



THE RISE OF PODEMOS

March 17th, 2015

Vicente (also known as Vincent) Navarro was an active member of the Spanish anti-fascist underground in the 50s and early 60s. In 1962 he had to leave Spain for political reasons, and change careers from medicine to economics and political science in Sweden, Great Britain, and later on in the United States at Johns Hopkins University. He is now Director of the Johns Hopkins University-Pompeu Fabra University Public Policy Center. He and another economist, Juan Torres, were asked by Podemos to write the economic program for their government. His book, *Bienestar insuficiente, democracia incompleta*, won a prize equivalent to the Pulitzer in Spain. His book, *Hay Alternativas*, in Spanish, was the bestseller in economics in 2012.

TRANSCRIPT

Part 1/3

SHARMINI PERIES, EXEC. PRODUCER, TRNN: Welcome to The Real News Network. I'm Sharmini Peries coming to you from Baltimore.

Podemos party in Spain has become a major force. It's gaining momentum in Spain the way Syriza did in Greece. Podemos also secured five seats in the last European Parliamentary elections. European pollsters are saying that if elections were held today in Spain, Podemos would win. The next general elections in Spain will be held in October or November of this year, and Podemos is poised to take power. If they do, they will pose a serious threat to the ruling elite. As a result, our next guest writes, Spanish financial, economic, political, and media establishments are on the defensive and in panic, having passed laws that strengthen the [repression]. The heads of major banks in Spain are particularly uneasy, says Vincent Navarro, who joins me in our studios in Baltimore.

Vincent Navarro is professor of public policy at Johns Hopkins University in Baltimore, and of the Pompeu Fabra University in Barcelona, Spain. He's director of the John Hopkins University-Pompeu Fabra University Public Policy Center, also located in Barcelona. He's the author of the Spanish bestseller *Hay Alternativas*. Good to have you with us.

NAVARRO: I'm very pleased to be here.

PERIES: So, let's begin at the beginning, which is how did Podemos come to be? Who is Podemos, how did it rise to this level of power, that they took five seats in the European Parliament?

NAVARRO: Well, it goes back to the transition from dictatorship to democracy in Spain. It happened in the situation in which the right-wing successors of the Fascist party controlled the state and all the major media in the country. It was very powerful. On the other side, the left, who had been the leading force of the democratic forces during the dictatorship, were very weak. They just came back from the exile, or they left the jail during the clandestinity. Weak as a political form, but strong in the sense of popular movements, they wanted to get rid of dictatorship. But it was not an equilibrium. The right wing was much more powerful than all the progressive forces lead by the left.

As a consequence, democracy was established that was very limited. The democratic laws were very skewed in favor of conservative forces. For example, Salamanca, a conservative region. You need thirty thousand votes to get a member of the Parliament. Barcelona, you get almost two hundred thousand to get a member of the Parliament. Barcelona is the industrial city-center of the progressive forces in Spain. The same in, well, the same in many cases. So in that sense, there was a very, very insufficient democracy. As a

consequence, the welfare state, for example, was very underfunded. The conception of Spain was inherited from the fascist regime, a Jacobin State center in Madrid, and everyone is a region of that.

The new generations came up with different values. And fear, which played a very important role, because the dictatorship was a very, very nasty one. For every political assassination that Mussolini did, Franco did ten thousand. And even today, Spain is the second country after Cambodia with a larger number of people who have disappeared because of political reasons. The fear was still in the street. But the new generations broke with that. And they just said, enough. We want democracy. And in that sense, the demand for democracy was a revolutionary demand in Spain, because democracy was very limited. So the Indignados movement was the first symptom of that. So people went out to the street and said, enough. We want authentic democracy. La democracia real. Real democracy. And in that sense, they knew that the political system was not representative. The famous phrase, they do not represent us. No nos representan. They were not anti-political parties. They were pro-democracy, but didn't feel those parties were representing their interests, and they were calling for all the forms of democracy beside representative democracy. They asked for direct form of democracy, and so on.

