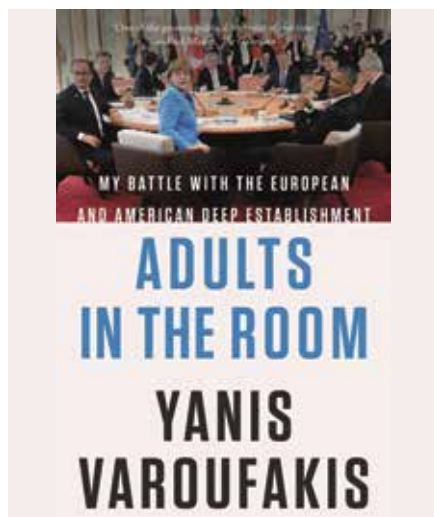


ADULTS IN THE ROOM

Yanis Varoufakis

Farrar, Straus and Giroux: New York 2017. 550pp.

Review by Ben Turok



This is the study of a small left-wing party in Greece called Syriza which unexpectedly won national elections in 2015 in the most unfavourable circumstances. Greece had suffered from looting and maladministration for decades, first under military rule and then opportunist politicians. The country was deeply indebted to Europe and was bleeding from large repayments.

Syriza asked Yanis Varoufakis, a professor of economics, who was not a party member, to be Finance Minister and lead negotiations with the “troika”, the European Commission (EU), the European Central Bank and the International Monetary Fund. He had been outspoken on the condition in which Greece found itself in relation to Europe.

The troika was determined to force new loans on Greece which was unaffordable, so Varoufakis fought a sustained battle for debt restructuring to give Greece some breathing space, which was vigorously denied. What the troika wanted was to impose further austerity in the name of “restoring competitiveness” and attracting investment from other countries.

Varoufakis engaged in intense discussions with the troika across Europe during which he recorded many conversations. This provides the meat of the book which must be unique in international finance.

What he reveals is that the troika actually did not want to be repaid as

much as they wanted to teach Greece, and indirectly Spain and others, a lesson about pursuing independent policies and to insert EU officials in the Greek government to take control.

But the battle took the form of resistance to the imposition of austerity on the Greek public which had already had enough of unemployment and poverty. To their credit, some Western economists such as Jeffrey Sachs went to great lengths to advise and support Varoufakis but in the end it made no difference.

The troika managed to impose its will on the Syriza government and Varoufakis resigned. Sure enough austerity followed. Throughout this period the Greek banks were put under enormous pressure and only remained functional with difficulty.

This is a deeply disturbing book, revealing in great detail, perhaps for the first time, the way powerful supra national and international institutions impose their will on small countries.

South Africa take heed. **NA**

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