

## Keynote

### Yanis Varoufakis

What am I doing here? A political economist and politician. It is not immediately obvious why I am speaking at the Moscow Biennale for Contemporary Art 2015. Let me be more specific and self-critical about this: Economics is a very stale, uncultured discipline; students of economics are taught to think as if economic life can be fully described and understood independently from culture, art or music—somewhat like a military academy. As part of their officer training one of the things they learn is *savoir-vivre*, good manners. They come in handy if you are a general of the Russian, the French or the American army and your president invites you to dinner. You need to be able to know the right spoon, the right fork. But it is completely irrelevant for you doing your job properly at the battlefield. Manners are something good to have. They are additional to what is necessary in order to perform mass murder, which is what you do as a general. Similar to this, in the world of economics, culture is a good thing to have but it is completely inessential to understand how the economy works.

Politicians look at culture as a *venire*, as a source of legitimacy. Culture serves a politician to become a minister of culture at one point in their career. It is not an essential ministry and very low down in the pecking order of the government. So if you have been a minister of finance or foreign affairs and afterwards you become the minister of culture it is considered a demotion. At times, it may be good to have this title, it gives you an aura. Cultural professionals, for example artists and curators, lend a degree of social, narrative power to politicians. Somehow like having a bishop next to you, eulogizing you. But it is not seen essential in the running of a country. The minister of culture has a minor position in government. He does not have very important things to say when the big issues are discussed in the cabinet.

I am a politician. I am a political economist. I am an economist. All this endeavor is only tangentially and, if you want, imperialistically linked to art. In a sense, the curators of Moscow Biennale for Contemporary Art 2015 were mistaken to invite me, because if I really believed in the practices of the economists and the politicians, I should not have been invited because in the end, deep down I would be contemptuous with the world of art. I would see it at best as something good to have on top of important things but not art as something crucial in our lives, as something essential.

The attempt, to isolate the quest for what matters for a good society from the aesthetic, and from the musical, has always been alien to me. I recall various political and social conflicts that I tried to understand when I was a young person, before I became an economist and politician. And I remember that to make sense of what was at stake, the aesthetic and the musical were always very important: In the 1980s' Nicaraguan Revolution the conflict between the Sandinistas and the Contras was also polarizing the West: Who is right and who is not? Who were the good and who were the bad guys? Listening to the music the Sandinistas played or sang and to the music that the Contras played gave me information that no article, no book, no degree of politicalisation could show. And further back in the 1930s, when comparing Picasso's *Guernica* with Franco's art: one quick look already tells you a great deal about the essence of the Spanish Civil War. Listen to Beethoven's *Symphony No. 9* and compare it to the Prussian anthems of the time. Or even compare it to the music Napoleon was listening to, to whom Beethoven dedicated the *Symphony No. 3*. Then listen to the music Napoleon was listening to after Beethoven tore up the dedication to Napoleon, due to Napoleon's abandonment of the ideals of the French revolution. Compare the

aesthetic of Leni Riefenstahl to the aesthetic of Sergei Eisenstein – through the eye of the artist and by looking at the aesthetic, we can always recognize the political and economic differences.

If you studied politics or economics you did not have this cultural input, you missed out a great thing of essence. When I met my wife Danae, I had the opportunity to experience what I had always been convinced about, but in practice: due to the fact that she actually grabbed me away from my office and my armchair and made me travel with her around the world to experience up close and personal all those concepts which I had found intriguing from a philosophical or an academic point of view: globalization, harsh divisions. We travelled around all the continents tracing dividing lines, the United States and Mexican border, the separation wall in Palestine, Belfast, Ethiopia, Kashmir etc. It was interesting for me to see how much more I understood about concepts, which I thought I had grasped while looking at these experiences through her lens—the lens of an artist. Also, to see that there was a direct correspondence between the method of an artist and the method of a mathematician. I remember, when I was a student, my struggle to solve an equation and the click when you suddenly knew how to do it. It is very similar to the way an artist struggles with a concept and at some point ‘it’ clicks and the work is complete; conceptually in the head. These are the experiences which – thanks to her – confirmed what I had known theoretically already before: Art is not a luxury – it is an essential part of making sense of the world we live in.