PERIES: What is it, what is it that the Spanish people knew that others didn't, in the sense that most people are content with representative democracy? But obviously here, they're calling for a participatory democracy.

NAVARRO: Because it was not resolving their problems. I think that when the crisis came up in 2007, it appeared quite clearly that the political parties were, the two-main political parties were instruments of large financial and economic interests. So the instrumentalisation of the state by these big financing always played a very important role. Banking has played major role. So in that respect, it appears quite clearly that the parties were implementing policies that didn't have any popular mandate. The austerity policies of cutting social expenditures, reducing health services, reducing education. Labor reforms that caused big decline of salaries. Unemployment increased. All that was done without any popular mandate. It was not out in the electoral platform of those parties. So the state starts losing any legitimacy.

PERIES: So these policies of austerity measures that were talked about at the G20 level, implemented, really began with Zapatero, not the current government.

NAVARRO: Absolutely. When that happened in 2007.

PERIES: Which is a socialist government.

NAVARRO: Absolutely, absolutely. That is why he lost all the good will he had building up, because prior to that period they were responsible for some of the development of the welfare state. They didn't go as far as they should have, but still. It's true that according to social democratic standards in Europe, they created the National Health Service, they increased social expenditures. But that changed. When the crisis came up, the way, how they responded to that crisis was the same as any other conservative or liberal party. What here are called neoliberal policies. Cuts, austerity, and lowering wages. It's an attack on labor. That is why, they are mobilized calling for democracy. And the parties were not responding to them. And the political expression of that movement, Indignados, was Podemos. Which is broader than the Indignados. But no question, without the Indignados, Podemos would not exist.

That is why Podemos is the political channel of enormous anger and frustration towards the political and media establishment that is not responding to people's needs. So it's a Podemos movement, but more than a Podemos movement. It comes up they want changes. Where as I said before, today the revolutionary call is not for the nationalization of the means of production. It is for having authentic

democracy in Spain. The second transition is what is called the first transition went from dictatorship to dramatically insufficient democracy. The second transition is from insufficient democracy to democracy. Democracy not only in the political sense, but also in the economic sense. You cannot have democracy when there is so many inequalities, where that, those inequalities of concentration of income and wealth diminish dramatically the political process.

PERIES: Without economic democracy, it's not possible to have democracy.

NAVARRO: Right.

PERIES: Can you break down for us, when we talk about austerity measures or government policy that has been cut down, it's somewhat abstract for some people. Get specific in terms of, what do we really mean when you implement austerity measures?

NAVARRO: Well, for example, Zapatero froze the pensions. The pension system in Spain is responsible for getting out of poverty sixty-two percent of the elderly. Without the pension system, the sixty-two, sixty-four percent of the senior citizens would be poor. So it is the most important anti-poverty program. The same in the United States, by the way. In that sense, it's a very popular program.

Now Zapatero, a social democrat. When he has been told by the Troika, which is the European Central Bank, the European Commission, the International Monetary Fund, you have to reduce public expenditures. What he done? He freezes the pensions, in order to get one thousand, five hundred million euros. But he could have done it differently. He could have reversed the lowering of property taxes, which he implemented in 2006, and with that he would have gotten double the number of two thousand five hundred million euros.

PERIES: This seems so obvious, really. I mean, who would weaken the weakest in your society you know, pensioners are older, elderly people trying to survive day-to-day. They're not a rich class. How could that be?

NAVARRO: Because it's a class issue. I think that the dominant groups dominate the state. To increase property taxes affects those who have property, which is not the general population. The same intent of the current president Rajoy of the conservative party. He cut six thousand million euros for the national service. That is a frontal attack to the national services. Why does he do that? He could have gotten far more money by reversing the lowering of taxes on capital. For those large enterprises that have under one hundred forty thousand million euros as part of their activity, which represents less

than one percent of all the large enterprises in Spain. But this group is very powerful. I speak about Xerox, Google, Telefonica, etc. They are very powerful over the state. So Rajoy cut the national health service, which affects the majority of people, the popular classes. But does not touch the powerful. That is the meaning of alternatives Rajoy should have.

