

# **Greece: A Modern Semi-Colony**

***The Contradictory Development  
of Greek Capitalism and Its Failed Attempts  
to Become a Minor Imperialist Power***

---



**By Michael Pröbsting**

***Published by the Revolutionary Communist International Tendency***



# **Greece: A Modern Semi-Colony**

***The Contradictory Development of  
Greek Capitalism and Its Failed Attempts  
to Become a Minor Imperialist Power***

---



**By Michael Pröbsting**

***Published by the Revolutionary Communist International Tendency***

## **Greece: A Modern Semi-Colony**

*The Contradictory Development of Greek Capitalism, Its Failed Attempts to Become a Minor Imperialist Power, and Its Present Situation as an Advanced Semi-Colonial Country with Some Specific Features*

*By Michael Pröbsting*

*This book is dedicated to all those who devote their lives to the working class' liberation struggle and to the building of the revolutionary world party without which this liberation struggle can not win.*

Published by the

**Revolutionary Communist International Tendency (RCIT)**

**Web:** [www.thecommunists.net](http://www.thecommunists.net)

**Email:** [rcit@thecommunists.net](mailto:rcit@thecommunists.net)

**Phone:** +43 (0)650 406 83 14

**Address:** Fuchselhofgasse 6, 1120 Vienna, Austria

The RCIT has sections and activists in Pakistan, Sri Lanka, Yemen, Tunisia, Israel/Occupied Palestine, Brazil, Britain, Germany, USA, and Austria.

**© Revolutionary Communist International Tendency (RCIT)  
and Michael Pröbsting**

All rights reserved

First Edition 2015

Impressum: Revolutionär-Kommunistische Organisation zur Befreiung (RKOB), Fuchselhofgasse 6, 1120 Vienna

# Contents

<b>List of Tables</b> .....	<b>S.7</b>
<b>List of Figures</b> .....	<b>S.7</b>
<b>List of Maps</b> .....	<b>S.8</b>
<b>Introduction</b> .....	<b>S.9</b>
<b>I. Some Theoretical Considerations</b> .....	<b>S.11</b>
I.1 What are the Respective Characteristics of an Imperialist vs. a Semi-Colonial State? .....	S.11
I.2 Is a Transition from Being One Type of State to Another Possible? .....	S.15
I.3 Is the Category of "Sub-Imperialism" Useful? .....	S.16
<b>II. Brief Historical Overview of the Development of Greek Capitalism</b> .....	<b>S.18</b>
II.1 The Emergence of the Greek Bourgeoisie under the Ottoman Empire and the Struggle for National Independence .....	S.18
II.2 Greece after the War of Independence (1821-29) until 1922 .....	S.20
II.3 Excuse: Greek Chauvinism and the Macedonian Question .....	S.27
II.4 Greece as a Backward Capitalist Country between the Two World Wars .....	S.33
II.5 The Contradictory Process of Modernization after the End of the Civil War until the Accession to the EU .....	S.36
II.6 Excuse: the Greek Shipowners – A Semi-Diasporic Bourgeoisie .....	S.40
<b>III. Greece's Failed Attempt to Become a Minor Imperialist Power</b> .....	<b>S.49</b>
III.1 Accession to the EU and the 1980s .....	S.49
III.2 Capitalist Restoration in the Balkans after 1989 and Greek Capital's Expansion .....	S.53

III.3 Rising Migration after 1989 .....	S.59
III.4 Failure to Overcome Backwardness and Increasing Indebtedness to Imperialist Powers .....	S.63
III.5 Excuse: Nicos Poulantzas' Analysis of the Greek Bourgeoisie as Justification of the Popular Front Strategy .....	S.83

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

IV.1 Destruction of Greek Economy by the Imperialist Monopolies and Great Powers .....	S.89
IV.2 Explosion of Debt and the Greece's Near Total Dependency of the Imperialist Powers .....	S.94
IV.3 The EU-Troika: Greece as a De-Facto Colony of EU-Imperialism .....	S.100
IV.4 Excuse: The KKE and the Class Character of Greece .....	S.101

#### **V. Programmatic Conclusions .....**

V.1 The Tactical Slogan of Greece's Exit from the EU .....	S.107
V.2 The Program for Complete Equality for Migrants .....	S.110
V.3 The Struggle against Greek Chauvinism: The Macedonian Question .....	S.111

#### **VI. Summary Theses .....**

#### **Bibliography .....**

#### **About the Author .....**

**List of Tables:**

Table 1: Ethnic Composition of Business in the Ottoman Empire by Percent (1912) .....	S.19
Table 2: Relative GDP per capita and relative levels of industrialization in 1913 .....	S.23
Table 3: Main Headquarters of Greek-Owned Shipping Firms, 1914–90 (percentage of ship tonnage) .....	S.42
Table 4: Greece’s Economy Compared with the EU-12, 1981-1990 (Annual Averages) .....	S.50
Table 5: Greece: Wages for Various Categories of Workers as Reported by Farmers .....	S.60
Table 6: GDP Per Capita (1990 international \$) .....	S.63
Table 7: GDP Per Capita Growth Rates (Percents) .....	S.64
Table 8: Gross Domestic Product at Current Market Prices per Capita of Population in 2013 .....	S.65
Table 9: Structure of Gross Fixed Capital Formation in Greece, 2000-2007 (in %) .....	S.71
Table 10: Illicit Financial Outflows of Greece (€ Billion) .....	S.72
Table 11: Greece: FDI Flows as a Percentage of Gross Fixed Capital Formation, 1990-2012 .....	S.73
Table 12: Evolution of Small and Medium Enterprises number in Greece, 2006-2013 .....	S.93

**List of Figures:**

Figure 1: Growth of Top Fleets, 1949–93 .....	S.41
Figure 2: Greek-Owned Shipping Fleet under Greek and Non-Greek Flags, 1972-2000 (in gross tonnage [millions]) .....	S.43
Figure 3: Greek-owned Shipping Fleet under Greek and non-Greek flags, 1996-2006 .....	S.43
Figure 4: Bank Loan Portfolio to Greek Shipping 2001-05 .....	S.45
Figure 5: Greece: Rate of Surplus Value, Organic Composition of Capital and Rate of Profit in 1958-1977 .....	S.51
Figure 6: FDI stock, 1990, 1995 and 2000 (Billions of dollars) .....	S.54
Figure 7: FDI stock as a Percentage of Gross Domestic Product, 1990-2000 .....	S.55
Figure 8: Banking Sector Exposure to Central and South Eastern Europe .....	S.57
Figure 9: Workers’ Remittances as a Percentage of GDP .....	S.62
Figure 10: Immigration and Expatriation Rates of Doctors .....	S.62
Figure 11: Greece’s Standard of Living Relative to the European Union .....	S.64

Figure 12: Labor Share in Business-Sector Value-Added, 1964-1995 . . . . .	S.66
Figure 13: Breakdown of Employment by Country and Company size (Total private sector employment in %) . . . . .	S.68
Figure 14: Investment in Knowledge-Based Capital and Employment Allocation in the Manufacturing Sector in Greece, International Comparison, 2009 . . . . .	S.70
Figure 15: Technological Capital . . . . .	S.70
Figure 16: Foreign Direct Investment in Greece, International Comparison 2009 and 2012 . . . . .	S.71
Figure 17: Capital Flight from Greece, 2010-2014 . . . . .	S.73
Figure 18 Gross External Debt by Sector in 2003 and 2010 (as percent of GDP) . . . . .	S.76
Figure 19: Economy and Debt of Greece . . . . .	S.75
Figure 20: Debt servicing ratios: Net Interest Payments as a Percentage of Current Receipts (Excluding Interest Receipts), 2005 . . . . .	S.76
Figure 21: Saving and Investment Rate in Greece 1995 (Q1) to 2008 (Q4) . . . . .	S.77
Figure 22: Share of Banking Sector Assets, 2000 and 2008 (in%) . . . . .	S.78
Figure 23: Greek and other OECD Net Foreign Assets . . . . .	S.79
Figure 24: Current Account Balance (in % GDP) . . . . .	S.80
Figure 25: Greece: Decline of GDP during the Great Recession, 2007-2015 . . . . .	S.90
Figure 26: Greece: Net Return on Capital, 1999-2015 . . . . .	S.91
Figure 27: Greece: Rate of Profit, 1958-2011 . . . . .	S.92
Figure 28: Accumulated Greek Deficit 1980–2014 . . . . .	S.94
Figure 29: Greek Debt, October 2011: 350 Billion Euro . . . . .	S.95
Figure 30: Greek Debts—in the End of the Year 2014 . . . . .	S.95
Figure 31: Greece: Holdings of Sovereign Bonds by Domestic Banks and Non-Residents as a Percentage of Total MFI Assets . . . . .	S.96
Figure 32: Share of Foreign Currency Debt in Central Government Debt, 1900-2011 . . . . .	S.97
Figure 33: Who Owns Greek Government Debt? (2007-2011) . . . . .	S.98
Figure 34: Foreign claims on Greece . . . . .	S.98
Figure 35: Who Owns Greek Government Debt? (End of 2014) . . . . .	S.100

### List of Maps:

Map 1: The consecutive territorial enlargements of Greece . . . . .	S.25
Map 2: Geographical Macedonia and Present Day State Boundaries . . . . .	S.27
Map 3: Ethical Composition of the Southern Balkans . . . . .	S.28
Map 4: Ethnical Composition of the Southern Balkans . . . . .	S.29

# Introduction

The question of the class character of Greece is of crucial importance both for the domestic as well as for the international workers movement: Is it an imperialist state, a semi-colonial country or something else, and what are its specific features?

The importance of this question arises from the intensity of the class struggle in Greece during the recent years. It is hardly an exaggeration to say that what the Arab Revolution has been for the world in the past few years, Greece has been for Europe. While the former has been the region of the world with the most advanced class struggle since 2010, Greece has played this same role for the European class struggle.

The Greek workers' movement and left are divided on the issue of the country's class character. Some argue that Greece is a minor imperialist power while others argue that it is a dependent or semi-colonial country. There are also some who characterize Greece as a sub-imperialist state.

Such an analysis is often used to justify certain tactics. Various reformists and centrists, who consider Greece as dependent, use the country's backwardness as an excuse for their opportunism with regard to Greek nationalism and their adaptation to the Greek bourgeoisie. Others, who consider Greece as an imperialist or a sub-imperialist state, use their analysis to justify sectarian tactics.

The RCIT has elaborated the analysis that Greece is an advanced semi-colonial country with some specific features.<sup>1</sup> We endorse the historical characterization of Greece by the Trotskyist Fourth International which stated in 1945: *"Greece is undoubtedly among the most backward and poorest countries of Europe. For over a century it has been condemned to the status of a semi-colony of the major European Powers."*<sup>2</sup>

It retained such a dependent position in the decades after World War II. We recognize that Greek capital has made serious attempts to become a minor imperialist power during the 1990s and 2000s. However, in the end it failed to overcome its backward character and remains a dependent country subordinate to the European imperialist powers.

Hence, we support the slogan for Greece's exit from the EU and the Eurozone

---

1 We first elaborated our analysis of Greece's class character in a pamphlet by Michael Pröbsting: *Revolution in Griechenland. Möglichkeiten, Gefahren und Perspektiven*, November 2011; in English: *Perspectives on the Greek Revolution. Greek tragedy is the lack of revolutionary leadership of workers movement! For Workers' Councils, Workers' Militias and a Workers' Government!* <http://www.thecommunists.net/worldwide/europe/greece-revolution-or-tragedy/>

2 The Editors of Fourth International: *Civil War in Greece*, February 1945, in: *Fourth International, Volume VI, No. 2*, <https://www.marxists.org/subject/greek-civil-war/fourth-international/1945/02/x01.htm>

and combine this with a transitional program for socialist revolution. The European workers' movement must mobilize against the colonialization of Greece by the EU-Troika and support the Greek resistance. At the same time revolutionaries should oppose Greek chauvinism in all its various forms. This includes the need to support the rights of Greece's migrants and national minorities as well as to oppose the expansion of Greek capital into the Balkan countries.<sup>3</sup>

The following study will present a more detailed analysis of the contradictory development of Greek capitalism, its failed attempts to become a minor imperialist power and its present situation as an advanced semi-colonial country with some specific features. Finally, we will discuss the most important programmatic conclusions of this analysis.

We hope that the present publication will provide a useful contribution to the discussion among revolutionaries in Greece in order to clarify the class character of Greece and the consequent tasks. We await feedback and criticism from our Greek comrades in arms.

Finally, we wish to express our special thanks to comrade Gerard Stephens who performed the English-language editing for this book.

---

<sup>3</sup> We refer readers to the numerous statements and articles in which the RCIT has outlined its analysis and perspective for the Greek class struggle in the recent years. They have been published in various issues of our international journal *Revolutionary Communism* and are collected in a special subsection on Greece on our website: <http://www.thecommunists.net/worldwide/europe/articles-on-greece/>

# I. Some Theoretical Considerations

Before we present a concrete analysis of Greek capitalism and discuss its specific class character, we need to begin with a summary of the theoretical approach of Marxists on this issue: What is the respective definition of an imperialist vs. a semi-colonial state? Our methodological understanding of imperialism is based on Lenin's theory, which became the basis for revolutionary Marxism from the early 20<sup>th</sup> century.<sup>4</sup>

## I.1 What are the Respective Characteristics of an Imperialist vs. a Semi-Colonial State?

Lenin described the essential characteristic of imperialism as the formation of monopolies which dominate the economy. Related to this, he pointed out the fusion of banking and industrial capital into financial capital, the increase in capital export alongside the export of commodities, and the struggle for spheres of influence, specifically colonies.<sup>5</sup>

---

4 We have dealt with Lenin's theory of imperialism extensively in other publications. See, for example: Michael Pröbsting: Lenin's Theory of Imperialism and the Rise of Russia as a Great Power. On the Understanding and Misunderstanding of Today's Inter-Imperialist Rivalry in the Light of Lenin's Theory of Imperialism. Another Reply to Our Critics Who Deny Russia's Imperialist Character, in: *Revolutionary Communism* No. 25, August 2014, <http://www.thecommunists.net/theory/imperialism-theory-and-russia/>; Michael Pröbsting: The Great Robbery of the South. Continuity and Changes in the Super-Exploitation of the Semi-Colonial World by Monopoly Capital Consequences for the Marxist Theory of Imperialism, 2013, <http://www.great-robbery-of-the-south.net/>; Michael Pröbsting: Imperialism and the Decline of Capitalism (2008), in: Richard Brenner, Michael Pröbsting, Keith Spencer: *The Credit Crunch – A Marxist Analysis* (2008), <http://www.thecommunists.net/theory/imperialism-and-globalization/>

5 In *Imperialism and the Split in Socialism* – his most comprehensive theoretical essay on imperialism – Lenin gave the following definition of imperialism:

*„We have to begin with as precise and full a definition of imperialism as possible. Imperialism is a specific historical stage of capitalism. Its specific character is threefold: imperialism is monopoly capitalism; parasitic, or decaying capitalism; moribund capitalism. The supplanting of free competition by monopoly is the fundamental economic feature, the quintessence of imperialism. Monopoly manifests itself in five principal forms: (1) cartels, syndicates and trusts – the concentration of production has reached a degree which gives rise to these monopolistic associations of capitalists; (2) the monopolistic position of the big banks – three, four or five giant banks manipulate the whole economic life of America, France, Germany; (3) seizure of the sources of raw material by the trusts and the financial oligarchy (finance capital is monopoly industrial capital merged with bank capital); (4) the (economic) partition of the world by the international cartels has begun. There are already over one hundred such international cartels, which command the entire world market and divide it “amicably” among themselves – until war redivides it. The export of capital, as distinct from the export of commodities under non-monopoly capitalism, is a highly characteristic phenomenon and is closely linked with the economic and territorial-political partition of the world; (5) the territorial partition of the world (colonies) is completed.”* (V. I. Lenin: *Imperialism and the Split in Socialism* (1916); in: CW Vol. 23, pp. 105-106 [Emphasis in the original])

The formation of monopolies and great powers increasingly led to the division of the entire world into different spheres of influence among the rival imperialist states and the subjugation of most countries under these few great powers. From this follows an essential feature of Lenin's (and Trotsky's) analysis of imperialism: the characterization of the connection between the imperialist nations and the huge majority of people living in the capitalistically less developed countries as a *relationship of oppression*. In fact Lenin, and following him, Trotsky too, came to the conclusion that this division of the world's nations into oppressor and oppressed nations is one of the most important characteristics of the imperialist epoch:

*„Imperialism means the progressively mounting oppression of the nations of the world by a handful of Great Powers (...) That is why the focal point in the Social-Democratic programme must be that division of nations into oppressor and oppressed which forms the essence of imperialism, and is deceitfully evaded by the social-chauvinists and Kautsky. This division is not significant from the angle of bourgeois pacifism or the philistine Utopia of peaceful competition among independent nations under capitalism, but it is most significant from the angle of the revolutionary struggle against imperialism.“*<sup>6</sup>

From this, Lenin concluded that the division between oppressed and oppressor nations must constitute a central feature of the Marxist program:

*“The programme of Social-Democracy (this is how the Marxists called themselves at that time, Ed.), as a counter-balance to this petty-bourgeois, opportunist utopia, must postulate the division of nations into oppressor and oppressed as basic, significant and inevitable under imperialism.“*<sup>7</sup>

The relationship between states has to be seen in the totality of its economic, political, and military features – *“the entire totality of the manifold relations of this thing to others“* (Lenin).<sup>8</sup> Thus, a given state must be viewed not only as a separate unit, but first and foremost *in its relation to other states and nations*. Similarly, by the way, classes can only be understood in relation to one other. An imperialist state usually enters a relationship with other states and nations whom it oppresses, in one way or another, and super-exploits – i.e., appropriates a share of its produced capitalist value. Again this has to be viewed in its totality, i.e., if a state gains certain profits from foreign investment but has to pay much more (debt service, profit repatriation, etc.) to other countries' foreign investment, loans etc., this state can usually not be considered as imperialist.

The economic basis of the relationship between imperialist and semi-colonial states is what Lenin called the *super-exploitation* of these oppressed nations by the imperialist monopolies. Because of this super-exploitation, monopoly capital can acquire – in addition to the average profit rate – an extra profit.

6 V. I. Lenin: The revolutionary Proletariat and the Right of Nations to Self-Determination (1915); in: LCW 21, p. 409

7 V. I. Lenin: The Socialist Revolution and the Right of Nations to Self-Determination (1916); in: LCW 22, p. 147

8 V.I.Lenin: Conspectus of Hegel's Science of Logic (1914); in: Collected Works Vol. 38, p. 220

These extra-profits are important additions to the profits which monopoly capital already extracts from the workers in the rich countries. They are, by the way, an essential source to bribe the upper, aristocratic sectors of the working class and in particular the labour bureaucracy in the imperialist countries and this helps to strengthen the rule of monopoly capital.

In our book, *The Great Robbery of the South*, we have elaborated basically four different forms of super-exploitation by which monopoly capital obtains extra profits from colonial and semi-colonial countries:<sup>9</sup>

- i) Capital export as productive investment
- ii) Capital export as money capital (loans, currency reserves, speculation, etc.)
- iii) Value transfer via unequal exchange
- iv) Value transfer via migration (based on the super-exploitation of migrants, a nationally oppressed layer of the working class)

Finally we want to stress the need to consider the totality of a state's economic, political, and military position in the global hierarchy of states. Thus, we can consider a given state as imperialist even it is economically weaker, but still possesses a relatively strong political and military position (like Russia before 1917 and, again, in the early 2000s). Such a strong political and military position can be used to oppress other countries and nations and to appropriate capitalist value from them.

Naturally, it is not sufficient to divide countries into categories of imperialist or semi-colonial states. There are of course many different shades. This already begins with differences among Great Powers. There are Great Powers like the strongest one, the US, but also others which were economically strong but militarily much weaker in recent decades (like Japan or Germany). Then we have to differentiate between Great Powers and smaller imperialist states (like Australia, Belgium, Switzerland, the Netherlands, Austria, the Scandinavian countries, etc.). Obviously they are not the equals of the Great Powers, but rather are subordinated to them. These smaller imperialist states are politically and militarily dependent on one or several Great Powers in order to participate in the global imperialist order. Hence, they ensure their privileged position by entering economic, political, and military alliances with the Great Powers like the EU, OECD, IMF, World Bank, WTO, NATO, and various "partnerships." However, these smaller imperialist states are not super-exploited by the Great Powers but rather participate in the super-exploitation of the semi-colonial world by appropriating a significant amount of value from semi-colonies.

In short, we define an imperialist state as follows: *An imperialist state is a*

---

<sup>9</sup> Beside the extensive analysis in our book *The Great Robbery of the South* (see above) we refer readers also to our booklet on the super-exploitation of migrants (in German language): Michael Pröbsting: *Marxismus, Migration und revolutionäre Integration* (2010); in: *Revolutionärer Kommunismus*, Nr. 7, <http://www.thecommunists.net/publications/werk-7>. A summary of this study in English-language: Michael Pröbsting: *Marxism, Migration and revolutionary Integration*, in: *Revolutionary Communism*, No. 1 (English-language Journal of the RCIT), <http://www.thecommunists.net/oppressed/revolutionary-integration/>

*capitalist state whose monopolies and state apparatus have a position in the world order where they first and foremost dominate other states and nations. As a result they gain extra-profits and other economic, political and/or military advantages from such a relationship based on super-exploitation and oppression.*<sup>10</sup>

Likewise, one also has to differentiate between different types of semi-colonies. Obviously there are huge differences today between Peru and Argentina or Brazil, Congo and Egypt, Pakistan and Turkey, Nepal and Thailand, Kazakhstan and Poland. Some countries are more industrialized than others, some have achieved a certain political latitude and others not. Hence, we can differentiate between *advanced or industrialized semi-colonies* like for example Argentina, Brazil, Egypt, Turkey, Greece, Iran, Poland or Thailand on the one hand and *poorer or semi-industrialized semi-colonies* like Bolivia, Peru, the Sub-Saharan African countries (except South Africa), Pakistan, Afghanistan, Indonesia etc.

Nevertheless, it is important to bear in mind that these different types of semi-colonies have much more in common than what differentiates between them, as Trotsky has already pointed out:

*“Colonial and semi-colonial – and therefore backward – countries, which embrace by far the greater part of mankind, differ extraordinarily from one another in their degree of backwardness, representing an historical ladder reaching from nomadry, and even cannibalism, up to the most modern industrial culture. The combination of extremes in one degree or another characterizes all of the backward countries. However, the hierarchy of backwardness, if one may employ such an expression, is determined by the specific weight of the elements of barbarism and culture in the life of each colonial country. Equatorial Africa lags far behind Algeria, Paraguay behind Mexico, Abyssinia behind India or China. With their common economic dependence upon the imperialist metropolis, their political dependence bears in some instances the character of open colonial slavery (India, Equatorial Africa), while in others it is concealed by the fiction of State independence (China, Latin America).”*<sup>11</sup>

To summarize our definition of semi-colonies we propose the following formula: *A semi-colonial country is a capitalist state whose economy and state apparatus have a position in the world order where they first and foremost are dominated by other states and nations. As a result they create extra-profits and give other economic, political and/or military advantages to the imperialist monopolies and states through their relationship based on super-exploitation and oppression.*

---

10 We think such a definition of an imperialist state is in accordance with the brief definition which Lenin gave in one of his writings on imperialism in 1916: *“... imperialist Great Powers (i.e., powers that oppress a whole number of nations and enmesh them in dependence on finance capital, etc.)...”* (V. I. Lenin: *A Caricature of Marxism and Imperialist Economism* (1916); in: LCW Vol. 23, p. 34)

11 Leon Trotsky: *The Chinese Revolution* (Introduction to Harold R. Isaacs, *The Tragedy of the Chinese Revolution*, London 1938); <http://www.marxists.org/archive/trotsky/1938/xx/china.htm>

## I.2 Is a Transition from Being One Type of State to Another Possible?

The analysis and division of countries into different types must not be understood in a dogmatic, mechanistic way, but rather in a Marxist, i.e. dialectical, way. Lenin already pointed out that definitions are not abstract dogmas but have to be understood as elastic categories: „...without forgetting the conditional and relative value of all definitions in general, which can never embrace all the concatenations of a phenomenon in its full development...“.<sup>12</sup>

Hence, it would be wrong to imagine the Great Wall of China Wall separating the two categories, imperialist and semi-colonial states. As we have argued on other occasions there have been several examples where, under exceptional circumstances, a dependent state was able to become an imperialist country as well as the other way round. The central reason for this is the law of uneven and combined development which explains the different tempos of development of productive forces in different nations and their interaction which again results in instability, clashes, wars and transformations of existing political and social relations.<sup>13</sup> It is therefore only logical that such developments can bring about the emergence and growth of new capitalist powers as well as the decline of old powers.<sup>14</sup>

---

12 V. I. Lenin: Imperialism, the Highest Stage of Capitalism; in: LCW 22, p. 266

13 We will deal with the law of uneven and combined development more in detail in the chapter “The Marxist Tradition and the Law of Uneven Development of Capitalism” in our forthcoming book on the Marxist theory of imperialism.

14 We have dealt with the issue of the emergence of new imperialist powers extensively. On this see, for example:

**On China as an emerging imperialist power:**

Michael Pröbsting: The Great Robbery of the South (Chapter 10), <http://www.great-robbery-of-the-south.net/great-robbery-of-south-online/download-chapters-1/chapter10/>; Michael Pröbsting: China’s transformation into an imperialist power. A study of the economic, political and military aspects of China as a Great Power, in: *Revolutionary Communism* (English-language Journal of the RCIT) No. 4, <http://www.thecommunists.net/publications/revcom-number-4/>; Michael Pröbsting: No to chauvinist war-mongering by Japanese and Chinese imperialism! Chinese and Japanese workers: Your main enemy is at home! Stop the conflict on the Senkaku/Diaoyu-islands in the East China Sea! 23.9.2012, in: *Revolutionary Communism* No. 6, <http://www.thecommunists.net/worldwide/asia/no-war-between-china-and-japan/>; Michael Pröbsting: Russia and China as Great Imperialist Powers. A Summary of the RCIT’s Analysis, 28 March 2014, in: *Revolutionary Communism* No. 22, <http://www.thecommunists.net/theory/imperialist-china-and-russia/>; Michael Pröbsting: More on Russia and China as Great Imperialist Powers. A Reply to Chris Slee (Socialist Alliance, Australia) and Walter Daum (LRP, USA), 11 April 2014, in: *Revolutionary Communism* No. 22, <http://www.thecommunists.net/theory/reply-to-slee-on-russia-china/>; Michael Pröbsting: The China Question and the Marxist Theory of Imperialism. Again on China as an imperialist Power. Reply to a Polemic from CSR (Venezuela) and PCO (Argentina), December 2014, in: *Revolutionary Communism* No. 32, <http://www.thecommunists.net/theory/reply-to-csr-pco-on-china/>

**On Russia as an emerging imperialist power:**

Michael Pröbsting: Lenin’s Theory of Imperialism and the Rise of Russia as a Great Power. On the Understanding and Misunderstanding of Today’s Inter-Imperialist Rivalry in the Light of Lenin’s Theory of Imperialism. Another Reply to Our Critics Who Deny Russia’s Imperialist Character, in:

Lenin himself has explicitly pointed out the possibility that backward, semi-colonial countries could transform their class character:

*“Capitalism is growing with the greatest rapidity in the colonies and in overseas countries. Among the latter, new imperialist powers are emerging (e.g., Japan).”*<sup>15</sup>

Indeed, as we have pointed out elsewhere, there have been various historical examples of such transformations. There is the example of Czechoslovakia which was a colony in the Habsburg Empire but became – after the implosion of the latter in 1918 – a minor imperialist power. Likewise, South Korea and Israel became imperialist states in the 1990s as did Russia and China in the early and late part of the first decade of the 2000s respectively.<sup>16</sup> On the other hand, Portugal most likely lost its imperialist status during the last four decades following the loss of its colonies in 1974.

### I.3 Is the Category of “Sub-Imperialism” Useful?

A number of progressive theoreticians support the conception of a “transitional” or “sub-imperialist” state as a third, additional category of countries in addition to colonial and semi-colonial countries. We have elaborated our criticism of the theory of sub-imperialism in *The Great Robbery of the South* and we will only summarize here briefly some conclusions.<sup>17</sup>

Naturally if states undergo a process of transformation from an imperialist to a semi-colonial country or the other way around, they are “in transition” and in this sense it can be useful to describe a temporary process of transformation. However, the supporters of the theory of sub-imperialism don’t understand this as a category to describe the transition process but rather see it as a separate, independent category. And here lies the fundamental problem.

Capitalism unites all nations in the world via economic and political expansion and the formation of a world market. This process has taken place from the beginning of the capitalist mode of production and has tremendously accelerated in the epoch of imperialism. Under these conditions, no nation

---

*Revolutionary Communism* No. 25, August 2014, <http://www.thecommunists.net/theory/imperialism-theory-and-russia/>; Michael Pröbsting: Russia as a Great Imperialist Power. The formation of Russian Monopoly Capital and its Empire – A Reply to our Critics, 18 March 2014, in: *Revolutionary Communism* No. 21, <http://www.thecommunists.net/theory/imperialist-russia/>

15 V. I. Lenin: Imperialism, the Highest Stage of Capitalism (1916) ; in: LCW Vol. 22, p. 274

16 We have analyzed South Korea’s transformation into a minor imperialist power in Michael Pröbsting: Der kapitalistische Aufholprozeß in Südkorea und Taiwan; in: *Revolutionärer Marxismus* Nr. 20 (1996). A shortened version of this article appeared as “*Capitalist Development on South Korea and Taiwan*” in: *Trotskyist International* No. 21 (1997), <http://www.thecommunists.net/theory/capitalism-in-south-korea-taiwan/>. On Israel as a minor imperialist power see Michael Pröbsting: *On some Questions of the Zionist Oppression and the Permanent Revolution in Palestine*“, in: *Revolutionary Communism* Nr. 10 (June 2013), p. 29, <http://www.thecommunists.net/worldwide/africa-and-middle-east/permanent-revolution-in-palestine>

17 See Michael Pröbsting: *The Great Robbery of the South*, pp. 220-228. See <http://www.great-robbery-of-the-south.net/great-robbery-of-south-online/download-chapters-1/chapter9/>

escapes the formation of ever closer economic and political ties with the dominant imperialist powers. Such close relations automatically create, modify, and reproduce mechanisms of exploitation and super-exploitation. In other words, under capitalism – and even more under imperialism – all nations are sucked into the process of super-exploitation. Either they are strong enough and become part of the oppressing nations, or they are pushed into the camp of the majority of humanity – the oppressed nations. There is no “third camp” in between.

Of course, there are significant differences in the development of the productive forces among the imperialist states as well as among the semi-colonial countries. This is only logical given the unequal dynamic of development between nations. Hence, it is indeed true that there are bigger and smaller imperialist countries which are unequal. However, the point is that the smaller are not exploited by bigger imperialist powers. For example the USA and Canada are certainly not equal but also don't systematically exploit each other. The same is true for Germany and Austria or France and Belgium, Luxemburg or Switzerland. However they are all imperialist nations. Why? Because they have developed significant monopoly capital and financial capital which is used to systematically exploit and transfer value from the South, and they are part of an international imperialist order from which they profit and defend by various means. Likewise there are advanced semi-colonies which have a certain regional influence (e.g., Brazil, India, Greece) and others which have none; some are stronger and others are weaker. But as Marxist we must focus on the law of value and the transfer of value between countries and the political order associated with this. And here it is obvious that the industrialised semi-colonies are also dominated and super-exploited by the imperialist monopolies. For these reasons we reject the usefulness of the category of “*Sub-Imperialism*” as part of the Marxist analytical apparatus.

## II. Brief Historical Overview of the Development of Greek Capitalism

It is beyond the scope of this essay to give a comprehensive analysis of the history of Greece since its independence from the Ottoman Empire in the early 19<sup>th</sup> century.<sup>18</sup> Instead we will focus on the development of Greek capitalism so that we can elaborate its specific features.

### II.1 The Emergence of the Greek Bourgeoisie under the Ottoman Empire and the Struggle for National Independence

Given the centuries-long occupation by the Ottoman Empire, the peoples of the Balkans began their national and modern development much later than most Western European countries. Among the Balkan peoples, Greece and Serbia were the first who took up the struggle for liberation against Ottoman rule in the early 19<sup>th</sup> century.

In this effort the Greeks had certain advantages which helped them to achieve independence earlier than most Balkan peoples. Trade in the Ottoman Empire, whose economy was characterized by what Marx called the "*Asiatic Mode of Production*," became dominated by non-Muslim people.<sup>19</sup> This process already started in the fifteenth and sixteenth centuries. Gradually the Greeks (and to a lesser extent, the Jews and the Armenians) managed to control most of the internal and external trade of the empire and provided many members of the Ottoman state administration and diplomatic corps. (These influential and wealthy Greek families became known as "*Phanariotes*." )<sup>20</sup>

---

18 On the history of modern Greece see, for example: Giannes Koliopoulos and Thanos M. Veremis: *Modern Greece: a history since 1821*, A John Wiley & Sons, Ltd., Publication, Oxford 2010; Theodore A. Couloumbis, Theodore Kariotis and Fotini Bellou (Editors): *Greece in the Twentieth Century*, Hellenic Foundation for European and Foreign Policy, Frank Cass, London and New York 2004; Richard Clogg: *A Concise History of Greece*, Cambridge University Press, New York 1992; Thomas W. Gallant: *Modern Greece*, Oxford University Press Inc, London 2001; Tom Gallagher: *Outcast Europe. The Balkans, 1789–1989*. From *The Ottomans To Milosevic*, Routledge, London and New York 2001; On the history of the Greek class struggle and the workers movement see e.g. Erik Eberhard: *Revolution und Konterrevolution in Griechenland*, AGM, Wien 2005

19 *Asiatic Mode of Production*: This mode of production is characterized by a centralized bureaucracy topped by a royal dynasty which owns the land, runs the country from central cities, and exploits the peasants and craftsmen. On the relationship between the Ottoman Empire and western banks see e.g. C.G.A. Clay: *Western Banking and the Ottoman Economy before 1890: a Story of Disappointed Expectations*; in: *The Journal of European Economic History*, Vol. 28, No. 3 (Winter 1999)

20 See on this e.g. Haris Exertzoglo: *The development of a Greek Ottoman bourgeoisie: investment patterns in the Ottoman Empire, 1850-1914*, in: Dimitri Gondicas and Charles Philip Issawi:

This development is reflected by the fact that, as late as 1912, out of 112 bankers and bank managers in the Ottoman Empire only one was a Muslim Turk. In industry, it has been estimated that only 15% of capital belonged to Turks. According to the Soviet scholar O. G. Indzhikyan, the ethnic composition in business was as follows (see Table 1).

Hence we saw “the emergence in the course of the eighteenth century of an entrepreneurial, widely dispersed and preposterous mercantile class whose activities were as much based outside as within the Ottoman domains.”<sup>21</sup> As a result Greek became the lingua franca of Balkan commerce. This mercantile bourgeoisie built communities in the Greek Diaspora in Cairo, Alexandria, and Istanbul as well as in major commercial centers of the Russian Empire, in Trieste, Naples, Marseilles, Amsterdam, Antwerp, London, Liverpool and Paris. Over 80,000 Greek families, for example, resided in the Austro-Hungarian Empire.<sup>22</sup>

The rise of the Greek merchants was assisted by the fact that, during the French revolutionary and Napoleonic Wars 1792-1815, the British and the French virtually destroyed each other’s merchant marine in the Mediterranean. The Greek shipping traders stepped into the vacuum thus created and achieved a monopolistic position.

As a result, this Greek mercantile bourgeoisie played a leading role, together with intellectuals and professionals trained abroad, in awakening and spreading a national consciousness – combined with Western culture – among the Greek people. In 1814, Greek merchants in Odessa founded the secret revolutionary organization *Philike Hetairia* (Society of Friends). They also provided material support for the popular uprising against Ottoman domination which led to the Greek War of Independence from 1821 to 1829.

**Table 1: Ethnic Composition of Business in the Ottoman Empire by Percent (1912)<sup>23</sup>**

	<i>Turks</i>	<i>Greeks</i>	<i>Armenians</i>	<i>Others</i>
Internal trade	15	43	23	19
Industry and crafts	12	49	30	10
Professions	14	44	22	20

Ottoman Greeks in the Age of Nationalism: Politics, Economy, and Society in the Nineteenth Century, Darwin Press, Princeton 1999, pp. 89-114

21 See Richard Clogg: A Concise History of Greece, Cambridge University Press, New York 1992, p. 23

22 Thomas W. Gallant: Modern Greece, Oxford University Press Inc, London 2001, p. 7

23 Quoted in Charles Issawi: An Economic History of the Middle East and North Africa, Columbia University Press 1982, p. 90

It was this new merchant class which – together with the impoverished peasantry who were suffering from small land holdings<sup>24</sup> – was the decisive force in the national liberation struggle. The traditional Greek elite, i.e., the high clergy and the big landowners, had a greater stake in the status quo and hence were much more lukewarm vis-a-vis the revolution. The majority of them joined the struggle only after they realized that the nationalist movement was irreversible.<sup>25</sup>

The Greek War of Independence evoked great enthusiasm and won the wholehearted support of revolutionists and liberals throughout Europe, for whom the English poet Lord Byron became a famous symbol. However, the European Great Powers had an ambivalent attitude to this popular uprising. On one hand they had an interest in weakening the Ottoman Empire as a rival. On the other hand, they were also interested in maintaining stability and not igniting the entire Balkan Peninsula. As a result England, France and Russia (as well as Mehmet Ali of Egypt) intervened on different sides of the conflict. Finally, they pressed to bring the liberation war to a close and came to an agreement with the Sultan in 1829.<sup>26</sup> This agreement recognized a small independent Greece, only a fraction of present-day Greece, with a population of no more than 800,000, representing less than one-third of the 2.5 million Greek inhabitants of the Ottoman Empire.

## II.2 Greece after the War of Independence (1821-29) until 1922

However, the Great Powers made certain from the start that Greece became only formally independent while in fact it remained a dependent country, i.e., a semi-colony. The Great Powers forced the new state to become a monarchy with the 17 years old Bavarian prince (!), Otto von Wittelsbach, at its head. After several uprisings he was eventually dethroned in 1862 and a year later was replaced by Prince Wilhelm of Denmark, also 17 years of age upon assuming the throne.

Greece's utter subservience to the Great Powers was also reflected in the Treaty of 1864 which expressly laid down that any one of the three signatory powers (England, France and Russia) might send troops into Greek territory with the consent of the other two signatories, while the consent of Greece itself was not necessary.

