

## IV. The Historic Crisis of Greek Capitalism from 2008 until Today

As we saw in the last chapter, the causes for the historical crisis of Greek capitalism since 2008 lay – apart from the accelerating contradictions of the capitalist world economy<sup>177</sup> – in the failure of the Greek bourgeoisie to overcome its structural weakness during the period which preceded the outbreak of the crisis. Its advances in becoming a minor imperialist bourgeoisie – based on capital it exported to the southern Balkans and an influx of migration at home – were far outweighed by its increasing dominance on imperialist monopolies and the remaining chronic backwardness of Greek capitalism.

In this chapter we will analyze more in detail how the collapse after 2008–10 reinforced the semi-colonial features of Greece, proving that the advances which the Greek bourgeoisie made in the two previous decades were in sufficient to overcome its dependent, subordinate status.

### IV.1 Destruction of Greek Economy by the Imperialist Monopolies and Great Powers

As is well known, the crisis has had devastating consequences for Greece in general and for the Greek working class in particular. During these years of austerity, Greek economic output has dropped by 26% (see Figure 25). Between 2009 and 2013, GDP per capita decreased by 22%.<sup>178</sup>

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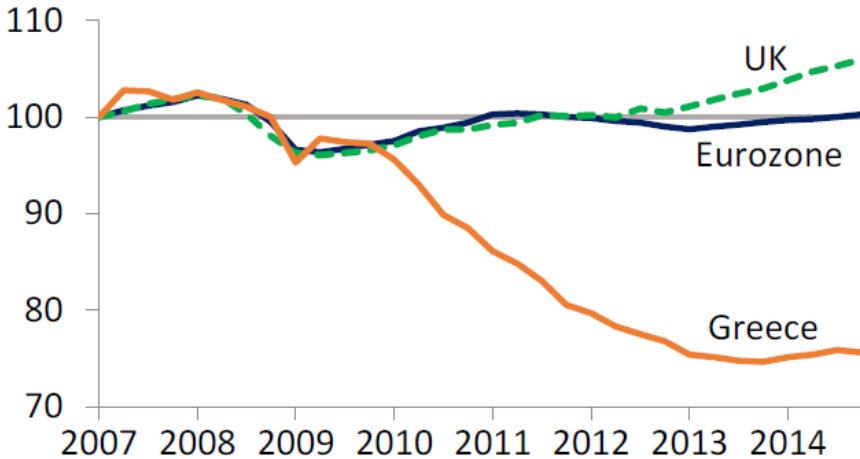
177 On this see RCIT: Perspectives for the Class Struggle in Light of the Deepening Crisis in the Imperialist World Economy and Politics. Theses on Recent Major Developments in the World Situation and Perspectives Ahead (January 2015), in: Revolutionary Communism No. 32, pp. 3-26, <http://www.thecommunists.net/theory/world-situation-january-2015/>; RCIT: Escalation of Inner-Imperialist Rivalry Marks the Opening of a New Phase of World Politics. Theses on Recent Major Developments in the World Situation (April 2014), in: Revolutionary Communism No. 22, pp. 36-49, <http://www.thecommunists.net/theory/world-situation-april-2014/>; RCIT: Aggravation of Contradictions, Deepening of Crisis of Leadership. Theses on Recent Major Developments in the World Situation, 9.9.2013, in: Revolutionary Communism No. 15, pp. 24-40, <http://www.thecommunists.net/theory/world-situation-september2013/>; RCIT: The World Situation and the Tasks of the Bolshevik-Communists, March 2013, in: Revolutionary Communism No. 8, pp.33-42, [www.thecommunists.net/theory/world-situation-march-2013](http://www.thecommunists.net/theory/world-situation-march-2013/); Michael Pröbsting: *The Great Robbery of the South*. (Chapter 14), <http://www.great-robbery-of-the-south.net/great-robbery-of-south-online/download-chapters-1/chapter14/>

178 Panagiotis Mantalos: Greek Debt Crisis. An Introduction to the Economic Effects of Austerity, Department of Statistics, Swedish Business School 2015, p. 6

Figure 25: Greece: Decline of GDP during the Great Recession, 2007-2015 <sup>179</sup>

## Greece - GDP (Q1 2007=100)

Quarterly data (Eurostat)



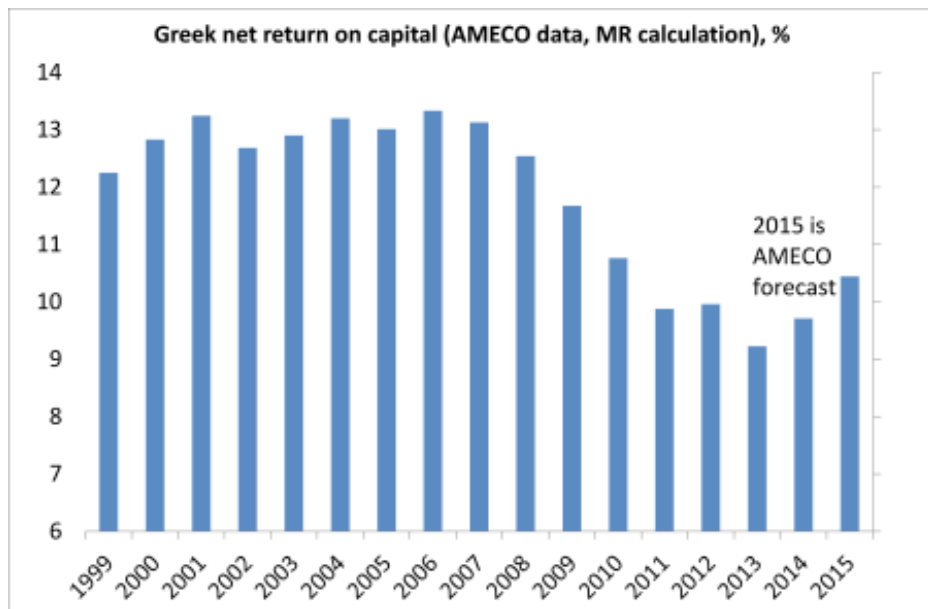
Such a steep decline is unique for Europe and can only be compared with the period of the Great Depression of the 1930s when the US economy shrank by a similar volume: 26% between 1929 and 1933. <sup>180</sup>