So what we see now in Greece, it's obvious. In Spain it's obvious. The same in Portugal, in Ireland, is that the welfare state, what is called social Europe, is under now a frontal attack. What does it mean? Listen. The waiting time to get interviewed for a cataract has increased five times. The time when you go to see a general practitioner, the time of visit rather than being ten minutes, now is four minutes. The number of students in the classroom, rather, in the age nine-ten, then being twenty, now might be thirty-five. Now that is the rate of quality of the services, and the quality of life, not to speak about unemployment. Fifty-five percent unemployment of the young people in Spain.

PERIES: Fifty-five percent youth unemployment.

NAVARRO: Absolutely. Fifty-five percent.

PERIES: And for the general public?

NAVARRO: Twenty-five percent. So as you can see, that hurts people. And of course those who govern say, we don't have any alternative. That is why we wrote the book that we publish showing yes, of course you have alternatives. Why do you cut here and you don't cut there? And you see when who are the ones who suffer, who are the ones who get free ride, class issue becomes very clear. Who controls the state? That is why the social democrats, we're part of the problem, because we're absorbed into that. And they, some of them, they didn't think there was alternatives. But of course, there were alternatives. That is what Podemos comes up, and that is why it was a huge success, I must say, it might sound immodest, but I predicted that would happen. Podemos is the expression of popular anger saying, enough. And in that respect, in a very peaceful, in a very mature, in a very convincing, democratic way. Nothing violent. But when people go to the street they have a lot of power.

PERIES: So the rise of Podemos is an example for the world. So let's take up the conditions, and the economic conditions that led to the rise of Podemos in our next segment on The Real News Network. I'm talking to Professor Vincent Navarro from Johns Hopkins University. Please join us for segment two.

Part 2/3

SHARMINI PERIES, EXEC. PRODUCER, TRNN: Welcome back to The Real News Network, I'm Sharmini Peries coming to you from Baltimore. I'm in conversation with Professor Vincent Navarro, about Podemos in Spain and how it rose to power.

In our first segment, we talked about Podemos and the conditions that led to its rise, and in this segment we're going to deal with the economic underlying issues that led to the rise of Podemos, as well as who is Podemos, what its leadership looks like. Thank you again for joining me.

VINCENT NAVARRO, PROFESSOR OF PUBLIC POLICY, JOHNS HOPKINS, BALTIMORE: Delighted to be here.

PERIES: So again, Vincent Navarro is professor of public policy at Johns Hopkins University in Baltimore, and of the Pompeu Fabra University in Barcelona, Spain. He is director of the Johns Hopkins University-Pompeu Fabra University's public policy center, and also that is located in Barcelona. He's the author of the Spanish bestseller *Hay Alternativas*. Thank you again for joining us.

Let's in this segment try to tackle first I want to tackle who is Podemos? How did the leadership form, the decision to form a party all came out of Indignados movement. So let's begin there.

NAVARRO: Well, the Indignados movement, as I mentioned before, was clearly committed to democratic change. Democracy understood not only in the form of representative democracy, which was very limited in Spain, but also in terms of direct forms of democracy, which is practically unknown in Spain. That is where the demand for a political instrument that could be channeling that movement was critical. It started as a group of young political scientists. Pablo Iglesias, Juan Carlos Monedero, and others. Several, some of them I knew, then, because I am also a political scientist.

PERIES: Now, Carlos Monedero actually comes from having been a part of the movement in Venezuela.

NAVARRO: Well, many of them have been advisors to Latin American countries. Actually, the majority of the core of this group coming from the Complutense University, the largest public university in Spain. They were involved as consultants to the Chavez government, to the Correa government, Ecuador, and others. They were, in that sense, politically sympathetic to what was happening in Latin America after the neoliberal decade that was a disaster, then these parties of the

left or left of center appear. And many intellectuals in Spain, you know that Spain has very close links with Latin America, were involved in terms of analyzing, studying it, consulting. This is how this group came about.

