connections with the secret police and his penchant for spying on my parents; in particular my Dad, whose leftwing past made him an excellent target for an ambitious snitch. Strange as it may sound today, tuning in to Deutsche Welle broadcasts became one of a long list of activities punishable by anything from harassment to torture. So, having noticed Gregoris snooping around inside our backyard, my parents took no risks. Thus the red blanket became our defence from Gregoris's prying ears.

A few years later, it was from Deutsche Welle that we learned what Panayiotis and his colleagues had been up to – when the radio announced that they had all been arrested. Dad would joke for years to come about the pathetic inability of these bourgeois liberals to organise an underground resistance group: only a few hours after one of the Democratic Defence members was accidentally caught, the rest were also rounded up. All the police had to do was read the first man's diary – where he had meticulously listed his comrades' names and addresses, in some cases including a description of each subversive "assignment". Torture, court martial and long prison sentences – in some cases the death sentence – followed.

A year after Panayiotis's capture, the military police guarding him decided to relax his isolation regime by allowing me, a harmless 10-year-old, to visit him once a week. Our already close bond grew stronger with boy-talk that allowed him a degree of escapism. He told me about machines I had never seen (computers, he called them), asked about the latest movies, described his favourite cars.

In anticipation of my visits, he would use matchsticks and other materials that prison guards would let him keep to build model planes for me. Often, he would hide inside his elegant artefacts a message for my aunt, my mother, on occasion even for his colleagues at Siemens. For my part, I was proud of my new skill of disassembling his models with minimal damage, retrieving the message, and putting them back together.

Long after Panayiotis's death, I discovered the last of these: a matchstick model of a Stuka dive-bomber in my old family home's attic. Torn between leaving it intact and looking inside, I decided to take it apart. And there it was. His last missive was not addressed to anyone in particular.

It was a single word: "*kyriarchia*". Sovereignty.

A tank outside the parliament building in Athens during the military coup in 1967. Photograph: Bettmann/Corbis

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It was almost 50 years after those childhood evenings under the red blanket that I made my first official visit to Berlin as finance minister of Greece, in February 2015. My first port of call was, of course, the federal finance ministry, to meet the legendary Dr Wolfgang Schäuble. To him, and his minions, I was a nuisance. Our leftwing government had just been elected, defeating a sister party of the Christian Democrats – New Democracy – on an electoral platform that was, to say the least, a form of inconvenience for Schäuble and Chancellor Angela Merkel, and their plans for keeping the eurozone in order.

Our success was, indeed, Berlin's greatest fear. Were we to succeed in negotiating a new deal for Greece that ended the interminable recession gripping the nation, the Greek leftist "disease" would almost certainly spread to Portugal, Spain and Ireland, all of which had general elections looming.

Before I arrived in Berlin, and only three days after I had assumed office as minister, I received my first high-ranking visitor in my Athens office: Schäuble's self-appointed envoy, Jeroen Dijsselbloem, the Dutch finance minister and president of the Eurogroup of finance ministers. Within seconds of meeting, he asked me whether I intended to implement fully and unwaveringly the economic programme that previous Greek governments had been forced by Berlin, Brussels and Frankfurt – the seat of the European Central Bank (ECB) – to adopt.

Given that our government had won a mandate to renegotiate the very logic of that disastrous programme (which had led to the loss of one third of national income and increased unemployment by 20%), his question was never going to be the beginning of a beautiful friendship.

For my part, I attempted a diplomatic reply that would be my standard line of argument for the months to follow: "Given that the existing economic programme has been an indisputable failure, I propose that we sit down together, the new Greek government and our European partners, and rethink the whole programme without prejudice or fear, designing together economic policies that may help Greece recover."

My modest plea for a modicum of national sovereignty over the economic policies imposed on a nation languishing in the depths of a great depression was met with astonishing brutality. "This will not work!", was Dijsselbloem's opening line. In less than a minute he had laid his cards on the table: if I were to insist on any

substantial renegotiation of the programme, the ECB would close down our banks by the end of February 2015 – a month after we had been elected.

The Greek finance ministry's office overlooks Syntagma Square and the House of Parliament – the very stage on which, in April 1967, the tanks had crushed our democracy. As Dijsselbloem spoke, I caught myself looking over his shoulder out to the broad square teeming with people and thinking to myself: "This is interesting. In 1967 it was the tanks, now they are trying to do the same with the banks."

The meeting with Dijsselbloem ended with a tumultuous press conference in which the Eurogroup's president lost his cool when he heard me say that our government was not planning to work with the cabal of technicians the troika of lenders habitually sent to Athens to impose upon the elected government policies destined to fail. The die had been cast and the battle for reclaiming part of our lost sovereignty was only beginning. Berlin, where I was to meet the troika's real master, beckoned.