---

24 It is estimated that at the beginning of the 19<sup>th</sup> century 40,000 Turks who lived in the Peloponnese owned 3,000,000 stremmata of arable land (a stremma is about ¼ of an acre) while the 360,000 Greeks were left with only 1,500,000 stremmata. (Leften Stavros Stavrianos: *The Balkans, 1815-1914*, Holt, Rinehart and Winston, London 1963, p. 24)

25 Nicos Mouzelis: *Greek and Bulgarian Peasants: Aspects of Their Sociopolitical Situation during the Interwar-Period*, in: *Comparative Studies in Society and History*, Vol. 18, No. 1 (Jan., 1976), pp. 90-92

26 Leften Stavros Stavrianos: *The Balkans, 1815-1914*, Holt, Rinehart and Winston, London 1963, p. 25-29

Furthermore, the Ionian Islands on the western coast of Greece, home to a number of large shipping magnates, constituted “a sovereign state under the protection of the British crown” until London formally handed them over to Greece in 1864.<sup>27</sup>

Greece’s financial situation was desperate from the beginning. The long war with the Turks left the Greeks with huge debts to British banks. Greece had to ask for another loan which it received in 1833. However, this debt only increased the pressure on the state to impose oppressive taxes on the peasantry, many of whom chose to flee to the hill country. Brigandage, which has a long history throughout the Balkans, once more took on serious proportions. Given the weakness of the domestic bourgeoisie and the lack of foreign investment, the Greek state relied heavily on foreign capital – mostly in the form of loans – for the financing of basic infrastructure projects (harbors, roads and rail networks). From 1879 to 1893 alone, Greece imported foreign loans and investment worth about 750 million Gold-Francs.<sup>28</sup>

Naturally this exacerbated Greece’s debt and the country’s inability to pay back its loans resulted in increasing annual budget deficits and finally an official declaration of national bankruptcy in 1893.

According to the Greek historian Giannes Koliopoulos, the country’s debt exploded: “Between 1876 and 1884 the national debt doubled. Three years later it had quadrupled and, by 1893, it was seven times the amount it had been 17 years earlier.”<sup>29</sup>

After Greece lost its war with Turkey, sparked by a national uprising of the Greek population on Crete in 1896, it had to pay extraordinarily high indemnities. Consequently, in 1898 the country was brought under the control of the so-called “International Control Commission” (the name was later changed to the *International Finance Commission*). Greece was stripped of its sovereign powers by the “protecting powers.” The *International Finance Commission* virtually took charge of Greek finances and guaranteed re-payment of the country’s debt. Crete, whose national revolution led to the Greek-Turkish war, was put under international control, with the island divided into British, French, Russian and Italian spheres.

Greeks dependency on the British Empire was also increased by the specific character of the Greek bourgeoisie. As already mentioned, the Greek capitalists were mainly traders among whom the shipping magnates were the most important. Thus, they were not interested in investing their capital in building a domestic industry with the result that the process of capital accumulation in Greece progressed very slowly and was primarily dominated by foreign capital. Many of the Greek capitalists did not reside in Greece but rather abroad

---

27 Panayiotis Kapetanakis: Shipping and Trade in a British semi-colony: the Case of the United States of the Ionian Islands (1815-1864), in: Cahiers de la Méditerranée No. 85 (2012), pp. 282-283

28 Marios Nikolinakos: Materialien zur kapitalistischen Entwicklung in Griechenland (1. Teil); in: Das Argument Vol. 12, No. 2-3 (May 1970), p. 184

29 Giannes Koliopoulos and Thanos M. Veremis: Modern Greece: A History since 1821, Oxford 2010, p. 62

in Europe, Russia or the Middle East. As a result, the Greek population was extremely dependent on the support of the Great Powers.

The Trotskyist Fourth International correctly commented on Greece's history after achieving independence: *"In truth, its independence was largely fictitious. It was in reality a semi- colony of Britain, France and Russia, forced to tolerate the rule of a foreign prince imposed upon it by its bond-holding "liberators" or as they dubbed themselves in those days, the 'Protecting Powers.'* The history of Greece epitomizes the fate of all the Balkan peoples as indeed of all small nations — the impossibility for small nations to achieve under capitalism real independence, as distinguished from formal political independence."<sup>30</sup>

This dependency on foreign powers went hand in hand with the persistent backwardness of the Greek economy for which there were a number of important facets. First, as just indicated, Greek merchants hardly invested at home, with the result that only relatively few industrial enterprises existed in the country by the 1920s. In fact, by 1917 there were still only 35,500 industrial workers in the country.<sup>31</sup>

Related to this lack of wide scale industrialization, the Greek economy remained largely dominated by agriculture for the most part of the period until World War II. In 1907, for example, the share of the rural population was 77%.

In large parts of Greece, petty ownership in the agricultural sector predominated. The only exceptions were in the provinces of Thessaly, Macedonia and Thrace. Compared with other countries, Greece's large landowning class was not very large. Nevertheless at the beginning of World War I, about 35% of all arable land was still owned by big landowners.<sup>32</sup>

At the same time, agricultural production was strongly orientated towards external markets. As such, it had a high degree of specialization virtually bordering on being a monoculture, with raisins and tobacco being the two main export products.

In short, production, even in small farms, was primarily for the overseas market. This also resulted in a relatively rapid monetarization of the economy, especially once the payment of taxes in cash was introduced.

Greece's important commercial sector was strongly linked to agriculture. In fact, these two branches of the economy depended on each other since agricultural products were the only commodities which the merchants could trade while, at the same time, the peasants needed the merchants to sell their products.

---

30 The Editors of Fourth International: Civil War in Greece

31 Efharis Skrvelis notes: *"Within the commercial sector an accumulation process of "indigenous" capital was taking place. This capital remained, however, in the spheres of trade and sea transport and was for the most part not invested productively, at least not until well into the twentieth century."* (Efharis Skrvelis: Industrial restructuring and the State in Greece: national developments within an international setting, Durham University, 1990, p. 33)

32 Marios Nikolinakos: Materialien zur kapitalistischen Entwicklung in Griechenland (1. Teil), p. 170

As a result Greece remained a dependent capitalist country and became one of the most backward in Europe. As we can see in Table 2, its level of industrialization was – other than Bulgaria – the lowest in Europe.

Nicos Mouzelis, a progressive Greek sociologist and historian, points out that both agriculture and industry had hardly any large enterprises: “*In the nineteenth century, despite the country’s full integration into the world market system, Greece was still a pre-capitalist social formation. Both in agriculture and in industry, capitalist enterprises— i.e. economic units using a relatively large number of wage labourers —were virtually non-existent.*”<sup>33</sup>

While a small group of oligarchic families (the so-called *tzakia*) and capitalists were able to enrich themselves despite the country’s backward economy, the mass of the population lived in dire poverty. According to official statistics, 72% of the total population was classified as “have-nots,” i.e., they possessed neither a piece of land nor a small enterprise. Given the fact that wage laborers constituted only a small minority of the working populace, it is evident that rural poverty was widespread.

It is therefore hardly surprising that many Greeks immigrated abroad – particularly to the United States. It is estimated that during the period 1890–1914 almost a sixth of Greece’s population emigrated.<sup>34</sup>

**Table 2: Relative GDP per capita (column A) and relative levels of industrialization (column B) in 1913**<sup>35</sup>

<i>Country</i>	<i>A</i>	<i>B</i>	<i>Country</i>	<i>A</i>	<i>B</i>
Britain	100	100	Ireland	60	—
Belgium	83	77	Italy	52	23
France	81	51	Spain	48	19
Switzerland	81	75	Finland	46	18
Denmark	80	29	Hungary	41	—
Germany	77	74	<b>Greece</b>	<b>38</b>	<b>9</b>
Netherlands	75	23	Portugal	35	12
Sweden	71	58	Bulgaria	32	9
Norway	68	26	Russia	29	17
Austria	62	29			

33 Nicos Mouzelis: *Class and Clientelistic Politics: The Case of Greece*, in: *The Sociological Review* Vol. 26, Issue 3 (February 1978), p. 482

34 Ioannis Cholezas, Panos Tsakoglou: *The Economic Impact of Immigration in Greece: Taking Stock of the Existing Evidence*, Institute for the Study of Labor, October 2008, p. 2

35 François Crouzet: *A History of the European Economy, 1000–2000*, University Press of Virginia, 2001, p. 148

Another facet of Greece's backwardness was the fact that the majority of its population lived in villages – a fact which changed only slowly. According to the first census (conducted in 1861) 74% of adult men were agriculturalists who earned their livelihood by working the land. By 1920 this figure had barely changed (70%). Similarly, in 1920 almost 52% of the entire population lived in villages of less than 1,000 individuals.<sup>36</sup>

During this same year, 17.6% of the Greek population lived in cities of 20,000 and 12.6% inhabited cities of 100,000 or more. (By way of comparison, the figures for urban dwellers in Chile for the same period were 32.7% and 27.1%, respectively, while in Argentina 27.1% of the population lived in cities of 100,000 in 1920.)<sup>37</sup>

Regardless of this overall slow urban growth, Athens grew into a huge city of 453,000 people (1920) and became even larger when 1.5 million refugees from Asia Minor arrived in Greece after 1922.

Another important characteristic of independent capitalist Greece is the enormous role played by the state apparatus. During the 1870s, the number of civil servants per 10,000 of the population was approximately seven times higher than in the United Kingdom!<sup>38</sup> Such a monstrous administrative glut was necessary to keep this backward society together, to maintain an army which would be needed for Greece's expansionist plans, as well as to facilitate mobilizing resources for modernization. Furthermore, the state apparatus could provide employment for many of those who were leaving the countryside and could not otherwise be absorbed considering Greece's hardly existing industry. Naturally, such an overblown state apparatus ensured relative autonomy for the political superstructure in relation to the economic base.

Nevertheless, Greece was not a stagnant society and its integration in the world market ensured that capitalism also progressed in the country. Slowly, the capitalist class and the newly emerging middle class strengthened their influence. In the aftermath of the revolutionary events in Turkey by the *Turkish Committee of Union and Progress* (Young Turk Movement), a constitutional government was created in Greece in 1909 under threat of a military coup. This brought Eleftherios Venizelos, a Greek liberal nationalist from Crete, to power. He founded the *Liberal Party*, an authentic party of Greek capitalism, and dominated Greek politics for the next two decades.

Venizelos initiated a number of reforms which led to a certain modernization of the country. This included the rationalization of the state administration, the development of financial institutions, and the abolition of the last remaining feudal estates in Thessaly. Education was made free, compulsory and universal. A new public works program of road and railway construction was begun. In

---

36 Thomas W. Gallant: *Modern Greece*, Oxford University Press Inc, London 2001, pp. 85-86

37 Nicos Mouzelis: *On the Rise of Postwar Military Dictatorships: Argentina, Chile, Greece*, in: *Comparative Studies in Society and History*, Vol. 28, No. 1 (Jan., 1986), p. 57

38 Nicos Mouzelis: *On the Rise of Postwar Military Dictatorships: Argentina, Chile, Greece*, p. 57

addition, Venizelos also initiated the modernization of the army and navy with the help of the British and French imperialists.

The decades of Venizelos rule represented a change in the class basis of the political system, since both the old oligarchy and the Crown were weakened while a strengthened capitalist class as well as a new middle class became central players in Greece's political system. In that sense one can agree with Nicos Mouzelis' characterization of "*the long transition period from pre-capitalism to capitalism (1880-1920)*" and the "*bourgeois transformation of Greek society*" during this period.<sup>39</sup>

Venizelos also tried to realize the so-called *Megáli Idéa* ("Great Idea") – the project of territorial expansion in order to unite all Greeks in a single state (which however also included the occupation and oppression of non-Greek peoples) and to establish the country as a regional imperialist power. He was quite successful in this for some time as he enlarged the Greek state in two victorious Balkan Wars in 1912/13 so that it thereafter had 5 million people, more than six times larger than its original population. Greece now included Crete, most of the Aegean islands, Epirus, Thessaly and even parts of Macedonia (see Map 1).

**Map 1: The consecutive territorial enlargements of Greece**<sup>40</sup>



This map demarks the consecutive territorial enlargements of Greece, including the Greek mandate in Izmir (1919-22)

<sup>39</sup> Nicos Mouzelis: *Class and Clientelistic Politics: The Case of Greece*, in: *The Sociological Review* Vol. 26, Issue 3 (February 1978), pp. 482-483

<sup>40</sup> Giannes Koliopoulos and Thanos M. Veremis: *Modern Greece: a history since 1821*, p. xi

However, Greece's expansionist plans ended in a disaster in 1922/23 after Venizelos had agreed to send his army – as mercenaries for British imperialism – both against the Soviet Union as well as into Asia Minor against the new Turkish state under Kemal Atatürk. Greece lost this war and had to agree to a reactionary treaty which included the exchange of populations (around 1.5 million Anatolian Greeks and 500,000 Muslims in Greece). At the end of Venizelos' adventure Greece was exhausted and humiliated and more in debt than ever. The *Megáli Idéa* ("Great Idea") had achieved a pathetic end.

The Fourth International summarized the state of Greece at that time quite rightly: "*Greece was utterly ruined. The country had been at war almost uninterruptedly for ten years. It was hopelessly in bankruptcy. The national debt had grown to fantastic proportions. The drachma was worthless. The poverty-stricken country of 6 million people was suddenly inundated by the arrival of one and a half million homeless, starving refugees. So ended the great "adventure" of the Greek capitalists.*"<sup>41</sup>

We can summarize the first century of Greece's existence as an independent state as follows: The Greek struggle for national independence was thoroughly progressive. However it ended with semi-independence for a small fraction of the Greek people. From the first the newly born Greek state was severely dependent on the Great Powers – Britain, France and Russia – both politically and economically. The Great Powers installed a monarchy headed by foreign kings upon the Greek people. The country's great debt bankrupted the state and an *International Finance Commission* took charge of Greek finances.

In addition, the Greek bourgeoisie was dominated by merchants and didn't focus on developing domestic industry. Hence the country remained backward: its economy was characterized by smallholder agriculture production and commerce and dominated by a few oligarchical families closely linked with the Great Powers; its political system was characterized by a monstrous state apparatus with a rotten monarchy at the top.

The Venizelos-period ensured a certain degree of modernization, both politically and economically, as well as Greece's gradual territorial expansion. But Greece remained trapped in its dependency on the Great Powers and foreign capital. And Venizelos' adventure in offering his army as foot soldiers for British imperialism against Soviet Russia and Turkey resulted in a national catastrophe. The defeat at the hands of Turkey caused the inflow of about a million and a half Greek refugees and the state was more in debt than ever.

Nicos Mouzelis accurately describes the structural weakness of the Greek bourgeoisie:

*"Historically, Greek capitalism pre-dated independence. It was not created under the colonial tutelage of the western powers. Although relatively small by international standards, the Greek diaspora bourgeoisie, by exploiting inter-imperialist rivalries and playing the role of intermediary between metropolitan and colonial centres, managed to master formidable financial resources, some of which were channelled into mainland*

---

41 The Editors of Fourth International: Civil War in Greece

Greece. However, given its cosmopolitan and mercantile character, as well as the weakness of the indigenous bourgeoisie, these resources contributed to the development of a top-heavy state and a parasitic tertiary sector, geared to support a mercantile and finance capital, rather than to the development of industry and agriculture. Both the autochthonous and diaspora bourgeoisies, given their position in the international division of labour, failed to overcome their merchant character. This disabled them from making an effective contribution to the industrialization of Greece."<sup>42</sup>

### II.3 Excuse: Greek Chauvinism and the Macedonian Question

The conquest of Aegean Macedonia is particularly important since it was not a territory with a Greek majority population. (See Map 2)

Map 2: Geographical Macedonia and Present Day State Boundaries<sup>43</sup>



42 Nicos Mouzelis: Capitalism and Dictatorship in Post-War Greece, in: New Left Review Vol.I, No.96 (March-April 1976), p. 62

43 Victor Roudometof: Collective Memory, National Identity and Ethnic Conflict. Greece, Bulgaria and the Macedonian Question, Praeger Publishers, Westport 2002, p. 4

While the exact figures for the ethnic composition of Aegean Macedonia before its annexation by Greece are highly disputed, it is clear that the region had rather a mixed, multi-national and multi-religious population. It is likewise easy to demonstrate that large parts of Southern Macedonia, i.e., the region which Greece annexed in 1913, were not predominately populated by Greeks. (See Maps 3 and 4 and compare them with the geographical area of Aegean Macedonia as viewed in Map 2.)

Map 3: Ethical Composition of the Southern Balkans <sup>44</sup>



<sup>44</sup> Ethnographic map of the Balkans according to the Atlas Général Vidal-Lablache, Librairie Armand Colin, Paris, 1898. According to Henry Robert Wilkinson, it represents the most extensive Greek rule of that time; Source: [https://en.wikipedia.org/wiki/Demographic\\_history\\_of\\_Macedonia#Ottoman\\_rule](https://en.wikipedia.org/wiki/Demographic_history_of_Macedonia#Ottoman_rule)



According to an Ottoman census for all Macedonia from 1906, within the province lived 1,150,000 Muslims, 627,000 Bulgarian Orthodox, and 623,000 Greek Orthodox. Even if all Greek Orthodox were Greek, which is unlikely, clearly they were a minority. On the other hand, Muslims were not just Turks since a large percentage were Muslim Slavs.<sup>46</sup>

Another detailed source gives the following numbers for the ethnic composition of the population in Aegean Macedonia just before the Balkan Wars: 326,426 Macedonians, 40,921 Muslim Macedonians (Pomaks), 289,973 Turks, 4240 Christian Turks, 240,019 Greeks, 13,753 Muslim Greeks, 5,584 Muslim Albanians, 3,291 Christian Albanians, 45,457 Vlahs, 3500 Muslim Vlahs, 59,560 Jews, 29,803 Gypsies, 2112 Cherkez (Mongols), and 8,100 others.<sup>47</sup>

Human Rights Watch gives the following account: *“Before World War I, Macedonians were the largest ethnic group in Aegean Macedonia, but between 1913 and 1926 major population shifts significantly changed the demographic make-up of the region. After the region’s incorporation into the Greek state in 1913, many Greek civil servants, teachers and military personnel moved north and settled there. Moreover, during the post-Balkan Wars period, thousands of Macedonians and Serbs voluntarily left Greek Macedonia for Bulgaria; the Minority Rights Group puts the number at about 15,000. After the Greek-Bulgarian convention of November 1919, between 52,000 and 72,000 additional Slavs left for Bulgaria. Simultaneously, hundreds of thousands of Greeks from Turkey, Bulgaria and Vardar Macedonia were resettled in northern Greece; estimates of the numbers involved range from 500,000 to 618,000. Thus the ethnic character of Aegean Macedonia changed greatly; Macedonians became a numerical minority, and the number of people in Aegean Macedonia who had “a sense of Greek national identity,” rather than Macedonian identity, increased substantially.”*<sup>48</sup>

Even the Greek historians Koliopoulos and Veremis are forced to report that, out of the 160,000 persons living in Thessaloniki, the capital of Aegean Macedonia, *“50,000 were Balkan Christians (predominantly Greek), 61,500 Jews, and 45,000 Muslims while the rest were West Europeans as well as persons belonging to various other nationalities.”*<sup>49</sup> In other words, while the Greek authors (suspiciously) claim most “Balkan Christians” to have been Greek, they nevertheless have to admit that they constituted only 31% of Thessaloniki’s population.

Immediately after the occupation, the Greek government started to systematically expel the Macedonians. At the same time, they settled ethnic Greeks in this region in order to change the ethnic composition in their favor.

Koliopoulos and Veremis report: *“Between the end of the Balkan wars and the beginning of the First World War, some 130,000 Greeks settled in Macedonia, 20,000 in*

---

46 Mike Karadjis: Macedonians’ long history of struggle, Green Left Weekly, No. 50, 01.04.1992, <http://www.greenleft.org.au/back/1992/50/50p7.htm>

47 Hugh Poulton: The Balkans. Minorities and States in Conflict, Minority Rights Publications, London 1991, p. 175

48 Human Rights Watch: Denying Ethnic Identity. The Macedonians of Greece, New York 1994, p. 5

49 Giannes Koliopoulos and Thanos M. Veremis: Modern Greece, p. 71

the Aegean Islands, and 30,000 on the Greek mainland. During the same period Turkey received approximately 122,665 Muslim refugees.”<sup>50</sup>

The Greeks “burned Kukuš, the centre of Bulgar politics and culture, as well as much of Serres and Drama. Bulgarian (including the Macedonian dialects) was prohibited, and its surreptitious use, whenever detected, was ridiculed or punished.”<sup>\*</sup>

Part of this “Hellenization” propaganda is the policy to deny a specific (Slavic) Macedonian identity. (The same is true, by the way, for Serbian and Bulgarian chauvinists). Hence the Macedonians are usually named “Bulgarians.” Hence, until today the Greek government has consistently denied the existence of a Macedonian minority in northern Greece and has adopted a policy of forced assimilation toward the Slavic-speaking inhabitants of Greek Macedonia. After 1913, all Slavic personal and place names were Hellenized and all evidence of the existence of Slavic literacy was destroyed.

As a matter of fact, a Macedonian nation emerged in the later 19<sup>th</sup> century and fought for its independence for many decades – most famously in the *Ilinden Uprising* in 1903. The vanguard organization of the Macedonian national liberation struggle was the petty-bourgeois nationalist *Vatreshna Makedonska Revolyutsionna Organizatsiya* (VMRO, Internal Macedonian Revolutionary Organization) which fought for an autonomous Macedonia as part of a Balkan federation. The VMRO split in the 1920s and one wing became close with the Communist International.

In short, the Greek government undertook a massive and brutal campaign to ethnically clean as much as possible Aegean Macedonia of all non-Greek peoples and to “Hellenize” it by resettling Greek refugees in this region. Tens of thousands fled to Bulgaria after the annexation of Aegean Macedonia to Greece in 1913. After World War I, another 220,000 fled from Aegean Macedonia and Thrace to Bulgaria. In the 1920s, another 66,000 Macedonians fled to Bulgaria. However despite this campaign of ethnic cleansing, according to official Greek figures, 162,500 Macedonians still lived in Aegean Macedonia in 1925.<sup>51</sup>

In the 1920s, the government continued its policy of systematic “Hellenization” of Aegean Macedonia and expelled more Macedonians. “*In the mid-1920s, Greece expelled about 53,000 Bulgarians from Greek Thrace and Macedonia in order to make room for 638,000 Greek refugees from the littoral of Asia Minor. Henceforth 89% of the population of Greek Macedonia consisted of Greeks while Greek Thrace was virtually cleared of Bulgarians.*”<sup>52</sup>

---

50 Giannes Koliopoulos and Thanos M. Veremis: *Modern Greece*, p. 74. See also Ivo Banac: *The National Question in Yugoslavia. Origins, History, Politics*, Cornell University Press, New York 1984, p. 317.

51 Victor Roudometof: *Collective Memory, National Identity and Ethnic Conflict*, p. 96

52 Tom Gallagher: *Outcast Europe. The Balkans, 1789–1989*, p. 89; see also Jane K. Cowan (Editor): *Macedonia. The Politics of Identity and Difference*, Pluto Press, London 2000; Hugh Poulton: *The Balkans. Minorities and States in Conflict*, Minority Rights Publications, London 1991; Joseph Rothschild: *The Communist Party of Bulgaria. Origins and Development 1883–1936*, Columbia University Press, New York 1959, p. 234; Katrin Völkl: *Makedonien/Mazedonien*, in: Michael Weithmann: *Der ruhelose Balkan*, Deutscher Taschenbuch Verlag, München 1993, pp. 218–252

Hence we see that gradually the Greek ruling class succeeded in its chauvinistic program of expelling the original Slavic population. Similarly, in the 1920s it expelled the Muslim Greek Vallahades from the western part of Aegean Macedonia. Consequently, today most of the native Muslim minority in Greece (i.e., with the exception of the recently arrived Muslim migrants) resides in the Greek region of Thrace. Since the 1920s some 250,000 Muslims were forced to leave western Thrace.<sup>53</sup> About half of the remaining 110,000 native Muslim minority are of Turkish ethnic origin, with 35% Pomaks and the remaining 15% Roma.

Finally, the Greek ruling class expelled another wave of Macedonians in the wake of the counter-revolutionary defeat of the Greek communists in the civil war of 1946–49. Koliopoulos and Veremis report that between 200,000 and 300,000 people fled the country in 1947, and eventually over 700,000 had left Greece by 1949. This was nearly 10 percent of Greece's population. Among them were many Macedonians, given their disproportionately large support for the communist insurgency.<sup>54</sup>

The brutal oppression and policy of forced assimilation of the Macedonians continue until today. The Greek state still does not officially recognize them as a minority. Macedonian as well as far left activists raising the Macedonian issue have been repeatedly persecuted and imprisoned.

Due to their oppression, the number of the Macedonians has drastically declined. There are widely differing accounts about the current number of Macedonians in northern Greece. The Greek authorities give no numbers. According to the US Department of State, there are between 20,000 and 50,000 Macedonian-speaking people in northern Greece. And the Republic of Macedonia has set the figure at between 230,000 and 270,000 for 1993.<sup>55</sup>

The reactionary character of Greek chauvinism went so far that Athens refuses to recognize the very name of the Republic of Macedonia which emerged after the collapse of Yugoslavia in 1991. Under the arch-nationalistic slogan "*Macedonia is Greek*" nearly all political parties, the media, the Orthodox Church etc. mobilized two rallies in 1992 and 1994 with hundreds of thousands of participants.<sup>56</sup> Furthermore Athens denied the Macedonian Republic the use of the *Star of Vergina* in its official flag (and in fact the Macedonian government had to give in and changed its official flag in 1995.) Greece even imposed an embargo against the Republic of Macedonia in the mid-1990s.

As a result, Macedonian organizations continue to fight against the oppression. *"Macedonian human rights groups seek recognition by the Greek government of the existence of a Macedonian minority in Greece. They are working to end discrimination*

---

53 Hugh Poulton and Suha Taji-Farouki: *Muslim Identity and the Balkan State*, C. Hurst & Co. (Publishers) Ltd., London 1997, p. 84

54 Giannes Koliopoulos and Thanos M. Veremis: *Modern Greece*, pp. 123–124

55 Human Rights Watch: *Denying Ethnic Identity. The Macedonians of Greece*, New York 1994, p. 13

56 Victor Roudometof: *Collective Memory, National Identity and Ethnic Conflict*, p. 32

*against Macedonians in Greece in the fields of education and employment, as well as in other areas of social, cultural, and political life. They want Macedonians in Greece to have the right to attend church services in Macedonian, to receive their primary and secondary education in Macedonian, and to publish newspapers and broadcast radio and television programs in Macedonian. They also want the right to establish Macedonian cultural organizations, such as the Center for Macedonian Culture, which was formed in Florina in 1984. Four Greek court decisions, however, have refused to grant the Center for Macedonian Culture legal recognition on the grounds that its purpose is to promote the idea of the existence of a Macedonian minority in Greece, an activity which was contrary to the national interests of Greece and therefore illegal.”*<sup>57</sup>

## **II.4 Greece as a Backward Capitalist Country between the Two World Wars**

The period between the two world wars brought some important changes to Greek capitalism. The inflow of 1.5 million Greek refugees – in a country which previously had a total population of 5.5 million – had a huge impact. It provided the Greek capitalists with a new source of cheap labor. At the same time many of these refugees were quite skilled often having been professionals, merchants, industrial workers, etc. in Asia Minor and eastern Thrace, their former homes.

In addition, many people moved from the countryside to the cities. Greater Athens (including the nearby port city of Piraeus) grew from 453,000 people (1920) to 1,124,109 people (1940). During the same period, the population of Thessaloniki increased from 174,390 to 278,145.

The supply of cheap, skilled labor and the decline of traditional trade stimulated the first significant accumulation of capital in the manufacturing sector. Investments were directed into labor-intensive industries: textiles, leather, food processing, ship repairs, and printing. At the same time, the state made the first systematic attempts to promote manufacturing through the implementation of protectionist measures (e.g., imposition of tariffs and control of commercial transactions). As a result, a small industrial proletariat emerged. In 1928, 15% of the labor force was employed in the industrial sector. All in all, the industrial working class grew from 35,500 (1917) to 140,000 (1938).

The government also undertook a program of agrarian reform which led to the redistribution of 35% of the country's arable land to 305,000 families. Big landowners were expropriated and their land distributed. However, these big landowners were fully compensated and, thanks to these payments, many were transformed into capitalists. Their compensation was paid by the state (1/3) and the peasants who received these lands (2/3). The latter had to pay their debt to

---

<sup>57</sup> Loring M. Danforth: *The Macedonian Minority of Northern Greece*, Cultural Survival Quarterly, Vol. 19 No. 2 (Summer 1995), <http://www.culturalsurvival.org/publications/cultural-survival-quarterly/greece/macedonian-minority-northern-greece>; See also The Law Library of Congress, Global Legal Research Center: *Greece: Status of Minorities*, October 2012

the former landowners within 30 years – a sum which further increased their already heavy debt. However, because their landholding was so small, these peasant families lived a life of poverty.

Despite these developments, Greece remained a backward country compared with other European capitalist countries. Agriculture remained by far the dominant sector in terms of output, employment, and exports. In 1928, 68% of the labor force was still employed in agriculture. Industrial enterprises were mostly small, i.e., handicrafts and artisan shops.<sup>58</sup> In 1930, 93.2% of manufacturing establishments employed fewer than five persons.<sup>59</sup>

Greece was unable to overcome being primarily a dependent, semi-colonial country. Foreign capital not only dominated the Greek economy via loans, but also directly. In 1929, of 131 insurance companies, only 15 were owned by Greeks! 75-80% of Greece's tobacco trade, one of the country's most important export commodities, was controlled by foreign capitalists.<sup>60</sup>

The country remained stuck in a permanent economic crisis. Year after year, its commercial balance sheet had a trade deficit of at least 50%. One quarter of the national income was paid out yearly to meet this debt; another 20% went to the military establishment; and 14% was allocated to the maintenance of the governmental bureaucracy. The already high taxes were increased enormously. The cost of living skyrocketed. The capitalists shifted the full burden of military disasters, foreign loans, and the upkeep of the huge military establishment to the shoulders of the already overloaded and impoverished masses.<sup>61</sup>

The masses remained poor and unemployment very high. Unsurprisingly migration of Greeks continued and, by the end of 1932, the total number of Greek immigrants in the United States amounted to 445,122.<sup>62</sup> Greek authorities encouraged emigration as a means of improving the balance of payments of the domestic economy through remittances.

The growth of an industrial proletariat, the discrediting of the regime after the defeat in Asia Minor, and the example of the Soviet Union led to a sharpening of the class struggle, the growth of trade unions and the spread of communist ideas. About a quarter of the workers were members of trade unions and about 4/5 of them were in unions under the direct influence of the Communist Party.

With the bankruptcy of the *Megáli Idéa* ("Great Idea") and the unification of all Greeks in a single state, Greek nationalism had lost any progressive content. In light of its annexation of areas with non-Greek minorities (mainly Slavic

---

58 Efharis Skrvelis: Industrial restructuring and the State in Greece: national developments within an international setting, Durham University, 1990, pp. 32-33

59 Nicos Mouzelis: Class and Clientelistic Politics: The Case of Greece, in: The Sociological Review Vol. 26, Issue 3 (February 1978), p. 492

60 Marios Nikolinakos: Materialien zur kapitalistischen Entwicklung in Griechenland (1. Teil), p. 205

61 The Editors of Fourth International: Civil War in Greece

62 Nicos Mouzelis: Greek and Bulgarian Peasants: Aspects of Their Sociopolitical Situation during the Interwar-Period, in: Comparative Studies in Society and History, Vol. 18, No. 1 (Jan., 1976), p. 100

Macedonians and Muslim Turks), Greece became a country which oppressed its own national minorities.

The result of these economic and political contradictions was a perpetual state of political crisis. Between 1920 and the Metaxas regime in 1936, one political regime followed another with the greatest rapidity. The bourgeois parties were incapable of consolidating significant support among the masses. As a result, the Greek army emerged as the regulator of political life. Scarcely a year went by without an actual or threatened coup d'état.

This period ended with the black years of the Metaxas dictatorship and the occupation by German imperialism. These years caused devastating destruction for Greece, the robbery of its assets by the Nazis, and the loss of many lives. (Approximately 550,000 persons, 8% of Greece's population, died during the years of occupation between 1940 and 1944.) Industrial production fell to only 1/3 of what it had been before the war and most of the streets and railways were destroyed. By the end of the German occupation, real wages had fallen to an estimated 6% of their prewar levels.<sup>63</sup>

The years of civil war 1946-49, when the Greek workers and poor peasants resisted the British occupation and the ascent to power of the discredited reactionary monarchy and military camarilla, but lost the struggle due to the betrayal of the Stalinist leadership, added to the exhaustion of the country. (The civil war claimed another 158,000 lives.)

The Fourth International summarized the state of Greece accurately: *"Greece is undoubtedly among the most backward and poorest countries of Europe. For over a century it has been condemned to the status of a semi-colony of the major European Powers. Foreign kings have been imposed on the Greek people and have exercised their oppressive rule for the benefit of the foreign bankers and the small clique of Greek capitalists and landowners. The Greek people have been ground down under a terrible weight of poverty. The per capita income of the average Greek is 17% that of the average British income. The wealth of the country has been skimmed off by the western bankers and the Greek capitalists. Little remained for the masses."*<sup>64</sup>

---

63 Athanasios Lykogiannis: Britain and the Greek economic crisis, 1944–1947: from liberation to the Truman Doctrine, University of Missouri Press, Missouri 2002, p. 43

64 Editors of the Fourth International: Civil War in Greece

## II.5 The Contradictory Process of Modernization after the End of the Civil War until the Accession to the EU

Following the end of the civil war, Greece was exhausted after nearly a decade of occupation, war, and rule by a reactionary clique of corrupt politicians around the discredited king. The country remained severely dependent on Western imperialism, although now the US had replaced Britain as the dominant power. The country became an outpost against the Soviet bloc and was integrated into NATO.

Given the counter-revolutionary settlement by the agreement of Western imperialism and the Soviet bureaucracy (the so-called *Yalta Order*) which pacified and defeated the revolutionary developments of 1943–48, world capitalism experienced a period of a long boom which lasted until the late 1960s and early 1970. On this backdrop of the global growth of productive forces, nearly all countries underwent a process of industrialization and modernization. And so did Greece.

Imperialism had a particular interest in stabilizing the Greek regime during this period as it was one of their outposts in the Cold War. Hence, Greece received huge sums from the US which allowed the regime to stabilize its rule. According to the Greek historian Giannes Koliopoulos, *“between 1947 and 1957 American aid accounted for roughly half of state investment expenditure.”*<sup>65</sup>

The abundance of US capital and the relative stability of Greece ruled by a pro-American regime created the pre-condition for a boost of foreign investment and, related to this, a push for more industrialization.

As a result, Greece experienced a period of rapid growth in the 1950s and 1960s. Its average growth rates in 1950–73 (6.21%) was above the average rates for Western Europe (4.08%) as can be seen in Table 7.

The role of industry grew and, as a result, by 1961, industrial workers constituted 17% of the labor force.

However, these industrial investments had some key characteristics. First, for a long time there was relatively little investment in the core sector for the creation of capitalist value – manufacturing. The Greek sociologist Valia Aranitou writes:

*“The main area of enlargement reproduction of petty bourgeois strata originally was the construction sector. Indicative of this is the fact that the bulk of investment went to the construction industry to the extent that at times, especially in the decades 1950-1960, it reached 35% of total investment while at the same time the manufacturing industry just approached 2.1%. Here is where the “economic miracle” of post-war Greece occurred.”*<sup>66</sup>

65 Giannes Koliopoulos and Thanos M. Veremis: *Modern Greece: A History since 1821*, Oxford 2010, p. 130

66 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. 9

While investment in manufacturing increased later – by the mid-1960s nearly a third of new industrial investment was in intermediate and certain capital-goods groups – unlike in other parts of southern Europe no machine-based metalworking industry developed to fuel all-round industrialization.

Second, only to a limited degree did industrial investment lead to modernization of the rest of the economy. Big industrial enterprises remained what Nicos Mouzelis called at that time “*capital-intensive enclaves*” in a classical land of underdevelopment.

Third, while a new industrial Greek bourgeoisie emerged, all in all the country’s production of capitalist value remained heavily dependent on foreign imperialist capital. In fact, foreign capital investments were the decisive factor of economic growth during the boom of the 1960s and early-1970s. According to Nicos Poulantzas, a Greek Eurocommunist theoretician, Greek subsidiaries of imperialist multinationals accounted for 45% of the increase in industrial production. His characterization of this process as “*dependent industrialization*” is therefore quite accurate.<sup>67</sup>

Until 1966 foreign investment constituted nearly 50% of all industrial investment. According to Efharis Skrvelis, “*in 1978, enterprises under exclusive foreign ownership or with a majority equity participation of foreign capital represented less than 1 per cent of the total number of established enterprises with more than 25 employees. However, they represented 39.5 per cent of the total volume of investments in these branches [chemicals, petrochemicals, metallurgical, shipbuilding and electrical appliances branches, Ed.]*.”<sup>68</sup>

Furthermore, despite this process of industrialization, large sectors of the Greek economy remained backward and were dominated by petty-bourgeoisie or small capitalist forms of production. If we remember the aforementioned figure for 1930 (93.2% of manufacturing establishments employed fewer than five persons), this figure had changed only little by 1958 (84.9%).<sup>69</sup> In 1980, most firms registered as “*industrial establishments*” were still family businesses, often artisan-based, where the owner and family members are self-employed. Out of 128,000 enterprises, 109,000 employed up to four persons (85.2%) and another 10,500 employed up to ten persons (i.e., 93.4% of all industrial enterprises employed up to ten persons).<sup>70</sup> In 1976, there were only 80 enterprises which employed more than 500 workers.

Many of these industrial enterprises were in fact not “*industrial*” in the narrow sense of the word but rather involved artisan manufacturing. In 1963, only 41.7% of the industrial enterprises used any kind of machinery!

---

67 Nicos Poulantzas: *The Crisis of the Dictatorships: Portugal, Greece, Spain*, New Left Books, London 1976, p. 14 and 17

68 Efharis Skrvelis: *Industrial restructuring and the State in Greece*, p. 48

69 Likewise did independent cultivators and their working family-members constitute 92.4% of agricultural labor force by 1950.

70 See on this Nicos Mouzelis: *Class and Clientelistic Politics*, p. 492 and Efharis Skrvelis: *Industrial restructuring and the State in Greece*, p. 59

Similarly, in 1961 85.5% of all agricultural units were smaller than 10 hectares in size. (This figure, by the way, reveals the extremely slow progress of capitalist concentration in Greece's agriculture, considering that in 1929, 95.4% of all agricultural units were smaller than 10 hectares.<sup>71</sup>) In 1961, 56% of the total labor force was still employed in agriculture. All in all, Greece had the most prominent division of land into small holdings of any European country.<sup>72</sup>

Yet another indication of the country's backwardness, on a social level, was the persistence of illiteracy. In 1971, 14.8% of the population above the age of 10 was still illiterate.<sup>73</sup>

Since the mid-1970s, industrial investment stopped playing a dynamic role in Greek economy and has even undergone a steady and progressive decline.