But what happened in Spain was independent of that situation, because many of the people came from other places. Actually, the majority of them came from the youth of the branch of the Communist Party. The Communist Party in Spain had clear democratic credentials, because they were the leading force calling for democracy during the antifascist period. There were other parties, including the Socialist Party. But in that respect, the Communist party was the major force in the antifascist tradition, and many of these people came from the youth of the party. Sometimes disenchanted with some of the modus operandi of the Communist party, not always as sensitive to the direct form of democracy as, in my opinion, they should be.

But anyway, in that respect, it was a very important movement, but the country was so ready that in just one year it became the major force in the country. Because you could detect, at the [street] level, there was enormous anger, frustration. The governments were imposing policies no one had called for, they didn't have popular mandate. And that is why a group of people with a commitment,

clear-minded where to go, immediately come up. Now these are great challenges, because the majority of people needed to gain power and there's not yet infrastructure for that. But they are doing it.

PERIES: But there is some building blocks here. There is councils-

NAVARRO: Right.

PERIES: - democratic participatory discussions going on, there is a lot of material being generated to educate the public along the way.

NAVARRO: Absolutely. Because part of this insufficiency of the Spanish democracy came of that transition, where the right wing was very powerful. The political parties themselves were not very democratic. They were controlled by an elite leadership who stayed there forever. That is why Podemos denounced that caste. A caste, something similar to the United States. We have a political class there forever. Well, in Spain, that wasn't acceptable. So in that respect, that was how the expression [la caste] appeared. Which then expanded to the media. You also had the same caste controlling the media. You had the same caste controlling banking. You had the caste controlling the country. It used to be called dominant class, or whatever. But the term caste, people related very quickly, because it

was obvious that they were the same. And in that sense, that is why the message became very popular.

And they are very young, but it would be a mistake to believe that they're only young people. At least-

PERIES: Because they're obviously calling on people like yourself to advise them and help them develop their political and economic platforms.

NAVARRO: Right. Young, emotionally and in spirit, but not biologically. They call on me; I have almost 80 years. They call on Villarejo, who used to be member of the Attorney General's office of Spain, who was one of the founders of Podemos. They ask me to help them with Juan Torres and other economists well known in Spain to help them in developing the economic program.

And if you look at their demonstrations, you see people from all different ages. The leadership are young, biological, as well. As it should be, they have the energy to move on. But the majority of the popular classes, I mean, the working class, and middle-low income, middle class. You see people in all the demonstrations. Millions of people in the street. That is very impressive, and their strength came from their numbers. And that is-

PERIES: And this is a highly economically and politically literate society. So in terms of what Podemos put on their political platform, and the economic plans that they are deriving in discussion is going to be, have to be pretty sound. So what is it you are advising? You had helped Podemos develop their political platform.

NAVARRO: Yes. Economic and social platform, primarily. One of them is to redefine the meaning of democracy. Democracy has to take place also at the place of work. Democracy also has to mean a redistribution of resources. We cannot have democracy when we have such dramatic inequalities. Spain is the second country, after United States, in terms of concentration of wealth and income. You cannot have a democracy in a system which is such a huge concentration of income and wealth.

PERIES: And this was clear to the people? The economic inequality—of course, day-to-day they were realizing it because of the unemployment lines—

NAVARRO: Absolutely.

PERIES: - the cut in pensions and inadequate housing, and all of that. So in terms of this translating into economic inequality and the gap

growing bigger and bigger, long before Piketty came out with his book, the people knew.