As we already stated above, the fundamental cause of this current slump can be found neither in the financial/speculative sphere nor in consumption or commerce, but in the sphere of production, i.e., the sphere where capitalist value is created. As demonstrated in Chapter III.1, the inherent historic tendency of the rate of profit to fall can be also observed in Greece. Hence the slump did not result from sudden changes in the financial sphere or policy decisions, but was rather caused by the failure to restore the rate of profit in the 1980s and 1990s after the previous dramatic decline.

Thanks to several Marxist economists, we possess a clear picture about the development of the rate of profit in Greece. The Marxist economist Michael Roberts has provided some useful statistics on this issue demonstrating a fall in Greece's rate of profit since 2006. (See Figure 26

<sup>179</sup> Daniel Harari: Greek debt crisis: background and developments in 2015, House of Commons Library Briefing Paper Number 7114, 6 July 2015, p. 6

<sup>180</sup> See e.g. Daniel Harari: Greek debt crisis: background and developments in 2015, House of Commons Library Briefing Paper Number 7114, 6 July 2015, p. 6

**Figure 26: Greece: Net Return on Capital, 1999-2015** <sup>181</sup>

The Greek Marxist academics Thanasis Maniatis and Costas Passas have recently published a extremely interesting study about the long-term development of Greek capital accumulation since 1958. They demonstrate that, despite various neoliberal measures like increasing private and public debts, Greek capital was unable to substantially reverse the fall of the profit rate (see also Figure 27). They conclude:

*“In analysing the development of the post-war Greek economy and tracing the roots of its current crisis, the examination of the behaviour of the profit rate and other Marxian variables is of the utmost importance. This study examines these variables. The different phases of the capital accumulation process are distinguished and analysed according to the movement of the profit rate. The ‘golden age’ of the 1958–74 period of high profitability and strong growth was followed by the stagflation crisis of the 1970s and early 1980s. After 1985 and especially after 1991 the ‘neoliberal solution’ to the crisis resulted in a modest recovery of profitability, capital accumulation and output growth based exclusively on the huge increase in the rate of exploitation for labour. When the stimulus to aggregate demand provided from personal consumption driven by debt and ‘wealth effects’, and state deficit spending was removed, the underlying structural crisis in the real economy manifested itself fully from 2009 until today. Thus,*

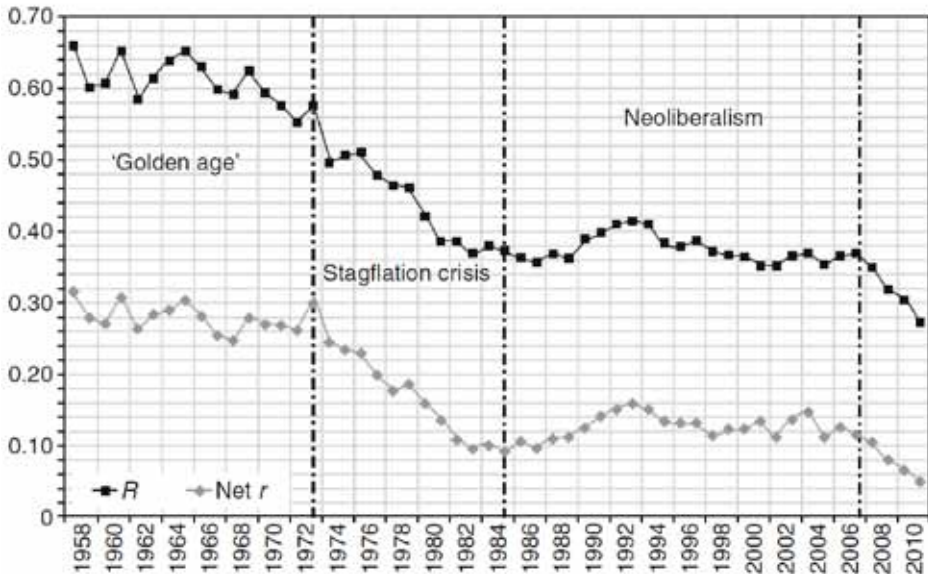
<sup>181</sup> Michael Roberts: Greece: Samaras gambles, 12.12.2014, <http://thenextrecession.wordpress.com/2014/12/12/greece-samaras-gambles/>

*the insufficient recovery of profitability during the neoliberal era appears to lie at the core of the economic difficulties currently encountered by the Greek economy.*"<sup>182</sup>

In 2012 Greek workers suffered a decline of 23.2% in their real wages. The government has eliminated 150,000 jobs in the public sector. The unemployment rate increased from around 8% in 2008 to 28% in mid-2013. Today unemployment among youths stands at 58.3% and total unemployment is officially 27.5%. These are clearly bureaucratically embellished figures, since the employment rate of the economically active population (i.e., those who have a job among the 25–64 year old population) dropped from 61.9% (2008) to 49.4% (2014), i.e., less than half of this population! (By way of comparison the figures are 71.9% for Britain and 61.7% for Portugal)

Under the dictates of the imperialist powers, Greek governments have been ordered to destroy the country's social benefit and health care systems. These attacks on the working class went hand in hand with the destruction of huge sectors of the urban petty- and small-bourgeoisie.

**Figure 27: Greece: Rate of Profit, 1958-2011**<sup>183</sup>



*Figure 6.1* The general Marxian ( $R$ ) and the net profit rate ( $r$ ), 1958–2011.