Greece's chronic backwardness, as well the political oppression after the defeat of the communists in the civil war (1945–1949) and the period of military dictatorship (1967–1974), spurred a new massive wave of emigration. This migration lasted for almost twenty years, from the beginning of the 1950s up until the mid-1970s. It is estimated that approximately 1.2 million people left Greece and went to Northern America, Australia, and Western Europe. According to official statistics, between 1955 and 1973, 603,300 Greeks migrated to Germany, 170,700 to Australia, 124,000 to the United States and 80,200 to Canada.<sup>74</sup>

We therefore can confirm the following observation of the socialist theoretician James Petras: *"If the shape of Greek economy and society nevertheless began to change in the late fifties and sixties, the impetus overwhelmingly originated in the industrial heartlands of Western Europe. On the one hand, villages and towns delivered up their jobless and underemployed as nearly a tenth of the population—and considerably more of those of working age—joined Turks and Yugoslavs on the migration expresses to Munich and beyond, their remittances helping to create effective demand in Greece itself for the export-products of their labour on the assemblylines of the North. On the other hand, foreign capital led a significant shift away from traditional industries towards the capital-intensive chemical and metallurgical sectors."*<sup>75</sup>

The monstrous state apparatus continued to play a central role for Greek capitalism in the post-war period. In the years 1954–63, 33.4% of gross capital

---

71 Marios Nikolinos: Materialien zur kapitalistischen Entwicklung in Griechenland (1. Teil), p. 192

72 Walter Fischer and Eberhard Rondholz: Revolution und Konterrevolution in Griechenland; in: Das Argument Vol. 12, No. 2-3 (May 1970), p. 105

73 Dimitrios Trichopoulos, George Papaevangelou, John Danezis Victoria Kalapothak: The Population of Greece. A Monograph for the World Population Year 1974, CICRED Series, Athens 1974, p. 49

74 See Ioannis Cholezas, Panos Tsakoglou: The Economic Impact of Immigration in Greece: Taking Stock of the Existing Evidence, Institute for the Study of Labor, October 2008, p. 2 as well as Anna Triandafyllidou, Michaela Marouf: Greece: Immigration towards Greece at the Eve of the 21<sup>st</sup> Century. A Critical Assessment, IDEA Working Paper 2009, p. 8

75 James Petras: The Contradictions of Greek Socialism, New Left Review I/163 (May-June 1987), p. 5

formation was provided by the state.<sup>76</sup> In addition, the state played a dominant role in the banking sector. Furthermore, investment by public enterprises in total gross fixed capital formation increased from 27.7% in 1975 to 42.6% in 1985.

Another reason for the huge size of the state apparatus was the need of the ruling class to maintain a huge standing army of 160,000 men, both to keep the domestic working class under control as well as to fulfill Greece's obligations as a member of NATO.

The result of these developments was that, according to Nicos Mouzelis, "*a very close collaboration*" between the Greek state and foreign capital [existed, Ed], a partnership in which foreign capital occupies the dominant position."<sup>77</sup>

In this context it is important to remind readers that, in this period, important changes took place inside the imperialist camp. While the US remained the hegemonic imperialist power, its influence decreased while that of the Western European imperialist powers proportionately increased, approaching that of the former, in the course of the formation of what would later be called the European Union. This led the Greek government to work towards joining the EC/EU, a process which was finalized in 1981.

All in all, during this period too, Greece was unable to overcome its fundamental structural weaknesses and remained a dependent, advanced semi-colony. Nicos Mouzelis accurately points out the similarities between the development of Greek capitalism and the advanced semi-colonies in Latin America (like Argentina or Chile). He summarized this in following way:

*"Despite its very impressive rates of growth during the nineteen-sixties and seventies, Greece's model of capital accumulation very much resembles that of those Latin American countries which contemporaneously experienced a foreign-capital-led type of industrialization. In this respect, the following points should be noted.*

1. *Greece in the sixties, due mainly to foreign capital (orienting itself in such key sectors of the economy as metallurgy and chemicals), experienced considerable industrial growth. This was evidenced not only by the very rapid expansion of the manufacturing sector, but also by a definite shift from the production of light consumer goods to capital goods and durables and by a marked increase in industrial exports.*

2. *However, as in many other countries on the capitalist periphery, this 'late', foreign-capital-led industrialization interacted with the rest of the economy in such a way as to create serious disruptions and bottlenecks. In both industry and agriculture, small-commodity production prevails in significant sectors, whose links with the 'modern' industrial sector are clearly negative. Thus one of the most striking characteristics of Greek industry is the persistence of small, low-productivity units, side by side with large capitalist firms which dominate the market. These small units remain on the whole unspecialized, highly inefficient and permanently on the borderline between bare*

---

<sup>76</sup> Marios Nikolinakos: Materialien zur kapitalistischen Entwicklung in Griechenland (2. Teil); in: Das Argument Vol. 12, No. 4 (1970), p. 349

<sup>77</sup> Quoted in Efharis Skrvelis: Industrial restructuring and the State in Greece, p. 74

*survival and bankruptcy.”*<sup>78</sup>

To summarize, Greece experienced a process of modernization and industrialization in the post-war period until the 1970s. For the first time, a considerable domestic industry emerged. Greek shipping magnates, a cosmopolitan layer often living abroad and only to a certain degree part of the national ruling class, directed some investments to Greece's industry. However, Greece remained economically and politically dependent on Western imperialism. Its economy was still dominated by small enterprises, among the big corporations foreign monopolies played a decisive role and a significant part of its public expenditures were financed by foreign loans. Greece has been a member of NATO from the beginning and its regimes, and in particular its army, were in fact underlings of US imperialism.

## II.6 Excuse: the Greek Shipowners – A Semi-Diasporic Bourgeoisie

In this section we will deal with the specific features of a key sector of the Greek bourgeoisie, its shipping magnates. Their significant role among the Greek bourgeoisie is underlined by the fact that shipping today contributes about 7% of Greece's GDP.<sup>79</sup>

As we mentioned above, the Greek bourgeoisie began and for a long time remained largely a merchant capitalist class. This merchant class lived to a large extent outside the Greek state. This however did not mean that it was cut off from Greece or that it did not wield significant influence. As Nicos Mouzelis notes:

*“Of course, it is true that in the nineteenth century the autochthonous merchant class was rather weak. But its counterpart living abroad, the Greek diaspora merchants and shipowners, with their formidable financial power, greatly influenced the shaping of most institutions in nineteenth-century Greece itself. In fact, it would not be an exaggeration to say that it is impossible to understand the nature and development of the Greek social formation without taking into account the merchant communities which were flourishing both in colonial centres (Alexandria, Cairo, Khartoum, etc.), in the major capitals of nineteenth-century Europe and in Constantinople and Asia Minor. For instance, one cannot understand the ‘over-inflated’ character of the Greek educational systems (Greece, relatively to its population, has one of the highest ratios of university-educated people in the world), without reference to the diaspora bourgeois.”*

<sup>80</sup>

In past centuries Greek shipowners played a central role in international shipping. During the second half of the 20th century they became the dominant force in this global industry and have retained this position until today. Their

<sup>78</sup> Nicos Mouzelis: On the Greek Elections, *New Left Review* I/108, March-April 1978, pp. 68-69

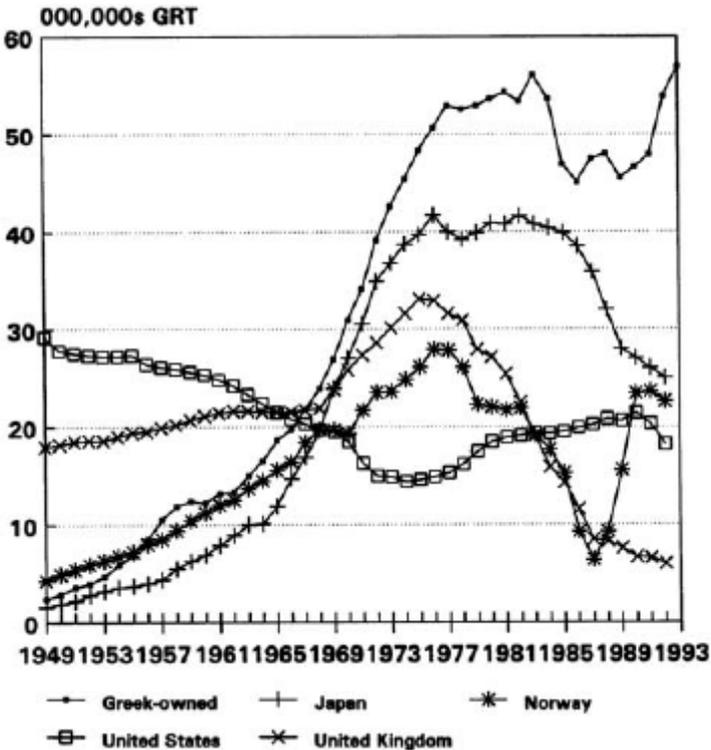
<sup>79</sup> Hugo Dixon: On notice: Greece's vested interests, *International New York Times*, 17.9.2015

<sup>80</sup> Nicos Mouzelis: Capitalism and Dictatorship in Post-War Greece, in: *New Left Review* Vol.I, No.96 (March-April 1976), p. 61

share in world shipping, which was barely 1% in 1947, exploded to 12% in 1970 and soared to 17.4% in 2000. \* The rise of Greek shipowners can also be seen in Figure 1 which shows how they climbed to the top relative to their main competitors, Japan, Britain and Norway.

As mentioned above, the Greek shipowners are an important but peculiar sector of the Greek bourgeoisie. Historically they have been a cosmopolitan layer often living abroad – in the 20th century, mostly in New York and London. They were merchants but hardly invested in production. As the Greek socialist economist Mihalīs Malios formulated it: “Greek tycoons were known as big shipowners, but not as big industrialists.”

Figure 1: Growth of Top Fleets, 1949–93<sup>81</sup>



81 Gelina Harlaftis: A History of Greek-Owned Shipping. The making of an international tramp fleet, 1830 to the present day, London 1996, p. 265

As a result the headquarters of Greek-owned shipping firms – particularly the larger enterprises – were (and still are) often located not in Greece but abroad in these cities. In Table 3 we can see that 1914 62% of Greek-owned shipping firms had their headquarters in Greece (Piraeus) and the rest were located in foreign cities. While the Greek share rose to 96% in 1938, it dropped to only 18% in 1958. At that time 45% of the headquarters were in London and another 37% in New York. By 1975, still only 34% of the company headquarters were in Piraeus, although this share grew to 66% by 1990.

It was and is typical for the Greek shipowners to operate a large proportion of their ships under flags of convenience, i.e., foreign flags. During the second half of the 1940s and the 1950s, 80 to 90% of the Liberian fleet and 45% of the Panamanian fleet were operated by Greeks. Today, the huge majority of Greek ships are still operating under foreign flags (see Figures 2 and 3).

There have been some changes in Greek shipping since a number of the country's shipowners began directing important sectors of their business to Greece beginning in the 1970s due to the downturn in the world economy which started in the early part of that decade. The Greek socialist academic Michalis Spourdalakis wrote: "*Greek shipping capital, which had in the post-war period enjoyed a prominent position in the world's sea transport industry, was reaching its limits both because of emerging protectionism and the world economic recession. Therefore policies which would promote a more competitive, export-oriented resource and manufacturing industry in Greece were in their interests. Such an economic orientation would at least develop a basis to compensate for the markets lost abroad as well as open up new opportunities for their stockpiling of surplus.*"<sup>82</sup>

**Table 3: Main Headquarters of Greek-Owned Shipping Firms, 1914–90 (percentage of ship tonnage)<sup>83</sup>**

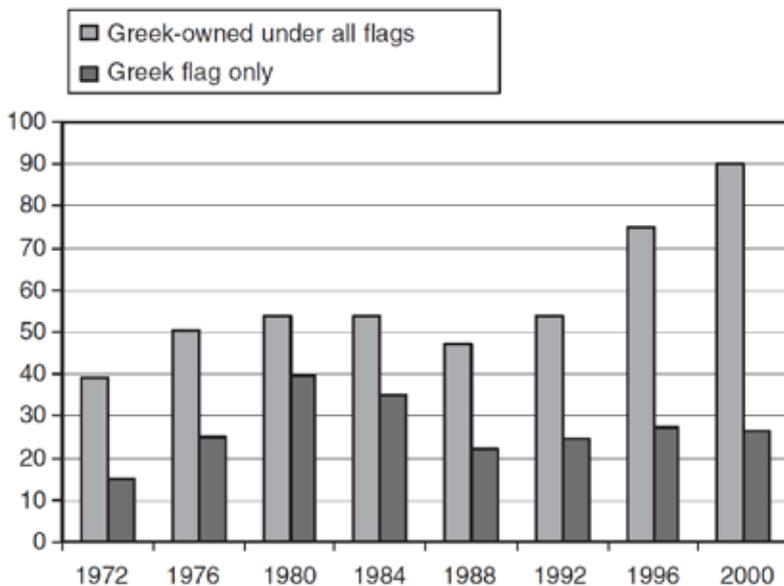
<i>Main headquarters</i>	1914	1938	1958	1975	1990
Piraeus	62%	96%	18%	34%	66%
London	9% (28%)*	1% (45%)*	45%	39%	22%
Constantinople	14%	–	–	–	–
New York	–	–	37%	18%	7%
Other	15%	3%	–	9%	5%

*Notes:* \*Tonnage represented by the London Greek agencies

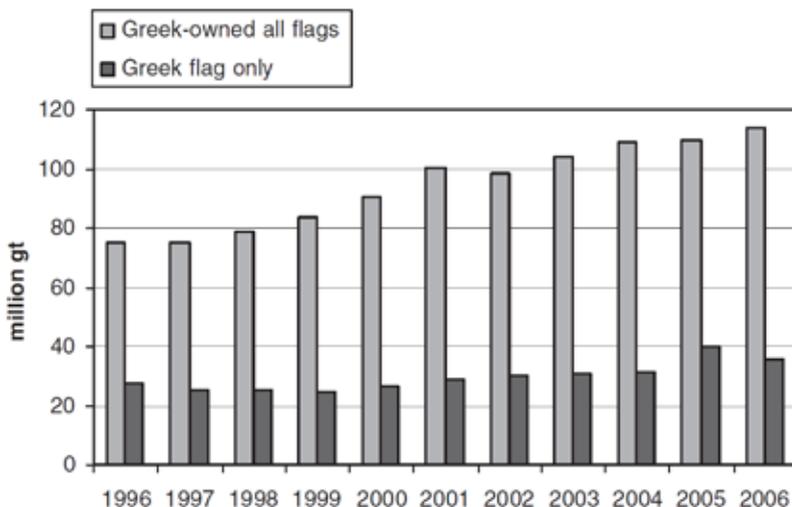
<sup>82</sup> Michalis Spourdalakis: *The Greek Experience*, in: *Socialist Register* Vol.22 (1985-86), p. 253

<sup>83</sup> Gelina Harlaftis: *A History of Greek-Owned Shipping*, p. 291

**Figure 2: Greek-Owned Shipping Fleet under Greek and Non-Greek Flags, 1972-2000 (in gross tonnage [millions])** <sup>84</sup>



**Figure 3: Greek-owned Shipping Fleet under Greek and Non-Greek flags, 1996-2006** <sup>85</sup>



<sup>84</sup> Helen A. Thanopoulou: A Fleet For The 21st Century: Modern Greek Shipping, in: Athanasios A. Pallis (Editor): Maritime Transport: The Greek Paradigm, Research in Transportation Economics, Vol. 21, Elsevier Ltd, Oxford 2007, p. 35

<sup>85</sup> Helen A. Thanopoulou: A Fleet For The 21st Century: Modern Greek Shipping, p. 40

However, several fundamental characteristics of the Greek shipowners as a core sector of the bourgeoisie have remained the same. Let us briefly discuss them.

First, as we noted above, many Greek shipowning families lived abroad. To a certain degree this has changed. Ioannis Theotokas and Gelina Harlaftis report in a study they conducted on the Greek shipowning families:

*“If in the first period the entrepreneurship of Greek shipowners in the international environment was the factor in the Greek-owned fleet’s success, in the latter period the shipping environment that developed in Piraeus was the driver of renewal and takeoff. Whereas in the first three postwar decades the ‘traditional’ shipping families moved and resided abroad, in the final two decades of the 20th century, Greek-owned businesses congregated in Piraeus and maritime entrepreneurship was renewed and expanded, with its headquarters now firmly based in Greece.”*

Nevertheless, to a large degree the shipowners remain a sector of the bourgeoisie which is limited in its connection with the national Greek economy: *“Greek shipowners are to the present day an exemplar of the continuity of the Greek entrepreneurial diaspora, which operated depending on the needs of sea trade and shipping. Many families never lived in Greece. And yet, two or three generations domiciled either in London or New York cleave to their Greek identity and consider their residence temporary, ready to move and settle in the next economic centre when the family firm demands it.”*<sup>86</sup>

Hence, the Greek shipowners remain a semi-Diasporic bourgeoisie and therefore are only to a certain degree (or in a peculiar way) part of the national ruling class.

Second, as already mentioned, the Greek shipowners *are a trading and not a producing class*. Greece has played no significant role in ship-building for a long time and has produced virtually no ships in the past decade.

Today’s shipbuilding market is completely dominated by China, South Korea and Japan. If we examine the statistics for global shipbuilding for the years 2003–2014, Greece’s share in all relevant categories (*“new orders,” “completions,” and “orderbook at year-end”*) is literally 0%!<sup>87</sup>

It is only logical that George Gratsos, President of Hellenic Chamber of

---

<sup>86</sup> Ioannis Theotokas and Gelina Harlaftis: *Leadership in World Shipping. Greek Family Firms in International Business*, London 2009, pp. 2–3; See also Alkis John Corres: *Greek Maritime Policy and the Discreet Role of Shipowners’ Associations*, in: Athanasios A. Pallis (Editor): *Maritime Transport: The Greek Paradigm*, Research in Transportation Economics, Vol. 21, Elsevier Ltd, Oxford 2007, p. 236

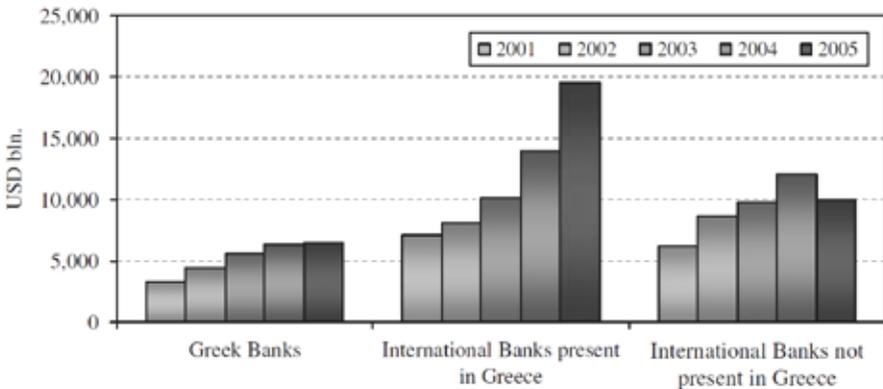
<sup>87</sup> See The Shipbuilders’ Association of Japan: *Shipbuilding Statistics*, Issue of September 2009, September 2001 and March, 2015 (Table 1, 2 and 4); see also Rima Mickeviciene: *Global Competition in Shipbuilding: Trends and Challenges for Europe*, in: Piotr Pachura (Editor): *The Economic Geography of Globalization*, InTech 2011, pp. 201–222; See Statista, <http://www.statista.com/statistics/263895/shipbuilding-nations-worldwide-by-cgt/>, <http://www.statista.com/statistics/257865/leading-shipbuilding-companies-worldwide-based-on-volume/> and <http://www.statista.com/statistics/263399/regional-breakdown-of-the-global-shipbuilding-market-by-contracting/>

Shipping, laments about the lack of shipbuilding in Greece. He recently stated: *“Shipbuilding activity today is very limited. Only small commercial units of local shipping are being built. Cargo ships cannot be built economically in Greece. (...) Greece must re-enter shipbuilding and ship repairs with a new, competitive legal and operational framework.”*<sup>88</sup>

Third Greece’s weakness as a capitalist country as well as the semi-Diasporic, cosmopolitan character of significant sectors of the Greek bourgeoisie is also reflected in the Greek shipowners’ traditional dependence on foreign loans. This has been the case throughout the entire history of modern Greek shipping. Referring to the decades after World War II, Ioannis Theotokas and Gelina Harlaftis report : *“The American government explicitly supported the growing use of flags of convenience in the immediate postwar era through its financial institutions; most Greek shipowners who bought ships on credit from American banks were ‘urged’ to sail under flags of convenience. (...) The economic and political structures of Greece meant that successive governments were able to weaken the Greek seamen unions’ power after 1951, but unable to provide financial support to the ever-growing merchant fleet. In this manner, the use of flags of convenience by the Greek-owned merchant fleet was ensured.”*<sup>89</sup>

Today, Greek capital is still not able to provide the funds needed by these shipowners. By 2005, Greek banks could finance only about 1/5 of the loans for the Greek shipping industry while 4/5 came from foreign banks (see Figure 4.)

**Figure 4: Bank Loan Portfolio to Greek Shipping 2001-05**<sup>90</sup>



88 George A. Gratsos (President of Hellenic Chamber of Shipping): *Greek Shipping and the Maritime Economy*, 2014, p. 25

89 Gelina Harlaftis: *A History of Greek-Owned Shipping*, pp. 260–263

90 Theodore C. Syriopoulos: *Financing Greek Shipping: Modern Instruments, Methods and Markets*, in: Athanasios A. Pallis (Editor): *Maritime Transport: The Greek Paradigm*, Research in Transportation Economics, Vol. 21, Elsevier Ltd, Oxford 2007, p. 175

At the same time, the Greek shipowners are greatly in debt. In the mid-2000s, their cumulative debts amounted to about 50 billion US-Dollars.<sup>91</sup>

Fourth, given the nature of sea trade, Greek shipowners have always been dependent on the security provided by Great Powers. For all these reasons, even the Greek shipowners – the economically most potent sector of the Greek bourgeoisie – have always been closely tied to the imperialist bourgeoisie of the Great Powers (mainly Britain and US; recently, also increasingly China). The Greek bourgeoisie as a whole has a particular strong “comprador,” submissive character, i.e., it avoids any confrontation with imperialism and loyally serves the Great Powers as local henchmen.

The success of Greek shipowners after World War II relied entirely on the preparedness of US imperialism to hire their services. Again Ioannis Theotokas and Gelina Harlaftis:

*“The high labour costs at home, which kept US ships from being competitive, and the need to retain control over a large part of the world’s merchant fleet for strategic and political reasons, led US maritime policymakers to support the flags of convenience. The adoption of such flags by US-controlled oil companies and independent owners meant that powerful lobbies were established to ensure their continued existence. During the second half of the 1940s and the 1950s, 80 to 90 per cent of the Liberian fleet and 45 per cent of the Panamanian fleet were operated by Greeks. (...) Part of the success of the Greek shipowners in the immediate postwar years was based on their decision to make the US, the world’s leading economic power (but a weak maritime power), their main trading partners, as they had done on a smaller scale with Great Britain in an earlier period. This was the advantage of the cross-traders and of tramp owners: by serving international trade rather than the needs of a particular nation, they were able to adjust to changes in the international environment. For their part, Greek tramp owners served the US well: the Americans needed a low-cost tramp fleet that they could control, something they achieved with the Greeks through credit and flags of convenience. The fact, however, that Greece was the only traditional maritime European nation to take such extensive advantage of flags of convenience during the postwar period may be attributed not only to the choices made by US policymakers but also to the internal structures of the country. (...) Apart from financial support, the US provided access to major oil companies and entrance into the tanker market.”<sup>92</sup>*

The specific and contradictory nature of the Greek shipowners as an important sector of the Greek bourgeoisie confuses a number of socialists for whom the dominant position of the Greek shipowners in global maritime trade seems to be an argument in favor of the imperialist class character of the Greek bourgeoisie and hence of Greece as a whole.<sup>93</sup> We think that such

91 Eric Wegner: Griechenland vor einer Revolution? Marxistische Einschätzungen der Entwicklung des Klassenkampfes in Griechenland, arbeiterinnenkampf, Wien 2012, p. 7

92 Gelina Harlaftis: A History of Greek-Owned Shipping, pp. 260–263

93 For example: *“And, finally, a problem of classification arises, which touches upon the very issue of the extent and nature of the internationalization process of capital. G. Milios notes that, as the ‘origin’ of foreign direct investments is established on the basis of the ‘nationality’ of the currency in which capital is imported,*

an assumption is completely mistaken. First, as we have elaborated, the Greek shipowners as a core sector among the Greek bourgeoisie historically have a semi-Diasporic character. This means that, among other things, they have always had sufficiently strong ties with the Greek state to be able to influence its policies, corrupt its politicians, etc. On the other hand, their links with Greece were not sufficiently strong as they would have been if they had invested their wealth significantly in capital accumulation within the country. As a result, the Greek economy always remained weak, backward and dependent. This is why the economic power of the Greek shipowners, irrespective of all the necessary limitations of this power we have outlined here, could not be transformed into general economic power for Greece as a whole. Consequently, Greece could not forge for itself an imperialist character.

This specific Diasporic nature of the Greek bourgeoisie is also a central reason why the Greek state apparatus has always been so disproportionately large in the Greek society and economy, as Nicos Mouzelis observed.<sup>94</sup>

As we have mentioned, since the 1970s there have been some changes and some of the Greek shipowners have moved their headquarters to Greece. This leads to the question of whether these developments have had effects on the class character of Greece and whether it might have become a minor imperialist power during the last three decades. We believe that this is not the case. Rather this precisely confirms our thesis about the semi-colonial character of Greece, for reasons we will now elaborate.

As we have demonstrated in this publication, the Greek economy – after a

---

*certain misperceptions occur: This way, investments realized by Greek shipowners in American, Panamanian, or British currency are classified as foreign investments. Yet, during the period under examination here [i.e., 1962-1973], the largest part of direct investments in the branches of petroleum products, shipyards, and tourism are realized by Greek shipowners and not by foreign investors. In discussing the same issue, A. Gregorogiannis considers this section of capital not “Greek” but “cosmopolitan” and further considers cases of minority equity participation as equally foreign. Whereas Milios talks about “the ‘cosmopolitan’ section of Greek capital”, Gregorogiannis argues that: This constitutes a peculiar category, but still of foreign capital. For in all these cases the bonds of interests abroad carry a greater weight than national memories and language do. This is indeed so, but we may argue that it is so for Greek as well as for American or British “cosmopolitan” or multinational sections of capital. Greek shipowning capital is a case in point of how difficult the increasing multinationalization of capital makes the analytical ‘disentanglement’ of ‘external’ and ‘internal’ factors of accumulation.” (Skrvelis, Efharis: Industrial restructuring and the State in Greece: national developments within an international setting, pp. 49–50)*

<sup>94</sup> *“The precocious growth of the modern Greek state can be understood in a similar way. The relatively rapid expansion of its administrative machinery and personnel were out of all proportion to the internal resources of nineteenth-century Greece. To put it simply, the greater part of the Greek bourgeoisie resided geographically outside Greece proper. As a result, the state erected in Athens was disproportionately large for the Greek polity under its command, while Greek capitalism achieved an international, if limited, mercantile character before it established itself on the Greek mainland. The impressive development and dominance of the state apparatus within the Greek social formation becomes even more striking if one takes into account that not only the autochthonous merchant class but also the landowning classes were rather weak in Greece. For large landowners appeared relatively late (with the annexation of Thessaly in 1881) and only lasted till the agrarian reforms of 1917, which abolished big landed property in Greece irreversibly.” (Nicos Mouzelis: Capitalism and Dictatorship in Post-War Greece, in: New Left Review Vol. I, No.96 [March-April 1976], p. 61)*

period of rapid growth in the 1950s and 1960s – began its decline from around the end of the 1970s. Its capital accumulation in the industrial sector stagnated with the result that, today, the gap between Greece and the European Union in terms of productivity and standard of living is by no means smaller than it was before. Despite all the efforts of the bourgeoisie, Greece has failed to break out of its position at the bottom of the list of the traditional capitalist countries in Europe. This clearly demonstrates that the Greek shipowners were not a sufficiently potent class to help Greece overcome its status of dependency, even when they directed a significant proportion of their capital to the domestic economy. Furthermore, it shows that the Greek shipowners are a wealthy but parasitic merchant class, not an imperialist monopoly capitalist class.

Finally, let us note in passing that it would not be surprising to us at all if today significant sectors of the Greek bourgeoisie again leave the country and settle in London and New York in reaction to the economic collapse of “their” country. This would most tellingly reveal the “patriotic” character of the bourgeoisie!

To summarize, the Greek shipowners are without doubt a powerful sector in this global industry and a core sector among the Greek bourgeoisie. However, the very fact that this sector is the most powerful faction of the Greek bourgeoisie reflects the dependent and semi-colonial nature of Greece. The shipowners cannot finance their business by means of domestic financial resources but must rely mostly on foreign loans. To a significant degree they live abroad. They limit their activity to commerce and are incapable of building ships, i.e., their business is entirely dependent on the production of ships by foreign capitalists. Furthermore, their business is heavily dependent on the imperialist monopolies for which they transport commodities. Finally, they are dependent on the Great Powers who secure the maritime trade routes. In short, they are quintessentially the bourgeoisie of a semi-colonial country, not an imperialist one.

### III. Greece's Failed Attempt to Become a Minor Imperialist Power

So far, we have seen in how Greece, since having achieved independence, has been a capitalistically backward country, completely dependent economically and politically on the imperialist powers –with some specific features of its own, like the Greek Diaspora shipowner capitalists. This is why we characterize Greece as an advanced semi-colony with specific features.

However, between the beginning and the end of the 1980s two important events of historic proportion took place for the Greek bourgeoisie: the accession to the EU and the downfall of Stalinism in the Balkans. These events constituted a historic chance for the Greek bourgeoisie to overcome its dependent, semi-colonial status and to become a regional imperialist power.

#### III.1 Accession to the EU and the 1980s

Greece joined the European Union in 1981. This was the result of the growing role of Western European imperialism and the relative decline of the US. The Greek bourgeoisie had hoped that, by joining the EU, it could overcome the country's dependent status and be transformed into a minor imperialist power. The Greek Marxist academics Stavros Mavroudeas and Dimitris Paitaridis aptly characterized this project as the new *Megáli Idéa* ("Great Idea") of the Greek capitalist class.<sup>95</sup>

While Greece's joining the EU accelerated some features of the modernization process, at the same time it increased the country's dependence of imperialist monopoly capital and widened the gap in the development of the productive forces between herself and the imperialist countries in the EU.

This is reflected in a number of figures. As can be seen in Table 4, Greece's GDP grew by only 0.7% in the 1980s compared with 2.4% for the EU-12.<sup>96</sup> Its GDP per capita even declined by an average of -0.3% compared with an average increase of 1.7% for the EU-12. And the industrial production also grew less (1.0%) than that for the EU-12 countries (1.6%).

---

95 "In a broader sense, participation in European integration constituted Greek capitalism's contemporary 'Big Idea' of becoming a significant regional imperialist power." (Stavros Mavroudeas and Dimitris Paitaridis: *The Greek crisis A dual crisis of overaccumulation and imperialist exploitation*, in: Stavros Mavroudeas (Editor): *Greek Capitalism in Crisis*. Marxist Analysis, Routledge, News York 2015, p. 169)

96 The EU-12 were the old member states of the European Community before the Eastern European countries as well as Austria, Sweden, Finland, etc. joined it in the 1990s and 2000s.

**Table 4: Greece's Economy Compared with the EU-12, 1981-1990 (Annual Averages) <sup>97</sup>**

	<i>Greece</i>	<i>EU-12</i>
Gross domestic product at 2000 market prices	0.7	2.4
Gross domestic product at 2000 market prices per person employed	-0.3	1.7
Industrial production; construction excluded	1.0	1.6

Manufacturing as a share of GDP decreased from 25.3% (1973) to 20.1% (1983) and to 16.8% (1993). This development was caused by the lack of capital accumulation, because the country's capitalists didn't make sufficient profit in the sphere of capitalist value production.

It is precisely the change of the rate of profit which is crucial to our understanding the longer-term development of each country's economy, as well as the world economy. As Marxists we seek the underlying cause of capitalism's development 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 we have repeatedly emphasized in this publication, for historical reasons Greece's capitalism has traditionally been characterized by a chronic structural weakness in capital accumulation which resulted in distorted industrialization and dependency on the imperialist monopolies. The fundamental cause of its capitalist crisis is rooted in the inner contradiction of Greece's dependent production, meaning the dynamic of the surplus value in relation to the total capital invested, i.e., in the development of the rate of profit.

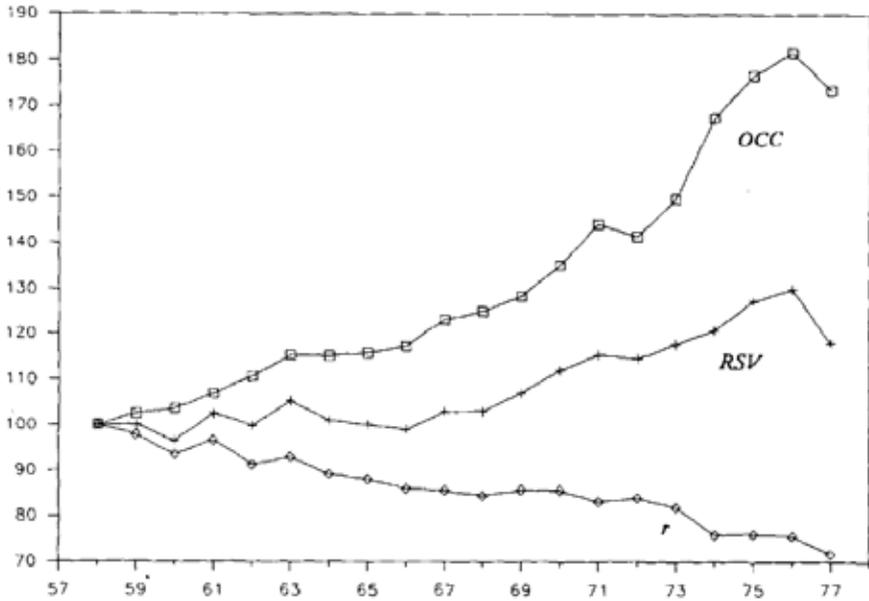
Basically, as Marx elaborated in *Capital Vol. III*, this means that in the long run the share of surplus value becomes smaller relative to the totality of the capital invested in production (in machinery, raw materials, etc., as well as wages paid to workers). Therefore, the surplus value which can potentially be used for the reproduction of capital on an extended basis becomes less and less. This inevitably leads to disruptions and crises, and as we have witnessed since the early 1970s, and in particular since the beginning of the historic period which began with the outbreak of the capitalist crisis of 2008. A number of Marxist economists have elaborated on the historical tendency of the rate of profit to fall and have demonstrated in a number of publications that this is the fundamental cause of the decline of the world economy. <sup>98</sup>

<sup>97</sup> European Commission: European Economic Forecast Autumn 2006, Statistical Annex of European Economy, pp. 48-52

<sup>98</sup> See for example: Guglielmo Carchedi: Behind the Crisis. Marx's Dialectics of Value and Knowledge, Leiden 2011; Andrew Kliman: The Failure of Capitalist Production. Underlying Causes of the Great Recession, London 2011; Michael Roberts: The Great Recession. Profit cycles, economic

This is also valid for Greece. The Greek Marxist economist Dimitri Papadimitriou calculated that the rate of profit fell between 1958 and 1977 by almost 30%, while in parallel both the rate of surplus value and the organic composition of capital were rising. <sup>99</sup> (See Figure 5)

**Figure 5: Greece: Rate of Surplus Value (RSV), Organic Composition of Capital (OCC) and Rate of Profit ( $r$ ) in 1958-1977** <sup>100</sup>



crisis. A Marxist view (2009); Michael Roberts: A world rate of profit. Globalisation and the world economy (2012); Michael Roberts: Revisiting a world rate of profit (2015); Alan Freeman: The Profit Rate in the Presence of Financial Markets: A Necessary Correction (2013); Esteban Ezequiel Maito: The historical transience of capital The downward trend in the rate of profit since XIX century (2014).

We have also written in a number of our RCIT publications about the tendency of the rate of profit to fall as the fundamental cause for the stagnation and decay of the capitalist world economy. See for example: Michael Pröbsting: World economy – heading to a new upswing? in Fifth International, Volume 3, No. 3, Autumn 2009, <http://www.thecommunists.net/theory/world-economy-crisis-2009/>; Michael Pröbsting: Imperialism, Globalization and the Decline of Capitalism, Originally published in the Book Richard Brenner, Michael Pröbsting, Keith Spencer: The Credit Crunch - A Marxist Analysis (2008), <http://www.thecommunists.net/theory/imperialism-and-globalization/>; Michael Pröbsting: *The Great Robbery of the South*. Chapter 3, <http://www.great-robbery-of-the-south.net/great-robbery-of-south-online/download-chapters-1/chapter3/>.

<sup>99</sup> Dimitri Papadimitriou: The Political Economy of Greece. An Empirical Analysis of Marxian Economics, in: European Journal of Political Economy 6 (1990), p. 198.

<sup>100</sup> Dimitri Papadimitriou: The Political Economy Of Greece, p. 194

Hence, net fixed capital formation, a measure of how much fixed capital was invested in the economy after depreciation of existing assets is taken into account, declined by an annual average of 0.17% in the 1980s, while it had grown by 16% on average in the 1970s. In other words, there was virtually no expanded reproduction of capital in Greece during the 1980s.

This development went hand in hand with a substantial increase of unemployment and a decline of the real wages of the working class. Unemployment rose from 2.7% in 1980 to 6.7% in 1989. By 1993 it already stood at 10%. In 1980, the average Greek had a standard of living that was 7% below their European peers; by 1989, the gap had widened to 24%! <sup>101</sup>

In the 1980s, the Greek government, led by the bourgeois, left-populist PASOK party, had to repeatedly intervene with state-capitalist measures like nationalizations of bankrupt enterprises in order to avoid political and social explosions. <sup>102</sup>

Public debt climbed from 22.3% of GDP in 1980 to 64.2% in 1989. Against this backdrop, the Greek government was forced to take out more loans from the imperialist banks. In only five years, between 1981 and 1986, Greece's external debt more than doubled from \$7.9 to \$17.0 billion. As a result, foreign debt stood at 45% of GDP and payments accounted for close to a quarter of export earnings. <sup>103</sup>

Stavros D. Mavroudeas, a Greek socialist economist, summarizes the effects of Greece's accession to the EU as follows:

*"One of the more serious implications of the crisis was the weakening of Greek industry, which had a serious negative impact on Greece's position in the international division of labour and on its balance of payments. It also had long-term negative effects on the internal structure of Greek capitalism. The opening of the economy deteriorated in several areas the position of the Greek capital. It is indicative that 85% of the deterioration of the competitive position of key sectors of Greek industry was caused by its deterioration in competitiveness against the EU and only 15% by that against third countries. (...) It has been shown that beginning in 1985 there is significant upward trend in the actual work-time (as in the case of the U.S.) which was boosted with the passing of time. This, coupled with the real wages' increases lagging behind productivity increases strengthens especially in the Greek case the process of extraction of absolute surplus-value. This is reinforced by the fact that, as noted by Carchedi,*

---

101 Nikos Tsafos: Did the 1980s Ruin Greece? September 12, 2010, <http://www.greekdefaultwatch.com/2010/09/did-1980s-ruin-greece.html>; Dimitri G. Demekas and Zenon G. Kontolemis: Unemployment in Greece: A Survey of the Issues, Working Paper, International Monetary Fund 1996, p. 2; See also Heinz-Jürgen Axt: Modernisierung durch EG-Mitgliedschaft? Portugal, Spanien und Griechenland im Vergleich; in: Michael Kreile (Ed.): Die Integration Europas, Politische Vierteljahresschrift, Sonderheft 32/1992, Westdeutscher Verlag, p. 213

102 See on this e.g. Yannis Caloghirou, Yannis Voulgaris and Stella Zambarloukos: The Political Economy of Industrial Restructuring: Comparing Greece and Spain, in: South European Society and Politics, Vol. 5, No. 1, 2000, pp. 76-83

103 James Petras: The Contradictions of Greek Socialism, New Left Review I/163 (May-June 1987), p. 14

*the European integration forces the less developed countries to boost the extraction of absolute surplus-value.”*<sup>104</sup>

He concludes: *“In a nutshell, Greek capitalism’s accession in the European integration dismantled its previous coherent and competitive productive structure without replacing it with another equally or more successful. On the contrary, the Greek economy became, to a great extent, a supplement of its North European partners.”*<sup>105</sup>

In short, Greece accession to the EU enhanced a dependent and distorted form of modernization, one which rather increased Greece semi-colonial status.