Some of you may have heard that I had something to do with the Eurozone crisis, I am not going to bother you with an explanation of what is wrong with the euro. However, the euro, Europe’s common currency, is terribly constructed. The reason why Greece is in the news, is because we are the flimsiest part of a monetary union that simply was not designed for the world we live in. As it is fragmenting under pressure from global capitalism, the flimsiest part of that union is traumatized and continuously pushed down a black hole. I was the minister of a bankrupt country that was on the forefront of this. But to really want to take a glimpse of what is the matter with the euro, you should take out a euro note and look at it – aesthetically. What do you see? A very boring design. No matter if it is a 5 euro note, a 10 euro note, a 20, a 50, a 100 or if you are rich enough a 500 euro note. Its two sides depict either a bridge or an archway. That is the main design of the euro notes. But these arches and bridges do not exist. They are figments of some second grade artist’s imagination. They are not pictures of real archways or existing bridges. Europe, despite its extremely rich cultural, artistic heritage, has not depicted any of these treasures on its notes! Do you know why? Because they could not agree which ones to select. The idea of the Colosseum or the Parthenon on the 50 euro note was a no-no in Frankfurt in the Bundesbank. Why? Not because they have a problem with the Parthenon or the Colosseum, but they thought: The association is going to be from the Parthenon to Greece to the Euro to that of a ‘soft’ currency. So they decided against the Parthenon on the Euro notes. Without the Parthenon or the Colosseum or a precious Michelangelo image, then also could not include the Cologne cathedral, so they could not select any existing work of art. A decision was then made to commission third grade artists to produce fourth grade designs of non-existing arches. You do not need to understand economics or politics in order to understand that the Euro was going to be in trouble—just look at it aesthetically.

The theme of previous keynotes of Moscow Biennale was about doing things together, about collective action. In Europe, ever since the Euro crisis began, we have a delicious irony: a continent that was uniting, that was doing things together, under many different cultures and languages for decades after the second World War, was divided by a common currency. Oscar

Wilde once said that Britain and America are divided by common language—we went one step beyond and are now divided by a common currency.

Let me take you to the period of time when that common currency was being designed: The euro came to us at the time when the Berlin wall was coming down. Indeed, German reunification and Europe's common currency are historically intertwined. One of the conditions for the German reunification was the monetary union. The French and the Germans (President François Mitterrand of France and Chancellor Helmut Kohl of Germany) came to the agreement that a reunified Germany should be embedded in a monetary European Union by sharing a currency as a first step towards a federation of united states of Europe. Around that time, when these debates were happening, with the iron curtain (not just the Berlin wall) being removed, beginning in Berlin but also in Moscow, what was the cultural milieu at the time?

I believe that if we look back at 1991, that essential year, we will recall that there was an urge by Europeans, by Russians, by all of us, to come closer together, to overcome the divisions the cold war had thrown out. As the iron curtain was coming down, there was one particular movie, which touched me very personally: *The Double Life of Véronique* by Krzysztof Kieślowski captured this spirit elegantly and reflected upon the emotional impact of the ending of Europe's post-war division, but also conveyed a certain brooding, a certain angst amongst those of us who were dreaming of a borderless Europe. The device in the movie that Kieślowski came up with were the bonds between two identically looking strangers: Veronica in Poland was one woman and Véronique in France was another. They were both played by the same actress, Irène Jacob. The paths of the two women only cross once in the movie, as Europe is about to be reunited. There is a scene where jubilant crowds in Krakow in Poland are interspersed with one girl, Veronica, who was invited for an audition for a singing part. After that she rushes through a demonstration (in favor of the reunification of Europe) in Krakow's main square. A protester accidentally knocks her, the sheets music falls to the ground, she reaches down to pick up her music folder, and as she is coming up she sees Veronique – her double – getting in a tourist bus. This is the only time the two women see each other. They only meet for that fraction of a second. After the successful audition, Veronica lands the solo part. And while on stage, singing her heart out in the performance, she collapses and dies. And at that very moment, Véronique in Paris experiences an overwhelming deep sorrow, which is completely inexplicable to her. That emotional musical bond between Véronique and Veronica—the radical absence that Véronique in Paris felt when Veronica died in Krakow, symbolized, from my perspective, a solidarity and a cultural spiritual connection between Western Europeans and those who were left behind the iron curtain. Even solidarity with Southerners in Greece who had been left out because of the dictatorship we had in the sixties and the seventies.

Another movie, I would bundle together with *The Double Life of Véronique*, is Costa-Gavras' *Z* (1969), which had become a symbol in the West of the bifurcation, of the division between Northern Europe and Southern Europe, and the manner in which a film, an artwork, can heal such divisions. These movies epitomized European unity. Europe as a unit that not only survived but actually grew in the shadow of the harsh divisions of the cold war. Could a beautiful movie like that, emerge from today's Europe? Could Kieślowski have filmed *The Double Life of Véronique* today?