182 Thanasis Maniatis and Costas Passas: The law of the falling rate of profit in the post-war Greek economy, in: Stavros Mavroudeas (Editor): Greek Capitalism in Crisis. Marxist Analysis, Routledge, News York 2015, p. 126

183 Thanasis Maniatis and Costas Passas: The law of the falling rate of profit in the post-war Greek economy, p. 108

The Greek economist Valia Aranitou reports: *“The traditional petty bourgeoisie lost more than 40% of its staff, while another 40% of the remaining sit around unable to pay their obligations, since apart from shrinking demand there wasn’t any liquidity coming from the banks. The difficulties faced by small business are reflected among other things in more than 3,000 recorded suicides due to business debt.”*<sup>184</sup>

According to the same author the number of self-employed and small business employers has decreased dramatically. Small enterprises are shrinking dramatically. In 2006 (the year during which the last official census was conducted), there were 923,000 small- and medium-sized Greek enterprises in all sectors. According to estimates, in 2013 the number of these sized enterprises was marginally higher than 531,059, less than 58% of the figure from seven years earlier (see Table 12).

During this same period, the proportion of bad business loans out of total lending soared to 33.8% in the 1st quarter of 2014 compared to only 4.3% in 2008. By June 2014, the IMF estimated that 40% of all loans provided by Greek banks at the end of 2013 were non-performing.<sup>185</sup>

At the same time, EU imperialism has ensured that the Greek governments agreed to privatize the remaining public enterprises and even to sell parts of its territory (up to hundreds of Greece’s pristine islands). It is only logical that this will further increase enormously the dominance of foreign monopolies over the Greek economy.

**Table 12: Evolution of Small and Medium Enterprises (SMEs)  
Number in Greece, 2006-2013**<sup>186</sup>

<i>Greece</i>	<i>Number of SMEs</i>
2006	923,000
2010	745,677
2011	727,883
2012	578,534
2013	531,059

184 Valia Aranitou: *The Decline of the Middle Classes Around the World? The collapse of the middle class in Greece during the era of the Memoranda (2009-2014)*, p. 15

185 Daniel Harari: *Greek debt crisis: background and developments in 2015*, House of Commons Library Briefing Paper Number 7114, 6 July 2015, p. 9

186 Valia Aranitou: *The Decline of the Middle Classes Around the World?* p. 16

## IV.2 Explosion of Debt and the Greece's Near Total Dependency of the Imperialist Powers

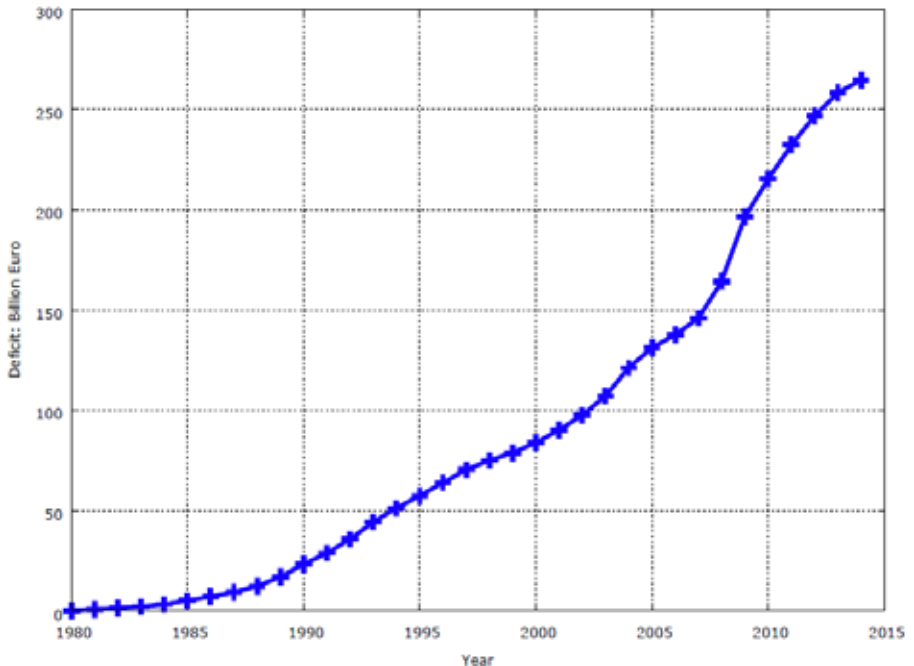
As we have already stated, the crisis period since 2008 has substantially increased Greece's financial subjugation to the imperialist monopolies and the EU. In Figure 28 we can see the massive increase of Greece's deficit between 1980 and 2014.

Greece's public debt rose dramatically from 113% of GDP in 2009 before the onset of the country's crisis to over 175% of its GDP, or €317 billion, in 2014. As a result Greece's stock of debt is the second highest in the world.

According to the progressive economist Eric Toussaint, some 80% of Greek public debt was held by the private banks of seven EU countries in 2009. Fifty percent was held by French and German banks alone.