### **III.2 Capitalist Restoration in the Balkans after 1989 and Greek Capital’s Expansion**

However, the Greek bourgeoisie got another chance to overcome its backward and subordinate status. The fall of the Stalinist bureaucracy in the former Soviet bloc and the ensuing restoration of capitalism offered a tremendous opportunity for Greek capitalists. It opened up to them economies which were more backward and poorer than their own and in which, therefore, Greek capitalists could play a hegemonic role. In addition, the Greek bourgeoisie could profit from the wave of migration from Balkan countries to Greece where they could exploit the migrants as cheap labor force. Let us examine these developments in detail.

Traditionally, Greece hardly undertook any investment abroad. According to a study of three Greek academics, *“until the opening of the Balkan economies in the early 1990s, there were fewer than 10 Greek companies that had invested abroad.”*<sup>106</sup>

At this point, we shall also note that compared internationally, Greece only had a minor role in worldwide monopoly capital. By 1990, compared with other European countries, Greece had received relatively few investments from abroad. According to a study on foreign investment in Europe by 1990, Greece received only 1% of all foreign investments, these coming from both Germany and the Netherlands. From all other major imperialist countries, Greece’s share in their foreign investment was 0%!<sup>107</sup>

However, with the capitalist restoration Greece’s bourgeoisie started to

---

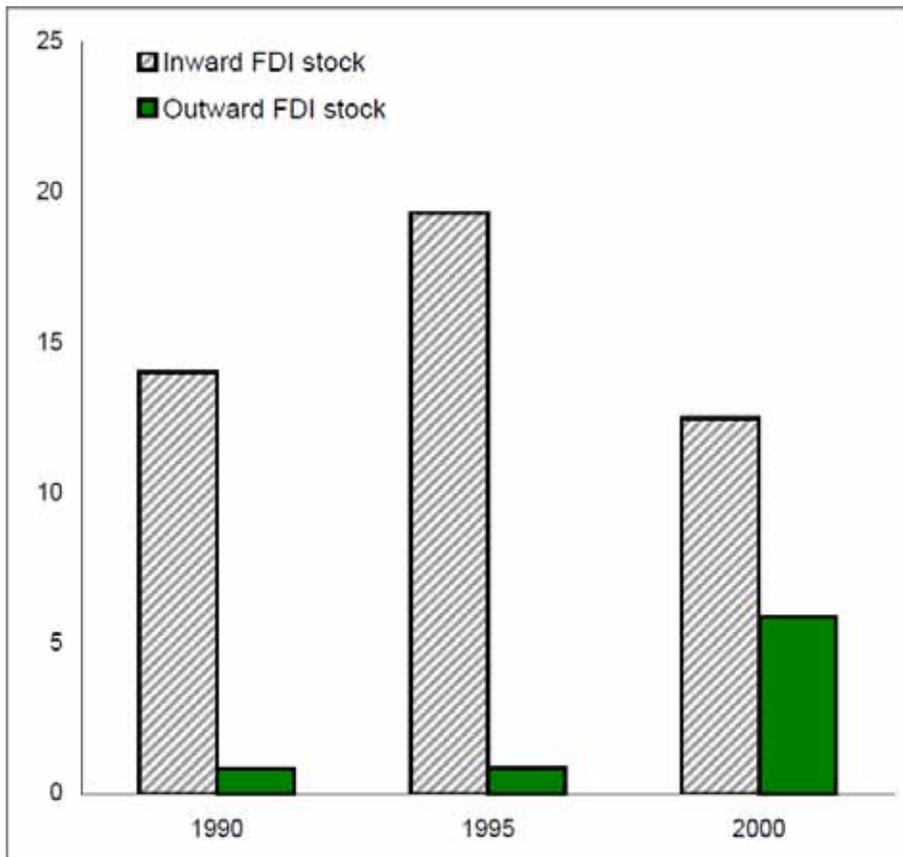
104 Stavros D. Mavroudeas: *Greece and the EU: capitalist crisis and imperialist rivalries*, 2010, p. 10  
 105 Stavros D. Mavroudeas: *Greece and the EU: capitalist crisis and imperialist rivalries*, 2010, p. 18. These observations are even more remarkable since Mavroudeas, in opposite to us, considers Greece as an imperialist country: *“This has not transformed it to a dependent economy – in the sense usually employed by dependency theory. Greek capitalism remained a middle-range developed and imperialist economy. However, it was downgraded comparing to its more developed partners.”* (p. 18)

106 Dimitrios Maditinos, Dimitrios Kousenidis and Dimitrios Chatzoudes: *Foreign Direct Investment (FDI) in the Balkans: The Role of Greece*; in: Anastasios G. Karasavoglou (Editor): *The Economies of the Balkan and Eastern Europe Countries in the Changed World*, Cambridge Scholars Publishing, 2011, p.210

107 See Stephen Thomsen and Stephen Woolcock: *Direct Investment and European Integration. Competition among Firms and Governments*, The Royal Institute of International Affairs, Pinter Publishers, London 1993, p. 48

increase its trade with the Balkan countries and soon become an important trading partner for these countries. In addition, they began to invest abroad, in particular in their neighboring Balkans. For most of the 1990s, it invested relatively small sums abroad.<sup>108</sup> This can be seen in Figure 6 and Figure 7 which compare the sum of Greek Foreign Direct Investment (FDI) invested abroad relative to foreign investment in Greece. As one can see, Greece's outward foreign investment was negligible in comparison with foreign investments which were made in the country.

**Figure 6: FDI stock, 1990, 1995 and 2000 (Billions of dollars)**<sup>109</sup>



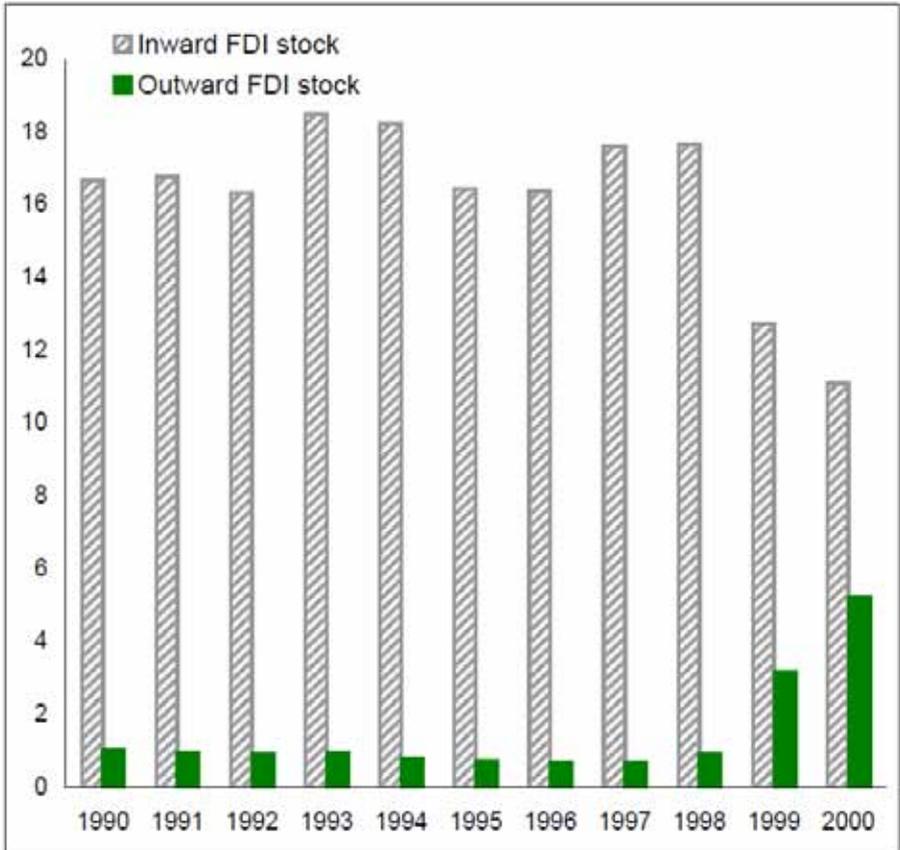
<sup>108</sup> On the difficulties for Greek capital in the Balkan countries in the 1990s see e.g. Lois Labrianidis, Antigone Lyberaki, Platon Tinios and Panos Hatziprokiou: Inflow of Migrants and Outflow of Investment: Aspects of Interdependence between Greece and the Balkans; in: *Journal of Ethnic and Migration Studies*, Vol. 30, No. 6 (2004), pp. 16-23

<sup>109</sup> UNCTAD: FDI in brief: Greece. Outflows up, decline in inflows in 2002, p. 1

However, Greek capital did manage to become a dominant factor in small and poor Balkan countries like Albania and Macedonia. By 1999 Greece was already the biggest foreign investor in Macedonia with 34.5% of all the latter country's total FDI.<sup>110</sup>

In larger Balkan countries like Bulgaria, Greek capitalists remained relatively minor foreign investors during the 1990s. It was only the eight-largest investor with a share of 3.6% in 1995 and the ninth-largest in 1999 with 3.13%.<sup>111</sup>

**Figure 7: FDI stock as a Percentage of Gross Domestic Product, 1990-2000**<sup>112</sup>



110 Trajko Slaveski, Pece Nedanovski: Foreign Direct Investment in the Framework of Cross-Border Co-Operation in Selected Balkan Countries, 2001, p. 4

111 Lois Labrianidis: The Opening of the Balkan Markets and consequent Economic Problems in Greece, in: Modern Greek Studies Yearbook Vol 12/13, 1996/97, University Of Minnesota, p. 232 and Trajko Slaveski, Pece Nedanovski: Foreign Direct Investment in the Framework of Cross-Border Co-Operation in Selected Balkan Countries, p. 8

112 UNCTAD: FDI in brief: Greece. Outflows up, decline in inflows in 2002, p. 1

With the new millennium, Greek capitalists started to make significant investments abroad. In time they became important and even hegemonic foreign investors in several southern Balkan countries. According to official sources, Greek direct investment in the Balkans was estimated at 7.2 billion dollars before the beginning of the Great Recession in 2008. Of this volume, one third was invested in Serbia, one third in Romania, and the remaining one third in Bulgaria, Albania and the Republic of Macedonia.<sup>113</sup>

It is said that in the 2000s Greece became first among foreign investors in Albania, FYROM (the Former Yugoslav Republic of Macedonia) and Serbia, third in Romania and fourth in Bulgaria:

*"In Albania, Greece is responsible for the 40% of the invested foreign capital, reaching almost 550 million Euros, while it is estimated that approximately 270 companies of Greek interest are located in the country. In FYROM, Greece has always been the first investor, with total invested capital over 1 billion Euros. Greece, moreover, is the first investor in Serbia for the time being (2009), since Greek companies have invested approximately 2,5 billion Euros through 120 companies of exclusive Greek interests and 150 joint-ventures. Greece is, also, the third larger investor in Romania, with 4.500 Greek companies and a total of 3,1 billion Euros in invested capital. In Bulgaria, Greece holds the fourth place, with the capital invested being approximately 2,2 billion Euros. Additionally, Greek banks hold 26% of the total assets of the Bulgarian banking sector."*<sup>114</sup>

Another author gives slightly different figures. He argues that, by the mid-2000s, *"Greece was the second largest investor in foreign capital in Albania, and the third largest foreign investor in Bulgaria. Greece is the most important trading partner of the Former Yugoslav Republic of Macedonia. It ranks first among foreign investors in terms of invested capital and in the number of investing groups. In Romania, Greece ranked eighth in terms of invested capital and fourth in terms of established enterprises."*<sup>115</sup>

By 2009, Greece accounted for 6% of Balkan countries' combined inward FDI stock (outside Albania). The highest Greek FDI shares were in Macedonia (13%) and Serbia (10%). Greek FDI accounted for 41% of Albania's inward FDI stock. While this shows that Greece is an important foreign investor, their share in Balkan countries' combined inward FDI stock is less than 1/3 of Austria's (which accounts for 19%). (See also Figure 8 for 2008.)

However, Greek capital also plays an important role in the banking sector:

---

113 Bureau of Economic, Energy and Business Affairs: 2010 Investment Climate Statement – Greece, March 2010, <http://www.state.gov/e/eeb/rls/othr/ics/2010/138073.htm>; see on this also Dimitris Chatzoules and Despoina Kaltsidou: Greek Foreign Direct Investment (FDI) in Turkey (2006), pp. 8-10

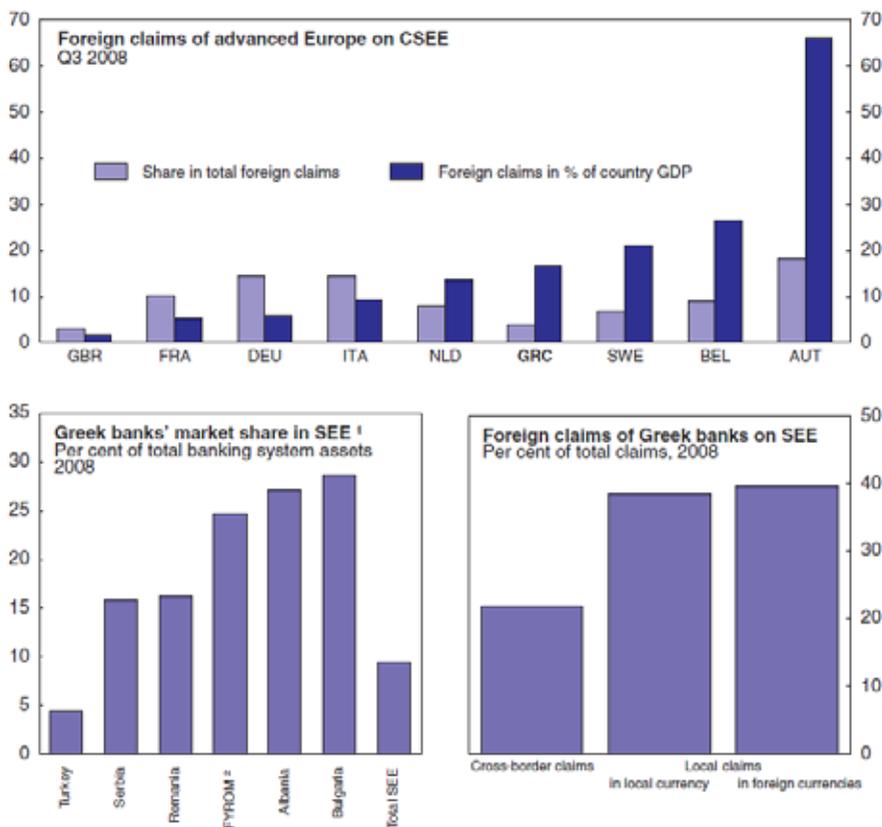
114 Dimitrios Maditinos, Dimitrios Kousenidis and Dimitrios Chatzoules: Foreign Direct Investment (FDI) in the Balkans: The Role of Greece; in: Anastasios G. Karasavoglou (Editor): The Economies of the Balkan and Eastern Europe Countries in the Changed World, Cambridge Scholars Publishing, 2011, p. 216

115 Kostas Ifantis: Greece and Southeastern Europe (2015), p. 163

"Greek foreign affiliates make up four of Bulgaria's top 10 banks, three of Serbia's top 10 banks and two of Romania's top 10 banks. Greek banks account for about 28% of the banking system's assets in Bulgaria, about a quarter of those in Macedonia FYR and about a sixth of those in both Romania and Serbia."<sup>116</sup>

According to the OECD, Greece's banks were severely affected by the economic crisis in Eastern Europe since 2008. "Loans from Greek banks to these countries, mainly through subsidiaries, are about EUR 53 billion, i.e. 13% of their assets. At 17% of GDP this is high compared to many other countries, although significantly lower than in Austria or Belgium. About 85% of these loans are concentrated in Bulgaria, Romania and Turkey. While Greek banks have a relatively small market share (less than 5% of assets) in Turkey, they are among the largest foreign lenders in Romania and Bulgaria"<sup>117</sup> (See Figure 8)

**Figure 8: Banking Sector Exposure to Central and South Eastern Europe**<sup>118</sup>



116 Persephone Economou and Margo Thomas: Greek FDI in the Balkans: How is it affected by the crisis in Greece? Columbia FDI Perspectives, No. 51, November 21, 2011, pp. 1-2

117 OECD Economic Surveys: Greece, July 2009, p. 40

118 OECD Economic Surveys: Greece, July 2009, p. 41

Hence, it is clear that Greek capital succeeded in the 1990s and 2000s in becoming a major component of foreign investment in some southern Balkan countries. From this it could extract a significant amount of extra-profits.

However, with the beginning of the crisis in 2008, Greek capital came under massive pressures. It became more and more difficult for Greek businesses to receive new loans and, as a result, their foreign investments dropped substantially.

*“For instance, only in the first nine months of 2009 over 70 million Euros of Greek capital left FYROM with the Greek owners of communication companies selling out and leaving the country”*<sup>119</sup>

Greece’s share in foreign direct investment in Albania halved: *“Macro analysis also concludes that the Greek crisis has resulted in lower than normal foreign direct investment (FDI) to Albania – dropping from 53% of total FDI in 2006 to 27% in 2011 – a trend that is expected to worsen given current conditions in Greece. (...) In addition, although trade between Albania and Greece has drastically declined over the years.”*<sup>120</sup>

Similarly, Greece lost its dominant position as a trading partner. For example, for many years Greece was Albania’s second largest export market, but today it ranks in fifth place.

A similar development took place in Bulgaria. Between 2008 and 2014, Bulgarian exports to Greece contracted by 1.9%, but during that period Bulgarian exports to the EU as a whole soared by 50%. Likewise, Greek foreign investment in Bulgaria declined by 7.6% between 2008 and 2014.<sup>121</sup> By 2010, Greece was only the third-biggest foreign investor in Bulgaria as it was in Serbia, where it had formerly been number one for some time.<sup>122</sup>

According to actual data, Greece which had been the largest foreign investor in Macedonia for a long time, has also lost its leading position there and is now number three behind the Netherlands and Austria with a share of 11.64%.

Since the beginning of the crisis, Greek banks have also started to sell off their foreign affiliates to foreign or local banks. *“For example, ATE Bank has announced plans to sell its majority stake in ATE Bank Romania by the end of 2012 and exit the Romanian market.”*<sup>123</sup>

---

119 Dimitrios Maditinos, Dimitrios Kousenidis and Dimitrios Chatzoudes: Foreign Direct Investment (FDI) in the Balkans: The Role of Greece; in: Anastasios G. Karasavoglou (Editor): The Economies of the Balkan and Eastern Europe Countries in the Changed World, Cambridge Scholars Publishing, 2011, p.218

120 Albanians and the Greek Crisis: A Briefing of Economic and Social Concerns, Balkanist, July 13, 2015, <http://balkanist.net/albania-economic-social-concerns/>

121 Balkan Economic Forum: Balkan Economic Development Outlook, Athens 2015, <http://www.balkaneconomicforum.org/wp/balkan-economic-development-outlook/>

122 Saul Estrin and Milica Uvalic: Foreign direct investment into transition economies: Are the Balkans different? LEQS Paper No. 64/2013, July 2013, p 24. See also Lindita Muaremi, Rigersa Konomi, Sindise Salih: Foreign Direct Investment in Macedonia; in: European Scientific Journal, Vol. 11, No.4 (February 2015), p. 64

123 Persephone Economou and Margo Thomas: Greek FDI in the Balkans: How is it affected by the

To summarize, Greek capital utilized, with a certain amount of delay, the opportunities which capitalist restoration offered it in the Balkans after 1989. It became an important foreign investor in Albania, Macedonia, Serbia, Bulgaria and Romania and managed to extract significant extra-profits from those countries. However, Greece's foreign investment abroad remained much smaller than inward foreign investment in Greece. With the onset of the crisis in 2008, Greece's foreign investment was significantly reduced. Later on we will discuss how to evaluate these developments when deciding how to characterize Greece, as an imperialist or a semi-colonial country.

### III.3 Rising Migration after 1989

Another crucial development since the collapse of Stalinism was the increased migration to Greece. Before this there were few migrants in Greece: in 1991 there were 167,276 migrants in Greece.<sup>124</sup> As we stated in the first chapter in the context of our discussion on theoretical issues, migrants, in their huge majority, belong to the lower strata of the working class. They are nationally oppressed and economically super-exploited.

According to estimates, the share of migrants – both legal and illegal (undocumented) – rose to 7.3% of the entire population in 2001. Towards the end of the first decade of the century, it has been estimated that this figure had increased to more than a million or 9–10% of the country's population. The migrants' share among the working class is even significantly greater their proportion of the total population – constituting to 20% of the total labor force. Migrants from Albania account for more than half of all migrants in Greece (57.5%). The second largest group is from Bulgaria, followed by immigrants from Georgia, Romania and Russia.<sup>125</sup>

In our studies on migration we have shown that migrants usually earn less than domestic workers even if they have similar qualifications. This is the case in Greece too, as we can see in Table 5.

In a study from 2005, the OECD estimated that migrants paid substantially more in taxes and social insurance contributions than they received in the form of social benefits, etc. (about 1% of GDP).<sup>126</sup> This is a development similar to that in other countries like Britain or Austria as we have shown elsewhere.<sup>127</sup>

---

crisis in Greece? Columbia FDI Perspectives, No. 51, November 21, 2011, p. 2

124 Vasileios K. Siokorelis: Economic Effects of Migration from Albania to Greece, in: Journal of Identity and Migration Studies, Vol. 5, No. 1, 2011, p. 118

125 Ioannis Cholezas, Panos Tsakloglou: The Economic Impact of Immigration in Greece: Taking Stock of the Existing Evidence, Institute for the Study of Labor, October 2008, pp. 6-7

126 OECD Economic Surveys: Greece, September 2005, p. 135

127 See on this Michael Pröbsting: Migration and Super-exploitation: Marxist Theory and the Role of Migration in the present Period of Capitalist Decay, in: *Critique* Vol. 43 No. 3 (August 2015), pp. 313-330, as well as *The Great Robbery of the South*, pp. 184-188

**Table 5: Greece: Wages for Various Categories of Workers as Reported by Farmers**<sup>128</sup>

	<i>Wages</i>		<i>Social security Contributions</i>		<i>Payments in kind</i>	
	<i>Daily</i>	<i>Monthly</i>	<i>Daily</i>	<i>Monthly</i>	<i>Daily</i>	<i>Monthly</i>
Perm. Skilled						
Greek workers	5.0	153.0	1.8	52.0	-	10.0
Perm. Unskilled						
Greek workers	4.3	112.3	1.5	-	1.0	-
Legal skilled						
Immigrants	4.6	137.5	1.2	30.0	1.5	45.0
Legal unskilled						
Immigrants	-	109.5	-	-	2.0	62.5
Illegal skilled						
Immigrants	2.5	99.2	-	-	1.5	40.0
Illegal unskilled						
Immigrants	3.5	125.0	-	-	1.1	45.0

*Source: Lianos et al (1996), CIDER Survey Phase I*

Another expression of the national oppression of migrants – as it is the case in other countries too – is the vast over-representation of migrants among the incarcerated. Due to Greece's institutionalized racism, migrants are a target for the state repression. Two Greek academics, Leonidas K. Cheliotis and Sappho Xenakis, have published an interesting study on the consequences of the neoliberal social catastrophe in Greece and report the following:

*“Regarding the nationality of convicted prisoners, official data collection only began in 1996. Between then and 2006, the annual total caseload of non-Greek convicts rose by 140.5 percent, from 2,253 (or 404 per 100,000 non-Greek inhabitants) to 5,420 (or 559 per 100,000 non-Greek inhabitants). Correspondingly, the proportion of non-Greeks amongst the total caseload of convicts increased from 25.3 percent to 41.1 percent – four times higher than the estimated share of non-Greeks in the general population of the country. The level and nature of criminal involvement by non-Greeks, however, leave much unanswered as to the driving forces behind their overrepresentation in the total caseload of convicted prisoners. Between 2000 and 2006, for example, the police-recorded rate of non-Greeks amongst offenders was 1.6 times higher than the rate of Greeks, but the likelihood of imprisonment under conviction was 7.9 times higher for non-Greeks than the equivalent likelihood for Greeks. Over the same period, non-Greeks represented an average of 43.2 percent in the total caseload of prisoners convicted of*

<sup>128</sup> Ioannis Cholezas, Panos Tsakoglou: The Economic Impact of Immigration in Greece: Taking Stock of the Existing Evidence, Institute for the Study of Labor, October 2008, p. 13

*a drug-related offence, but secondary analysis of police data reveals that the average proportion of non-Greeks amongst the perpetrators of drug offences only stood at 10.9 percent. Expressed in terms of the ratio of rates per 100,000 population, the average likelihood of a non-Greek being imprisoned under conviction for a drug offence was 9.4 times higher than the equivalent likelihood for a Greek, but the police-recorded rate of non-Greeks amongst the perpetrators of drug offences was only 1.5 times higher than the rate of Greeks.”*<sup>129</sup>

To summarize, Greek capitalism has succeeded in acquiring a significant layer of migrants who serve the bosses as a super-exploited stratum at the bottom of the working class. This layer has not been reduced by the recent crisis and this is unlikely to happen because the wars and catastrophes in the Middle East make certain that there will be many more refugees coming from countries with even worse living conditions.

A related but not identical issue is the growing number of refugees who are arriving in Greece. Most of them are fleeing the terrible civil wars in Syria, Iraq and Afghanistan. However, when they succeed in arriving in Greece, they are usually herded together in deportation camps and registration centers living under awful accommodation. The Greek state and the EU-bureaucrats give only little financial support to the local authorities. The fascists, who have become a strong force in Greece as the repeated successes of the Nazi-Party *Chrysi Avgi* (Golden Dawn), in the last elections having become the third-largest list, are systematically attacking (and killing) migrants and refugees.

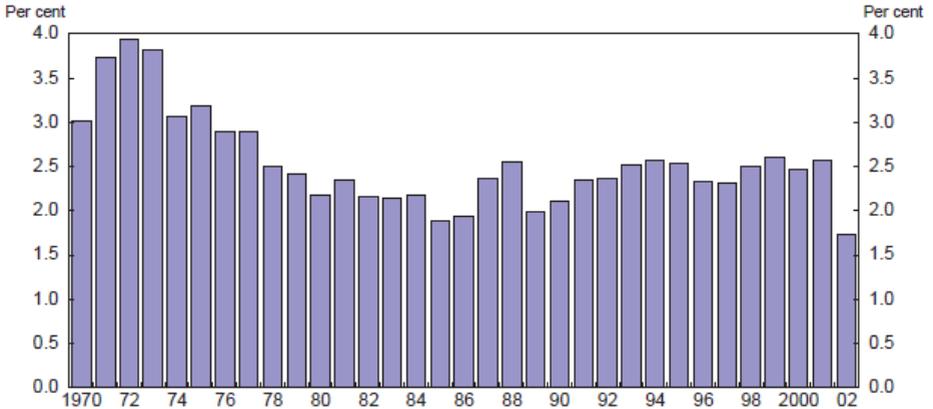
Finally, concerning migrants, not only are there the migrants coming to Greece but also – as we mentioned above – the longstanding phenomena of Greek migrants living. The numbers of the Greek Diaspora vary between three and seven million people.

The Greek migrants' remittances – most of them from the US, Germany and Australia – sent home to family still constitute a significant share of Greece's income. While the remittances were the equivalent of nearly 4% of GDP in the early 1970s, this sum was still about 2.5% by 2001 (see Figure 9).

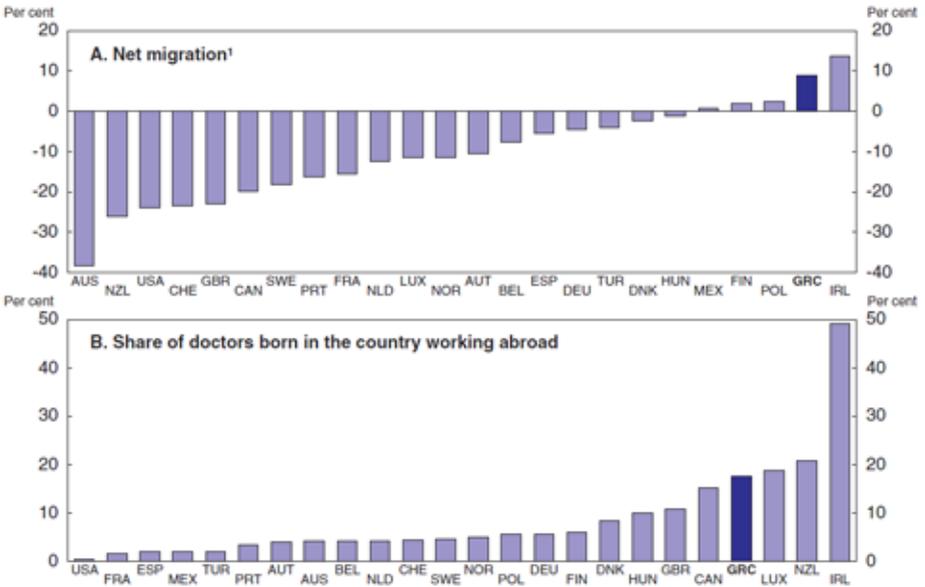
Not unlike many other economically backward countries, Greece loses many well-educated specialists, like doctors, who go abroad for work. In Figure 10 we can see that Greece has one of the highest immigration and expatriation rates of doctors of all the OECD countries.

---

<sup>129</sup> Leonidas K. Cheliotis and Sappho Xenakis: What's neoliberalism got to do with it? Towards a political economy of punishment in Greece, in: *Criminology & Criminal Justice* Vol. 10, No. 4 (2010), p. 358

**Figure 9: Workers' Remittances as a Percentage of GDP**<sup>130</sup>**Figure 10: Immigration and Expatriation Rates of Doctors**<sup>131</sup>

*Per cent of total number of doctors, circa 2000*



<sup>130</sup> OECD Economic Surveys: Greece, September 2005, p. 136

<sup>131</sup> OECD Economic Surveys: Greece, July 2009, p. 98

### III.4 Failure to Overcome Backwardness and Increasing Indebtedness to Imperialist Powers

Let us now make a general assessment of the development of Greek capitalism and analyze whether Greece has succeeded in becoming a minor imperialist state. In doing so, we cannot avoid but referring beforehand to some developments which post-date the onset of the historical crisis of Greek capitalism after 2008. However, as we will demonstrate, all the elements which led to the collapse of Greek capitalism during this period were already present beforehand and certainly did not suddenly emerge out of the blue.

In our previous chapters we have seen that Greece has always been and still is the poorest – with the possible exception of Portugal – of the traditional capitalist countries of Europe (i.e., if we leave aside the ex-Stalinist states in Eastern Europe). This has remained so until today. In Table 6 we can see a comparison of the historical development of Greece's GDP per capita – as an indication of the development of the productive forces – between 1820 and 1998 with those of other southern European countries, as well as the average of western European states. As we can see, Greece is the poorest country with a per capita GDP of US\$ 11,268 – less than Portugal, Spain and Ireland, and about 63% of the average western European level.

As we have noted above, Greece grew rapidly in the period 1950–73 but grew slower than other European countries for most of the rest of the 20<sup>th</sup> century (see Table 7).

**Table 6: GDP Per Capita (1990 international \$)** <sup>132</sup>

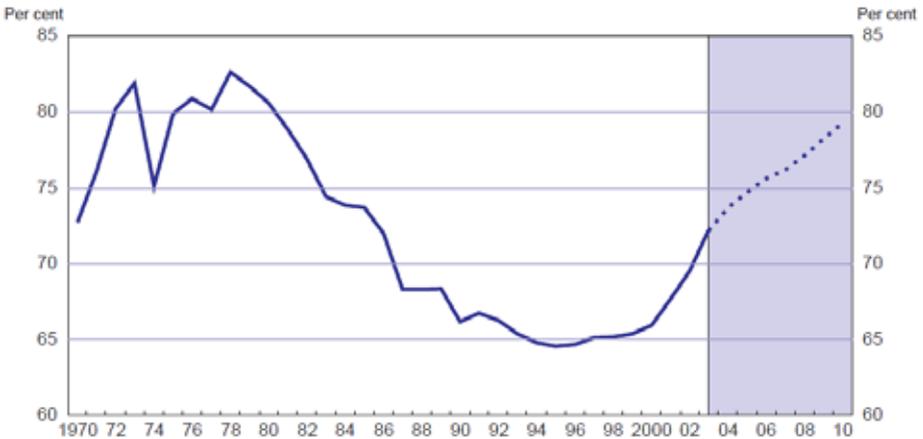
	<i>1820</i>	<i>1870</i>	<i>1913</i>	<i>1950</i>	<i>1973</i>	<i>1990</i>	<i>1998</i>
Greece	666	913	1,592	1,915	7,655	9,984	11,268
Ireland	-	-	-	3,446	6,867	11,825	18,183
Portugal	963	997	1,244	2,069	7,343	10,852	12,929
Spain	1,063	1,376	2,255	2,397	8,739	12,210	14,227
<b>Total Western Europe</b>	<b>1,232</b>	<b>1,974</b>	<b>3,473</b>	<b>4,594</b>	<b>11,534</b>	<b>15,988</b>	<b>17,921</b>

<sup>132</sup> Angus Maddison: *The World Economy, Volume 1: A Millennial Perspective, Volume 2: Historical Statistics, Development Centre Studies, Paris 2006, p. 185*

**Table 7: GDP Per Capita Growth Rates (Percents)<sup>133</sup>**

	1820–70	1870–1913	1913–50	1950–73	1973–98
Greece	0.63	1.30	0.50	6.21	1.56
Ireland	-	-	-	3.04	3.97
Portugal	0.07	0.52	1.39	5.66	2.29
Spain	0.52	1.15	0.17	5.79	1.97
<b>Total Western Europe</b>	<b>0.95</b>	<b>1.32</b>	<b>0.76</b>	<b>4.08</b>	<b>1.78</b>

Hence, Greece's standard of living – compared with the European Union – dropped dramatically from the late 1970s. While Greece had an average standard of living of about 83% of the EU level in 1978, this has fallen to about 65% by 2000 (see Figure 11).<sup>134</sup>

**Figure 11: Greece's Standard of Living Relative to the European Union<sup>135</sup>**

133 Angus Maddison: *The World Economy*, p. 186. See also See Heinz-Jürgen Axt: *Süderweiterung der Europäischen Gemeinschaft: Erfahrungen mit der asymmetrischen Integration*; in: Cord Jakobeit and Alparslan Yenil (Ed.): *Gesamteuropa. Analyse, Probleme und Entwicklungsperspektiven*, Leske + Budrich, Opladen 1993, p. 432

134 See on this also Nicos Christodoulakis and Sarantis Kalyvitis: *Structural funds: growth, employment, and the environment: modelling and forecasting the Greek economy*, Springer Science+Business Media, New York 2001, p. 2

135 OECD *Economic Surveys: Greece*, September 2005, p. 34. Readers should bear in mind that the line in the figure for the years from 2003 onwards are only optimistic speculations of bourgeois economists for future developments and not facts.

**Table 8: Gross Domestic Product at Current Market Prices per Capita of Population in 2013** <sup>136</sup>

	(EU-15 = 100)
Greece	66.9
Ireland	118.9
Portugal	71.7
Spain	86.3

This trend remains today as it was. In 2013, Greece was still the least developed country among the traditional capitalist countries in Europe with a productivity level of just 66.9% of the EU-15 average. (See Table 8)

Some bourgeois economists have pointed out that Greece experienced a boom in the 1990s and the first decade of the 21<sup>st</sup> century with growth rates above the EU average. But, as the Greek Marxist academic Stavros D. Mavroudeas and others have pointed out, this “boom” was mostly artificial and was based on cheap loans (mostly from foreign creditors) and financial speculation.

*“Greek capitalism attempted to decisively upgrade its position within the international division of labour by participating in the upper tier of European integration. But this strategic choice was risky since the severe constraints on national monetary, industrial and commercial policies weakened further Greek competitiveness vis-à-vis the euro-core countries which were characterized by productive superiority. In the beginning, these problems were ameliorated by securing – thanks to the euro – cheap credit that promoted an artificial growth. This was boosted further by the organization of 2004 Olympic Games in Athens whose exorbitant and over-priced works bolstered Greek (and western) capitals’ profitability but at the same time worsened fiscal deficit. Essentially, whenever capital accumulation faltered the Greek state stepped in and, directly or indirectly, subsidized it. The ballooning foreign debt was manageable because of the cheap foreign loans and the relatively high growth rates of the Greek economy. On top of that Greek capitalism, during that period, followed the international trend of aggressively employing credit and fictitious capital expansion. Cheap credit was boosted by euro’s low interest rates. The stock market became for a short period a major (but never the dominant) source of enterprise finance, whereas traditionally its role and size were minimal. By artificially (through government policy and bank cartel agreements) lowering interest on deposits to negative real rates, the vast majority of traditional middle-class depositors was pushed to the stock market with the promise of higher returns. It is exactly in this period that the traditional post-war popular and middle-class propensity to save collapses. (...) In toto, there was no significant long-term structural change of the Greek economy along the financialisation lines. The only effect was an artificially boost of capitalist accumulation through fictitious capital and*

<sup>136</sup> European Commission: European Economic Forecast Spring 2015, Statistical Annex of European Economy, in: EUROPEAN ECONOMY 2|2015, p. 26

*lax monetary policy. (...) All these unsustainable and conjectural factors led to an 'artificial boom' period with better than the rest of the EU growth rates. This 'artificial boom' period had another hidden handicap: there was a steep increase of unproductive activities (particularly around finance and trade) which eroded internally profitability's foundations. To sum up, the period 1985-2007 was marked by capitalist restructuring waves which stroived to reverse the falling profit rate trend and the overaccumulation of capital. (...) The 2007-8 crisis ended abruptly this euphoria. The 'artificial boom' collapsed and the lurking behind profitability crisis resurfaced."*<sup>137</sup>

The attacks on the working class led to a decline of the share of labor in national income – despite a rise of the number of wage laborers – even before the great crisis began in 2008. Between 1980 and 2007, the labor share declined from about 66% to 58% while capital share followed the reverse pattern, increasing from 34% to 42%.<sup>138</sup>

Figure 12 shows that this decline of the labor share is the continuation of long-term trend which started already in the later 1960s, as it has been the case in other capitalist countries.