The irony of our present moment is that the eradication of borders, at least within the European Union, and the triumph of the single market which was heralded as the cement that brings us together and solidifies the unity of Europeans—that these symbols of homogenization, of globalization have devalued and fragmented Europe's cultural goods. Now today, the Polish Veronica might get a recording contract in Paris or in London, but her music would be

homogenized within a global market place for music and for the arts, a market place that knows no boundaries and lacks a heartland, an anchor. Music, art, even theater, have come under the aegis, under the dominance of market forces. They are guided by bureaucrats in Brussels, by funding institutions which are increasingly in the pockets of commercial power. They are showcased in blockbuster exhibitions in large museums or heavily marketed at concert series, at forums in which the stars are the postmodernist curators, inviting economists like me to give a lecture to artists. Economists, who are extending the imperium of finance and the logic of the market to the artistic market place. And of course they are influenced by celebrity contractors and corporate sponsors who determine everything. Instead of being bonded by music like Veronica and Véronique were (because they listened to the same music), instead of being bonded by motion, by guilt, by culture; today Véronique and Veronica would probably be bound by a contract drawn up by a global legal company from New York, or Paris, or most likely London and the French Véronique would probably be worried that the Polish Veronica would move to Paris and steel her job.

Now let me take you to another movie. Recall the scene in the Orson Welles movie *The Third Man* (1949) when looking down from the heights of the famous Ferris Wheel at Prater in Vienna, when Harry Lime, played by Orson Welles, issued an impertinent theory of culture: 'In Italy for 30 years under the Borgias they had warfare, terror, murder, and bloodshed, but they produced Michelangelo, Leonardo da Vinci, and the Renaissance. In Switzerland they had brotherly love – they had 500 years of democracy and peace, and what did that produce? The cuckoo clock.'

This is very impertinent and unfair to Switzerland, because the history of Switzerland is a lot more nuanced and richer than that. But yet, he is right in that scene when he is saying that the beautiful culture, art and music of Europe was drenched in blood and underpinned by conflicts. Art and music are far from benign features, that sit decoratively on top of civilization. Picasso once said (and I love that quotation) that a painting is not meant to decorate, a painting is meant to work as a weapon against the enemy. Beethoven, as I mentioned before, dedicated his *Symphony No. 3* to Napoleon and then tore up in anger the dedication to Napoleon. D.H. Lawrence supported a raging contempt for democracy; he was a thoroughly nasty character and a great poet with a sprinkling of virile anti-semitism thrown in for 'good' measure. Ezra Pound is a poet who celebrated his immense love for European culture while at the same time being a great supporter of Benito Mussolini.

When talking about culture and doing things together, we must constantly remember that, however much we despise anti-semitism, – and I do despise anti-semitism more than I despise anything else – however much we despise conflict, however much we despise treating others as enemies, Picasso's point about using painting against the enemy has to be taken very seriously. The enemy not being other people, but the enemy as in destitution, the enemy as in racism, the enemy as in all those forces (economic primarily) that are pushing people and societies apart, therewith setting one proud culture against another. Art must not be anodyne, culture cannot be decorative. Herman Göring once quipped that: 'When I hear the word culture I reach for my Browning! (for my gun).' He was right to think that culture is indeed a dangerous weapon. You folks in here, you artists and curators, should be feared by the powerful in our societies. If you are not considered dangerous by the powers-that-be, you are not doing your job properly. As long as culture resists commodification, it is going to be a great threat for those who use commodification in order to extend their own realm as far and further afield as possible. Now of course culture *is* becoming commodified. This is being accomplished by expert gallerists, post modernized by cunning curators, sanitized through the meat grinder of the European commission's funding formulae for the arts. Göring never understood that he had no need for his revolver. The market did the job of

turning culture into an anodyne accomplice of the powerful, better than the gulag, better than threatening artists with imprisonment. Culture could and is being diffused simply by making it go through the revolving doors between the Single Market and the Brussels bureaucracy. Indeed, why send the stormtroopers into the theaters and into the artist's studio's when the bureaucrats, the auctioneers, and the curators can eliminate the potential of culture for political subversion, turning it into another realm where playfulness and where subversion are traded in the stock exchange of art, of culture alongside jewelry, cars, gadgets and toxic financial derivatives of the kind that Wall Street knows how to produce in droves?