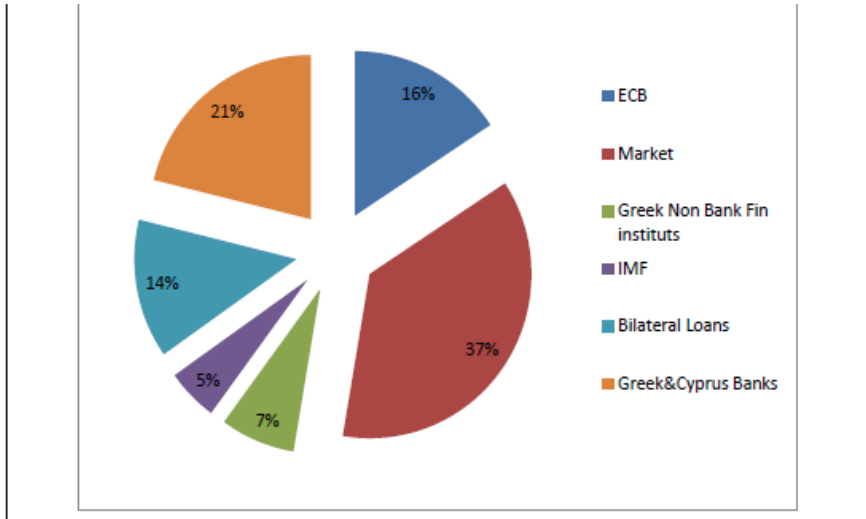
The intervention of the EU ensured that the private banks were bailed out and that financial institutions, first and foremost the European financial institutions, took over Greece's debt. This can be seen in Figure 29 and 30.

Figure 28: Accumulated Greek Deficit 1980–2014 <sup>187</sup>

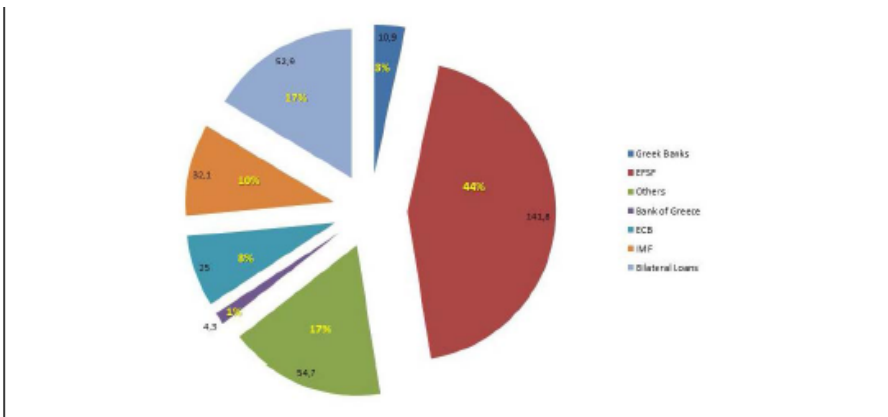


<sup>187</sup> Panagiotis Mantalos: Greek Debt Crisis. An Introduction to the Economic Effects of Austerity, 2015, p. 6

**Figure 29: Greek Debt, October 2011: 350 Billion Euro** <sup>188</sup>



**Figure 30: Greek Debts—in the End of the Year 2014—321,7 Billion Euro** <sup>189</sup>



188 Panagiotis Mantalos: Greek Debt Crisis, p. 8

189 Panagiotis Mantalos: Greek Debt Crisis, p. 10

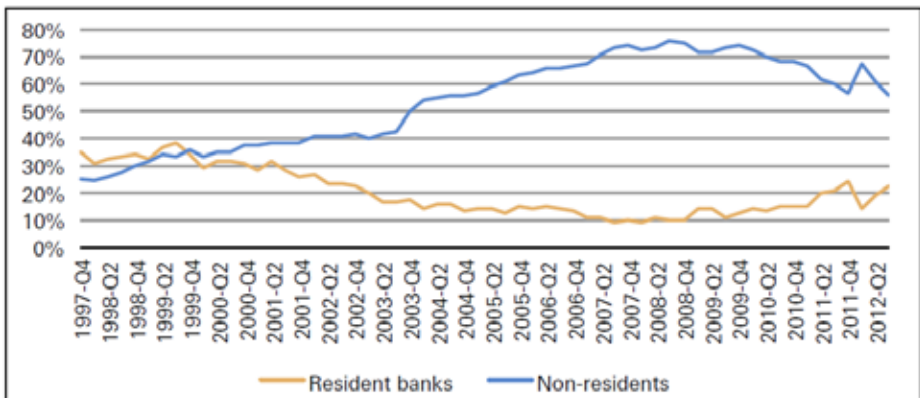
Therefore, at least 56% of the country's total government debt is in hands of foreign imperialist institutions.<sup>190</sup>

We get the same picture if we look at the development of the holdings of sovereign bonds by domestic and foreign owners. Since the middle of the first decade of the 21<sup>st</sup> century, the share of foreign ownership has usually been between 60% and 77%. (See Figure 31)

A brief historical review shows that such a dominance of public debt by foreign owners is atypical for imperialist states but rather characteristic of semi-colonial countries. A team of economists working for the IMF have presented an historical study in which they examined the national composition of public debts of “advanced economies” (i.e. imperialist countries). They conclude:

*“The data confirm that the bulk of advanced economies’ debt was and is denominated in local currency barring a few periods and countries. Debt issued in foreign currency accounted for less than 5 percent of central government debt prior to World War I. It climbed to a peak share of 17 percent by the end of the post-World War I consolidation period—as the U.S. extended loans to its European allies to finance relief and reconstruction efforts. It fell during the Great Depression, in part reflecting relief provided in 1934 on the U.S. loans and World War II, consistent with the end of the first era of globalization. There is a final spike in the share of foreign currency debt in the*

**Figure 31: Greece: Holdings of Sovereign Bonds by Domestic Banks and Non-Residents as a Percentage of Total MFI Assets<sup>191</sup>**



190 Who Holds Greek Debt? April 24, 2011, <http://www.greekdefaultwatch.com/2011/04/who-holds-greek-debt.html>

191 Heiner Flassbeck and Costas Lapavistas: The systemic crisis of the euro – true causes and effective therapies, Rosa-Luxemburg-Stiftung, May 2013, p. 21. MFI is the ECB's synonym for “monetary financial institutions” and includes “the Eurosystem (ECB and the NCBs of those countries that have adopted the euro), credit institutions and non-credit institutions (mainly money market funds) whose business is to receive deposits from entities other than MFIs and to grant credit and/or invest in securities.” (ECB: Financial intermediaries, <https://www.ecb.europa.eu/mopo/eaec/intermediaries/html/index.en.html>)



immediate post-World War II period, in Germany in particular, but this share declines from around 8 percent in late 1950s to a negligible level today.”<sup>192</sup>

