

An Interview with

# Euclid Tsakalotos

**Euclid Tsakalotos (1973-78) was recently elevated to the post of bailout negotiations coordinator for the Greek government. He has also co-authored a book that argues for an alternative to austerity.**

**Can you describe your current role within the Greek government?**

I am in charge of international economic relations as an Alternate Foreign Minister. This means coordinating our approach to promoting exports and attracting investment. It also means upgrading our economic diplomacy which needs to go beyond traditional sectors, for instance exporting olive oil and importing capital goods. For instance one of the tragedies of the Greek crisis has been the brain drain. We have a very large number of highly trained graduates who see no future in Greece. On the other hand, those remaining have set up small firms in new areas such as green technologies or software and it will be one of my jobs to see how these initiatives can be strengthened through international cooperation.

At the same time I am part of our negotiating team with respect to solving the Greek debt. This has so far been taking the majority of my time, but hopefully by June we may have reached a deal which will allow us to show the commitment of the government to a serious programme of reforms.

**With a stand-off developing between the Greek government and its creditors, do you remain positive that Syriza can still deliver its vision for a more sympathetic deal?**

From the beginning we in SYRIZA have argued that there are two conflicting principles after our election. The first is the democratic principle attached to the election of any new government which seeks to bring something new to the table in terms of social, economic and political priorities. The second is the continuation principle, the existing rules of the EU and the Eurozone way of doing things. We feel we have been seeking a fair compromise between the two and that this can be seen in the 20 February Eurogroup decision.

Unfortunately since then, various parties have been trying to push us back to the

old arrangements, pressurising us with the withholding of finance and liquidity, even though we have been committed to a radical reform programme to address some of Greece's perennial problems such as tax evasion and corruption. We cannot accept the preservation of austerity policies in exchange for such support, because these policies have clearly failed. How else could one characterise a programme that has led to a 25% loss of GDP and youth unemployment close to 60%.

We need to reach a fair compromise, not only for Greece but for Europe as a whole. Should the EU signal that it cannot incorporate democratic change and different social priorities, then this can but bolster centrifugal political forces that will see no future in Europe. The stakes could hardly be higher.

**Can you briefly describe your book *Crucible of Resistance* and what you hoped it would achieve?**

To demonstrate to a foreign audience the nature of the Greek problem, both the endogenous and exogenous causes of the crisis, as well as to show a progressive exit from the crisis. In particular the idea that the crisis is due to lazy southerners

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continually being bailed out by hard-working northerners does not stand up to even superficial scrutiny. Just to take one example northern banks made extraordinary profits in the good years by lending to the South and then got bailed out after the crisis. Even worse the Greek bail-out plan in 2010 was specifically geared to supporting those banks, with the pay check being partly passed on to Greek taxpayers.

At a more fundamental level, it was the neo-liberal model that brought about the crisis in 2009: macroeconomic imbalances, regional and social inequalities and an

unregulated and out-of-control financial system. Notice that none of these three have been addressed in the years after the crisis, especially in the Eurozone. The policies of austerity have led to low growth, unemployment and an increase in debt to GDP ratios! So the book argues we need a new model with very different consumption and production prototypes.

**Who or what influenced your political beliefs? And have you always held the same political convictions?**

Many people, as you can imagine, from the past and even many living thinkers who I have never met. I sometimes find myself in internal conversations with some of them as I read and reread their work. But at Oxford there were radical professors, such as the economist Andrew Glyn and the philosopher GA Cohen, both Marxists, as well as a very good bunch of applied economists, such as Chris Allsopp, Wilfred Beckerman and Andrew Graham, who taught me the merits of simple models that could be practically applied to help the problems of ordinary people.

**How would you describe British-Greek relations?**

Mostly very good, although with some problems. Britain is of course not a part of the Eurozone, but it does understand that its break-up would have serious economic consequences for the whole of Europe. In that sense it has been supportive of a compromise with respect to the Greek problem. When Yanis Varoufakis and I met George Osborne, another OP of course, we pointed out that his strategy was based on the idea of contractionary expansion, tight fiscal policy and looser monetary policy, whereas the Eurozone's approach can be characterized as a contractionary contraction! Not a recipe for success. So there is some sympathy for the Greek position in the most unlikely of places.

**What do you think we Brits can learn from the Greeks?**

That you need to build an anti-austerity coalition, that we should not be fooled into thinking that societies do not have choices with respect to economic and social priorities. You do not have to support Syriza's ideas on a number of issues to feel that we have acted as a catalyst for



a genuine debate in a Europe that has short-circuited such debate over the last years through the rule of technocracy and the hollowing out of democracy. I follow British politics as closely as I can, but I have become increasingly concerned with a narrowing of the agenda in political discourse. Politics should be about practical solutions to practical problems, but you also need a vision, values and a narrative of how to reach a better world.

**Should Britain return the Elgin Marbles?**

Yes, and the arguments have been well stated by both Greek advocates and various philhellenes throughout the world, and especially in the UK. Those that oppose their return keep changing their arguments, as each one loses its credence (for instance that they would not be as well preserved in Athens – something which is difficult to maintain after a visit to the new Acropolis museum) – a tactic that my teachers at St Paul's taught me was always a sign of a weak position.

**Do you think it possible that Greece might form a closer alliance with Russia?**

Yes at the economic and cultural levels. But our main focus has been and will remain the EU. We are strategically pro-Europe, not just tactically. Irrespective of the merits of joining the euro, our worse

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nightmare is its breakdown which could lead to a return to extreme right-wing nationalism, competitive devaluations or worse – a straight rerun of the 1930s in other words.

**Do you have a favourite Greek author that we should know about?**

Seferis is one of our two literature Nobel prize winners. But apart from his poems he wrote a diary, which if it has been translated is a great introduction to Greek culture. On a more low-brow note, the detective novels of Markari, which I know have been translated, are well worth reading for fans of the genre.

**What was your experience of being at St Paul's like? Did it play any part in your interest in politics and economics for instance, and were there any particular**

**teachers that had an impact on you?**

Well it wasn't an easy place for someone on the Left. But I found my niche eventually and with Owen Tudor (now head of the international department of the TUC) we founded the Economics and Politics Society and became co-presidents of the Historical Society. Needless to say our minority status within the school strengthened our political backbone!

Of more importance was that I had a number of inspirational teachers by the eighth form, so much so that my first year in Oxford was a bit of an intellectual disappointment. In particular there was a very strong history department which I think was a major influence.

Without the help and guidance of Keith Perry, who apart from his great teaching did much to bolster my self-confidence, I doubt I would have gone on to be an academic. Of course he was a Conservative supporter and I still have my essays where there are comments in his hand about the merits of King Constantine and Queen Frederika (not favorites amongst the Greek left!). I suppose what I learnt most of all was the value of well-meaning criticism.

**In a hectic schedule how do you like to relax?**

Until the negotiations end relaxation just doesn't feature!