**Figure 12: Labor Share in Business-Sector Value-Added, 1964-1995**<sup>139</sup>



<sup>137</sup> Stavros D. Mavroudeas: The Greek Saga: Competing Explanations of the Greek Crisis, Economics Discussion Papers 2015-1, University of Macedonia, 10 February 2015, pp. 30-31

<sup>138</sup> Stella Balfoussias: Potential Output Growth in Greece, in: Stella Balfoussias, Panos Hatzipanayotou, Costas Kanellopoulos (Editors): Essays in Economics. Applied Studies on the Greek Economy, Centre of Planning and Economic Research, Athens 2011, p. 43

<sup>139</sup> Euclid Tsakalotos: The Political Economy of Social Democratic Economic Policies: The PASOK Experiment in Greece, in: Oxford Review of Economic Policy, Vol. 14, No. 1, 1998, p. 125

The capitalist crisis has hit the working class as well as the lower strata of the traditional petty bourgeoisie and the rural poor. As a result there has been an important shift in the class configuration in the Greek society since the early 1990s. According to a study of the Greek Marxist Eirini Gaitanou, the working class grew enormously in the past two decades.

*“Thus, a new landscape emerges as far as the class structure is concerned, which, according to Sakellaropoulos based on the Greek Statistic Service data for the fourth trimester of 2011 in comparison to those of 1991, consists in:*

- 1) an increase of the bourgeois class (3,4% from 1,4%) and of the rich rural strata (0.6% from 0.3%),*
- 2) a huge decline of the traditional petit-bourgeois class (10,2% from 21,5%), and of the middle rural strata (2,2% from 3%),*
- 3) a small increase of the new petit-bourgeois class (15,2% from 13,2%), due to the increasing demand of their abilities for the achievement of capital profitability, in parallel to an effort of their submission to the most direct capital exploitation and domination,*
- 4) an important increase of the working class (62,2% from 47,5%), and*
- 5) an important decrease of the poor rural strata (6% from 13,1%).*

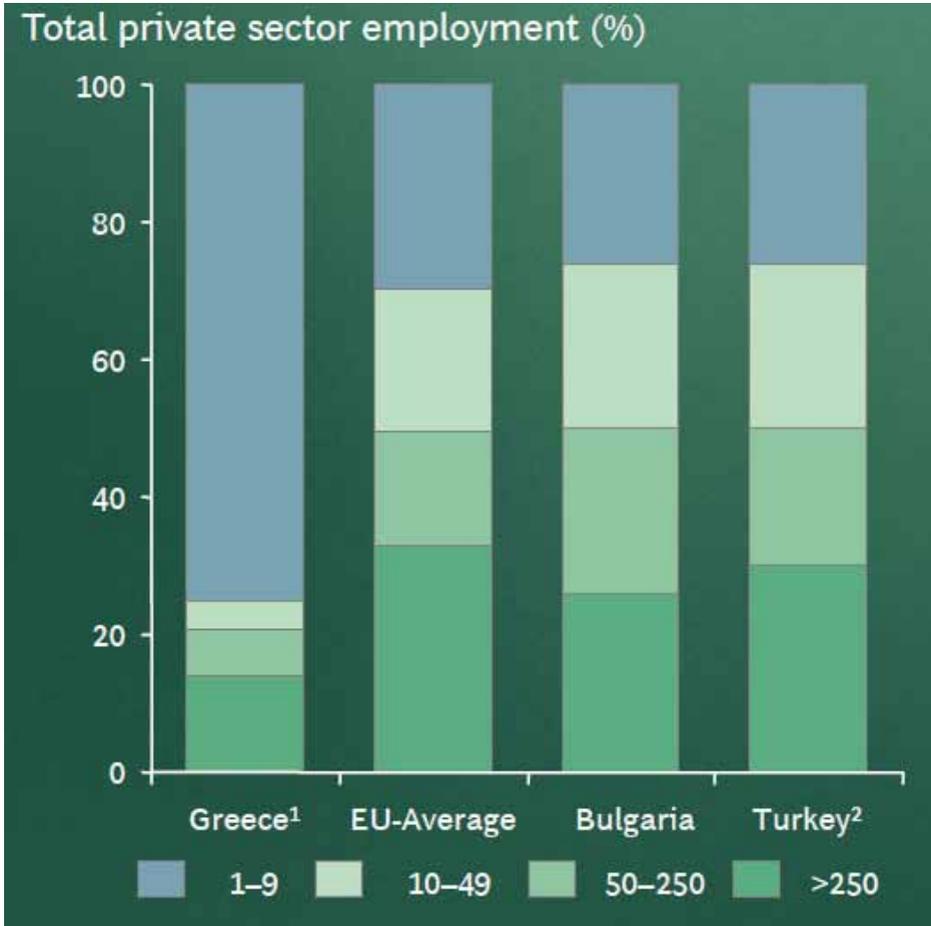
*In any case, what is clear is the tendency of intensification of class polarization, which leads to the adoption of a social structure akin to that of other European countries (small number of farmers and of the traditional petit-bourgeois class, stable presence of the new petit-bourgeois class as the executive organizer of the productive process, broader bourgeoisie and heterogeneous/uneven but numerous working class. However, this overall image is still away from the class structure of most developed countries.”*<sup>140</sup>

Furthermore, its economic structure remains backward and dominated by small economic units. About 70% of private employees in Greece work in enterprises with 1–9 employees (figures for 2009). At the same time only about 15% worked in enterprises of more than 250 employees. This is even more backward than the economic structure of other, poorer semi-colonial countries like Bulgaria or Turkey. (In these countries only about 25% work in small enterprises and about 25–30% in large enterprises; see Figure 13)

---

140 Eirini Gaitanou: An examination of class structure in Greece, its tendencies of transformation amid the crisis, and its impacts on the organisational forms and structures of the social movement, 27 November 2014, <http://omilosmarx.gr/%CE%BA%CE%B5%CE%AF%CE%BC%CE%B5%CE%B%CE%B1/item/39-class-structure-greece>

**Figure 13: Breakdown of Employment by Country and Company size  
(Total private sector employment in %) <sup>141</sup>**



<sup>141</sup> Boston Consulting Group: *Hellas ,20:20 Supporting investment in the Greek economy—a foreign investor perspective*, October 2011, p. 19. According to another Greek economist, 96% of the country's businesses have 0–4 employees, 2% have 5–9 employees and the remaining 2% more than 10 employees. (Panagiotis Petrakis: *The Greek Economy and the Crisis. Challenges and Responses*, Springer-Verlag Berlin Heidelberg 2012, p. 65)

Aristos Doxiadis, a liberal Greek economist, writes: *“There is no other European country and no other member of the OECD that has as many self-employed and as many micro-employers as Greece pro rata to its population. In Greece 57% of those employed in the ‘non-financial business economy’ are either self-employed or employed in firms of under 10 employees. The value of this index for EU-27 is 30%. Italy comes second with 47%, Portugal third with 42%. France is at 27%, the UK at 21%, Germany at 18%. Our newest role-model, Denmark, is at 20%. Agriculture, which is not counted in the NFBE, is even more fragmented. In the region of Corinthia, the average grower of Table grapes for export has less than three hectares, and the biggest has less than 20 hectares. The competitors of the Corinthian growers in Murcia, Spain, have over 100 hectares each. It is the same in California, South Africa, Chile, Egypt. In the economy as a whole, businesses of more than 250 employees employ no more than 9% of the labor force; and this includes banks and utilities.”*<sup>142</sup>

According to a study about self-employment in the EU-27 countries (i.e., including the Eastern European EU member states) which used data for 2007, 35.7% of all employed people in Greece were not regular employees, followed by a similarly high level in Romania (33.7%). The EU-27 average was 16.9%. Likewise, self-employed represented 21.2% of all employed in Greece; with Romania coming next with a share of 19.7% (The EU-27 average was 10.5%).<sup>143</sup>

Another indication of the backwardness of Greek capital is the small degree of investment in knowledge-based ventures when compared with other OECD countries. In a list provided by the OECD, Greece ranks last (see Figure 14).

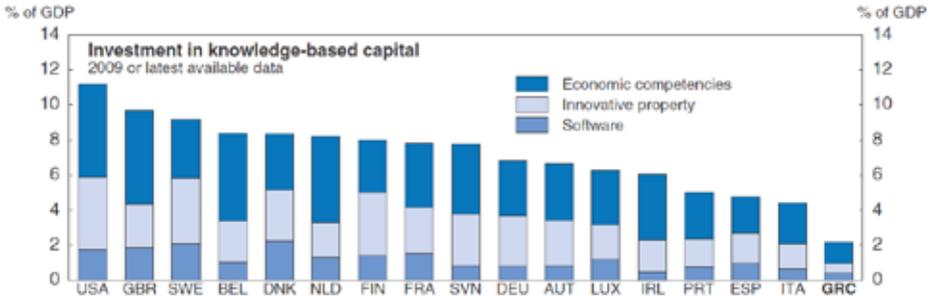
---

142 Aristos Doxiadis: The real Greek economy: owners, rentiers and opportunists, Athens Review of Books, June 2010 (in English: [www.opendemocracy.net](http://www.opendemocracy.net), 23rd September 2010, pp. 2-3. Another Greek economist wrote a similar sober assessment about Greece's backward economy in the later 1990s: *“The Greek economy differs from those of the developed countries in several respects. A quarter of the population works in agriculture, as opposed to 5 percent in OECD countries, and there are high percentages of self employed (28.7 percent) and unpaid family members (14.3 percent). Public debt was 110 percent of GNP in 1992, and the declining competitiveness of the Greek industry is manifested by the rapid increase in imports and decrease in exports, leading to a significant trade deficit. Inflation (10.8 percent in 1994) and interest rates (nominal 28 percent, real 12.5 percent in 1992) are both high, and there is an alarming number of dud cheques. The black economy is estimated at over 40 percent of GNP, and there are 400,000 illegal immigrants, 200,000 of whom are Albanians. Until 1992 Greece's GDP/capita was slowly approaching the EU average, but since 1992 it has been falling increasingly behind.*

*The share of manufacturing in GDP has been dropping steadily since 1975, and is now 18.5 percent against the EU average of 30 percent. The Greek manufacturing sector is limited (170,000 establishments and 600,000 employees) and has a weak structure, being based primarily on traditional sectors (i.e. clothing and footwear, food, textiles, transport equipment including car repair) and characterized by a plethora of small firms. In 1988 93.5 percent of the total number of establishments had no more than 9 employees and only one firm in 200 had over 100 employees.”* (Lois Labrianidis: The Opening of the Balkan Markets and consequent Economic Problems in Greece, in: Modern Greek Studies Yearbook Vol 12/13, 1996/97, University Of Minnesota, p. 212)

143 Roberto Pedersini and Diego Coletto: Self-Employed Workers: Industrial Relations and Working Conditions, Dublin: European Foundation for the Improvement of Living and Working Conditions (Eurofound), 2009, p. 8

**Figure 14: Investment in Knowledge-Based Capital and Employment Allocation in the Manufacturing Sector in Greece, International Comparison, 2009**<sup>144</sup>

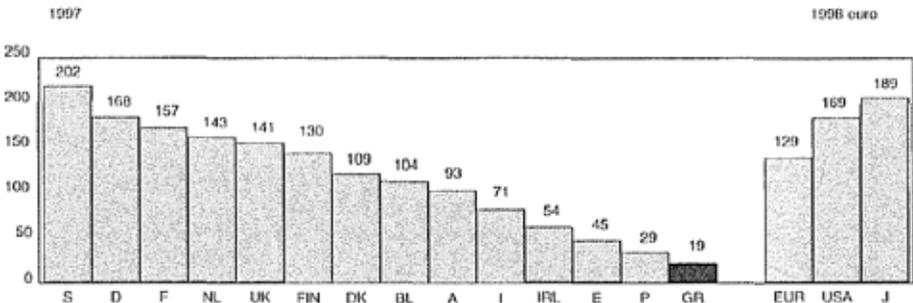


In Figure 15 we see likewise the low level of technology used in the Greek economy compared with other advanced capitalist economies.

This long-standing backwardness of Greece's economy is the central reason why the country has always received relatively little foreign investment compared with other European countries. Imperialist monopolies clearly have no incentive to invest capital in enterprises with 0–9 employees (see Figure 16)!

**Figure 15: Technological Capital**<sup>145</sup>

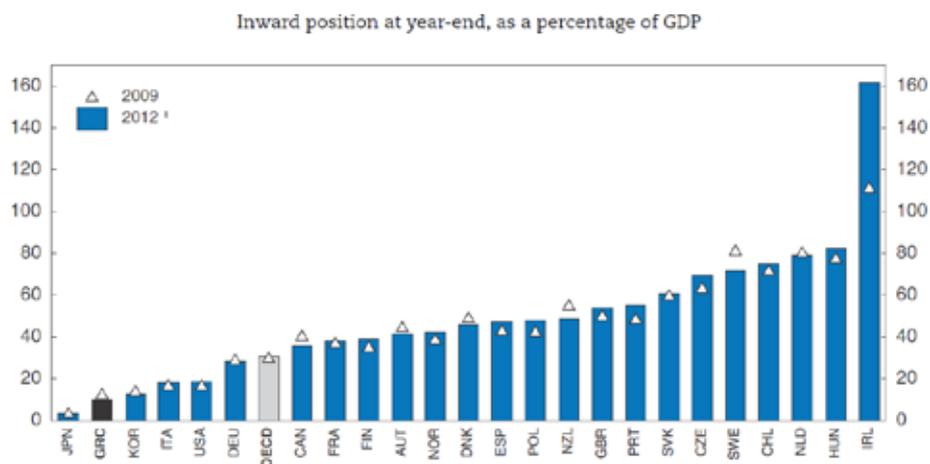
*Ratio of stock technological capital to GDP, EUR in 1986 = 100*



<sup>144</sup> OECD Economic Surveys: Greece, November 2013, p. 66

<sup>145</sup> Theodore C. Kariotis: *The Economy: Growth without Equity*, in: Theodore A. Couloumbis, Theodore Kariotis and Fotini Bellou (Editors): *Greece in the Twentieth Century*, Hellenic Foundation for European and Foreign Policy, Frank Cass, London and New York 2004, p. 255

**Figure 16: Foreign Direct Investment in Greece, International Comparison 2009 and 2012** <sup>146</sup>



In Table 9 we can see how much the role of industry in the country's capital accumulation process has been reduced between the years 2000 and 2007 (from 13% to 7.8%). At the same time, the role of agriculture rose – in contrast to the long-standing global and historic trend – and the parasitic finance and real estate sectors became dominant.

**Table 9: Structure of Gross Fixed Capital Formation in Greece, 2000-2007 (in %)** <sup>147</sup>

<i>Sector of economic activity</i>	<b>2000</b>	<b>2004</b>	<b>2007</b>
<b>Agriculture, etc.</b>	4,2	4,2	5,6
<b>Industry (including energy)</b>	13	7,6	7,8
<b>Construction</b>	1,3	1,2	2,2
<b>Commerce, hotels, transport</b>	20	27,5	24,1
<b>Finance and real estate</b>	37,5	39,9	43,1
<b>Other services</b>	23,8	19,1	16,9

<sup>146</sup> OECD Economic Surveys: Greece, November 2013, p. 65

<sup>147</sup> Helen Caraveli and Efthymios G. Tsionas: Economic Restructuring, Crises and the Regions: The Political Economy of Regional Inequalities in Greece, GreeSE Paper No.61, Hellenic Observatory Papers on Greece and Southeast Europe, 2012, p. 10

The increased investment of Greek capitalists in the southern Balkans is certainly an important development which demonstrates Greece's potential to become a minor imperialist power. However, phenomena have to be viewed always in their totality, i.e., as "*a rich totality of many determinations and relations.*"<sup>148</sup>

In this light we should note, first, that since the onset of the crisis in 2008, Greece's foreign investment has been declining. Here we should point out a statistical difficulty. Since the onset of the crisis, capital flight has substantially increased in Greece. This very significantly distorts the statistics we have, since such capital flight is often disguised as foreign direct investment. While we don't have exact figures for capital flight masked as FDI, we do have figures from the recently published report from the *Truth Committee on Public Debt* which was set up by the Greek parliament. According to this report, the cumulative illicit capital outflow from Greece was of €202.5 billion between 2003 and 2009 (see Table 10). Noteworthy is that fact this is the sum of capital flight even *before* the onset of the great recession!

Even the capitalist news agency *Bloomberg* pointed out that the huge proportions of the capital flight started long before SYRIZA came to power. Figure 17, below, shows the estimated three-month cumulative capital flows between Greece and the euro area as a percent of Greek gross domestic product (positive numbers are inflows to Greece).

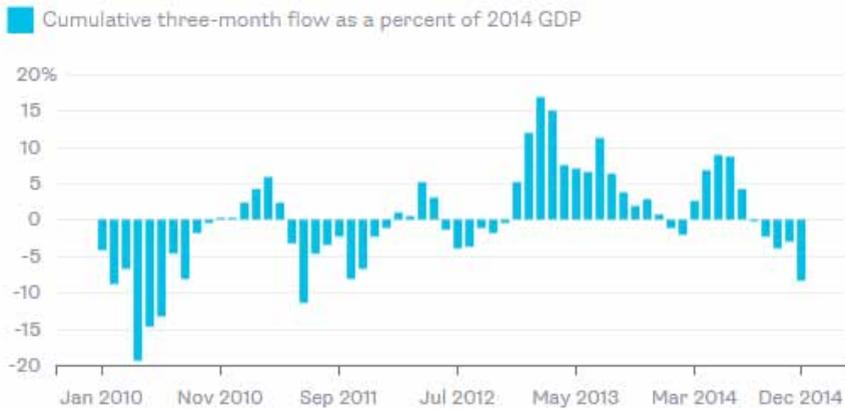
A second factor germane to our viewing Greece's foreign investment in its totality is that it is relatively small in relation to its total capital accumulation. It is particularly small if we compare the accumulated investments in the Balkans (\$7.2 billion) and the accumulated sum of illicit capital outflows (€202 billion in 2003–2009). Furthermore its outward FDI is usually substantially smaller than its inward FDI. In other words, Greece is very much more a country in which foreign monopolies invest in order to extract extra-profits than an active exporter of capital to other countries in an attempt to do precisely the same.

**Table 10: Illicit Financial Outflows of Greece (€ Billion)**<sup>149</sup>

2003	2004	2005	2006	2007	2008	2009	2003-2009
41.2	31.8	0.0	33.0	53.1	2.8	40.5	202.5

<sup>148</sup> Karl Marx: Grundrisse [Outlines of the Critique of Political Economy (Rough Draft of 1857-58)]; in: MECW 28, p. 37

<sup>149</sup> Truth Committee on Public Debt: Preliminary report (2015), p. 14

**Figure 17: Capital Flight from Greece, 2010-2014** <sup>150</sup>**Capital Flows in Greece**

In Table 11 we can see that outward FDI constituted only a very small section of Greece's capital formation in the 1990s. While this share increased in the first decade of the 2000s it remained relatively small, and capital flight had already started in the later part of that decade.

**Table 11: Greece: FDI Flows as a Percentage of Gross Fixed Capital Formation, 1990-2012** <sup>151</sup>

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>Inflows</b>	4,9	5,3	5,1	4,9	5,0	4,6	4,1	3,9	0,3	1,9	3,9
<b>Outflows</b>	0,1	-0,1	0,2	-0,1	0,1	0,2	-0,1	0,6	-1,0	1,8	7,6

(Continuation)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Inflows</b>	5,4	0,1	2,7	4,0	1,3	8,6	2,9	6,0	4,0	0,7	2,7	9,5
<b>Outflows</b>	2,1	1,9	0,9	2,0	2,9	6,5	7,2	3,2	3,4	3,1	4,2	-0,1

150 Mark Whitehouse: Greece's Predicament in One Scary Chart, Apr 24, 2015, <http://www.bloombergview.com/articles/2015-01-30/greece-s-predicament-in-one-scary-chart>

151 UNCTAD: Web Tables for 1990-2012, [http://unctad.org/Sections/dite\\_dir/docs/WIR2013/WIR13\\_webtab05.xls](http://unctad.org/Sections/dite_dir/docs/WIR2013/WIR13_webtab05.xls) and [http://unctad.org/Sections/dite\\_dir/docs/WIR2013/WIR13\\_webtab06.xls](http://unctad.org/Sections/dite_dir/docs/WIR2013/WIR13_webtab06.xls)

The low share of outward FDI in the country's capital accumulation demonstrates that Greece's export of capital, and hence the relatively small extra-profits to be can gain from such investments, clearly do not offer much support for any argument which seeks to attribute an imperialist class character to this country.

In addition, according to UNCTAD calculations, Greece's outward FDI as a share of the country's gross fixed capital formation had in nearly all the years between 1990 and 2012 the lowest percentage compared with that of all other traditional capitalist countries in Europe. This, again, reinforces the position that that Greece has *not* become an imperialist country.

Furthermore, even while Greek capitalists as a class do invest certain sums abroad, they are in most part forced to acquire new external loans as well as sell their enterprises to foreign capitalists to a much higher degree.

The result has been an explosion of debt both in the public and private sectors. The OECD has observed that since 1995 Greek capitalists were increasingly forced to get loans from abroad:

*"Loans to the private sector grew sharply, especially as from 1995, which expanded indebtedness, primarily vis-à-vis foreign creditors."*<sup>152</sup>

The consequences of this large debt were severe. According to the Greek economist Euclid Tsakalotos interest payments had reached the level of over 40% of total revenue by 1994.<sup>153</sup>

In fact, the increasing foreign activities of Greek capitalists went hand in hand with a dramatic increase of their debt to foreign financial institutions. External debt in the private sector increased even more than that of the government. In short, as we can see in Figure 18, external debt grew by more than 100% between 2003 and 2010 to about 185% of the GDP.<sup>154</sup>

Figure 19 demonstrates the rise of Greek debt including the country's external debt in a longer perspective – between 1970 and 2010.

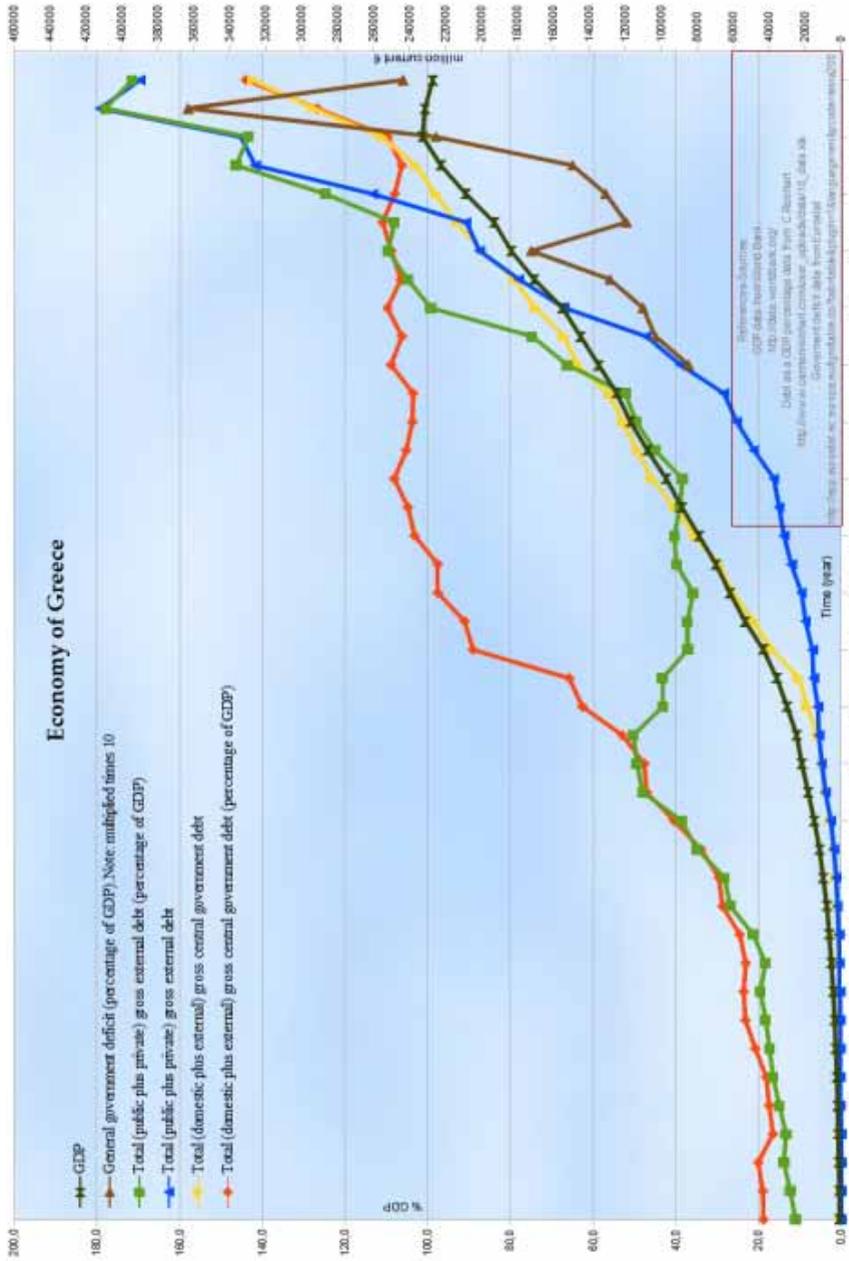
As a result, by the middle of the first decade of the 21<sup>st</sup> century, Greece had to the pay the highest debt service ratios of any of the traditional capitalist countries in Europe. By 2005, its net interest payments as a percentage of current receipts stood at 11% (see Figure 20).

152 OECD Economic Surveys: Greece, August 2011, p. 32

153 Euclid Tsakalotos: The Political Economy of Social Democratic Economic Policies: The PASOK Experiment in Greece, in: Oxford Review of Economic Policy, Vol. 14, No. 1, 1998, p. 123

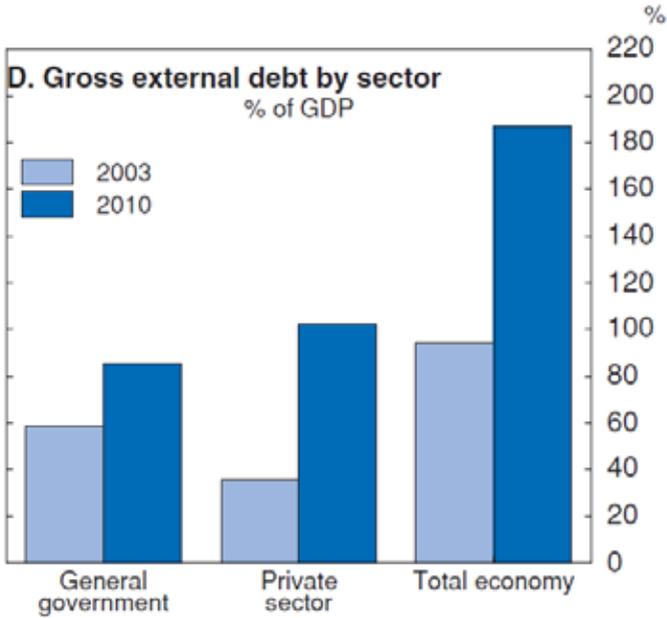
154 See on this also George Pagoulatos: Greece's New Political Economy. State, Finance, and Growth from Postwar to EMU, Palgrave Macmillan 2003, p. 128

Figure 19: Economy and Debt of Greece <sup>155</sup>

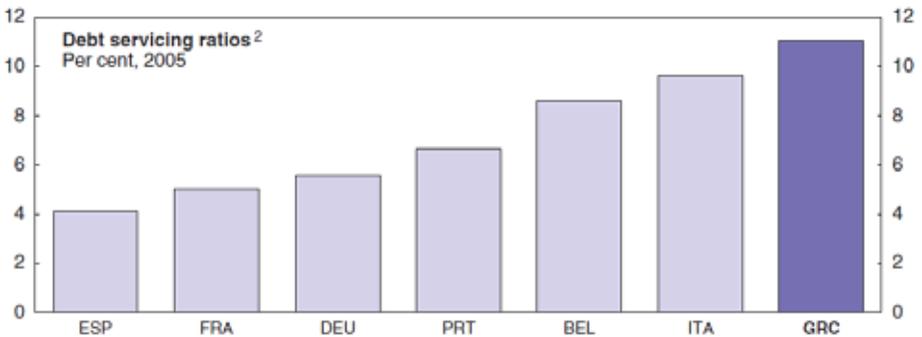


155 Hari Kumar: The Greek Debt Crisis: A Misnomer for the European Imperialist Crisis, August 22, 2015, The Red Phoenix, <http://theredphoenixapl.org/2015/08/22/the-greek-debt-crisis-a-misnomer-for-the-european-imperialist-crisis/>

**Figure 18: Gross External Debt by Sector in 2003 and 2010 (as percent of GDP)** <sup>156</sup>



**Figure 20: Debt servicing ratios: Net Interest Payments as a Percentage of Current Receipts (Excluding Interest Receipts), 2005** <sup>157</sup>



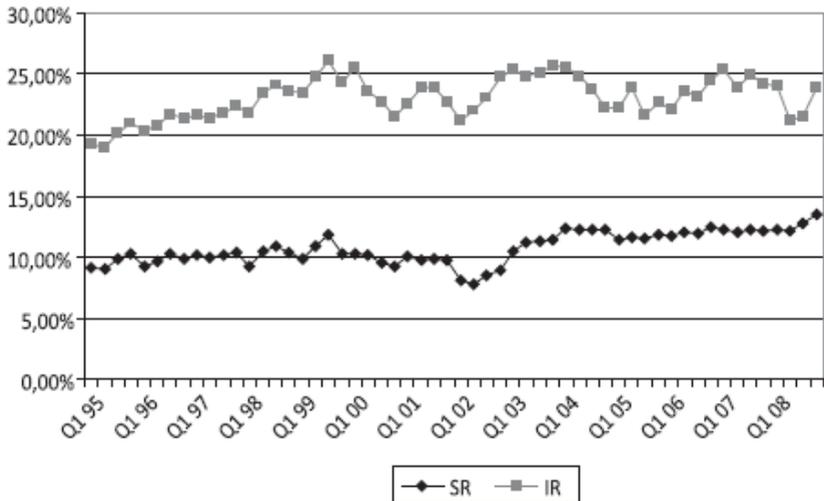
<sup>156</sup> OECD Economic Surveys: Greece, August 2011, p. 32

<sup>157</sup> OECD Economic Surveys: Greece, May 2007, p. 45

This was true for the entire period of the so-called “boom” of the Greek economy during which the country had to pay an enormous share of its annual production as interest to mostly foreign imperialist creditors – more than any other European state. The Greek Marxist academic Thanasis Maniatis writes: “Greece is above the European average in all of them since it pays a significant amount (almost double that of the European average) of its product (6.9 per cent of GDP) to its (mostly foreign) creditors in the form of interest. It is interesting to note that interest payments were almost equal to the budget deficits for the entire period meaning that the primary budget was in balance on average all those years.”<sup>158</sup>

In general, the “Greek model” of capital accumulation could only work by means of a never-ending increase in its external debt, because domestic saving was continuously below the level of investment. (See Figure 21)<sup>159</sup>

**Figure 21: Saving and Investment Rate in Greece 1995 (Q1) to 2008 (Q4)**<sup>160</sup>



158 Thanasis Maniatis: The fiscal crisis in Greece. Whose fault? in: Stavros Mavroudeas (Editor): Greek Capitalism in Crisis. Marxist Analysis, Routledge, News York 2015, p. 37

159 “[S]ince domestic net saving was not enough to carry a minimum level of new investments, the Greek economy was dependent on foreign capitals to an extent that was unique within the Eurozone.” (George Economakis, George Androulakis and Maria Markaki: Profitability and crisis in the Greek economy (1960–2012) An investigation, in: Stavros Mavroudeas (Editor): Greek Capitalism in Crisis. Marxist Analysis, Routledge, News York 2015, p. 131)

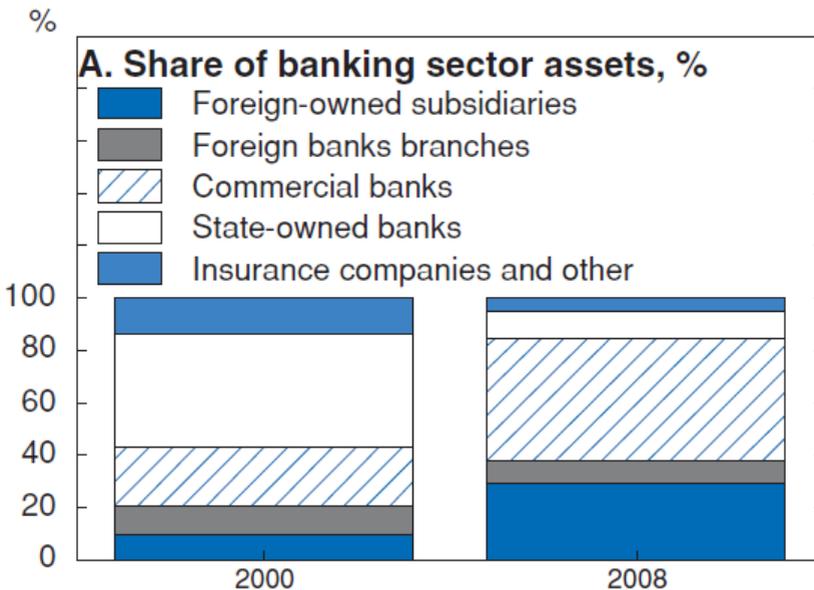
160 Evangelia Kasimati: The Macroeconomic Relationship Between Investment and Saving in Greece, in: Stella Balfoussias, Panos Hatzipanayotou, Costas Kanellopoulos (Editors): Essays in Economics. Applied Studies on the Greek Economy, Centre of Planning and Economic Research, Athens 2011, p. 92

Naturally, as a result of its model of capitalist accumulation, Greece's debt could not fail to continuously rise. In 1991 Greece's public debt was one of the highest in Europe, 70.4% of GDP. In 2001 only Belgium and Italy had higher debts than Greece (100.1%) and since 2007 the latter has surpassed all other European countries.<sup>161</sup>

At the same time, foreign capital became more and more dominant in Greece's economy. Foreign investment is seldom intended to build new enterprises (called new "Greenfield" investments by bourgeois economists) but rather consisted almost exclusively of mergers and acquisitions of existing Greek firms. Furthermore it is almost entirely directed to non-export industries, such as banks, cement companies and services.<sup>162</sup>

In a few years, from 2000 to 2008, foreign monopolies doubled their share in the banking sector from 20% to 40% (see Figure 22). Other sources claim that foreign ownership of major Greek bank stocks increased to close to 50% in 2007.<sup>163</sup>

**Figure 22: Share of Banking Sector Assets, 2000 and 2008 (in%)**<sup>164</sup>



<sup>161</sup> European Commission: European Economic Forecast Spring 2015, Statistical Annex of European Economy, in: EUROPEAN ECONOMY 2|2015, p. 164

<sup>162</sup> See Jeffrey B. Nugent and Constantine Glezakos: To What Extent Does Greece Underperform in its Efforts to Attract FDI Relative to Its Regional Competitors and Why? in: Stella Balfoussias, Panos Hatzipanayotou, Costas Kanellopoulos (Editors): Essays in Economics. Applied Studies on the Greek Economy, Centre of Planning and Economic Research, Athens 2011, p. 607

<sup>163</sup> Arapoglou: The Future of Greek Banks, p. 11

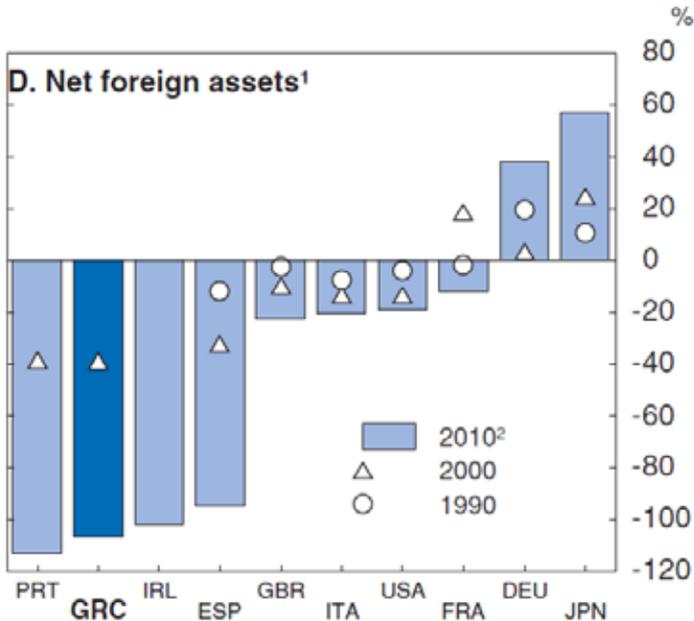
<sup>164</sup> OECD Economic Surveys: Greece, August 2011, p. 58

In other words, while Greek banks increasingly engaged in foreign activities, they themselves became less and less “Greek” because foreign monopolies bought an ever-increasing share of their stocks.

Similarly, foreign monopolies are responsible for 27% of employment in corporations with more than 250 employees, 33% of total corporate income tax paid, and the vast majority of corporate profitability. In 2009 foreign-controlled companies accounted for 86% (!) of the net profits of large corporations (more than 250 employees). Again, this share has surely increased dramatically since then. This reflects that Greek capital – outside of the backward, small bourgeoisie – is totally dominated by foreign monopoly capital.<sup>165</sup>

Viewing phenomena in their totality means that we have to compare Greece's increasing foreign investments with the increasing foreign investments in Greece, as well as the country's growing external debt. If examine the following Figure 23 we can see that Greece's net foreign assets (i.e., its total assets minus total liabilities) have always been negative and this trend has dramatically been exacerbated since 2000, placing the country in the worst position from this perspective, with the exception of Portugal, among the western capitalist economies.