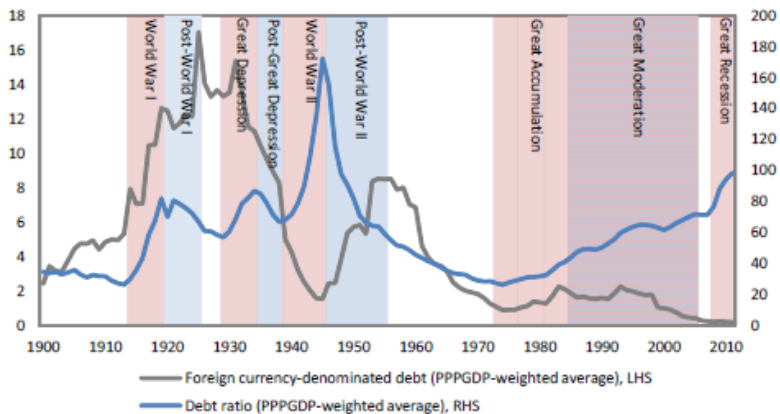
Figure 32 gives a more detailed presentation of the authors conclusion.

Yannis Ioannides, another Greek economist, presents data which suggest that 2/3 to 3/4 of the Greek government’s debt was owned by foreign creditors as early as the period of 2007-2011 (See Figure 33).

In Figure 34 we can see the financial exposure of imperialist banks to the risk of Greece defaulting on its debt as well how the brunt of the risk has been removed from the imperialist banks due to the intervention of the EU Troika in the last years.

In short, Greece’s debt is extremely high and the country is completely dependent financially on foreign imperialist creditors. Greece’s nature as a semi-colonial country is stronger than ever.

**Figure 32: Share of Foreign Currency Debt in Central Government Debt, 1900-2011**<sup>193</sup>



192 S. M. Ali Abbas, Laura Blattner, Mark De Broeck, Asmaa El-Ganainy, and Malin Hu: Sovereign Debt Composition in Advanced Economies: A Historical Perspective, International Monetary Fund 2014, IMF Working Paper WP/14/162, pp. 9-10

193 S. M. Ali Abbas, Laura Blattner, Mark De Broeck, Asmaa El-Ganainy, and Malin Hu: Sovereign Debt Composition in Advanced Economies, p. 10. The IMF’s calculations include data for the thirteen advanced economies: Belgium, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, the U.K., and the U.S. have data beginning in 1900. Australia joins in 1901, Canada in 1914, and Ireland in 1936.

Figure 33: Who Owns Greek Government Debt? (2007-2011) <sup>194</sup>

## Who owns Greek Government Debt?

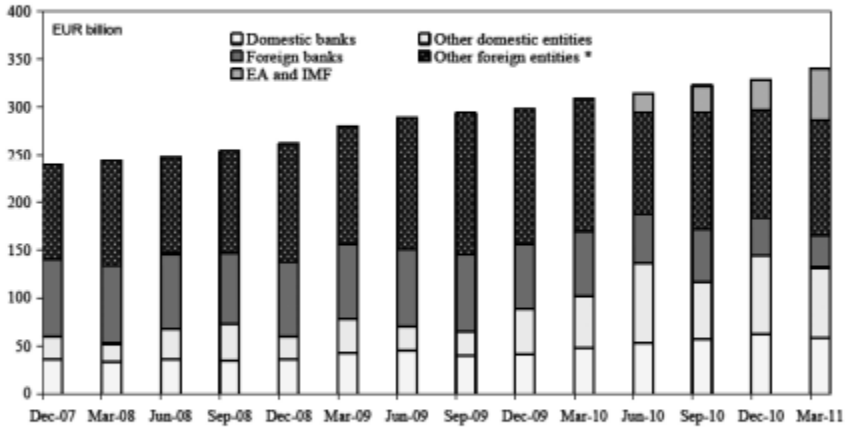
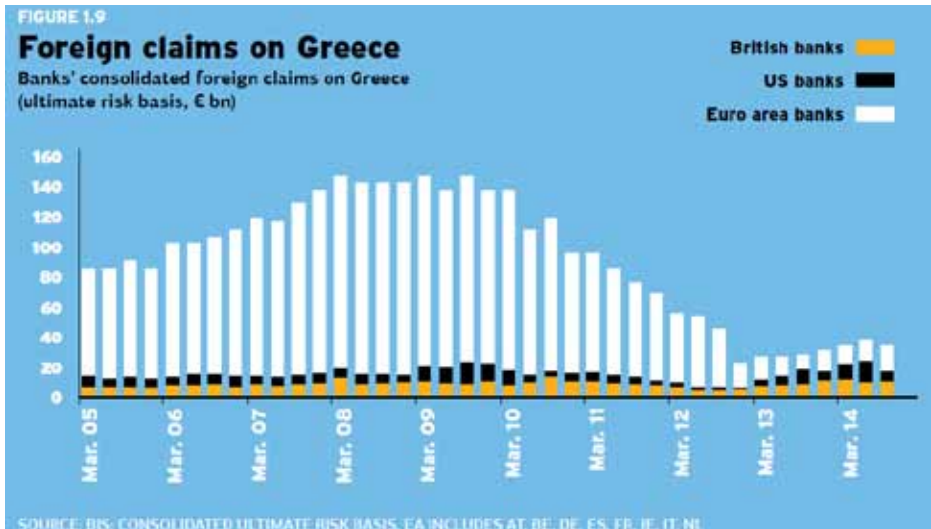