NAVARRO: Well at least we wrote our analysis of inequalities before he wrote the book. But yeah, because it's obvious, in that sense. In the program, we have written a document that Podemos has widely distributed. The data's absolutely clear. You see the income derived from labor has been declining, declining, declining. Which has created a major crisis, because that means a decline in demand for goods and services, and therefore of the economic stimulus. Meanwhile, the income derived from capital has been going up and up. And it's not by coincidence. One is going up because the other goes down. That is very clear. So any economic policy committed to democracy has to reverse that. We cannot have democracy with such a concentration of capital.

There is a critical element. Because in our analysis of the crisis, Juan Torres and I indicated that the roots of the crisis are the inequalities, and because labor has been weakened deliberately. I must say sometimes there is overabundance of economic debate when it should be a political debate. I think the central issue is that there has been an attack against labor. Even the creation of the [Euro] was to break with the social model in Europe. In that sense, that is the major point we make, that redistribution plays a critical role, and

democracy cannot be understood without redefining the relations of property and income within a country.

And people are very amenable to this message, and of course the leadership of Podemos is in agreement. So that is, in that sense, our major focus. We speak of class power, which is important to recover, but not only class, but also in terms of gender. I think that is terribly important to help women into the labor force. That is another element we emphasize in our program which requires a whole set of investments in infrastructure, in terms of childcare services, homecare services, and a change, a revolution in the way men think about it.

Another element of our program is the revolution in the ecological sense. We have to refine the meaning of consumption and production, and these were some of the major elements of the program which were very popular. The power structure, however, was enormously hostile. We have received enormous hostility. I have lived in many countries, and I have never seen so much hostility. But not only from Spain. When we published our program, none other than the president of the German national bank, central bank, the Bundesbank, said that we're going to destroy Europe. And he's right. We destroy their Europe, this is our intention.

PERIES: And you'll build another one.

NAVARRO: We want to save Europe, we want to save the popular Europe. Podemos wants to recover social Europe. This is also what we want. But it is quite remarkable, that none other than the president of the Bundesbank appears, the day after presenting our document, saying that the application of that document is going to ruin Europe.

PERIES: I don't understand the super, hyper-capitalists that shoot themselves in the foot by attacking labor. Now, it's very obvious in any equation that if you reduce purchasing power of your population that you're going to somehow at the end of the day eventually, you know, attack your own economy. This doesn't seem to resonate with that class.

PERIES: I don't understand the super, hyper-capitalists that shoot themselves in the foot by attacking labor. Now, it's very obvious in any equation that if you reduce purchasing power of your population that you're going to somehow at the end of the day eventually, you know, attack your own economy. This doesn't seem to resonate with that class.

NAVARRO: Well, because it has to do with the changes within the dominant class. I think today the dominant group is financial capital, is banking, and in that respect their primary enemy is inflation. They

will go to great length to stop inflation. And the European Central Bank is not a bank, is not a central bank. It's a lobby of banking. That is an extremely important thing to realize in this country. The Federal Reserve Board, with all of its problems—which it has many—has as objective control inflation, but also stimulates the economy and create employment. That is not an objective in the European Central Bank. The European Central Bank was designed in such a way that the states are not protected in front of the speculation from the financial markets.

So what does the European Central Bank do? Prints money. All central banks do it. But with that money they do not buy, until very recently, the public bonds which help the state to protect themselves against the speculation of financial markets. So the states are completely unprotected. The European Central Bank prints money, lend it to a ridiculous interest, very low, to the private banks. The private banks then buy public bonds at the interest, six, seven, twelve percent. This is a fantastic business for the private banks. The roots of the problem of the growth of public debt is this in the Eurozone. It is rooted in how the Euro was established, and how the European Central Bank operates. That is why we say the European Central Bank has to change dramatically. Not only in terms of objectives, but in its governance and control.