**Figure 23: Greece's and other OECD's Net Foreign Assets**<sup>166</sup>



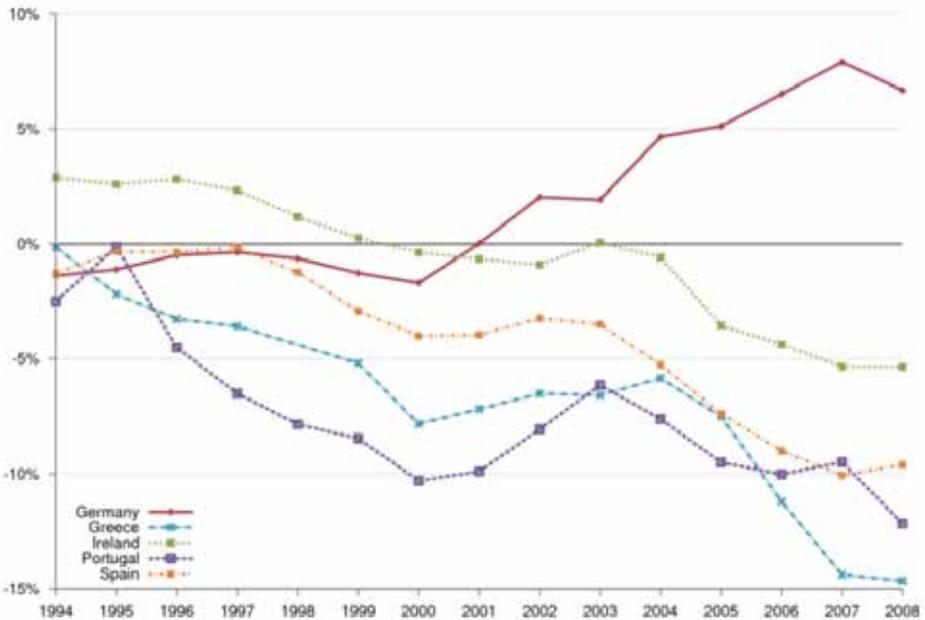
<sup>165</sup> Boston Consulting Group: Hellas ,20:20 Supporting investment in the Greek economy—a foreign investor perspective, October 2011, p. 3, 10 and 11

<sup>166</sup> OECD Economic Surveys: Greece, August 2011, p. 25. (1) Net foreign assets: Total assets minus total liabilities.

Since the OECD figure reproduced here is for the year 2010, we can easily assume that this situation has subsequently worsened during the last five years given the dramatic slump of the Greek economy. While we do not have figures which can be accurately compared to these from the OECD, we do know that, according to Statistics Department of the Bank of Greece, Greece's long-term Gross External Debt stood in July 2015 at €226.8 billion for loans and another €36.1 billion for debt securities.

Another reflection of this development is the rapid growth of Greece's current account deficit. By the end of the first decade of the 21<sup>st</sup> century, this already reached nearly 15% of GDP, worse than that of Ireland, Portugal or Spain (see Figure 24).

**Figure 24: Current Account Balance (in % GDP)** <sup>167</sup>



<sup>167</sup> C. Lapavitsas, A. Kaltenbrunner, D. Lindo, J. Michell, J.P. Paineira, E. Pires, J. Powell, A. Stenfors, N. Teles: Eurozone Crisis: Beggar Thyself and Thy Neighbour, Research on Money and Finance, March 2010, p. 27

Finally, it is important to judge the development of a country historically. Greece has always been a dependent, semi-colonial country, albeit with specific features which somewhat ameliorated the overall picture (i.e., the Greek shipowners). In the 1990s and first decade of the 2000s, Greece made headway in transforming itself into a minor imperialist power by exporting capital to some southern Balkan countries and by absorbing huge numbers of migrants. However, Greece's dependence on the imperialist monopolies *also* increased during the same period. Furthermore, the global capitalist crisis since 2008 provides an historical benchmark to evaluate the class character of Greece as a whole. Such historic comparisons are always crucial in discerning potential changes in the class character of a country.

Developments of Greece during the past 7 years have demonstrated beyond a shadow of a doubt that the country has not been strong enough to withstand its complete subjugation by the EU. Greece has been forced to open up its economy, and now even parts of its territory (several islands), to wholesale purchase by foreign investors. Greece has even been formally robbed by the EU troika of its sovereign rights to make its own political and economic decisions.

In short, any imperialist advances made by Greece during the 1990s and up to 2009 were far too little and much too late.

Finally, we should add that the physiognomy of Greece's economy has always been strongly oriented to the needs of the imperialist monopolies, as is illustrated by its focus on commerce, tourism, etc. Likewise, the Greek state apparatus has always been a willing instrument for the plans of the Great Powers as was seen when Venizelos sent his army against Soviet Russia and Turkey, or when Greek troops served Britain in Greece's civil war (1946–49), and later NATO in the Cold War against the USSR.

Nicos Mouzelis has quite rightly stated: *"And of course, one can argue in a similar way if one looks at dependence / dominance relations between Greece and more advanced capitalist countries. As Furtado has pointed out, exploitation and dominance of metropolitan over peripheral countries does not only or necessarily imply greedy foreign corporations taking out of the country more than they put into it, or a local comprador bourgeoisie receiving orders direct from London or New York. The fact, for instance, that Greece has adopted types of technology and consumption that are more appropriate to the developmental requirements of advanced industrial societies, implies a dependence and "disarticulation" of the Greek economy that cannot be overcome by just being "tough" with corporations and other specific interest groups."*<sup>168</sup>

If we recall the categories of imperialist oppression and super-exploitation which we outlined in the first chapter, we can state the following: The Greek bourgeoisie acts like a minor "imperialist" exploiter and national oppressor towards some southern Balkan countries like Macedonia, Albania etc. as well as domestically with its migrants. As a result it does manage to extract some

---

168 Nicos Mouzelis: *The Relevance of the Concept of Class to the Study of Modern Greek Society*, in: *Annals of the New York Academy of Sciences* Vol. 268 (February 1976), p. 401

extra-profits via capital export beyond its borders as well as via value transfer from the exploitation of migrants. At the same time Greece is super-exploited and politically oppressed by the imperialist monopolies and Great Powers. Historically, the most significant expressions of imperialist super-exploitation of Greece have been the extra-profits derived from imperialist loans (i.e. money capital) to it, in addition to the transfer of value via the super-exploitation of many Greek migrants in Western Europe, the US and Australia. With the increasing foreign direct investment in Greece, imperialist super-exploitation also took the form of extra-profits via capital export (i.e. productive capital).

There can be no doubt that the gains which Greek capitalism achieves from its super-exploitation of some southern Balkan countries and the migrants residing within its borders are much smaller and less significant than the huge amount of extra-profits which the imperialists gain from their super-exploitation of Greece. To make an analogy, Greece is like a small peasant who exploits a farm servant and a maid, but who is much more exploited by the banks to which he has to pay most of his income throughout his life.

Hence, we repeat that, in its essence, Greece is an advanced semi-colonial country dominated by and dependent of foreign imperialist monopoly capital.

As we will discuss in Chapter V, these different forms of oppression have important consequences for the revolutionary program in Greece. Clearly Marxists have to fight against the oppression of Balkan countries and the resident migrants by Greek capitalist while, at the same time, defending the country against the imperialist monopolies.

### III.5 Excuse: Nicos Poulantzas' Analysis of the Greek Bourgeoisie as Justification of the Popular Front Strategy

Both sectors of Greek reformism – the pro-EU SYRIZA as well as the “anti-EU”-KKE – follow the classic Menshevik strategy of the popular front. This strategy is based on the notion that the working class should form an alliance with a sector of the bourgeoisie for an extended period. This alliance can even take the form of a joint government, as happened in Russia between March and October 1917, during the years 1936-39 in both Spain and France, and yet again in France in 1981. Not being limited to individual actions but instead involving the implementation of a joint program, such a political alliance inevitably implies the subordination of the working class to the bourgeoisie. If this were not the case, no faction of the bourgeoisie would be prepared to join such an alliance.

The KKE has historically demonstrated this in their alliance with Greek monarchists and British imperialism in the period of 1941-46, as well as their coalition governments with ND and PASOK in 1989–90. SYRIZA, despite being more left-wing while in the opposition, proved to be similar arch-opportunists when they twice formed a coalition government with the right-wing racist ANEL party: in January 2015 as well as in September of this year. Despite their traditional anti-Memorandum demagogy, this SYRIZA-ANEL popular front capitulated to EU imperialism and is currently implementing the Third Memorandum which is the worst austerity and privatization program Greece has ever seen.

These examples are ample verification of the Trotskyists' warning about the danger of the *popular front* strategy. Trotsky emphasized that the working class must struggle *independently* of the bourgeoisie (without excluding specific joint actions with sectors of the petty-bourgeoisie or even, in a semi-colonial country, the bourgeoisie itself against imperialism and its lackeys). Instead of the popular front, Marxists argue for the formation of a *united front* of mass working class and oppressed organizations to mobilize actions against imperialism and the bourgeoisie. Such a strategy calls for sharply criticizing reformist forces with which the united front tactic is adopted whenever the reformists betray the class struggle.

Leon Trotsky characterized the question of the popular (people's) front as “the main question of proletarian class strategy”:

*“The question of questions at present is the People's Front. The left centrists seek to present this question as a tactical or even as a technical maneuver, so as to be able to peddle their wares in the shadow of the People's Front. In reality, the People's Front is the main question of proletarian class strategy for this epoch. It also offers the best criterion for the difference between Bolshevism and Menshevism. For it is often forgotten that the greatest historical example of the People's Front is the February 1917 revolution. From February to October, the Mensheviks and Social Revolutionaries, who*

represent a very good parallel to the 'Communists' and Social Democrats, were in the closest alliance and in a permanent coalition with the bourgeois party of the Cadets, together with whom they formed a series of coalition governments. Under the sign of this People's Front stood the whole mass of the people, including the workers', peasants', and soldiers' councils. To be sure, the Bolsheviks participated in the councils. But they did not make the slightest concession to the People's Front. Their demand was to break this People's Front, to destroy the alliance with the Cadets, and to create a genuine workers' and peasants' government. All the People's Fronts in Europe are only a pale copy and often a caricature of the Russian People's Front of 1917, which could after all lay claim to a much greater justification for its existence, for it was still a question of the struggle against czarism and the remnants of feudalism." <sup>169</sup>

The basis of the popular front strategy is the delusion that there exist fundamental, antagonistic contradictions within the ruling class, i.e. between different factions of the bourgeoisie, which would allow the working class to create an alliance with one of these factions without subordinating its own class interests. One of the modern influential theoretician, both in Greece as well as internationally, has been the late Nicos Poulantzas. He was Greek but later moved to France where he lectured at a university in Paris. He was close to the *Structuralist School* of Louis Althusser. Poulantzas was close to the so-called Eurocommunist current – a version of Stalinist reformism which distanced itself from Moscow and the worst manifestations of bureaucratic dictatorship. The Greek KKE *Interior*, which split from the KKE in 1968, stood in this tradition as did the Italian PCI and the Spanish PCE. The KKE *Interior*, by the way, is an important organizational and ideological forerunner of SYRIZA. <sup>170</sup>

At this juncture, we will not deal with the methodological failures of the Althusser School. It wrongly claims to have developed a method of scientific Marxism which can only be taken valid if one images Marxism without dialectics and without materialism.

Rather here we want to focus on Poulantzas' conception of the Greek bourgeoisie. In his book *The Crisis of the Dictatorships: Portugal, Greece, Spain*, published in 1976, he elaborated an analysis of the capitalist class in Greece which served as a justification for the popular front strategy.

*"Within the European arena, Portugal, Greece and Spain in fact exhibit, if in different degrees, characteristic type of dependence in relation to the imperialist metropolises, and to the United States as their dominant centre. (...) This specific form of dependence, which is a function of the particular history of these countries, has two aspects to it: on the one hand, the aspect of an old-established primitive accumulation of capital, deriving in the Portuguese and Spanish cases from the exploitation of their colonies, and in the Greek case from exploitation of the Eastern Mediterranean, which distinguishes these*

---

169 Leon Trotsky: *The Dutch Section and the International* (15-16 July 1936), in *Writings of Leon Trotsky* (1935-36), p. 370 (emphasis in original)

170 Synapsimos, the predecessor of SYRIZA, was originally formed in 1988 as an alliance by the KKE and the EAR (Greek Left), the latter was a split from the KKE *Interior*. In 1991 KKE split from Synapsimos.

countries from the particular type of dependence of other dominated countries; on the other hand, the blockage, due to several reasons, of an endogenous accumulation of capital at the right time, which puts them right alongside other countries dependent on the imperialist metropolises in the present phase of imperialism;"<sup>171</sup>

Here we already discern a problem in the starting point of Poulantzas' analysis since at that time he confuses a dependent, semi-colonial country like Greece with an imperialist state like Spain (albeit one weaker than Germany or France) as well as Portugal.

However, the confusion deepens when Poulantzas attempts to artificially divide the Greek bourgeoisie in two different sectors – the “domestic” and the “comprador” bourgeoisie. While he identifies the latter as the classic shipping and financial bourgeoisie which is highly dependent on foreign capital and the Great Powers, he also claims that there is a domestic bourgeoisie focused on the industrial sector.

*“[T]hey [the domestic bourgeoisie, Ed.] are distinguished from the comprador bourgeoisie, which is still very important in these countries. This comprador bourgeoisie (sometimes referred to as the ‘oligarchy’) can be defined as that fraction whose interests are entirely subordinated to those of foreign capital, and which functions as a kind of staging-post and direct intermediary for the implantation and reproduction of foreign capital in the countries concerned. The activity of this comprador bourgeoisie often assumes a speculative character, being concentrated in the financial, banking and commercial sectors, but it can also be found in the industrial sector, in those branches wholly dependent on and subordinated to foreign capital. In Greece, a typical case is that of shipping (Onassis, Niarchos, etc.), and capital invested in marine construction, petrol refineries, etc. (...) The domestic bourgeoisie on the other hand, although dependent on foreign capital, also has significant contradictions with it. This is principally because it is cheated in its share of the cake, as far as the exploitation of the masses is concerned; the lion’s share of the surplus-value goes to foreign capital and its agents the comprador bourgeoisie, at the domestic bourgeoisie’s expense. There is also the fact that since the domestic bourgeoisie is concentrated chiefly in the industrial sector, it is interested in an industrial development less polarized towards the exploitation of the country by foreign capital, and in a state intervention which would guarantee it its protected markets at home, while also making it more competitive vis-a-vis foreign capital. It seeks an extension and development of the home market by a certain increase in the purchasing power and consumption of the masses, which would supply it with a greater market outlet, and also seeks state aid to help it develop its exports.”*<sup>172</sup>

This separation is completely artificial, as the capitalists investing in local industry are also dependent on foreign capital. We have shown how strong the position of foreign capitalists is in Greece. Naturally, Greek capitalists, often acting as minority shareholders or as subcontractor for multinationals,

---

171 Nicos Poulantzas: *The Crisis of the Dictatorships: Portugal, Greece, Spain*, New Left Books, London 1976, pp. 10-11

172 Nicos Poulantzas: *The Crisis of the Dictatorships*, pp. 42-43

are extremely dependent on foreign capital. They are similarly so when they are forced to take loans from foreign-owned banks. Furthermore, as we have mentioned before, some industrial investment has also been made by Greek shipowners. In short, the various sections of the Greek bourgeoisie (as is true in all capitalist countries) are strongly interconnected with each other. And in the case of Greece they are all dependent on foreign capital and the Great Powers.

Poulantzas himself comes close to involuntarily acknowledging this. He has to admit that sectors of the “domestic” bourgeoisie are also part of Greece’s monopoly capital: *“The domestic bourgeoisie does not fall entirely on one side of the divide between monopoly and non-monopoly capital.”* Furthermore *“the domestic bourgeoisie is itself still relatively dependent on foreign capital.”* Consequently comes up with the odd assertion that his thesis cannot be proven by facts: *“The distinction between comprador and domestic bourgeoisie, while being based on the new structure of dependence, is not a statistical and empirical distinction, fixed rigidly once and for all. It is rather a tendential differentiation, the concrete configuration it takes depending to a certain extent on the conjuncture.”*<sup>173</sup>

At one point Poulantzas was even forced to admit that the entire bourgeoisie including the domestic bourgeoisie and non-monopoly capital supported the military dictatorship: *“We must remind ourselves here that these military dictatorships were not exclusively the representatives of the big comprador bourgeoisie, the oligarchy (big comprador bourgeoisie / landowners) or even, as far as the bourgeoisie is concerned, of monopoly capital alone. Under the hegemony of the big comprador bourgeoisie (in Greece) or the oligarchy in general (in Spain and Portugal), the bourgeoisie as a whole, including the domestic bourgeoisie and non-monopoly capital (not the same thing), continued to form part of the power bloc.”*

Thus, Nicos Mouzelis is absolutely correct when he criticizes Poulantzas for the latter’s artificial distinction between the different factions of the bourgeoisie and concludes that Poulantzas *“fails to provide any convincing empirical account of the existence of the two fractions at all.”*<sup>174</sup>

In passing we note that Poulantzas developed his artificial distinction even

173 Nicos Poulantzas: *The Crisis of the Dictatorships*, pp. 44-45. See also Nicos Poulantzas: *The Crisis of the Dictatorships*, p. 104

174 *“[A]ccording to Poulantzas, the basic dimension for understanding both the rise and fall of the Greek dictatorship is the conflict between what he calls the ‘interior’ bourgeoisie (a more liberal fraction of indigenous capital which collaborates with European monopolies) and the more traditional, commercially orientated, ‘comprador’ bourgeoisie (which is much more dependent on American capital). However, despite the fact that this intra-bourgeois conflict is the foundation of Poulantzas’s book, he provides no real evidence for any such conflict either before or after 1967 – indeed he fails to provide any convincing empirical account of the existence of the two fractions at all. In fact, not only is there no serious evidence that these two fractions existed, considered their interests as opposed and were fighting each other; but even from the point of view of the objective class situation, there is no reason to believe that such interests would have diverged significantly anyway. Given the close collaboration of autochthonous and foreign capital, and given the fact that foreign capital was mainly directed by the Greek banking and investment institutions into areas where Greek commercial capital was unwilling or unable to go, it seems obvious that such interests were more complementary than antagonistic.”* (Nicos Mouzelis: *Capitalism and Dictatorship in Post-War Greece*, in: *New Left Review* Vol. I, No.96 (March-April 1976), pp. 78-79)

further and created an antagonism between Western Europe and the US, not as an inter-imperialist rivalry but rather as a progressive rebellion of Europe against its dependency of Washington. As a consequence, Eurocommunism à la Poulantzas became a social-imperialist adviser to the imperialist EU (or EEC as it was called at that time) against US imperialism!

In order to retain his schema, Poulantzas posits that it was the domestic bourgeoisie – even the monopoly sector of the domestic bourgeoisie – which actively drove forward the process of overthrowing the military dictatorship in Greece in 1974. However, in fact it was the resistance of the working class and the youth – most famously expressed in the heroic *Athens Polytechnic uprising* in November 1973 – which showed the ruling class that the dictatorship had reached a dead end. Often, if the popular struggle against a military regime becomes too strong, the ruling class is willing to dump the junta and accept a bourgeois parliamentary system in order to channel and pacify the working class. Therefore, it is the role of socialists to orient the resistance struggles of the working class, organizing them against dictatorships in as resolutely independent and uncompromising a fashion as possible. Only if the workers and youth topple the ruling junta, only then will the bourgeoisie – both “domestic” and “comprador” – consider a process of “democratization.” The classic reformist strategy of winning the sympathy of a section of the ruling class (the “domestic” bourgeoisie) by limiting the working class struggle and its demands will certainly *not* divide the ruling class.

Unfortunately, this is what Poulantzas and his admirers were hoping for: creating an alliance between the domestic bourgeoisies and the popular masses against the comprador bourgeoisie:

*“On top of this, the domestic bourgeoisies sought to win the support of the popular masses and the working class in their own struggle against either a comprador-agrarian bloc (Portugal and Spain) or simply against the comprador bourgeoisie (Greece). For the sake of this, they were ready to pay the price of democratization, particularly as this democratization also met their own aspirations, as the only way to readjust the balance of forces within the power bloc to their relative advantage. It is true that the domestic bourgeoisie only gradually came round to these positions, following the successive defeats of various attempts at normalization that would have permitted it to have the advantages of ending the dictatorship without the associated risks : the increased possibilities for popular struggle in the democratic regimes.”*<sup>175</sup>

For Poulantzas, this bloc must not simply overthrow the dictatorship but rather also participate in the building of a new bourgeois democratic system: *“What we do have in the countries under consideration here, though, is a highly significant phenomenon that bears precisely on these countries’ peculiarities, and basically therefore on the dictatorial form of regime which they have experienced : a genuine tactical alliance between broad sectors of the domestic bourgeoisie and the popular forces on a precise and limited objective, i.e. the overthrow of the military*

---

175 Nicos Poulantzas: *The Crisis of the Dictatorships*, p. 56

*dictatorships and their replacement by 'democratic' regimes. We should also remember the other element peculiar to these countries, that it is precisely the monopoly sectors of the domestic bourgeoisie that have been the spearhead of its progressive opposition to these regimes, only drawing after them the non-monopoly sectors."*<sup>176</sup>

Unfortunately, the Stalinists in Greece, Spain and Portugal followed exactly such a strategy. As a result, the revolutionary situations which arose in the period of the collapse of the military dictatorships in the mid-1970s were not taken advantage of and the working class was ultimately pacified. These defeats were decisive since they stabilized capitalist rule for the next several decades while weakening the working class so that it was unable to stop the bourgeoisie when the latter launched its neoliberal austerity attacks only a few years later (beginning in the early 1980s).

---

<sup>176</sup> Nicos Poulantzas: *The Crisis of the Dictatorships*, p. 58

## 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>

---

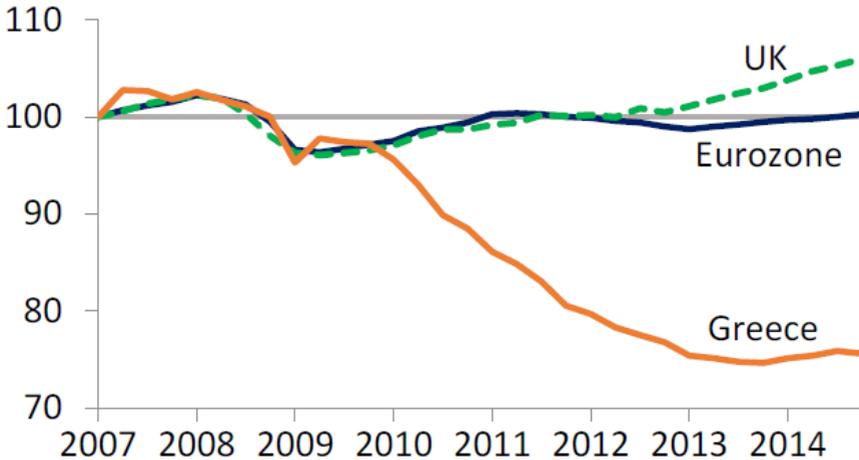
177 On this see RCIT: Perspectives for the Class Struggle in Light of the Deepening Crisis in the Imperialist World Economy and Politics. Theses on Recent Major Developments in the World Situation and Perspectives Ahead (January 2015), in: Revolutionary Communism No. 32, pp. 3-26, <http://www.thecommunists.net/theory/world-situation-january-2015/>; 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)



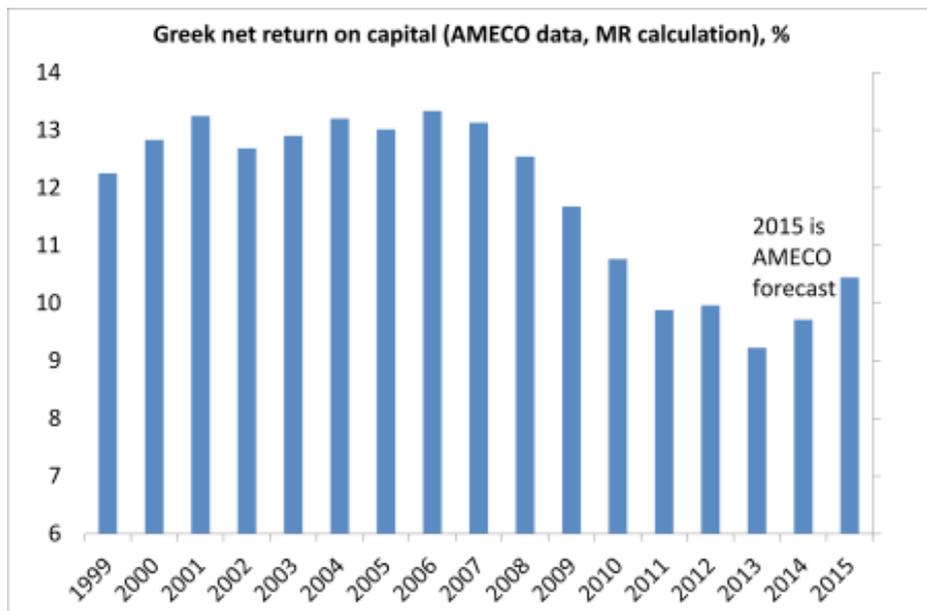
Such a steep decline is unique for Europe and can only be compared with the period of the Great Depression of the 1930s when the US economy shrank by a similar volume: 26% between 1929 and 1933. <sup>180</sup>

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,*

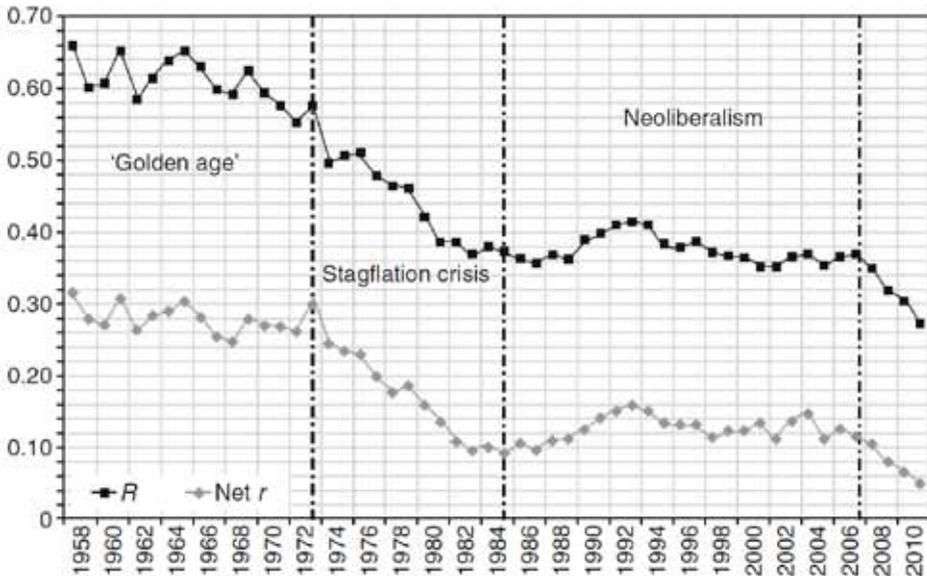
<sup>181</sup> Michael Roberts: Greece: Samaras gambles, 12.12.2014, <http://thenextrecession.wordpress.com/2014/12/12/greece-samaras-gambles/>

*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

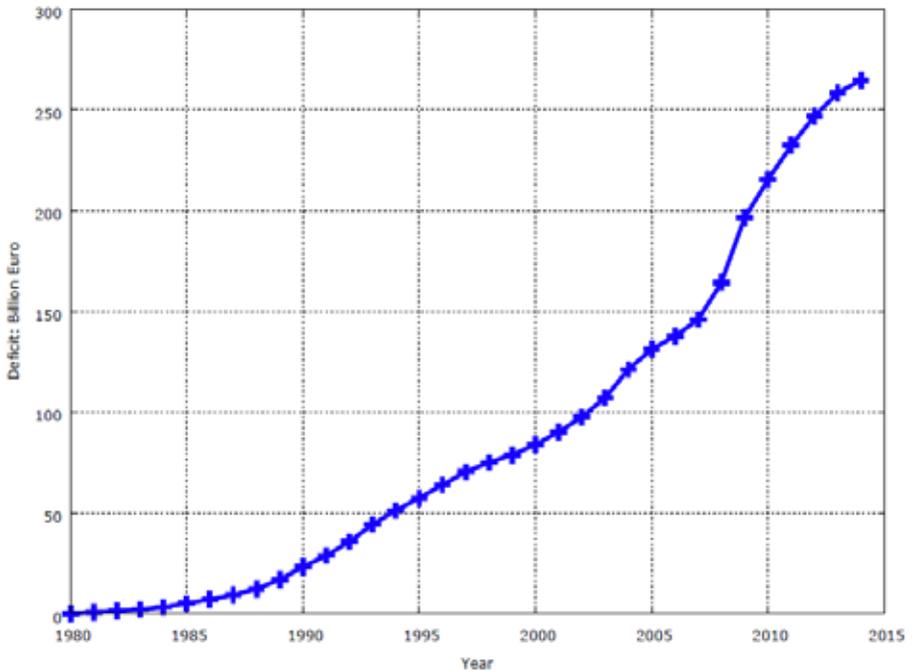
As we have already stated, the crisis period since 2008 has substantially increased Greece's financial subjugation to the imperialist monopolies and the EU. In Figure 28 we can see the massive increase of Greece's deficit between 1980 and 2014.

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.

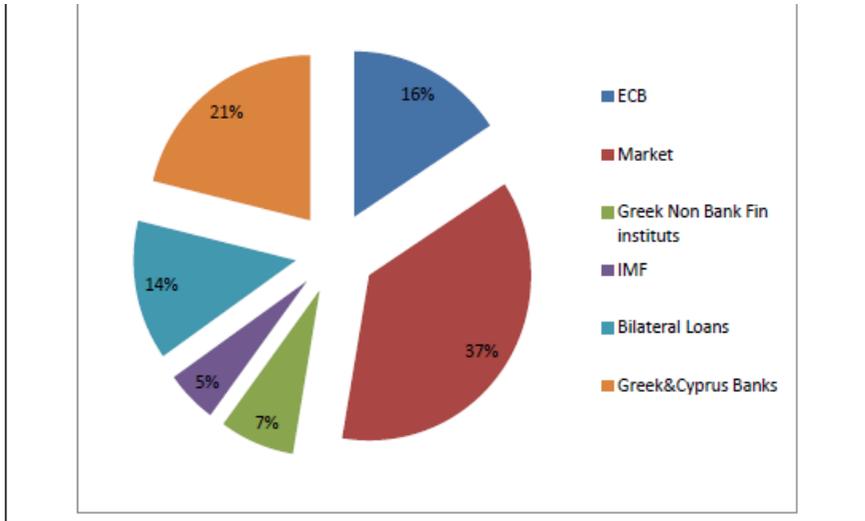
The intervention of the EU ensured that the private banks were bailed out and that financial institutions, first and foremost the European financial institutions, took over Greece's debt. This can be seen in Figure 29 and 30.

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

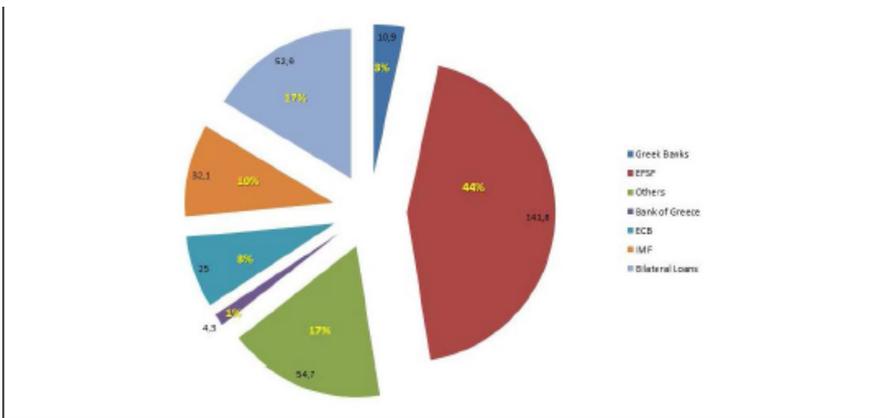


<sup>187</sup> Panagiotis Mantalos: Greek Debt Crisis. An Introduction to the Economic Effects of Austerity, 2015, p. 6

**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

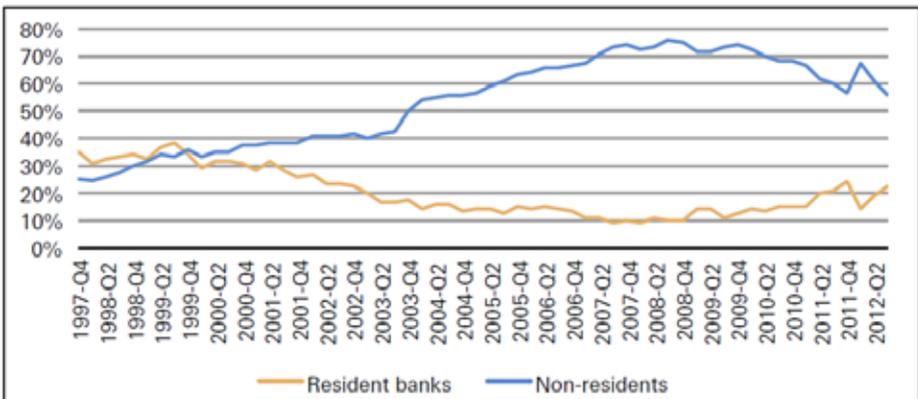
Therefore, at least 56% of the country's total government debt is in hands of foreign imperialist institutions.<sup>190</sup>

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>

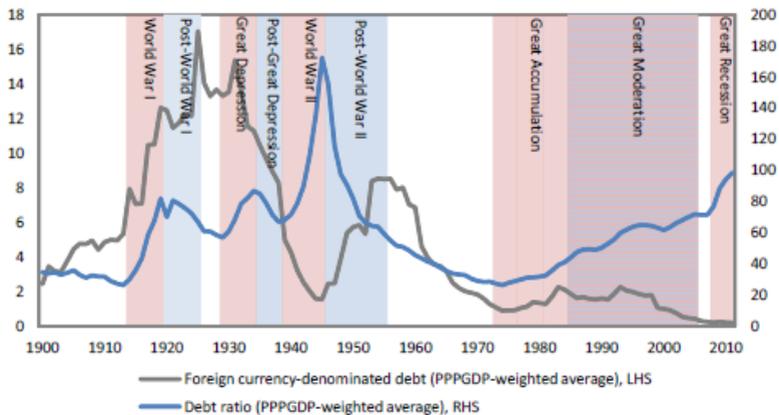
Figure 32 gives a more detailed presentation of the authors conclusion.

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?

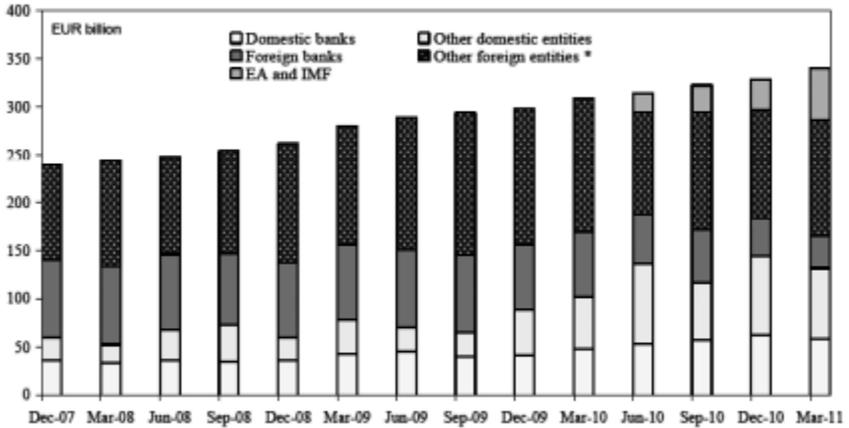
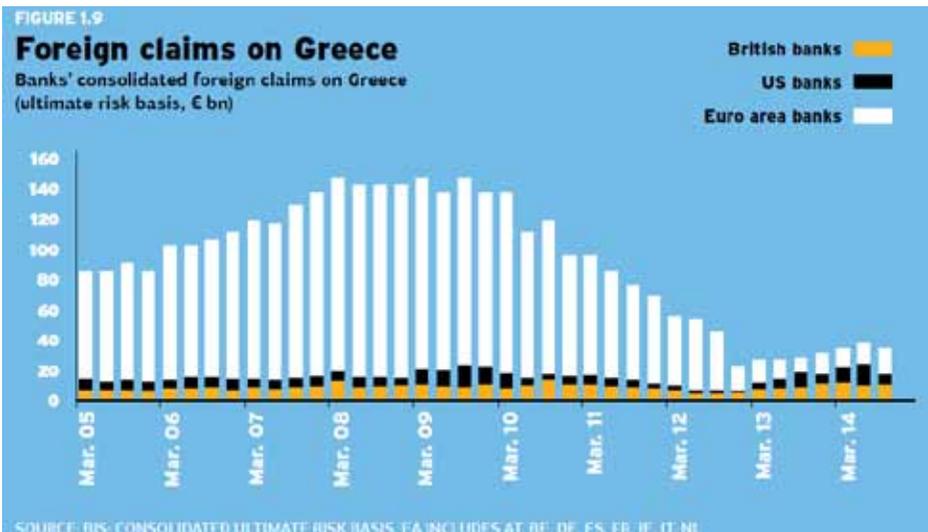


Figure 34: Foreign claims on Greece <sup>195</sup>

*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 where, 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>

---

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

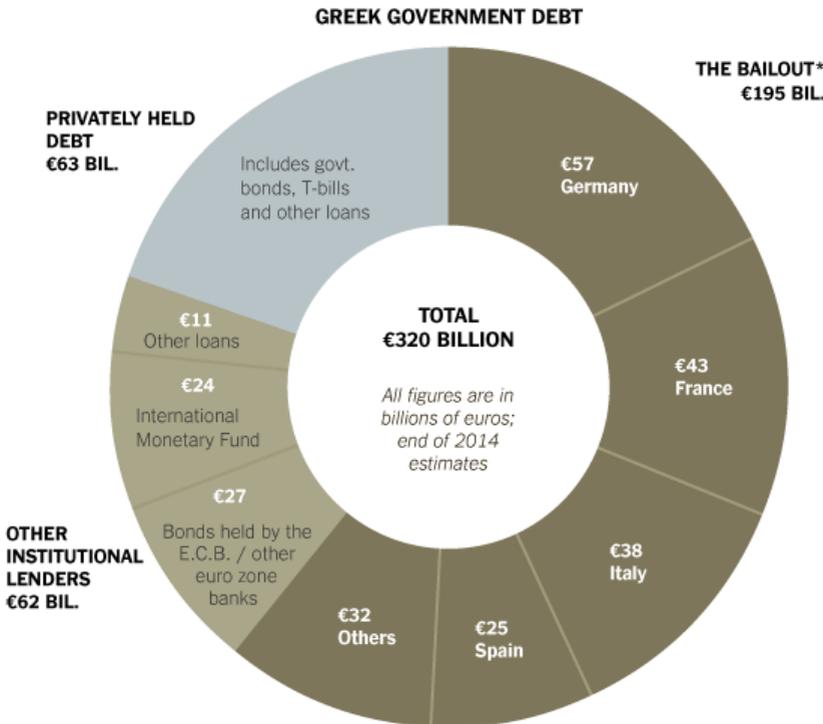
197 Jubilee Debt Campaign: Six key points about Greek debt and the forthcoming election, January 2015

### 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*

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

---

<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.

## V. Programmatic Conclusions

We will now come to the programmatic conclusions of our study on Greece as an advanced semi-colony with specific features. This is not the place to elaborate a full Action Program for Greece which indeed is a crucial task in the present period. At this stage we will only focus on some specific issues which are directly related to tactics consequential to the class character of Greece.<sup>208</sup>

However, before we deal with specific tactical questions we need to repeat that contrary to the left-reformists – be it the KKE, LAE or others – the RCIT rejects the strategy of a popular front, i.e., the orientation towards class collaboration with a “patriotic” or “democratic” sector of the Greek bourgeoisie. The historic experience of both Greece and internationally has convincingly demonstrated that such a fraction of the bourgeoisie is a phantom, i.e., it exists only in the fantasy of political muddle-heads or willful deceivers. The only real home of capitalists is not a specific country but their profits. They will always subordinate “their” country to the interests of their personal business activities. In cases in which they temporarily “defend” their country, they will do so in such a way as to ensure that the working class is subordinated to their dictates and doesn’t harm its profits.