Figure 34: Foreign claims on Greece <sup>195</sup>

*Banks' consolidated foreign claims on Greece (ultimate risk basis, € bn)*



194 Yannis Ioannides: Greece, the Eurozone, and the Debt Crisis, in: Michalis Psalidopoulos (Ed.): A World of Crisis and Shifting Geopolitics: Greece, the Eastern Mediterranean and Europe. A Conference Report, I. SIDERIS Publications 2011, p. 77

195 Truth Committee on Public Debt: Preliminary report (2015), p. 15

In addition, foreign monopolies are taking advantage of the present situation to cheaply snap-up Greek companies and public national assets. This has led to the situation were, in addition to the traditionally dominant US and EU corporations, Chinese monopolies are also increasingly investing in Greece. In November 2008, the Chinese state-owned company – China Ocean Shipping (Group) Company (COSCO) – made one of the biggest investments ever made in Greece when it signed a concession agreement for operating and developing Piers II and III of the Port of Piraeus. The increasing role of Chinese imperialism is assisted the close relations that Greek shipping magnates have cultivated with Beijing in the past decade.<sup>196</sup>

Finally, mention should be made of the fact that the co-called “bailout” by the EU, ECB and the IMF went nearly entirely into the pockets of private banks and speculators. The *Jubilee Debt Campaign* reports:

*“It is not the people of Greece who have benefitted from bailout loans from the IMF, EU and European Central Bank, but the European and Greek banks which recklessly lent money to the Greek State in the first place. When the IMF, European and ECB bailouts began in 2010, €310 billion had been lent to the Greek government by reckless banks and the wider European financial sector. Since then, the ‘Troika’ of the IMF, EU and European Central Bank have lent €252 billion to the Greek government. Of this, €34.5 billion of the bailout money was used to pay for various ‘sweeteners’ to get the private sector to accept the 2012 debt restructuring. €48.2 billion was used to bailout Greek banks following the restructuring, which did not discriminate between Greek and foreign private lenders. €149.2 billion has been spent on paying the original debts and interest from reckless lenders. This means less than 10% of the money has reached the people of Greece. Today the Greek government debt is still €317 billion. However, now €247.8 billion – 78% of the debt – is owed to the ‘Troika’ of the IMF, European Union and European Central Bank, i.e., public institutions primarily in the EU but also across the world. The bailouts have been for the European financial sector, whilst passing the debt from being owed to the private sector, to the public sector.”*<sup>197</sup>

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196 See on this e.g. Asteris Huliaras and Sotiris Petropoulos: Shipowners, ports and diplomats: the political economy of Greece’s relations with China, in: *Asia Europe Journal* Vol. 12, No. 3, September 2014, pp. 215-230

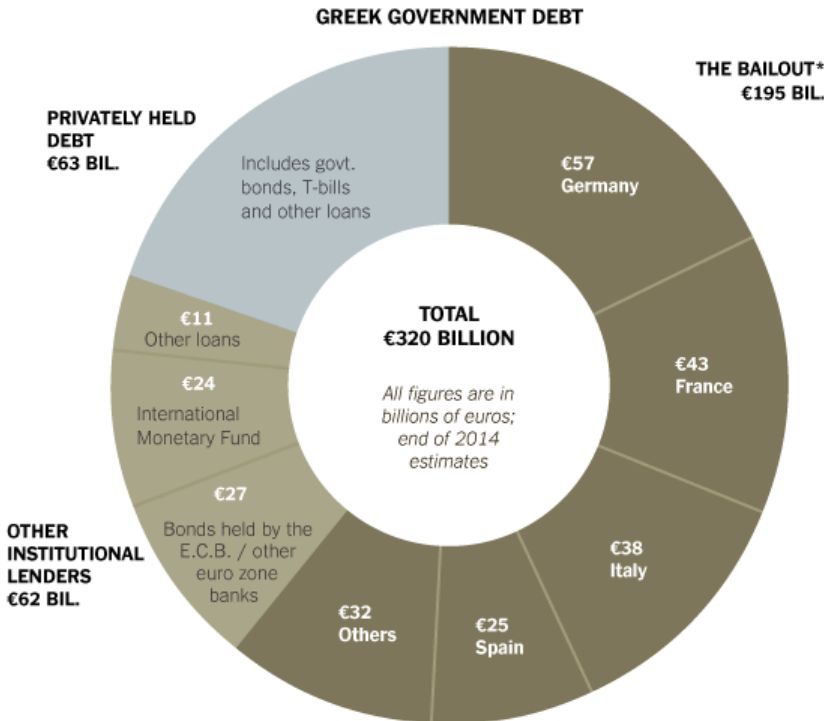
197 Jubilee Debt Campaign: Six key points about Greek debt and the forthcoming election, January 2015

### IV.3 The EU-Troika: Greece as a De-Facto Colony of EU-Imperialism

In recent years, Greece has been forced by EU imperialism to relinquish more and more of its sovereignty. In Figure 35 we can see that about €237 out of €320 billion are in the hands of European imperialist financial state institutions and the ECB.

With the Third Memorandum, signed by the left-reformist SYRIZA-led government in the summer of 2015, this neo-colonization of Greece reached a high-point. Immediately on page 1 of the Third Memorandum, things are made clear:

Figure 35: Who Owns Greek Government Debt? (End of 2014) <sup>198</sup>



\*European countries lent to Greece through two newly created institutions — €53 billion through the Bilateral Loan Facility and €142 billion through the European Financial Stability Facility. These are in addition to each country's contribution to the I.M.F.