Today the European Central Bank is either controlled or under enormous heavy influence of the German central bank. That is not good. As a matter of fact it's not good, even as you said, for the business community, the non-financial sector of the economy. That is what is happening in Spain. The European Central Bank is very much part of the problem, and in our program we denounce that situation. And we say, they are ruining Europe, even economically. I think that banking has never had a better situation in Europe than now. In Spain, banking is extremely profitable. But they have lost the function of banking, which is offering credit. They do not offer credit. The European Central Bank has spent billions and billions and billions of euros. It has given them to the private banks. But it does not offer credit. What does it do? Speculate. So today, European economy depends on the speculation because banking controls the financial system. That is the root of the problem.

PERIES: And they create bubbles that then, later we have to pay for.

NAVARRO: Exactly.

PERIES: In our next segment, we are going to talk about how Podemos can fuel more Podemos across European countries, like that of Syriza in Greece. Thank you for joining us on The Real News Network.

Part 3/3

SHARMINI PERIES, EXEC. PRODUCER, TRNN: Welcome to The Real News Network. I'm Sharmini Peries coming to you from Baltimore. This is segment three with Professor Vincente Navarro.

Professor Vincente Navarro is professor of public policy at Johns Hopkins University in Baltimore, and at the Pompeu Fabra University in Barcelona, Spain. He's director of Johns Hopkins University-Pompeu Fabra University Public Policy Center, also located in Barcelona and he's the author of the Spanish bestseller *Hay Alternativas*. Thank you again for joining me.

VINCENTE NAVARRO, PROFESSOR, PUBLIC POLICY, JOHNS HOPKINS: Glad to be here.

PERIES: In our previous segments we actually talked about the evolution of Podemos and the kind of contestations they're mounting in Spain. But these contestations are going to be obviously much broader than just Spain, which is what threatens the ruling elite the most. So let's talk about the character and the constitution of the kind of contestation. The ground of contestation, I should say. You know, what is the ruling elite so afraid of?

NAVARRO: Well, the first thing you have to realize is that there is an alliance of elites. So we have a Spanish gathering of elites, the capital elites, which are the different components of the dominant class. But you also have the European elites, who are allied among themselves. For example, the political party who governs Spain is very close to the political party who runs Germany, the party chaired by Angela Merkel. So you have alliances that appear as an alliance of those parties, who represent their specific interests. These interests—are the interests of the establishment of Europe, with the different components. You have the Spanish establishment, the German establishment, and so on. They feel very uncertain today, because they are fully aware that the system is collapsing. They are aware that if they lose their legitimacy they have lost. And moreover, they feel threatened by people's demand for democracy. That is something they are not accustomed to handle, because they presented themselves as the authentic product of democratic processes, which in fact they have had very little of democracy.

From that standpoint, the proposals as I said, Podemos and other forces, like Syriza in Greece and others, are not only a protest movement. They are indeed protest movements, but want to have meaningful changes. They are asking for democracy understood in many different ways, which includes not only political, but economic democracy as well. What does economic democracy mean? The

existence of inequality is a critical element. The proposal of Podemos is that we have to redistribute resources. What I said before. Income derived from labor has gone downhill dramatically, and capital has gone up. That has to be reversed. And how is this happening? Because of political decisions. As I said before, most of the problems we have in Europe are political, rather than economic. Because the control of the state by economic and financial interests determines their regressive fiscal policies.

If you look, for example, how much a car worker, manufacturing worker, working in car industry in Spain, pay in taxes, and compare with the rest of Europe, you will see that they pay a little less, but not much less than the average manufacturing worker in the Eurozone. But if you look to what the super-rich pay in taxes, that derives their income from capital, you will see that they are paying much less in taxes than what the super rich pay in the rest of Europe. So in that sense, the majority of people in Spain who work on a payroll pay taxes similar although somewhat lower than their counterparts in Europe. But the differences are not great.