The illusionary hopes of LAE and others for an alliance with “national” sector of the Greek bourgeoisie are particularly absurd in a country like Greece. The Greek bourgeoisie has an extremely cosmopolitan character and has throughout its entire history served loyally as the local henchmen for imperialism.

Contrary to such a reformist dead-end, the working class in Greece, which is multinational, its composition having many migrants, must independently fight for its liberation. It must direct its struggle against the imperialist rulers of Greece, including their lackeys – the Greek bourgeoisie. The proletariat must strive to rally the urban poor petty-bourgeoisie as well as the small peasants in the struggle for democratic and anti-capitalist demands. Furthermore the working class must aim to closely unite themselves in the struggle with their class brothers and sisters in the region – i.e., the European workers and poor as well as those in the Middle East. The latter can play a dynamic role given the recent experience of the Arab Revolution starting in December 2010.<sup>209</sup>

---

208 However, we refer readers once again to our numerous statements as well as to our pamphlet on Greece which include the elaboration of crucial elements for such an Action program. They can be read at a special subsection on Greece on our website: <http://www.thecommunists.net/worldwide/europe/articles-on-greece/>

209 For a closer examination of the contradictory development of the Arab Revolution we refer readers to numerous statements and articles which are published on our website in the subsection <http://www.thecommunists.net/worldwide/africa-and-middle-east/>. The RCIT’s most comprehensive documents on this issue are the *Open Letter on the Arab Revolution* (October 2013, <http://>

## V.1 The Tactical Slogan of Greece's Exit from the EU

The RCIT considers the slogan of the country's exit from the EU as a necessary and indispensable part of a revolutionary action program for Greece today. Greece has always been a dependent and subjugated country in the EU. Contrary to the reformist illusions of SYRIZA and their friends in the ex-Stalinist *Party of the European Left*, by its very nature the EU is an imperialist institution dominated by Germany and France. This character cannot be reformed or changed.<sup>210</sup> Any substantial change in Greece's economic and social policy is impossible *within* the imperialist EU. Any such attempt by a Greek government – even a reformist one – would be immediately vetoed by Brussels. We have seen this when then-Prime Minister Papandreou (PASOK) dared considering the holding of a popular referendum on an EU-Memorandum in 2010. He immediately had to resign after massive pressure from Brussels. When the Greek people elected SYRIZA to head the government in January 2015 on an anti-austerity platform, or when they voted OXI against the Third Memorandum, the imperialist EU forced the government to trample on the popular will. Lenin's assessment of the imperialist unification of Europe is still valid: *"From the standpoint of the economic conditions of imperialism – i.e., the export of capital amid the division of the world by the "advanced" and "civilised" colonial powers – a United States of Europe, under capitalism, is either impossible or reactionary."*<sup>211</sup>

Naturally, the slogan for Greece's exit from the EU does not constitute an independent program nor is it a strategic goal. It is no more and no less than an indispensable tactic as part of a broader strategy: to liberate Greece from imperialist subjugation and to fight for an authentic workers' government striving for the expropriation of the imperialist and domestic bourgeoisie and opening the road to socialism. The RCIT rejects the national-reformist program

---

[www.thecommunists.net/rcit/open-letter-on-arab-revolution/](http://www.thecommunists.net/rcit/open-letter-on-arab-revolution/)) and *Revolution and Counterrevolution in the Arab World: An Acid Test for Revolutionaries* (May 2015, <http://www.thecommunists.net/theory/theses-arab-revolution/>)

210 On the nature of the European Union and the revolutionary perspectives we refer readers to several documents: Michael Pröbsting: *The EU Reform Treaty: what it is and how to fight it* (2008), in: *Fifth International Vol.3, No.1*, <http://www.thecommunists.net/theory/eu-reform-treaty/>; Michael Pröbsting: *Die Frage der Vereinigung Europas im Lichte der marxistischen Theorie. Zur Frage eines supranationalen Staatsapparates des EU-Imperialismus und der marxistischen Staatstheorie. Die Diskussion zur Losung der Vereinigten Sozialistischen Staaten von Europa bei Lenin und Trotzki und ihre Anwendung unter den heutigen Bedingungen des Klassenkampfes*, in: *Unter der Fahne der Revolution* (FAREV) Nr. 2/3 (2008), <http://www.thecommunists.net/theory/marxismus-und-eu/>; RKOB: *The European Union and the issue of the accession of semi-colonial countries*, 14.10.2012, in: *Revolutionary Communism No. 6*, <http://www.thecommunists.net/worldwide/europe/eu-and-semi-colonies/>; Michael Pröbsting: *The British Left and the EU-Referendum: The Many Faces of pro-UK or pro-EU Social-Imperialism. An analysis of the left's failure to fight for an independent, internationalist and socialist stance both against British as well as European imperialism*, in: *Revolutionary Communism No. 40*, August 2015, <http://www.thecommunists.net/theory/british-left-and-eu-referendum/>

211 V. I. Lenin: *On the Slogan for a United States of Europe*; in: *LCW Vol. 21*, p.340

a la Costas Lapavitsas and the LAE-leadership.<sup>212</sup> The national-capitalist road is an illusionary dead-end. Lapavitsas & Co. do not understand that from the moment that a progressive government in Athens would start to nationalize the banks and impose a serious capital control, or if such a government would take serious steps to nationalize core sectors of the economy and use them to revitalize the economy, the capitalists would start to hide their wealth and to send it abroad. At the same time, the bourgeoisie would try everything in their power to sabotage such a government by launching a vicious media campaign against it and, if necessary, bring the army command into position for a coup d'état (as they have done so many previous times in Greece's history).

In other words, any serious intervention for a radical change of the social and economic policy will immediately result in a confrontation with the ruling class: either us or them. Either such a progressive government is prepared to fully expropriate the bourgeoisie and dismantle their state apparatus – or the ruling class will “dismantle” the progressive government.

Hence, the slogan for Greece's exit from the EU has to be raised in connection with slogans towards the expropriation of the monopoly capitalists in Greece. These slogans should call for a workers' and popular government of Greece and a socialist revolution in order to build a workers republic. *For an independent and socialist Greece!*

Likewise, this slogan has to be combined with the perspective of international class struggle with the European and Arab working class. Greek socialists should appeal to working class solidarity of their European brothers and sisters. The latter derive no benefits from the EU-Troika's blackmail of the Greek people. Quite the contrary, the workers in the rest of Europe suffer similarly from the reactionary austerity policy of the ruling class in the EU. Hence, such an internationalist strategy should combine the struggle for an independent, socialist Greece with the struggle for the *United Socialist States in Europe*.

There are socialists in Greece and internationally who share our position of the unreformability of the EU as well as the rejection of a national-capitalist road. They, however, do not support our tactic of supporting an exit of Greece from the EU since they believe that this would deflect the attention of the Greek workers from the need to fight for an internationalist, European perspective.

We believe that these comrades are mistaken. First, often such comrades are not entirely clear on the class character of Greece and either openly reject our position on Greece as a semi-colony or they leave this question unanswered.

---

212 Costas Lapavitsas is a university professor and has been elected as a SYRIZA MP in January 2015 until he split together with his comrades in LAE in August 2015. He has elaborated his views recently in several interviews and articles like *To beat austerity, Greece must break free from the euro*, 2 March 2015, <http://www.theguardian.com/commentisfree/2015/mar/02/austerity-greece-euro-currency-syriza>; *The Syriza strategy has come to an end*, 30 April 2015, <http://www.versobooks.com/blogs/1967-costas-lapavitsas-the-syriza-strategy-has-come-to-an-end>; *Lapavitsas Calls for Exit as the Only Strategy for Greek People*, July 17, 2015, [http://therealnews.com/t2/index.php?option=com\\_content&task=view&id=31&Itemid=74&jumival=14278](http://therealnews.com/t2/index.php?option=com_content&task=view&id=31&Itemid=74&jumival=14278)

This however is a crucial for this issue since Marxists need to differentiate their tactics depending on whether they are dealing with an imperialist or a semi-colonial country. We support the resistance of oppressed people against their oppressor and, hence, defend semi-colonial countries against imperialist states (or alliances like the EU); however, we do not take sides in conflicts between two imperialist states or camps. Concretely this means that the RCIT differentiates its tactical position vis-à-vis remaining in the EU: We call for semi-colonial countries to leave the EU but, in the case of imperialist states, we take a defeatist position and neither call for remaining within or leaving the EU. This differentiation demonstrates by the way why scientific clarity is essential for Marxists: to have clarity when deriving tactics related to the class struggle.<sup>213</sup>

Second, such comrades implicitly support an Economist understanding of the democratic question. The struggle for democratic rights – for national liberation, equality of rights for migrants, women etc. – *never* deflects the working class from the strategic goals of its liberation *if* it is posed in a correct way, i.e., as part of a transitional program aiming for working class power. Concretely we remind these comrades that the struggle for a United Socialist States of Europe will *under no circumstances* advance via the institutions of the imperialist EU. It can and will only progress via the destruction of the EU as part of the struggle for socialist revolution in each European country and throughout the entire continent.

Such comrades point out that an exit of Greece from the EU without a socialist revolution would not eliminate the capitalist misery of the Greek people. To this we reply that this is the case with many minimum and democratic demands. Has it not often happened that when workers manage to win higher wages the capitalists soon make up for this by increasing the prices or by raising the intensity of labor? The Italian workers experienced this many times in the 1970s! Is it not the case that African countries experienced the continuation of misery after having won independence from the colonial powers? And is it not the case that the oppression of women continues even after they got the formal right to vote? But surely our critics will agree that only an ultra-left idiot can conclude from these facts that socialists should not demand higher wages, independence for colonies, or suffrage for women! It is the task for socialists to raise such minimum and democratic demands in such a way that they help the working class to mobilize its forces and to rally the popular masses around them, to weaken the imperialist enemy and the ruling class and to point to the road towards socialist revolution.

---

213 See on this e.g. RKOB: The European Union and the issue of the accession of semi-colonial countries, 14.10.2012, in: Revolutionary Communism No. 6, <http://www.thecommunists.net/worldwide/europe/eu-and-semi-colonies/>; Michael Pröbsting: The British Left and the EU-Referendum: The Many Faces of pro-UK or pro-EU Social-Imperialism. An analysis of the left's failure to fight for an independent, internationalist and socialist stance both against British as well as European imperialism, in: Revolutionary Communism No. 40, August 2015, <http://www.thecommunists.net/theory/british-left-and-eu-referendum/>

## V.2 The Program for Complete Equality for Migrants

The struggle against Greece's subjugation by the imperialist EU must not deflect the socialists' focus on fighting against all forms of reactionary Greek chauvinism. Such chauvinism manifests itself in particular in two ways: oppression and racism against migrants and anti-Macedonian nationalism. The RCIT considers the national oppression and super-exploitation of one million or so migrants in Greece as a crucial issue for socialists and the whole working class.

Socialists in Greece must fight for full equality of migrants. Such equality includes full citizenship rights, equal wages for equal work, full access to social benefits, etc. Another important aspect of the revolutionary program of equality is the struggle for the abolition of the official state language. All languages should be treated equally. Migrants as well as other national minorities in Greece should have the possibility to receive education in schools and universities in their native language. The same rules should apply for courts, public administration and in the media.

Against the growing threat of fascist violence it is crucial to build armed self-defense units consisting both of migrants and the organizations of workers' movement.

Socialists should demand from the leaderships of SYRIZA, the KKE and all trade unions to mobilize the workers for the fight to implement these demands. It is important to support the formation of a revolutionary migrant movement. Equally the trade unions must be transformed into a multi-national, militant force which really represents the interests of the migrant workers.

Similarly, socialists should engage in serious solidarity work with refugees as part of the mass international solidarity movement which has recently emerged. They should oppose the imperialist border regime of the EU (Frontex, etc.) and call for open borders for all migrants and refugees. They should have the right to pass through the country or to stay as long as they want with all democratic rights. Socialists should oppose deportations and call for the dissolution of all deportation camps and all reception centers.<sup>214</sup>

At the same time socialists oppose the discrimination of Greek workers living abroad and fight for a similar program for equality.

---

214 On the situation of refugees in Europe and the solidarity movement see RCIT: Throw Open the Gates of Europe to Refugees! Long live International Solidarity of the Workers and Poor! Down with the Imperialist Fortress EU! Advance the Arab Revolution to Build Workers and Peasant Republics! 15.9.2015, <http://www.thecommunists.net/worldwide/europe/refugees-are-welcome/>; RCIT: Europe / North Africa: Storm the Gates of Rome! Open Borders for Refugees! Stop the Imperialist EU-War against Refugees! No to the Preparations for an Imperialist Aggression against Libya! 22.5.2015, <http://www.thecommunists.net/worldwide/europe/eu-war-against-refugees/>

### V.3 The Struggle against Greek Chauvinism: The Macedonian Question

Another crucial issue for Greek socialists is their attitude towards the Macedonian question. In our opinion, it is the duty of socialists to oppose reactionary Greek chauvinism directed against the Macedonians as well as against the Muslim minority in Thrace. It is certainly true that today the Macedonian minority as well as the native Muslim minority in Greece are relatively small (respectively numbering 50,000 and 110,000 persons). However, the central meaning of taking a principled, i.e., proletarian internationalist, stand on this issue is that revolutionaries can only break Greek workers away from the ideological chains of their bourgeoisie, if they openly confront traditional chauvinism against the national minorities.

Leon Trotsky explained in a discussion with Greek supporters in 1932 when he became concerned that the latter did not resolutely support the Macedonians' right of self-determination: *"I would again like to raise the question of Macedonia and Epirus. So far as I understand, not much importance has been given to this question up to now. However, this question is very important for educating the Greek workers, for liberating them from national prejudices, for improving their understanding of the international situation in the Balkans and generally."*<sup>215</sup>

We can say without exaggeration that the Macedonia question has for Greek chauvinism the same importance which the Kosova question has for Serbian chauvinism. Both are a central part of the political DNA of the bourgeois state and its national ideology. Both have to be fought uncompromisingly as part of the struggle for the liberation of the working class and the oppressed in these countries.

Greek socialists have to wage a sharp ideological struggle against the reactionary myths about the supposed historical foundations for the claim that Macedonia belongs to Greece. As we have shown above, in reality Aegean Macedonia had a non-Greek majority when it was annexed by Greece in 1913. It only became a mostly Greek-populated region after subsequent governments systematically expelled most of the native population and settled in their place Greeks (many of whom were themselves refugees from Asia Minor).

The struggle for the Macedonian minority must include a number of essential demands. First and foremost they must support the Macedonians demand for being recognized as a national minority. They must call for full equality which includes the unconditional support for their demand to use their language in education as well as public administration, to use their Macedonian-language names if they wish to do so, to practice their religion in their mother language as well as their culture in general, to have equal access to the media (in their mother language if they wish to do so), etc. In addition, socialists should demand

---

<sup>215</sup> Leon Trotsky: A Discussion on Greece (Spring 1932), In: Writings of Leon Trotsky: Supplement (1929-33), Pathfinder, New York 1979, p. 133

from the Greek government adequate compensation to the descendants of the expelled Slavic Macedonians families who today mostly live in the Republic of Macedonia and Bulgaria. Furthermore, Greek socialists must demand the official recognition of the Republic of Macedonia by its very name (instead of such ridiculous names like FYROM). Likewise, socialists should fight for full democratic rights for the Muslim minority living in Thrace.

Socialists should fight for autonomy and local self-government of those regions and areas with a strong Macedonian population as well as for the right of national self-determination of the remaining minority of Slavic Macedonians (including their right to secession). Of course, today it would be reactionary to call for the expulsion of the Greeks who are living for generations in Aegean Macedonia. The historic crime of the expulsion of the Macedonian people from Aegean Macedonia cannot be undone. But socialists certainly must not defend the “territorial integrity” of Greece against its oppressed national minorities. If the Macedonians who mostly live in Northern Greece close to the border of the Republic of Macedonia wish to separate, Greek socialists must unconditionally support this.

Such unconditional support for the right of self-determination of oppressed nations has also been the approach which Trotsky advised the Greek Marxists concerning the Macedonian question:

*“We merely say that if the Macedonians want it, we will then side with them, that they should be allowed to decide, and we will also support their decision. What disturbs me is not so much the question of the Macedonian peasants, but rather whether there isn’t a touch of chauvinist poison in Greek workers. That is very dangerous. For us, who are for a Balkan federation of soviet states, it is all the same if Macedonia belongs to this federation as an autonomous whole or part of another state. However, if the Macedonians are oppressed by the bourgeois government, or feel that they are oppressed, we must give them support.”*<sup>216</sup>

Unfortunately, this has been the approach only a few Greek Marxists. It is a particular shame that Synaspismos, which split with the KKE in 1991 and which was the predecessor organization of SYRIZA, supported the chauvinistic anti-Macedonian mobilizations in the early 1990s!<sup>217</sup>

To their credit, the KKE did not participate in these demonstrations. However, this cannot undo the fact that the Greek Stalinists were “patriots” for many decades and denied the existence of a Macedonian minority in Greece. Naturally, they also did and do not support their right of national self-determination.<sup>218</sup> By this, the KKE rendered their loyal service both to

<sup>216</sup> Leon Trotsky: A Discussion on Greece, pp. 129-130

<sup>217</sup> See Erik Eberhard: Revolution und Konterrevolution in Griechenland, AGM, Wien 2005, pp. 499-501

<sup>218</sup> See on this e.g. Anastasia Karakasidou: Fellow Travellers, Separate Roads: The KKE and the Macedonian Question, in: East European Quarterly Vol. XXVII, No. 4 (Winter 1993). On the history of the Communists approach to the Macedonian question see e.g. Joseph Rothschild: The Communist Party of Bulgaria. Origins and Development 1883-1936, Columbia University Press, New York 1959;

the Greek ruling class as well as the Moscow Stalinist bureaucracy since the latter supported the anti-Macedonian stance as part of their struggle against Tito's Yugoslavia. Given the collapse of Yugoslavia as well as of the USSR, the KKE has now managed to accept the existence of unspecified "minorities" in Greece. However, their reactionary patriotism has not changed in substance. In the KKE's programs of 1996 and 2013, the Macedonian or Muslim minorities are not even mentioned. It is only logical that they also refuse any support for these national minorities' right of self-determination. Consistently, in its 1996 program the KKE committed itself to "*defending the country's territorial integrity against the new imperialist world order,*" echoing the reactionary propaganda that Macedonian claims to Aegean Macedonia would be part of an "international conspiracy against the Greek nation."<sup>219</sup>

Against the KKE's opportunist adaption to Greek chauvinism, all authentic Greek revolutionaries will support the excellent declaration of Pantelis Pouliopoulos, the first General Secretary of the KKE and historic leader of Greek Trotskyism in the 1920s and 1930s:

*"Whoever refutes the existence, unresolved until today, of a national Macedonian question in Greek, Bulgarian, Serbian Macedonia, is without a doubt a lapdog of the bourgeoisie. Whoever refutes the historical liberation movement of the Macedonians, is either ignorant and must learn the history of that movement and its national heroes, or is again a lapdog of one of the three oppressing bourgeoisies."*<sup>220</sup>

\* \* \* \* \*

As we already stated, all these demands and tactics have to be applied as part of a revolutionary action program. This means a program for socialist revolution, i.e., the armed insurrection of the working class in Greece and throughout Europe. In raising this or that tactic, revolutionaries should always agitate for the organization of the workers and oppressed so that they do not rely on the bureaucratic apparatus which controls the trade union as well as the bourgeois workers' parties like KKE or SYRIZA. Hence it is crucial to argue in all struggles for the formation of *action committees in all workplaces, neighborhoods, schools, universities, and villages.*

The struggle for such a program as well for its application in individual issues is hopeless if it is not undertaken by an organized force of authentic Marxists. This is why the RCIT considers the formation of a revolutionary party as the most important task in the struggle against the imperialist subjugation of Greece as well as for the liberation of the working class and oppressed. Such a party must stand in the tradition of Lenin and the Bolshevik party as well as

---

Stephen E. Palmer, Jr and Robert R. King: Yugoslav Communism and the Macedonian Question, Archon Books, Hamden 1971

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

220 Pantelis Pouliopoulos: Communists and the Macedonian Question (May 1940), Republished in Spartakos No 30, 1991, <https://www.marxists.org/archive/pouliop/works/1940/05/commac.htm>

Trotsky and his Fourth International until its degeneration in 1948–52.<sup>221</sup>

Such a party cannot be founded mechanically; it will emerge in the class struggles ahead. However, it is urgent to create as soon as possible a revolutionary pre-party organization which unites activists on the basis on an authentic Marxist program and which fights for the formation of such a party. The RCIT looks forward to collaborating with Greek revolutionaries and supporting them in achieving this goal!

We hope that the present publication will be a useful contribution for discussion among revolutionaries in Greece in order to clarify the class character of Greece and the consequential tasks. We await the feedback and criticism of our Greek comrades in arms.

---

221 On the RCIT's understanding of the revolutionary party see Michael Pröbsting: Building the Revolutionary Party in Theory and Practice. Looking Back and Ahead after 25 Years of Organized Struggle for Bolshevism, RCIT, Vienna 2014 (the book can be downloaded as a pdf at <http://www.thecommunists.net/theory/rcit-party-building/>)

## VI. Summary Theses

At the conclusion of this publication we summarize the most important conclusions in the form of some theses.

1. The formation of monopolies and Great Powers increasingly led to the division of the entire world into different spheres of influence for the rivaling imperialist states and to the subjugation of most countries under these few Great Powers. From this follows an essential feature of Lenin's (and Trotsky's) analysis of imperialism: the characterization of the relationship between the imperialist nations and the huge majority of the people living in the capitalistically less developed countries as a *relationship of oppression and super-exploitation*.

2. The relationship between states has to be seen in the totality of its economic, political, and military features. Thus, a given state must be viewed not only as a separate unit, but first and foremost *in its relation to other states and nations*. An imperialist state usually enters a relationship with other states and nations whom it oppresses, in one form or another, and super-exploits – i.e., appropriates a share of its produced capitalist value. Again this has to be viewed in its totality, i.e., if a state gains certain profits from its outward foreign investment but has to pay much more (debt service, profit repatriation, etc.) to other countries' foreign investment, loans etc., this state can usually not be considered as imperialist.

3. In short, we define an imperialist state as follows: *An imperialist state is a capitalist state whose monopolies and state apparatus have a position in the world order where they first and foremost dominate other states and nations. As a result they gain extra-profits and other economic, political and/or military advantages from such a relationship based on super-exploitation and oppression.*

4. Likewise, one also has to differentiate between different types of semi-colonies. Obviously there are huge differences today between Peru and Argentina or Brazil, Congo and Egypt, Pakistan and Turkey, Nepal and Thailand, Kazakhstan and Poland. Some countries are more industrialized than others, some have achieved a certain political latitude and others not. Hence, we can differentiate between *advanced or industrialized semi-colonies* like for example Argentina, Brazil, Egypt, Turkey, Iran, Poland or Thailand on one hand and *poorer or semi-industrialized semi-colonies* like Bolivia, Peru, the Sub-Saharan African countries (except South Africa), Pakistan, Afghanistan, Indonesia etc.

5. To summarize our definition of semi-colonies we propose the following formula: *A semi-colonial country is a capitalist state whose economy and state apparatus have a position in the world order where they first and foremost are dominated by other states and nations. As a result they create extra-profits and give*

other economic, political and/or military edges to the imperialist monopolies and states through their relationship based on super-exploitation and oppression.

6. The analysis and division of countries into different types must not be understood in a dogmatic, mechanistic way but in a Marxist, i.e., dialectical, way. Hence, it would be wrong to imagine an impenetrable Chinese Wall between the two categories, imperialist and semi-colonial states. As we have argued on several occasions there have been several examples where, under exceptional circumstances, a dependent state was able to become an imperialist country as well as the other way round.

7. We reject the category of “*Sub-Imperialism*” as part of the Marxist analytical apparatus. Under capitalism, no nation escapes the formation of ever closer economic and political ties with the dominant imperialist powers. Such close relations automatically create, modify, and reproduce mechanisms of exploitation and super-exploitation. In other words, under capitalism – and even more under imperialism – all nations are sucked into the process of super-exploitation. Either they are strong enough and become part of the oppressing nations, or they are pushed into the camp of the majority of humanity – the oppressed nations. There is no “third camp” in between.

8. We can summarize the first period of Greece’s existence as an independent state since the war 1821–29 as follows: The Greek’s struggle for national independence was highly progressive. However it ended with semi-independence for a small fraction of the Greek people. From the start, the newly born Greek state was highly dependent on the Great Powers Britain, France and Russia– politically and economically. The Great Powers imposed a monarchy headed by foreign kings on the Greek people. The country’s high level of debt resulted in state bankruptcy and an *International Finance Commission* took charge of Greek finances in the 1890s. In addition, the Greek bourgeoisie was dominated by merchants and didn’t focus on developing a domestic industry.

9. Hence the country remained backward: its economy was characterized by smallholder agriculture production and commerce and dominated by a few oligarchic families closely linked with the Great Powers; its political system was characterized by a monstrous state apparatus with a rotten monarchy at the top.

10. The Venizelos-period in the early 20<sup>th</sup> century ensured a certain degree of modernization both politically and economically as well as Greece’s gradual territorial expansion. But Greece remained trapped by its dependence on the Great Powers and foreign capital. And Venizelos’ adventures in offering his army as foot soldiers for British imperialism against Soviet Russia and Turkey resulted in a national catastrophe in 1922/23. The defeat against Turkey caused the inflow of about a million and a half Greek refugees and the state was more in debt than ever.

11. The Greek state not only liberated Greek people living under foreign domination, it also acted as a national oppressor from 1913 onwards. This

affected in particular the Slavic Macedonian people as well as the Muslim minority in Western Thrace. Those Slavic Macedonians living in the region annexed by Greece were severely oppressed in their national rights. Most of them were expelled from their homes and driven out of Greece in several waves in between 1913 and the end of the civil war in 1949.

12. The period between the two world wars ended with the black years of the Metaxas dictatorship and the occupation by German imperialism. In these years Greece experienced devastating destruction, the large scale robbery of assets by the Nazis and the loss of many lives. The years of civil war 1945–49, when the Greek workers and poor peasants resisted the British occupation and the ascent to power by the discredited reactionary monarchy and military camarilla. The forces of progress lost due to the betrayal of the Stalinist leadership, and this defeat added to the overall exhaustion of the country.

13. After the end of the civil war, Greece experienced a process of modernization and industrialization until the 1970s. For the first time, a considerable domestic industry emerged. Greek shipowners directed some investments to Greece's industry. However, Greece remained economically and politically dependent on Western imperialism. Its economy was still dominated by small enterprise; foreign monopolies played a decisive role amongst the big corporations and a significant part of its public expenditures were financed by foreign loans. Greece has been a member of NATO from the beginning and its regimes, and in particular its army, were in fact underlings of US imperialism.

14. The important group of Greek shipowners is a specific, quite unique section of the Greek bourgeoisie. In the past centuries it played a central role in international shipping trade. In the second half of the 20<sup>th</sup> century it had become the dominant force in this global industry. Historically the Greek shipowners have been a cosmopolitan layer often living abroad – in the 20<sup>th</sup> century this was mostly in New York and London. This changed to a certain degree from the 1970s and Greek shipowners have directed important sectors of their business to Greece. This specific social-economic nature of the Greek shipowners had and has several important consequences. First, it has been a semi-Diaspora bourgeoisie and hence only to a certain degree (or in a peculiar way) part of the national ruling class. Second, the Greek shipowners are a trading and not a producing class. Greece has played no significant role in ship-building for a long time and hardly produced any ships in recent decade. Third, Greek shipowners have always been strongly dependent on foreign loans. In the 2000s, 4/5 of their loans were from foreign-owned banks. Fourth, given the nature of sea trade. Greek shipowners have always been dependent on the security provided by Great Powers. For all these reasons, even the Greek shipowners – the economically most potent sector of the Greek bourgeoisie – have always been closely tied to and dependent on the imperialist bourgeoisie of the Great Powers (mainly Britain and US, but recently also increasingly to China). The Greek bourgeoisie as a whole has a particular strong “comprador” character,

i.e., it avoids any confrontation with imperialism and serves the Great Powers as local henchmen.

15. After the collapse of Stalinism in 1989 in the Balkans, Greek capital to advantage, after some delay, the opportunities which capitalist restoration offered it. It became an important foreign investor in Albania, Macedonia, Serbia, Bulgaria and Romania and managed to extract significant extra-profits. However, Greece's foreign investment abroad remained much smaller than inward foreign investment in Greece. With the onset of the crisis in 2008, Greece's foreign investment significantly reduced.

16. Likewise, Greek capitalism has succeeded in acquiring a significant layer of migrants (about one million people) who serve the bosses as a super-exploited stratum at the bottom of the working class. This layer has not been reduced by the recent crisis and this is unlikely to happen because the wars and catastrophes in the Middle East make nearly certain that there will be many more refugees.

17. At the same time Greece has been traditionally been a country from which many migrants originated. Today, there are still residing several millions Greeks abroad and the remittances they send to their families constitute a sizeable part of Greece's national income. (1970: 4%, 2001: 2.5%)

18. It is important to evaluate the development of a country historically. Since achieving independence, Greece has always been a dependent, semi-colonial country albeit with specific features (the Greek shipowners as an economically potent semi-Diaspora bourgeoisie). In the 1990s and up to 2008, they made some headway in becoming a minor imperialist power by exporting capital to some southern Balkan countries and by absorbing huge layers of migrants. But these developments were vastly overshadowed by Greece's increasing dependence on the Great Powers during the same period. In addition, the country's external debt reached massive proportions. Furthermore its national economy was and is still being increasingly bought up by foreign monopolies.

19. The crisis which erupted in 2008 has provided an historical test for the class character of Greece. Such tests are always crucial to perceiving potential changes in the class character of a country. The developments of Greece in the past 7 years have demonstrated, beyond doubt, that the country has not been strong enough to withstand its complete subjugation by the EU. Greece has been forced to submit its economy and even parts of its territory (several islands) for sale to foreign investors. It has even been formally robbed by the EU troika of its sovereign rights to make its own political and economic decisions.

20. In short, Greek imperialist advances in the 1990s and up to 2008 came too little and too late. Hence, we repeat that Greece was and remains a semi-colonial country dominated by and dependent on foreign imperialist monopoly capital.

21. The RCIT rejects the position of the Stalinist KKE, after its recent turn around, which claims that Greece is now a normal imperialist country. As is well

known, until a few years ago the Greek Stalinists have historically been “left” patriots, and viewed the country as a colony of US and EU imperialism, this being their adaptation to Greece. The KKE’s about face regarding this issue was not motivated by any new insights but rather by 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). Likewise, we unequivocally reject the position of the KKE in the past and that of the LAE and others today who propose, based on their correct assessment of Greece’s dependency and subjugation by imperialism, the strategy of a popular front, i.e., the orientation towards class collaboration with a “national” or “domestic” sector of the Greek bourgeoisie. Such an orientation is wrong in principle and particularly absurd in a country like Greece whose bourgeoisie as a whole has a strongly cosmopolitan character and which throughout its entire history has served as local henchmen of imperialism.

22. The working class, multinational in composition with many migrants, must independently fight against the imperialist rulers of Greece, including their lackeys – the Greek bourgeoisie. It must strive to rally the urban poor, petty-bourgeoisie, as well as the small peasants in the struggle for democratic and anti-capitalist demands. Furthermore the working class must aim to look closely unite itself in its struggle with their class brothers and sisters in the region – i.e., the European workers and poor as well as those in the Middle East. The latter can play a dynamic role given the recent experience of the Arab Revolution which began in December 2010.

23. A revolutionary program for Greece must include a slogan for the country’s exit from the EU. Greece has always been a dependent and subjugated country in the EU and this status is institutionalized by the nature of the EU institutions dominated by Germany and France. Any substantial change in the country’s economic and social policy is impossible within the imperialist EU.

24. Naturally, this slogan for Greece’s exit from the EU does not constitute an independent program but is only a tactic as part of a broader strategy – the strategy for an authentic workers’ government striving for the expropriation of the imperialist and domestic bourgeoisie and opening the road to socialism. The RCIT rejects the national-reformist program à la Costas Lapavitsas and the LAE-leadership. The national-capitalist road is an illusionary dead-end. The slogan for Greece’s exit from the EU has to be raised *in connection* with slogans for the expropriation of the monopoly capitalists in Greece, lest the latter economically sabotage an independent Greece. Likewise, this slogan has to be combined with the perspective of international class struggle with the European and Arab working class. The struggle for an independent and socialist Greece has to be part of the struggle for the United Socialist States of Europe.

25. The struggle against Greece’s subjugation by the imperialist EU must not distract socialists from focusing on fighting all forms of reactionary Greek chauvinism. Such chauvinism manifests itself, in particular, in two ways. First,

the national oppression and super-exploitation of one million or so migrants in Greece. Socialists in Greece must fight for full equality of migrants. This includes equal wages for equal work, full access to social benefits, the right to vote as well as the recognition of their native language as equal in education, public administration etc. Likewise, socialists should fight for open borders and for international solidarity with the refugees coming to Europe. At the same time socialists oppose the discrimination of Greek workers living abroad.

26. Greek socialists must also oppose the reactionary Greek chauvinism directed against the Slavic Macedonians as well as against the Muslim minority in Western Thrace. Socialists reject the reactionary chauvinist myth about supposed historical foundations for the claim that Macedonia belongs to Greece. In reality Aegean Macedonia had a non-Greek majority when it was annexed by Greece in 1913. It only became a mostly Greek-populated region after subsequent governments systematically expelled most of the native population and instead settled Greeks (many of whom were themselves refugees from Asia Minor). True, today it would be reactionary to call for the expulsion of the Greeks who have been residing for generations in Aegean Macedonia. The historic crime of the expulsion of the Macedonian people from Aegean Macedonia cannot be undone. However, socialists should fight for autonomy and local self-government of those regions and areas with a strong Macedonian population as well as for the right of national self-determination for the remaining minority of Slavic Macedonians (including their right to secession). The struggle for the Macedonian minority must include a number of essential demands. First and foremost they must support the Macedonians demand for being recognized as a national minority. They must call for full equality which includes unconditional support for their demand to use their language in education as well as public administration, to use their Macedonian-language names if they wish to do so, to practice their religion in their mother language as well as their culture in general, to have equal access to the media (in their mother language if they wish to do so), etc. In addition, socialists should demand from the Greek government adequate compensation to the descendants of the expelled Slavic Macedonians families who today mostly live in the Republic of Macedonia and Bulgaria. Furthermore Greek socialists must demand the official recognition of the Republic of Macedonia by its own name (instead of such ridiculous names like FYROM). Likewise, socialist should fight for full democratic rights for the Muslim minority living in Western Thrace.

27. The struggle for such a program as well for its application in individual issues is hopeless if it is not undertaken by an organized force of authentic Marxists. This is why the RCIT considers the formation of a revolutionary party as the most important task in the struggle against the imperialist subjugation of Greece as well as for the liberation of the working class and oppressed.

28. Such a party cannot be founded mechanically; it will emerge in the class struggles ahead. However, it is urgent to create as soon as possible a

revolutionary pre-party organization which unites activists on the basis on an authentic Marxist program and which fights for the formation of such a party. The RCIT looks forward to collaborating with Greek revolutionaries and supporting them in achieving this goal!