For several decades, three decades at least, exchange value has been wiping the floor clean with any other form of value, including cultural values. In about the 1970s the bankers were kept very tightly in a box, banking was very boring until the 1970s under the system that the New Dealers in the United States designed, also known as the Bretton-Woods-System. The collapse of the first phase of post war capitalism begat financialization in the seventies, when finance and banking was unleashed. Its collapse was to herald a number of developments such as financialization, the complete emancipation of the banker to do as he pleases, and the sequels of events that eventually brought down the Soviet Union... But that is a long story not to be told now. All we need here is to recall how, since the 1970s, finance has been subordinating industry and neoliberalism (which is the ideology of emancipated finance) has been subordinating liberalism's respect of industry, labour and Parliaments. It is the ideology of the bankers whose penchant for greater liberty for themselves ushered in the new creed according to which markets are an end in themselves – that they are only answerable to... markets. Liberals in previous eras believed in markets as instruments, not as objectives, not as something to be fetishized. After the early 1970s however, this is what neoliberalism did. Being neither particularly new nor liberal, it neoliberalism was all about the fetishization of the market: the market as an objective, not as an instrument by which to achieve other objectives.

This process lead us to a radical failure, a radical inability to think thoughts that a more confident past used to allow: The thought, for instance, that a song or a poem can be valuable independently of its market value. The thought that value is irreducible to price, and that not everything is a matter of demand and supply. That the economist is not somebody who *can* know everything about humanity, including all thoughts that are potentially useful to an audience like this one. That the inability to privatize the smell of the meadow in springtime is not a problem to be fixed by a technical trick by which to market the the smell of meadows.

While commodification is a global phenomenon, it took a particularly virulent form in the European Union around the time of Véronique's release in 1991. That is not because Europe became too pacified without any more wars. I am not suggesting that we should go back to the battlefield so that culture can be revived. It is not at all that we became too re-unified for culture to flourish. The problem was the constant retreat of the public's sphere. There is nothing wrong with the idea of a single market from the Atlantic to the Urals, or indeed, since the topic is Eurasia, to Vladivostok and China and Japan and beyond that to Australia. There is nothing wrong with that. Borders are awful scars on the planet and the sooner we dispose of them the better.

The problem is that market economies require a powerful demos, a people, the word from which the term *democracy* derives. A market without a powerful demos to counterbalance, to stabilize, to civilize it, is a market that fails even by market-criteria. To keep Europe civilized, to keep Russia civilized, to keep Europe and Russia capable of producing culture that is dangerous to the powerful, a single market, a market economy requires a democratic state. A state that is controlled not by those who gain the greatest power from the commodification process, but which is

controlled on the basis of one-person-one-vote. When you and I go to a shop, we vote with our rubbles, our euros, our dollars. Every time you buy an iPad, it is a vote for Apple. And the higher the demand for iPads, the more expensive they are and the more votes we give to Apple. So in a sense, the market and politics involve voting systems, except that in the market place it is not-one-person-one-vote, you have as many votes as you have rubbles, yen, euros, dollars. The beauty of democracy is that you have *one* vote, and that you have the same number of votes (one) whether you are rich, poor, well-educated, stupid, Russian, Greek, whatever. And unless you have, the political process to stabilize the market process, the one-person-one-vote against as-many-votes-as-you-have-dollars-system, you are not living in a potentially stable market society.

In the same way that art and culture are not useful add-ons, to add to politics and economics, democracy is not a luxury for those in credit; as opposed to in debt. Democracy is a political process which is necessary in order to stabilize the market itself. And those who prioritize the market and turn it into an end themselves, they are not even good at being liberals, because they are promoting a kind of market that will fall on its face. Capitalism produces crises in the same manner in which it produces iPods: naturally – it is in its nature. To keep our social economy civilized, we have to remain exceptionally skeptical of the market place as a realm that can substitute for culture, for politics, for democracy. If we do not follow this instinct towards stabilizing the economy by putting it under the control of democracy and under the critical scrutiny that only artists, musicians and cultured people can conjure up and supply our societies with, if we fail in doing that, we will end up with gigantic markets and colossal bureaucracies that are incapable of stabilizing those gigantic markets. This will lead, as it always does, to an unholy alliance between exchange value (that is, price), bureaucratic authoritarianism, all at the expense of cultural and political values that we Europeans, Russians, Greeks, Germans so painfully produced over the last few centuries.