PERIES: But this is not just about payroll taxes, though. I mean, the elite and the rich do not pay their fair share of what they own in taxes either, in terms of

NAVARRO: Absolutely. There are two basic issues. One is legally, the legislation favors income derived from capital over income derived from labor, so the fiscal policies are designed in that way. And in that respect, the crisis has affected much more labor than capital. That is why public deficits and public debt have increased so dramatically. So that is one thing. The other thing is tax fraud. Just plain tax fraud. The internal revenue service in Spain has the lowest number of employees of all the internal services in Europe. The same in Greece. So in that respect, there are a lot of similarities between Greece and Spain, Portugal and Ireland. Are weaker states, weaker states where the social dimension is underdeveloped. The state is underfunded. That has to do, primarily, with the fiscal policies. And of course, the proposals of Podemos and other forces frighten those who have a lot of power, who feel threatened. And it's understandable. Because if Podemos mobilizes people and wins, then their interests are going to be affected.

It is because of this the president of the central bank in Germany said Podemos is going to destroy Europe. Well, Podemos will not destroy Europe, but it's going to dramatically reduce their privileges, and will be more sensitive to the needs of the popular classes that this party owes loyalty to.

PERIES: Right. So how does Podemos, and Syriza, reform their tax system so it is efficiently collecting the taxes they need to collect from a community that's really have been getting away from it for a very long time?

NAVARRO: Oh, well, that is the critical issue. That depends who controls the state. So that is where these groups are very powerful, but not omnipotent. I think we do not have to exaggerate the power of the other side. People can win, and we have had many experiences of that. So even within Spain in 1982, when the social democrats won they introduced policy changes. Unfortunately later on they got very diluted, their commitment to change, and became part of the problem. But even the history of Spain under democracy, we have experiences. The creation of a national health service was a great victory. It was clearly resisted by the power structure, but people won. That is why the terminology of Podemos, "we can," is so important, which came from labor movements in the United States, when before Obama borrowed heavily on that, with his slogan "We can." That in United States, as you know, came from the labor movement. So the idea of Podemos is we can. The people move, they can. How powerful the other side seems.

And they're not so powerful. When the president of the largest bank in Spain, called Santander, was dying he said, I'm very, very worried

about Podemos. They will destroy Spain. So they are worried. And they have, they respond is by repression. Is a classical situation. And of course, they control the majority media, is very powerful. But people have lost faith in the, in the institutions, both representative institutions, in the media. That is the opportunity of asking for change. In a very sort of a, with a sense of dignity, with a sense of maturity. With a sense of, a sense given by the numbers, by the right argument. Because they are the truthful defenders of the country. With that sense always against violence. Violence came from above. But people if they come from below, they can move mountains. That is why, when you look at one year ago, there was no party. In only one year, people might put that party in government.

PERIES: Now, the threat to the ruling financial elite class is not just from Podemos. The fear that this will catch on throughout Europe, as you know, now we have Greece. And if Podemos comes to power, they can actually change the character and the nature of the way financial capital moves around Europe, and this is a real, serious threat now to all of Europe.

Now, one unique thing about Syriza and Podemos is while they say that, you know, exiting the Euro is an option, here they mean exiting the financial constellation of the European Union, not necessarily the European community. Here they're actually playing a very positive

role in terms of holding hands with the other European countries and those who are working class in those countries.

NAVARRO: Yeah. That's terribly important, and let me expand on one other point before that links to what I'm going to say. The sense of Podemos is not only Podemos itself. Because in that respect, a very important impact of the appearance of this movement is radicalizing many other parties, even some social movements. For example, the unions are being radicalized, and that's a very important element. So in that respect the unions, by the dynamic of its own work, they were defending workers but in some ways sometimes needed to be shaken up a little bit. Podemos comes up, and move to the left. Izquierda Unida, which is a very important force in Spain, is also being shaken up. So in that respect, the strength of Podemos is that it affects other forces, making possible the enormous potential they have to flourish and adding them up. So it's not only Podemos. In that sense it is the popular movement that is radicalizing all other instruments historically close to the popular class, and the working class. This includes the Communist party, the Socialist party, and other left wing parties. But sometimes their leadership have been too cautious for change and now these same grassroots are asking for more.