## Bibliography

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

Aranitou, Valia: 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)

Arapoglou: The Future of Greek Banks

Axt, Heinz-Jürgen: Modernisierung durch EG-Mitgliedschaft? Portugal, Spanien und Griechenland im Vergleich; in: Michael Kreile (Ed.): Die Integration Europas, Politische Vierteljahresschrift, Sonderheft 32/1992, Westdeutscher Verlag

\_\_\_\_ Süderweiterung der Europäischen Gemeinschaft: Erfahrungen mit der asymmetrischen Integration; in: Cord Jakobeit and Alparslan Yenel (Ed.): Gesamteuropa. Analyse, Probleme und Entwicklungsperspektiven, Leske + Budrich, Opladen 1993

Balfoussias, Stella: Potential Output Growth in Greece, in: Stella Balfoussias, Panos Hatzipanayotou, Costas Kanellopoulos (Editors): Essays in Economics. Applied Studies on the Greek Economy, Centre of Planning and Economic Research, Athens 2011

Balkan Economic Forum: Balkan Economic Development Outlook, Athens 2015, <http://www.balkaneconomicforum.org/wp/balkan-economic-development-outlook/>

Balkanist: Albanians and the Greek Crisis: A Briefing of Economic and Social Concerns, July 13, 2015, <http://balkanist.net/albania-economic-social-concerns/>

Banac, Ivo: The National Question in Yugoslavia. Origins, History, Politics, Cornell University Press, New York 1984

Boston Consulting Group: Hellas '20:20 Supporting investment in the Greek economy—a foreign investor perspective, October 2011

Bureau of Economic, Energy and Business Affairs: 2010 Investment Climate Statement – Greece, March 2010, <http://www.state.gov/e/eeb/rls/othr/ics/2010/138073.htm>

Callinicos, Alex: Marxism and Imperialism today, in: A. Callinicos, J. Rees, C Harman & M. Haynes: Marxism and the New Imperialism, London 1994

Caloghirou, Yannis, Voulgaris, Yannis and Zambarloukos, Stella: The Political Economy of Industrial Restructuring: Comparing Greece and Spain, in: South European Society and Politics, Vol. 5, No. 1, 2000

Caraveli, Helen and Tsionas, Efthymios G.: Economic Restructuring, Crises and the Regions: The Political Economy of Regional Inequalities in Greece, GreeSE Paper No.61, Hellenic Observatory Papers on Greece and Southeast Europe, 2012

Carchedi, Guglielmo: Behind the Crisis. Marx's Dialectics of Value and

Knowledge, Leiden 2011

Chatzoudes, Dimitris and Kaltsidou, Despoina: Greek Foreign Direct Investment (FDI) in Turkey (2006)

Cheliotis, Leonidas K. and Xenakis, Sappho: What's neoliberalism got to do with it? Towards a political economy of punishment in Greece, in: *Criminology & Criminal Justice* Vol. 10, No. 4 (2010)

Cholezas, Ioannis and Tsakloglou, Panos: The Economic Impact of Immigration in Greece: Taking Stock of the Existing Evidence, Institute for the Study of Labor, October 2008

Christodoulakis, Nicos and Kalyvitis, Sarantis: Structural funds: growth, employment, and the environment: modelling and forecasting the Greek economy, Springer Science+Business Media, New York 2001

Clay, C.G.A.: Western Banking and the Ottoman Economy before 1890: a Story of Disappointed Expectations; in: *The Journal of European Economic History*, Vol. 28, No. 3 (Winter 1999)

Clogg, Richard: *A Concise History of Greece*, Cambridge University Press, New York 1992

Corres, Alkis John: Greek Maritime Policy and the Discreet Role of Shipowners' Associations, in: Athanasios A. Pallis (Editor): *Maritime Transport: The Greek Paradigm*, Research in Transportation Economics, Vol. 21, Elsevier Ltd, Oxford 2007

Coulombis, Theodore A., Kariotis, Theodore and Bellou, Fotini (Editors): *Greece in the Twentieth Century*, Hellenic Foundation for European and Foreign Policy, Frank Cass, London and New York 2004

Cowan, Jane K. (Editor): *Macedonia. The Politics of Identity and Difference*, Pluto Press, London 2000

Crouzet, François: *A History of the European Economy, 1000–2000*, University Press of Virginia, 2001

Danforth, Loring M.: The Macedonian Minority of Northern Greece, *Cultural Survival Quarterly*, Vol. 19 No. 2 (Summer 1995), <http://www.culturalsurvival.org/publications/cultural-survival-quarterly/greece/macedonian-minority-northern-greece>

Demekas, Dimitri G. and Kontolemis, Zenon G.: *Unemployment in Greece: A Survey of the Issues*, Working Paper, International Monetary Fund 1996

Dixon, Hugo: On notice: Greece's vested interests, *International New York Times*, 17.9.2015

Doxiadis, Aristos: The real Greek economy: owners, rentiers and opportunists, *Athens Review of Books*, June 2010 (in English: [www.opendemocracy.net](http://www.opendemocracy.net), 23rd September 2010)

Eberhard, Erik: *Revolution und Konterrevolution in Griechenland*, AGM, Wien 2005

Economakis, George, Androulakis, George and Markaki, Maria: Profitability and crisis in the Greek economy (1960–2012) An investigation, in: Stavros

- Mavroudeas (Editor): *Greek Capitalism in Crisis. Marxist Analysis*, Routledge, New York 2015
- Economou, Persephone and Thomas, Margo: *Greek FDI in the Balkans: How is it affected by the crisis in Greece?* *Columbia FDI Perspectives*, No. 51, November 21, 2011
- Estrin, Saul and Uvalic, Milica: *Foreign direct investment into transition economies: Are the Balkans different?* *LEQS Paper No. 64/2013*, July 2013
- European Central Bank: *Financial intermediaries*, <https://www.ecb.europa.eu/mopo/eaec/intermediaries/html/index.en.html>
- European Commission: *European Economic Forecast Autumn 2006*, Statistical Annex of European Economy
- \_\_\_\_ *European Economic Forecast Spring 2015*, Statistical Annex of European Economy, in: *EUROPEAN ECONOMY 2|2015*
- Exertzoglo, Haris: *The development of a Greek Ottoman bourgeoisie: investment patterns in the Ottoman Empire, 1850-1914*, in: Dimitri Gondicas
- Fischer, Walter and Rondholz, Eberhard: *Revolution und Konterrevolution in Griechenland*; in: *Das Argument Vol. 12, No. 2-3* (May 1970)
- Flassbeck, Heiner and Lapavistas, Costas: *The systemic crisis of the euro – true causes and effective therapies*, Rosa-Luxemburg-Stiftung, May 2013
- Fourth International (Editors): *Civil War in Greece, February 1945*, in: *Fourth International, Volume VI, No. 2*, <https://www.marxists.org/subject/greek-civil-war/fourth-international/1945/02/x01.htm>
- Freeman, Alan: *The Profit Rate in the Presence of Financial Markets: A Necessary Correction* (2013)
- Gaitanou, Eirini: *An examination of class structure in Greece, its tendencies of transformation amid the crisis, and its impacts on the organisational forms and structures of the social movement*, 27 November 2014, <http://omilosmarx.gr/%CE%BA%CE%B5%CE%AF%CE%BC%CE%B5%CE%BD%CE%B1/item/39-class-structure-greece>
- Gallagher, Tom: *Outcast Europe. The Balkans, 1789–1989. From The Ottomans To Milosevic*, Routledge, London and New York 2001
- Gallant, Thomas W.: *Modern Greece*, Oxford University Press Inc, London 2001
- Gratsos, George A. (President of Hellenic Chamber of Shipping): *Greek Shipping and the Maritime Economy*, 2014
- Hugh Poulton: *The Balkans. Minorities and States in Conflict*, Minority Rights Publications, London 1991; Joseph Rothschild: *The Communist Party of Bulgaria. Origins and Development 1883–1936*, Columbia University Press, New York 1959, p. 234; Katrin Völkl: *Makedonien/Mazedonien*, in: Michael Weithmann: *Der ruhelose Balkan*, Deutscher Taschenbuch Verlag, München 1993
- Harari, Daniel: *Greek debt crisis: background and developments in 2015*, House of Commons Library Briefing Paper Number 7114, 6 July 2015
- Harlaftis, Gelina: *A History of Greek-Owned Shipping. The making of an*

international tramp fleet, 1830 to the present day, London 1996

Huliaras, Asteris and Petropoulos, Sotiris: Shipowners, ports and diplomats: the political economy of Greece's relations with China, in: *Asia Europe Journal* Vol. 12, No. 3, September 2014

Human Rights Watch: Denying Ethnic Identity. The Macedonians of Greece, New York 1994

Ifantis, Kostas: Greece and Southeastern Europe (2015)

International Monetary Fund – Greece: Memorandum of Understanding for a three-year ESM programme, August 2015

Ioannides, Yannis: 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

Issawi, Charles Philip: *An Economic History of the Middle East and North Africa*, Columbia University Press 1982

\_\_\_\_ Ottoman Greeks in the Age of Nationalism: Politics, Economy, and Society in the Nineteenth Century, Darwin Press, Princeton 1999

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

Kapetanakis, Panayiotis: Shipping and Trade in a British semi-colony: the Case of the United States of the Ionian Islands (1815-1864), in: *Cahiers de la Méditerranée* No. 85 (2012)

Karadjis, Mike: Macedonians' long history of struggle, *Green Left Weekly*, No. 50, 01.04.1992, <http://www.greenleft.org.au/back/1992/50/50p7.htm>

Karakasidou, Anastasia: Fellow Travellers, Separate Roads: The KKE and the Macedonian Question, in: *East European Quarterly* Vol. XXVII, No. 4 (Winter 1993)

Kariotis, Theodore C.: The Economy: Growth without Equity, in: Theodore A. Couloumbis, Theodore Kariotis and Fotini Bellou (Editors): *Greece in the Twentieth Century*, Hellenic Foundation for European and Foreign Policy, Frank Cass, London and New York 2004

Kasimati, Evangelia: The Macroeconomic Relationship Between Investment and Saving in Greece, in: Stella Balfoussias, Panos Hatzipanayotou, Costas Kanellopoulos (Editors): *Essays in Economics. Applied Studies on the Greek Economy*, Centre of Planning and Economic Research, Athens 2011

KKE (Communist Party of Greece): Programme of KKE (1996), <http://interold.kke.gr/Documents/docprogr.html>

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

Kliman, Andrew: *The Failure of Capitalist Production. Underlying Causes of the Great Recession*, London 2011

Kolias, Georgios: Die Lage in Griechenland und die Strategie der kommunistischen Bewegung, <http://parteiderarbeit.at/?p=2247>

Koliopoulos, Giannes and Veremis, Thanos M.: *Modern Greece: a history since 1821*, A John Wiley & Sons, Ltd., Publication, Oxford 2010

Kumar, Hari: *The Greek Debt Crisis: A Misnomer for the European Imperialist Crisis*, August 22, 2015, The Red Phoenix, <http://theredphoenixapl.org/2015/08/22/the-greek-debt-crisis-a-misnomer-for-the-european-imperialist-crisis/>

Labrianidis, Lois: *The Opening of the Balkan Markets and consequent Economic Problems in Greece*, in: *Modern Greek Studies Yearbook Vol 12/13, 1996/97*, University Of Minnesota

\_\_\_\_\_, Lyberaki, Antigone, Tinios, Platon and Hatziprokopiou, Panos: *Inflow of Migrants and Outflow of Investment: Aspects of Interdependence between Greece and the Balkans*; in: *Journal of Ethnic and Migration Studies*, Vol. 30, No. 6 (2004)

Lapavitsas, Costas: *To beat austerity, Greece must break free from the euro*, 2 March 2015, <http://www.theguardian.com/commentisfree/2015/mar/02/austerity-greece-euro-currency-syriza?>

\_\_\_\_\_, *The Syriza strategy has come to an end*, 30 April 2015, <http://www.versobooks.com/blogs/1967-costas-lapavitsas-the-syriza-strategy-has-come-to-an-end;>

Lapavitsas *Calls for Exit as the Only Strategy for Greek People*, July 17, 2015, [http://therealnews.com/t2/index.php?option=com\\_content&task=view&id=31&Itemid=74&jumival=14278](http://therealnews.com/t2/index.php?option=com_content&task=view&id=31&Itemid=74&jumival=14278)

\_\_\_\_\_, Kaltenbrunner, A., Lindo, D., Michell, J., Paineira, J.P., Pires, E., Powell, J., Stenfors, A. and Teles, N.: *Eurozone Crisis: Beggar Thyself and Thy Neighbour*, *Research on Money and Finance*, March 2010

Lenin, Vladimir Illich: *Conspectus of Hegel's Science of Logic (1914)*; in: *Lenin Collected Works (LCW) Vol. 38*

\_\_\_\_\_, *On the Slogan for a United States of Europe*; in: *LCW Vol. 21*

\_\_\_\_\_, *The revolutionary Proletariat and the Right of Nations to Self-Determination (1915)*; in: *LCW Vol. 21*

\_\_\_\_\_, *The Socialist Revolution and the Right of Nations to Self-Determination (1916)*; in: *LCW Vol. 22*

\_\_\_\_\_, *Imperialism, the Highest Stage of Capitalism (1916)*; in: *LCW Vol. 22*

\_\_\_\_\_, *A Caricature of Marxism and Imperialist Economism (1916)*; in: *LCW Vol. 23*

\_\_\_\_\_, *Imperialism and the Split in Socialism (1916)*; in: *LCW Vol. 23*

Loukas, Stefanos: *On current international issues: Dependent or interdependent relations?* in: *KKE: Collection of articles and contributions*, Athens 2010

Lykogiannis, Athanasios: *Britain and the Greek economic crisis, 1944–1947: from liberation to the Truman Doctrine*, University of Missouri Press, Missouri 2002

Maddison, Angus: *The World Economy, Volume 1: A Millennial Perspective*,

Volume 2: Historical Statistics, Development Centre Studies, Paris 2006

Maditinos, Dimitrios, Kousenidis, Dimitrios and Chatzouides, Dimitrios: Foreign Direct Investment (FDI) in the Balkans: The Role of Greece; in: Anastasios G. Karasavvoglou (Editor): The Economies of the Balkan and Eastern Europe Countries in the Changed World, Cambridge Scholars Publishing, 2011

Maito, Esteban Ezequiel: The historical transience of capital The downward trend in the rate of profit since XIX century (2014)

Maniatis, Thanasis: The fiscal crisis in Greece. Whose fault? in: Stavros Mavroudeas (Editor): Greek Capitalism in Crisis. Marxist Analysis, Routledge, News York 2015

\_\_\_\_ and Passas, Costas: 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

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

Marx, Karl: Grundrisse [Outlines of the Critique of Political Economy (Rough Draft of 1857-58)]; in: Marx-Engels Collected Works Vol. 28

Mavroudeas, Stavros: Greece and the EU: capitalist crisis and imperialist rivalries, 2010

\_\_\_\_ The Greek Saga: Competing Explanations of the Greek Crisis, Economics Discussion Papers 2015-1, University of Macedonia, 10 February 2015

\_\_\_\_ and Paitaridis, Dimitris: The Greek crisis A dual crisis of overaccumulation and imperialist exploitation, in: Stavros Mavroudeas (Editor): Greek Capitalism in Crisis. Marxist Analysis, Routledge, News York 2015

Mickevičienė, Rima: Global Competition in Shipbuilding: Trends and Challenges for Europe, in: Piotr Pachura (Editor): The Economic Geography of Globalization, InTech 2011

Mouzelis, Nicos: Greek and Bulgarian Peasants: Aspects of Their Sociopolitical Situation during the Interwar-Period, in: Comparative Studies in Society and History, Vol. 18, No. 1 (Jan., 1976)

\_\_\_\_ The Relevance of the Concept of Class to the Study of Modern Greek Society, in: Annals of the New York Academy of Sciences Vol. 268 (February 1976)

\_\_\_\_ Capitalism and Dictatorship in Post-War Greece, in: New Left Review Vol.I, No.96 (March-April 1976)

\_\_\_\_ Class and Clientelistic Politics: The Case of Greece, in: The Sociological Review Vol. 26, Issue 3 (February 1978)

\_\_\_\_ On the Greek Elections, New Left Review I/108, March-April 1978

\_\_\_\_ On the Rise of Postwar Military Dictatorships: Argentina, Chile, Greece, in: Comparative Studies in Society and History, Vol. 28, No. 1 (Jan., 1986)

Mpellou, Eleni: 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/](#)

Muaremi, Lindita, Konomi, Rigersa and Salihi, Sindise: Foreign Direct Investment in Macedonia; in: European Scientific Journal, Vol. 11, No.4 (February 2015)

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)

Nikolinakos, Marios: Materialien zur kapitalistischen Entwicklung in Griechenland (1. Teil); in: Das Argument Vol. 12, No. 2-3 (May 1970)

\_\_\_\_\_: Materialien zur kapitalistischen Entwicklung in Griechenland (2. Teil); in: Das Argument Vol. 12, No. 4 (1970)

Nugent, Jeffrey B. and Glezakos, Constantine: To What Extent Does Greece Underperform in its Efforts to Attract FDI Relative to Its Regional Competitors and Why? in: Stella Balfoussias, Panos Hatzipanayotou, Costas Kanellopoulos (Editors): Essays in Economics. Applied Studies on the Greek Economy, Centre of Planning and Economic Research, Athens 2011

OECD Economic Surveys: Greece, September 2005

OECD Economic Surveys: Greece, May 2007

OECD: Economic Surveys: Greece, July 2009

OECD Economic Surveys: Greece, August 2011

OECD Economic Surveys: Greece, November 2013

Papadimitriou, Dimitri: The Political Economy of Greece. An Empirical Analysis of Marxian Economics, in: European Journal of Political Economy 6 (1990)

Pagoulatos, George: Greece's New Political Economy. State, Finance, and Growth from Postwar to EMU, Palgrave Macmillan 2003

Palmer, Stephen E. Jr and King, Robert R.: Yugoslav Communism and the Macedonian Question, Archon Books, Hamden 1971

Papariga, Aleka: 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>

\_\_\_\_ Bankruptcy has already begun, Δημοσίευση 31 Μαΐου 2011, <http://newpost.gr/english/50116/Papariga-Bankruptcy-has-already-begun>

Pedersini, Roberto and Coletto, Diego: Self-Employed Workers: Industrial Relations and Working Conditions, Dublin: European Foundation for the Improvement of Living and Working Conditions (Eurofound), 2009

Petrakis, Panagiotis: The Greek Economy and the Crisis. Challenges and Responses, Springer-Verlag Berlin Heidelberg 2012

Petras, James: The Contradictions of Greek Socialism, New Left Review I/163 (May-June 1987)

Poulantzas, Nicos: The Crisis of the Dictatorships: Portugal, Greece, Spain, New Left Books, London 1976

Pouliopoulos, Pantelis: Communists and the Macedonian Question (May 1940), Republished in Spartakos No 30, 1991, <https://www.marxists.org/archive/pouliop/works/1940/05/commac.htm>

Poulton, Hugh: The Balkans. Minorities and States in Conflict, Minority Rights Publications, London 1991

\_\_\_ and Taji-Farouki, Suha: Muslim Identity and the Balkan State, C. Hurst & Co. (Publishers) Ltd., London 1997

Pröbsting, Michael: Der kapitalistische Aufholprozeß in Südkorea und Taiwan; in: Revolutionärer Marxismus Nr. 20 (1996). A shortened version of this article appeared as “*Capitalist Development on South Korea and Taiwan*” in: Trotskyist International No. 21 (1997), <http://www.thecommunists.net/theory/capitalism-in-south-korea-taiwan/>

\_\_\_ The EU Reform Treaty: what it is and how to fight it (2008), in: Fifth International Vol.3, No.1, <http://www.thecommunists.net/theory/eu-reform-treaty/>

\_\_\_ Die Frage der Vereinigung Europas im Lichte der marxistischen Theorie. Zur Frage eines supranationalen Staatsapparates des EU-Imperialismus und der marxistischen Staatstheorie. Die Diskussion zur Losung der Vereinigten Sozialistischen Staaten von Europa bei Lenin und Trotzki und ihre Anwendung unter den heutigen Bedingungen des Klassenkampfes, in: Unter der Fahne der Revolution“ (FAREV) Nr. 2/3 (2008), <http://www.thecommunists.net/theory/marxismus-und-eu/>

\_\_\_ Imperialism and the Decline of Capitalism (2008), in: Richard Brenner, Michael Pröbsting, Keith Spencer: The Credit Crunch – A Marxist Analysis (2008), <http://www.thecommunists.net/theory/imperialism-and-globalization/>

\_\_\_ World economy – heading to a new upswing? in Fifth International, Volume 3, No. 3, Autumn 2009, <http://www.thecommunists.net/theory/world-economy-crisis-2009/>

\_\_\_ Marxismus, Migration und revolutionäre Integration (2010); in: Revolutionärer Kommunismus, Nr. 7, <http://www.thecommunists.net/publications/werk-7>. A summary of this study in English-language: Michael Pröbsting: Marxism, Migration and revolutionary Integration, in: Revolutionary Communism, No. 1 (English-language Journal of the RCIT), <http://www.thecommunists.net/oppressed/revolutionary-integration/>

\_\_\_ Revolution in Griechenland. Möglichkeiten, Gefahren und Perspektiven, November 2011; in English: Perspectives on the Greek Revolution. Greek tragedy is the lack of revolutionary leadership of workers movement! For Workers’ Councils, Workers’ Militias and a Workers’ Government! <http://www.thecommunists.net/worldwide/europe/greece-revolution-or-tragedy/>

\_\_\_ China’s transformation into an imperialist power. A study of the economic, political and military aspects of China as a Great Power, in: *Revolutionary Communism* (English-language Journal of the RCIT) No. 4, <http://www.thecommunists.net/publications/revcom-number-4>

\_\_\_ No to chauvinist war-mongering by Japanese and Chinese imperialism! Chinese and Japanese workers: Your main enemy is at home! Stop the conflict on the Senkaku/Diaoyu-islands in the East China Sea! 23.9.2012, in: *Revolutionary Communism* No. 6, <http://www.thecommunists.net/worldwide/asia/no-war-between-china-and-japan/>

\_\_\_ The Great Robbery of the South. Continuity and Changes in the Super-Exploitation of the Semi-Colonial World by Monopoly Capital Consequences for the Marxist Theory of Imperialism, 2013, <http://www.great-robbery-of-the-south.net/>

\_\_\_ On some Questions of the Zionist Oppression and the Permanent Revolution in Palestine, in: *Revolutionary Communism* Nr. 10 (June 2013), <http://www.thecommunists.net/worldwide/africa-and-middle-east/permanent-revolution-in-palestine>

\_\_\_ Russia as a Great Imperialist Power. The formation of Russian Monopoly Capital and its Empire – A Reply to our Critics, 18 March 2014, in: *Revolutionary Communism* No. 21, <http://www.thecommunists.net/theory/imperialist-russia/>

\_\_\_ Russia and China as Great Imperialist Powers. A Summary of the RCIT's Analysis, 28 March 2014, in: *Revolutionary Communism* No. 22, <http://www.thecommunists.net/theory/imperialist-china-and-russia/>

\_\_\_ More on Russia and China as Great Imperialist Powers. A Reply to Chris Slee (Socialist Alliance, Australia) and Walter Daum (LRP, USA), 11 April 2014, in: *Revolutionary Communism* No. 22, <http://www.thecommunists.net/theory/reply-to-slee-on-russia-china/>

\_\_\_ Lenin's Theory of Imperialism and the Rise of Russia as a Great Power. On the Understanding and Misunderstanding of Today's Inter-Imperialist Rivalry in the Light of Lenin's Theory of Imperialism. Another Reply to Our Critics Who Deny Russia's Imperialist Character, in: *Revolutionary Communism* No. 25, August 2014, <http://www.thecommunists.net/theory/imperialism-theory-and-russia/>

\_\_\_ Building the Revolutionary Party in Theory and Practice. Looking Back and Ahead after 25 Years of Organized Struggle for Bolshevism, RCIT, Vienna 2014 (the book can be downloaded as a pdf at <http://www.thecommunists.net/theory/rcit-party-building/>)

\_\_\_ The China Question and the Marxist Theory of Imperialism. Again on China as an imperialist Power. Reply to a Polemic from CSR (Venezuela) and PCO (Argentina), December 2014, in: *Revolutionary Communism* No. 32, <http://www.thecommunists.net/theory/reply-to-csr-pco-on-china/>

\_\_\_ The British Left and the EU-Referendum: The Many Faces of pro-UK or pro-EU Social-Imperialism. An analysis of the left's failure to fight for an independent, internationalist and socialist stance both against British as well as European imperialism, in: *Revolutionary Communism* No. 40, August 2015, <http://www.thecommunists.net/theory/british-left-and-eu-referendum/>

\_\_\_ Migration and Super-exploitation: Marxist Theory and the Role of

Migration in the present Period of Capitalist Decay, in: *Critique* Vol. 43 No. 3 (August 2015)

Revolutionary Communist International Tendency: The World Situation and the Tasks of the Bolshevik-Communists, March 2013, in: *Revolutionary Communism* No. 8, [www.thecommunists.net/theory/world-situation-march-2013](http://www.thecommunists.net/theory/world-situation-march-2013)

\_\_\_ 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, <http://www.thecommunists.net/theory/world-situation-september2013/>

\_\_\_ Open Letter on the Arab Revolution, October 2013, <http://www.thecommunists.net/rcit/open-letter-on-arab-revolution/>

\_\_\_ 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, <http://www.thecommunists.net/theory/world-situation-april-2014/>;

\_\_\_ 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, <http://www.thecommunists.net/theory/world-situation-january-2015/>

\_\_\_ Revolution and Counterrevolution in the Arab World: An Acid Test for Revolutionaries (May 2015, <http://www.thecommunists.net/theory/theses-arab-revolution/>

\_\_\_ Throw Open the Gates of Europe to Refugees! Long live International Solidarity of the Workers and Poor! Down with the Imperialist Fortress EU! Advance the Arab Revolution to Build Workers and Peasant Republics! 15.9.2015, <http://www.thecommunists.net/worldwide/europe/refugees-are-welcome/>

\_\_\_ Europe / North Africa: Storm the Gates of Rome! Open Borders for Refugees! Stop the Imperialist EU-War against Refugees! No to the Preparations for an Imperialist Aggression against Libya! 22.5.2015, <http://www.thecommunists.net/worldwide/europe/eu-war-against-refugees/>

RKOB: The European Union and the issue of the accession of semi-colonial countries, 14.10.2012, in: *Revolutionary Communism* No. 6, <http://www.thecommunists.net/worldwide/europe/eu-and-semi-colonies/>

Roberts, Michael: The Great Recession. Profit cycles, economic crisis. A Marxist view (2009)

\_\_\_ A world rate of profit. Globalisation and the world economy (2012)

\_\_\_ Revisiting a world rate of profit (2015)

\_\_\_ Greece: Samaras gambles, 12.12.2014, <http://thenextrecession.wordpress.com/2014/12/12/greece-samaras-gambles/>

Rothschild, Joseph: The Communist Party of Bulgaria. Origins and

Development 1883-1936, Columbia University Press, New York 1959

Roudometof, Victor: *Collective Memory, National Identity and Ethnic Conflict. Greece, Bulgaria and the Macedonian Question*, Praeger Publishers, Westport 2002

Siokorelis, Vasileios K.: *Economic Effects of Migration from Albania to Greece*, in: *Journal of Identity and Migration Studies*, Vol. 5, No. 1, 2011

Skrvelis, Efharis: *Industrial restructuring and the State in Greece: national developments within an international setting*, Durham University, 1990

Slaveski, Trajko and Nedanovski, Pece: *Foreign Direct Investment in the Framework of Cross-Border Co-Operation in Selected Balkan Countries*, 2001

Spourdalakis, Michalis: *The Greek Experience*, in: *Socialist Register Vol.22 (1985-86)*

Stavrianos, Leften Stavros: *The Balkans, 1815-1914*, Holt, Rinehart and Winston, London 1963

Syriopoulos, Theodore C.: *Financing Greek Shipping: Modern Instruments, Methods and Markets*, in: Athanasios A. Pallis (Editor): *Maritime Transport: The Greek Paradigm*, *Research in Transportation Economics*, Vol. 21, Elsevier Ltd, Oxford 2007

Thanopoulou, Helen A.: *A Fleet For The 21st Century: Modern Greek Shipping*, in: Athanasios A. Pallis (Editor): *Maritime Transport: The Greek Paradigm*, *Research in Transportation Economics*, Vol. 21, Elsevier Ltd, Oxford 2007

The Law Library of Congress, Global Legal Research Center: *Greece: Status of Minorities*, October 2012

The Shipbuilders' Association of Japan: *Shipbuilding Statistics*, Issue of September 2009, September 2001 and March, 2015

Theotokas, Ioannis and Harlaftis, Gelina: *Leadership in World Shipping. Greek Family Firms in International Business*, London 2009

Thomsen, Stephen and Woolcock, Stephen: *Direct Investment and European Integration. Competition among Firms and Governments*, The Royal Institute of International Affairs, Pinter Publishers, London 1993

Triandafyllidou, Anna and Maroufouf, Michaela: *Greece: Immigration towards Greece at the Eve of the 21<sup>st</sup> Century. A Critical Assessment*, IDEA Working Paper 2009

Trichopoulos, Dimitrios, Papaevangelou, George, Danezis, John and Kalapothak, Victoria: *The Population of Greece. A Monograph for the World Population Year 1974*, CICRED Series, Athens 1974

Trotsky, Leon: *A Discussion on Greece (Spring 1932)*, In: *Writings of Leon Trotsky: Supplement (1929-33)*, Pathfinder, New York 1979

\_\_\_\_ *The Dutch Section and the International (15-16 July 1936)*, in *Writings of Leon Trotsky (1935-36)*

\_\_\_\_ *The Chinese Revolution (Introduction to Harold R. Isaacs, The Tragedy of the Chinese Revolution, London 1938)*; <http://www.marxists.org/archive/>

[trotsky/1938/xx/china.htm](http://trotsky/1938/xx/china.htm)

Truth Committee on Public Debt: Preliminary report (2015)

Tsafos, Nikos: Did the 1980s Ruin Greece? September 12, 2010, <http://www.greekdefaultwatch.com/2010/09/did-1980s-ruin-greece.html>

Tsakalotos, Euclid: The Political Economy of Social Democratic Economic Policies: The PASOK Experiment in Greece, in: Oxford Review of Economic Policy, Vol. 14, No. 1, 1998

Tsiliopoulos, E.: 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>

Wegner, Eric: Griechenland vor einer Revolution? Marxistische Einschätzungen der Entwicklung des Klassenkampfes in Griechenland, arbeiterinnenkampf, Wien 2012  
Wikipedia: Demographic History of Macedonia, [https://en.wikipedia.org/wiki/Demographic\\_history\\_of\\_Macedonia](https://en.wikipedia.org/wiki/Demographic_history_of_Macedonia)

UNCTAD: FDI in brief: Greece. Outflows up, decline in inflows in 2002

UNCTAD: Web Tables for 1990-2012, [http://unctad.org/Sections/dite\\_dir/docs/WIR2013/WIR13\\_webtab05.xls](http://unctad.org/Sections/dite_dir/docs/WIR2013/WIR13_webtab05.xls) and [http://unctad.org/Sections/dite\\_dir/docs/WIR2013/WIR13\\_webtab06.xls](http://unctad.org/Sections/dite_dir/docs/WIR2013/WIR13_webtab06.xls)

Whitehouse, Mark: Greece's Predicament in One Scary Chart, Apr 24, 2015, <http://www.bloombergview.com/articles/2015-01-30/greece-s-predicament-in-one-scary-chart>

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

# The Revolutionary Communist Manifesto

## *Programme of the Revolutionary Communist International Tendency*

### Preface

### Introduction

### I. The world we live in

### II. A new historical period of revolutionary character

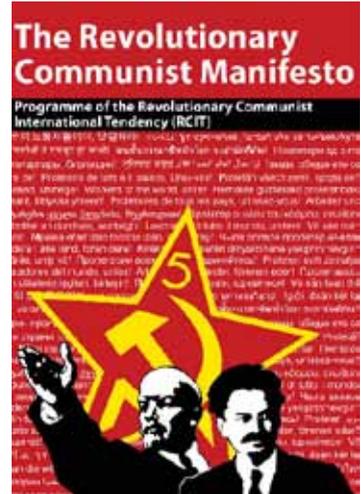
### III. The world we are fighting for

### IV. The leadership we have and the leadership we need

The struggle for the unions \* Changes in the working class \* Action Committee - factory committees - Councils \* The democratic protest movements

### V. The Program of the Revolution

An action program to save the humanity from the misery of capitalism \* Cancel the debts! Expropriate the banks and speculators! \* Against wage cuts, job insecurity and unemployment! \* Fight inflation! For the adjustment of wages to inflation! For price control committees! \* Defence of public services! Fight the privatization! \* An end to the “business secret”! For workers’ control! For a public employment programme! \* No division – Joint fight, regardless of nation, and location! \* No more tax breaks for the rich! Expropriate the super rich! \* Against the attacks on education! Education for all under control of the working class and youth! \* Revolutionary Struggle for Democracy \* Free the oppressed peoples from the clutches of the banks and corporations! \* Support the national liberation struggles of oppressed peoples! \* Fight against the super-exploitation and national oppression of migrants! \* Fighting fascism \* Save our planet from the capitalist climate catastrophe! \* Jobs and housing for the poor in urban slums! \* The land to the peasants! Organise the agricultural workers! The land to the peasants! Organise the agricultural workers! \* Joint struggle for women’s liberation! \* Combat the sexual oppression of church and state! \* An end to the oppression of young people! \* Down with militarism and imperialist war! \* The arming of the working class and the oppressed \* For a workers’ government, based on the poor peasants and the urban poor Joint struggle for women’s liberation! \* Combat the sexual oppression of church and state! \* An end to the oppression of young people! \* Down with militarism and imperialist war! \* .The arming of the working class and the oppressed \* For a workers’ government, based on the poor peasants and the urban poor



# The Great Robbery of the South

*Continuity and Changes in the Super-Exploitation  
of the Semi-Colonial World by Monopoly Capital*

*Consequences for the Marxist Theory  
of Imperialism*



**By Michael Pröbsting**

**Published by the *Revolutionary Communist International Tendency***

*Look for details of the book at [www.great-robbery-of-the-south.net](http://www.great-robbery-of-the-south.net)*

# Cuba's Revolution Sold Out?

*The Road from  
Revolution to the  
Restoration of Capitalism*



**By Michael Pröbsting**

*Published by the Revolutionary Communist International Tendency*

*Look for details of the book at [www.cuba-sold-out.net](http://www.cuba-sold-out.net)*

# **Building the Revolutionary Party in Theory and Practice**

*Looking Back and Ahead after  
25 Years of organized Struggle for Bolshevism*



**By Michael Pröbsting**

*Published by the Revolutionary Communist International Tendency*

*Read the book online at [www.thecommunists.net](http://www.thecommunists.net)*

# Russia as a Great Imperialist Power

By Michael Pröbsting, March 2014

## Introduction

### I. What are the Criteria for an Imperialist State?

Imperialism and Super-Exploitation

### II. Russia: The Nature of its Monopoly Capital and Empire

Monopolization

State Capitalism

Excuse: The Breakdown in the 1990s

Russia's Rise as an Economic Power

Capital Export of Russian Monopolies

Russia as a Great Political and Military Power

### III. Rebuilding the Empire

Russia's Internal Colonies

Putin's Eurasian Union and the Semi-Colonies

Migration and Super-Exploitation

### IV. The Distinguishing Characteristics of Russian Imperialism

### V. The Arguments of Our Critics

WIVP (South Africa): Russia is a Semi-Colony of German Imperialism

LCFI: From "Imperialist" to "Pre-Imperialist" China and Russia

The LCFI's Schematic Understanding of Imperialism

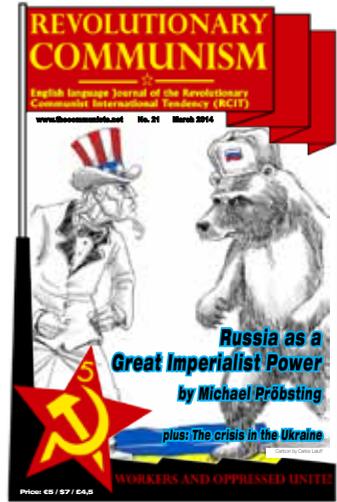
The Great Imperialist Powers before 1914

Lenin, Trotsky and the Bolsheviks on Russia as an Imperialist Power

An Ultra-Left Version of Kautskyianism

Inverted Social-Imperialists

### VI. Appendix: The Capitalist Restoration in Russia (2001)



# Lenin's Theory of Imperialism and the Rise of Russia as a Great Power

By Michael Pröbsting, August 2014

## Introduction

### I. Four Currents in the Workers' Movement

### II. Lenin's Theory of Imperialism and its Revisionist Distortions

Marx and the Centrality of the Production Process

Imperialism is Based on the Capitalist Value of Production

Is There a Capitalist Country Not Dominated by Finance Capital?

Monopolism as the Essence of Imperialism

The Role of the State in Monopoly Capitalism

Disparity between the Imperialist Powers

Can Only the Richest Countries be Imperialist?

The Disparity between the Great Powers in Lenin's Time, before 1917

Are the US and British Models of Imperialism Pure Robbery?

Explaining Eastern Imperialist Power before 1914

A Brief Overview of the Imperialist Powers Today

The Theory of the "Transitional" or "Sub-Imperialist" State

Is Inter-Imperialist Rivalry Intensifying or Minimizing?

Excuse: The Maoist Origin of the Super-Power Theory

Modern Apologists for Karl Kautsky's Theory of Ultra-Imperialism

Explaining Eastern Imperialist Power before 1914

### III. Social-Imperialism as a Caricature of "Anti-Imperialism"

"Third Campism" and the "Anti-Imperialist United Front

with Putin and Xi" in the Struggle between Imperialist Rivals

Inverted Social-Imperialism as a Variation of Class-Collaboration

### IV. Again on Russia as an Imperialist Power

Russian and Foreign Monopolies in Banking

Who Controls Russia's Monopolies?

Russia's Foreign Investment and Foreign Policy

Excuse: Eurasianism and Putin's Bourgeois Allies in Western Europe

### V. Summary

## About the Author

Michael Pröbsting was born in Vienna (Austria) in 1967. He became politically active when he was 14 years old and has been an organized Trotskyist militant since the age of 16. After five years of membership in the *United Secretariat of the Fourth International* of Ernest Mandel, he joined the *League for a Revolutionary Communist International* (later renamed to *League for the Fifth International*) in February 1989. He served on the leadership bodies of the Austrian section from 1989 and of the LRCI/LFI since 1994, until he and his comrades-in-arms were expelled by the majority of this organization in April 2011. Soon after this, they founded the *Revolutionary Communist Organization for Liberation* in Austria and the *Revolutionary Communist International Tendency* which has sections in Pakistan, Sri Lanka, Occupied Palestine/Israel, the USA, and Austria. He serves as the International Secretary of the RCIT.

As part of his international political work, Michael Pröbsting has spent lengthy periods in Occupied Palestine (Israel) in 1985, Eastern Germany during the political revolutionary process of 1989-91, Britain in 1994, and during the revolutionary period in Argentina in 2002. In addition, he gained experience in workers' and anti-imperialist movements during numerous visits to Sri Lanka, Lebanon, Turkey, Greece, Kosovo, Serbia, Ukraine, Russia, Slovakia, the Czech Republic, Hungary, Italy, Germany, Britain, France, Belgium, Netherlands, Sweden, and the USA.

Michael Pröbsting is the author of many articles and pamphlets in both German and English. He has also authored books on Migration (*Marxismus, Migration und revolutionäre Integration*, 2010) and the Arab Revolution (*Die halbe Revolution. Lehren und Perspektiven des arabischen Aufstandes*, 2011). In addition, he has contributed to a book on Rosa Luxemburg (*Rosa Luxemburg – "Ich bin ein Land der unbeschränkten Möglichkeiten"*, 1999) as well as to the *The Credit Crunch – A Marxist Analyses* (2008), the latter of which has been published in English, German, and Turkish). In 2013, he published *The Great Robbery of the South*, which analyses the super-exploitation and oppression of the semi-colonial world (often referred to as the "Third World") by the imperialist powers and monopolies. During the same year he published a book dealing with the capitalist restoration in Cuba (*Cuba's Revolution Sold Out? The Road from Revolution to the Restoration of Capitalism*). His latest previous book appeared in 2014, and elaborated the theoretical foundations of the revolutionary party as well as their practical implementation under present conditions; it is entitled *Building the Revolutionary Party in Theory and Practice. Looking Back and Ahead after 25 Years of Organized Struggle for Bolshevism*.

# Contact the Revolutionary Communist International Tendency

**Web:** [www.thecommunists.net](http://www.thecommunists.net)

**Email:** [rcit@thecommunists.net](mailto:rcit@thecommunists.net)

**Tel.:** +43-0650-4068314

The Revolutionary Communist International Tendency (RCIT) has sections in Pakistan (Revolutionary Workers Organisation, RWO), Sri Lanka (United Lankan Workers Party, ULWP), Brazil (Corrente Comunista Revolucionária, CCR), Israel/Occupied Palestine (Internationalist Socialist League, ISL), USA (Revolutionary Workers Collective, RWC), and Austria (Revolutionary Communist Organisation LIBERATION, RKOÖ). In addition the RCIT has members in Yemen, Tunisia, Germany and Britain.

**Order from our contact address past issues of the  
RCIT's Journal *Revolutionary Communism!***







Greece is at the forefront of both the capitalist crisis in Europe and of the class struggle. It is hardly an exaggeration to say that what the Arab Revolution has been for the world in the past few years, Greece has been for Europe.

Subsequently, the question of the class character of Greece is of crucial importance both for the domestic as well as for the international workers' movement: Is it an imperialist state, a semi-colonial country or something else, and what are its specific features?

In Chapter I we outline in summary the Marxist theoretical conception of imperialist as opposed to semi-colonial states. Chapter II gives a brief historical overview of the development of Greek capitalism, while Chapter III deals with Greece's failed attempt to become a minor imperialist power. Chapter IV outlines the historic crisis of Greek capitalism from 2008 until today. Chapter V elaborates the most important programmatic conclusions and the concluding Chapter VI presents a summary of the previous chapters in the form of theses. The book contains 12 Tables, 35 Figures and 4 Maps.



Michael Pröbsting has been a revolutionary activist for 34 years. He is the author of numerous articles and pamphlets in German and English. He has published books on the World Economy (2008), Migration (2010), the Arab Revolution (2011), Imperialism and the Third World (2013), Cuba (2013), and on the revolutionary party (2014). He is the International Secretary of the *Revolutionary Communist International Tendency*.