Let me take you to an interesting moment, in 1978: It was autumn, it was September. Two suited men entered Aachen's cathedral where the remains lay of Charlemagne, the great Christian king who unified Europe into the Holy Roman Empire. The two suited men were President Giscard d'Estaing of France and Chancellor Helmut Schmidt of Germany. The reason they went, according to what they told us later, is that they had just signed a treaty. It was called The European Monetary System Treaty. It was the beginning of Europe's common currency, when they decided to create a monetary union between France and Germany that, in the end, brought as the euro. So why did they go to the cathedral, to the tomb of Charlemagne? Their own explanation is that they felt trepidation, anxiety and they needed Charlemagne's blessing. This is a cultural reference. It is a bit of Eurokitsch and reminds one of the Eurovision's aesthetic. But let me also draw another two historical parallels. In 1993, when the European Central Bank was created, the President of that bank (called The European Monetary Institute at that time), felt that he was doing his duty according to... Charlemagne! Let me give you now a third dimension, which is pretty nasty. It is 1944 December, The last fresh unit of the SS is formed in Berlin. It comprises 11.000 Frenchmen who were collaborators of the Nazi regime. They were the ones who fought tooth and nail to defend Hitler to the last moment. Of those 11.000 only 13 survived as they fought to the bitter end. What was the regiment called? Charlemagne.

What I am saying is this: Europe has a brilliant and a disgusting history all wrapped up. Our attempts to get together are essential. Doing things together is important because if we work against each other we shall fail. The idea of re-nationalizing ambition, of going back to our national currencies, of doing things separately, of hiding behind the cocoon of the nation state – those are steps in the wrong direction. We have to do things *together* in Europe. But just because we are

integrating and creating a common currency, just because we have a vision of pulling French, Germans and Greeks together, that is not necessarily going to augur well for Europe. The idea of a common currency was first discussed in a conference in Berlin in 1942, under the Nazis. Charlemagne can be the symbol of Giscard d'Estaing, who was a great democrat and Europeanist, but also of Frenchmen willing to die in defense of Hitler. As Spanish anarchists (whose flag featured red and black colors) said during the Spanish civil war, beautifully reproduced in Ken Loach's *Cry Freedom*: We have to keep hope alive with the color red, but also have the color black to remind us of the dark side of our soul.

In Europe, over the last few years, we have seen how Helmut Schmidt's and Giscard d'Estaing's Eurokitsch pilgrimage to Aachen, and their excellent ambition to bring together Europe under the common currency, has backfired. Today, the Germans hate the Greeks, the Greeks hate the Germans, the French and the Italians loathe the Germans who look at them with contempt, the Greeks have begun to turn against the Greeks and, very soon, the Germans will turn against the Germans... Europe's peoples are, in short, being torn apart by their common currency. It has not worked well. Because we have not done it properly. And we have not done it properly because we separated the economic from the political; the socio-economic from the artistic. We have separated the notion of getting together in a Single Market from the public space. We have diminished the public space thinking that the private sector must dominate. It cannot, without shooting itself in the foot. These divisions, these separations are lethal, they are toxic, they undermine the best intentions, they turn Europeans against themselves, they turn Russians against themselves. It is about time we transcended them.

I shall finish on a comment about Europe. People say to me: You are very critical on the European Union, although everyone wants to be part of it. The Baltic states wanted to join it, the states of former Yugoslavia, Croatia, Slovenia, Serbia... At that point I remind them that the Roman Empire imploded when its inner core became too brittle while its borders were expanding eastwards. Why? Because its inner core was imploding both economically and politically. This created a cultural vacuum also known as the Middle Ages. Today, the European Union is also seeing its core disintegrate at the time of eastward expansion. One proud nation after the other is being subjected to the kind of treatment our government was subjected to in July 2015 - what I call fiscal waterboarding, a form of financial torture. One people is turned against another, with no serious discussion of how to create a rational economic architecture for Europe; with some Europeans increasingly convinced that they are more deserving than other Europeans.

There is a tendency by the elites towards expansionism, towards reconstructing Charlemagne's empire in Western Europe, the old Soviet Union here in Russia, a 'Great America' on the other side of the Atlantic. But at the same time Western Europe's, Russia's and America's inner cores are fragmenting. Promoting expansionism at the expense of a moral, ethical, economic, political, cultural core is a major threat for civilization. Before the fall of the iron curtain, a film like *The Double Life of Véronique* resonated perfectly like this in Moscow, in Krakow, in Stuttgart, in London, in Athens, in San Francisco. Today that movie would have been a flop. Véronique and Veronica would share no bond, no mystical connection, except the bonds that lawyers and multinational corporations would have. They would have pitted against each other in the context of a ruthless, single, unstable, dystopian globalizing market.

Moscow, October 1, 2015