What is interesting in Spain is the popular mobilization, which Podemos has been a component, a critical one. Having said that,

then, it's very important to establish an alliance at a European level. That is why the establishment is so afraid. If Syriza now happens, if they succeed in stopping some of the austerity policies, that has enormous impact because who has been the main hostile forces to Syriza? The Spanish government. The Portuguese government. Why? Because they are afraid that if Syriza succeeds, it shows they, the right-wing governments, had been lying to the people saying there are not alternatives. No, Syriza is providing alternatives. That is why Rajoy is one of the major forces against Syriza. Because if Syriza succeeds, it shows that they are lying. That is important.

And that is contaminating the other places and countries. In France, for example there's a revival of the left-wing forces. The same, even in Germany. And that is an important element. There's a party, [Die Linke], who is supporting the popular struggles in Greece, in Spain. So there's a revival of the progressive.

PERIES: And [Linke] is a German Socialist Left party.

NAVARRO: Right. So you can see how it's not Germany against Greece, or Germany against Spain. That is how the establishment of this country likes to present it. No. There are classes within those countries. The critical element is the governing elite of Germany align themselves with the governing elite of Spain and the governing elite

of Greece against the popular classes of Greece, Spain, and Germany. That is the critical element that the progressive forces have to be very sensitive to. It's not Germany. It is the German establishment. Because the working class of Germany is under enormous stress. We have plenty of evidence that the wages are far lower than they should be. It would be good for Europe if the wages in Germany will increase, and it will stimulate the economy, and it will stimulate demand. It will be good for the whole European economy. So the interests of the German workers are the same as the Greek workers and the Spanish workers. And people are increasingly aware of that.

But of course, the establishment who controls the media have started producing a whole set of stereotypes. Oh, these Greeks are lazy. Germans are supporting lazy workers. This is the ideological struggle that's taking place in Europe. But I think they're losing. In that respect, you will see in the next elections in Spain a coalition of forces, of which Podemos will be a central force, but it will not be the only one that will appear. But I'm sure that even in Germany there will be movements for change.

The greatest problem, however, is for first time we face the possibility of Nazism again in Europe.

PERIES: I was going to ask you about that. Because a lot of the Yanis Varoufakis, the economic, finance minister of Greece, has been stating that if the conditions in Greece deteriorate the way it is—

NAVARRO: Absolutely.

PERIES: It really gives the possibility of rising up the right.

NAVARRO: Absolutely. I remember fascism. Some of my family were part of the anti-fascist and anti-Nazi resistance, not only in Spain but in France, and were caught in Nazi concentration camps. So I have a very vivid memory of what Nazism is. And I'm afraid that could come back. Why? Because the neoliberal policies are clearly antagonizing the working class. And if the left-wing forces do not respond to the working class demands, they will be attracted to Le Pen. If you look at who votes today for Le Pen today in France? It's working class. Because they are disappointed with the left.

PERIES: Well, it's just like the Tea Party here in the United States.

NAVARRO: Right. They are disappointed with their own political parties who are perceived to be part of the problem. And if you look, some of the proposals of Le Pen, they appear asking for changing the institutional power within France, et cetera, et cetera. So remember

Nazism defined itself as national socialism. And that can be very frightening, because behind that, we know that the classical power forces who want to stop the left are the brother Kochs of that country. In Europe they are also the brother Kochs who are behind funding those Nazi parties. So in that respect, there is an authentic danger. And if the left does not win and make the reforms that the popular classes are demanding, then there's the risk of Nazism. The responsibility for that will be in the hands of the elites who have governed those countries, who have not been sensitive to what their people were asking for.

PERIES: That's a reality that's still in the memory of the European people.

NAVARRO: Indeed. As I am, there are millions of Europeans who remember Nazism. That is why some of us keep fighting, because the enemy continues to be there.

PERIES: Professor Navarro, thank you so much for joining us today.

NAVARRO: Delighted to be here.

PERIES: And thank you for joining us on The Real News Network.