Sources: Deutsche Bank; I.M.F.; Reuters; Bloomberg

198 New York Times: Greece's debt crisis explained, 27 July 2015 [http://www.nytimes.com/interactive/2015/business/international/greece-debt-crisis-euro.html?\\_r=0](http://www.nytimes.com/interactive/2015/business/international/greece-debt-crisis-euro.html?_r=0)

*“The Government commits to consult and agree with the European Commission, the European Central Bank and the International Monetary Fund on all actions relevant for the achievement of the objectives of the Memorandum of Understanding before these are finalized and legally adopted. [...] The conditionality will be updated on a quarterly basis.”*<sup>199</sup>

In short, the Greek government is obliged to get the approval of the EU-Troika before it is allowed to call for a vote in Parliament on all relevant economic and social provisions it wishes to legislate! More than anything else, this provision demonstrates more clearly the political subjugation of Greece to the dictates of the imperialist EU, making it irrefutably a semi-colonial country.

The Third Memorandum also dictated to the Greek government that it must raise VAT to 23%, cut public-sector wages and benefits, increase the retirement age to 67, cut pension payments, undertake massive privatizations and set up a new fund to manage the sell-off of the country’s state-owned assets. While this last-mentioned fund is technically run by the Greek government, it is actually “supervised” by the “relevant European institutions.”

For example, as part of this program the Greek government was forced to lease to the German monopoly *Fraport*, 14 airports until the year 2055, including those of Thessaloniki as well as crucial islands for the tourism industry like Rhodes, Korfu and Kos.<sup>200</sup>

#### IV.4 Excuse: The KKE and the Class Character of Greece

Let us now briefly deal with some arguments of the Greek left – in particular of the Stalinist KKE which remains a mass reformist party of the workers’ movement. Naturally, the RCIT rejects the position of the KKE-leadership, which has recently made an analytical about face, and now claims that Greece is a normal imperialist country. As is well known, until a few years ago the Greek Stalinists have historically been “left” patriots who viewed the country as a colony of US and EU imperialism, as an adaptation to Greek chauvinism.

Today the KKE leadership states exactly the opposite. In its new program, adopted in 2013, the KKE writes: *“Capitalism in Greece is in the imperialist stage of its development, in an intermediate position in the international imperialist system, with strong uneven dependencies on the USA and the EU. (...) The participation of Greece in NATO, the economic-political and political-military dependencies on the EU and the USA limit the room of the Greek bourgeoisie to manoeuvre independently, as all the alliance relations of capital are governed by competition, unevenness and consequently the advantageous position of the strongest; they are formed as relations of*

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199 IMF – Greece: Memorandum of Understanding for a three-year ESM programme, August 2015, p. 1

200 E.Tsiliopoulos: Agreement with Fraport-Slntel for Greek Regional Airports, November 4, 2015, <http://www.newgreektv.com/english-news/item/17673-agreement-with-fraport-slntel-for-greek-regional-airports>

*uneven interdependence.”*<sup>201</sup>

In short, the KKE claims that Greece is a minor imperialist state. KKE leaders have defended this position in various articles. Aleka Parariga, the KKE General Secretary until recently, wrote:

*„The basic position of opportunism in Greece is that the country is under German occupation, that it is being transformed or has been transformed into a colony and is being plundered primarily by Mrs. Merkel, the creditors. The triad of the representatives of the EU, the European Central Bank and the IMF which supervise and determine the management of the internal or external debt, the fiscal deficits is seen as the main enemy apart from Germany itself. They accuse the bourgeois class of the country and the governmental parties as being treacherous, unpatriotic, subordinate and subservient towards Germany, the creditors or the bankers.*

*Those who talk of subordination and occupation do not acknowledge the export of capital from Greece (a characteristic feature of capitalism in the imperialist stage), which was significant before the crisis and continues undiminished in the conditions of the crisis. The export of capital is being carried out for productive investments in other countries and of course in European banks until conditions are formed so that they can re-enter the process of ensuring the maximum possible profit. They see a shortage of capital and not over-accumulation.*

*They do not see the issue of over-accumulation because they will be forced to admit the character of the capitalist economic crisis, something which blows to smithereens their pro-monopoly political proposal. The bourgeois parties as well as the opportunists, despite the various differences they have, support the safeguarding of the competitiveness of the domestic monopolies which inevitably brings the reactionary restructurings to the forefront, ensuring cheaper labour power, intensification of state intimidation, repression and anti-communism, and at the same time particularly focus on expanding Greek capital in the wider region (the Balkans, the Eastern Mediterranean, the Black Sea area). This is amongst other things a vicious circle which leads to a new and deeper crisis cycle.*

*Lenin and his work on imperialism adds that the comparison cannot be made between developed capitalist countries and backward capitalist countries but between capital exports, an issue which opportunists everywhere do not want and do not dare to acknowledge because their view regarding the occupation of Greece, that Greece is a colony, is refuted by this criterion alone. (...)*

*Consequently the position of the KKE that Greece belongs to the imperialist system, is organically incorporated and plays an active role in the war as an ally of the leading players is absolutely vindicated. This is the choice in the interests of the bourgeoisie that has twice invited British and US imperialism to smash the armed people with military forces, weapons and direct military operations.”*<sup>202</sup>

201 Programme of the KKE, adopted in 2013, <http://inter.kke.gr/en/articles/Programme-of-the-KKE/>

202 Aleka Parariga (KKE General Secretary): The Position of Greece within International Capitalism, Article for „El Machete,” the Theoretical and Political Review of the CP of Mexico, <http://mltoday.com/the-position-of-greece-within-international-capitalism>

Other KKE leaders try to downplay Greece's dependence of the imperialist monopolies by claiming the banal truth that in the age of imperialism, all countries are dependent on each other ("interdependence"). Thus wrote the then member of the KKE's Politbureau, Stefanos Loukas:

*"We refer to the issue of dependence as of the interdependence of capitalist states and their dialectical relation to the economic basis of capitalism. At a political level and even more so in international relations it is wrong to attribute the causes of popular problems to "dependence", or to speak of the possibility of their appeasement when there is no "dependence" (even outside interstate unions bilateral relations are determined by the "power" of monopolies), without disclosing the primary causes, which are capitalist production relations."* <sup>203</sup>

And another KKE member made things as clear as possible: *"Greece is economically and politically fully developed monopoly capitalist country. (...) Greece is a monopoly capitalist country, because the most important means of production and the central power structures are in the hands of financial – or in general big – capital. Even if the degree of monopolization seems small to some, at least the political power is clearly as visible as in any other developed imperialist country. (...) Another fact is that the strategic interests of Greek big capital are allied with the EU and the US."* <sup>204</sup>

There are also various centrists who claim that Greece is a minor imperialist or a "sub-imperialist" country. <sup>205</sup> We think that a number of Greek socialists characterize their country as "imperialist" as a result of their desire to oppose Greek chauvinism as well as the pathetic popular-front policy orientated towards a Phantom national bourgeoisie. While we strongly share this desire to oppose the political and economic interests of the Greek bourgeoisie, we think it is scientifically wrong from a Marxist point of view to characterize Greece as an imperialist or sub-imperialist state. Furthermore it opens the door to a series of mistakes in the field of tactics in the class struggle.

In the case of the KKE, their turnaround was not motivated by any new insights or a principled opposition against the Greek opposition. Their history is characterized by a desire to collaborate with "democratic," "anti-fascist," or "national" sections of the bourgeoisie – a chase after a phantom with devastating consequences for the Greek working class. The most visible results were the betrayal of the resistance struggle in 1944–46 and their entry into coalition

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<sup>203</sup> Stefanos Loukas: On current international issues: Dependent or interdependent relations? in: KKE: Collection of articles and contributions, Athens 2010, p. 96. Another then member of the KKE's Politbureau, Eleni Mpellou, similarly wrote: *"These data confirm the assessment of the 18<sup>th</sup> Congress of KKE that the Greek economy holds an intermediate position in the international imperialist system, maintaining the same –penultimate position– in the Euro-zone, though with an enhanced position in the Balkan market."* (Eleni Mpellou: The international economic crisis and the position of Greece. The theses of KKE, in: International Communist Review No. 1 (2011), <http://www.iccr.gr/en/news/The-international-economic-crisis-and-the-position-of-Greece.-The-theses-of-KKE/>)

<sup>204</sup> Georgios Koliass: Die Lage in Griechenland und die Strategie der kommunistischen Bewegung, <http://parteiderarbeit.at/?p=2247> (our translation)

<sup>205</sup> See e.g. Alex Callinicos: Marxism and Imperialism today, in: A. Callinicos, J. Rees, C Harman & M. Haynes: Marxism and the New Imperialism, London 1994, p. 51

governments with the conservative ND as well as with the latter and PASOK in the period 1989–90. The real motivation of the KKE leadership's about face is rather their bureaucratic need to justify their rejection of any united front tactics towards SYRIZA (whose ideologists traditionally have shared the thesis of Greece as a dependent country).

As we demonstrated in this publication the Greek bourgeoisie indeed has some "imperialist" features (its strength in commercial shipping, its capital export to the southern Balkans, the significant number of migrants in Greece). But these factors are vastly overshadowed by Greece's centuries-old domination by imperialist monopolies and Great Powers – a status which has even been reinforced during the past decade. Yes, Greek capitalists have exported some capital abroad but at the same time foreign capitalists buy up Greek companies to a much larger degree. Furthermore, Greece is super-exploited due to its extremely high external debts to imperialist banks. As a result, Greece has the worst negative account of net foreign assets in Europe (together with Portugal).

The KKE's bizarre position flies in the face of its assessment in the party's previous program, adopted in 1996. At that time the KKE saw Greece as a "dependent country" which was "controlled by international monopoly capital":

*"Greece is in an intermediate and dependent position in the world imperialist system. There are historic reasons for this: the slow and difficult beginning of capitalism in Greece, which took place under the direct economic, political and military involvement of powerful capitalist states and under conditions of dependence on foreign capital. Monopoly capitalism appeared in Greece later than in the developed capitalist countries, and after the international imperialist system had already been created, with the result that it rested on a relatively low material and technical base. In the post-dictatorship years, state monopoly capitalism developed further, dependence on foreign monopoly capital and international imperialism grew. (...) International monopoly capital controls the Greek economy and its main sectors of activity. (...) The Greek people will be delivered from the bonds and effects of capitalist exploitation and of imperialist oppression and dependence when the working class and their allies bring about the socialist revolution and proceed to building socialism and communism."*<sup>206</sup>

It is absurd in the extreme that the KKE made a 180 degree reversal of its position on Greece's class character in 2013, by which time Greece was far more subjugated by international finance capital and the EU-Troika than in 1996!

In conclusion, the KKE-leadership has also changed its tactical position towards membership in the EU and the Eurozone. While it advocated leaving the EU and the Eurozone in the past, today it declares that it would consider an exit from the Eurozone as "catastrophic": "... although her party is in general in favour of Greece's disengagement from the EU, a solution outside the euro and return to the drachma in the present circumstances would be catastrophic." (Aleka Papariga in the KKE's daily paper "Rizospastis", 31/5/2011, p.6).<sup>207</sup>

<sup>206</sup> Programme of KKE (1996), <http://interold.kke.gr/Documents/docprogr.html>

<sup>207</sup> Quoted in Papariga: Bankruptcy has already begun, Δημοσίευση 31 Μαΐου 2011, <http://>



Hence, we see despite all their consequential denunciations of SYRIZA as a party serving the European imperialists, the KKE-leadership itself – while being opposed to the EU “in principle” – today shies away from calling for Greece’s exit from the EU and the Eurozone! Neither did it call for such an exit in its program of 2013.