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Greece

# Ruled by the memoranda - dependent or imperialist country?

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**The devastating attacks of the Troika, i.e. of banking capital from the EU and the United States, but also of the (until recently) “Greek troika” – the black front of PASOK, the right-wing New Democracy party and the far-right LAOS – along with Greek big business continues with undiminished fury. This is an attack on the living conditions of the vast majority of the Greek population: the workers, pensioners, young people; also on the rights of the working class, on the concept of democracy itself and on any prospect for an economic recovery, even for the survival of the society, an assault on all who live and work (or try to do so) in Greece.**

The “Memorandum No. 2” means the dissolution of Greek society as it existed until 2009. Nothing seems able to withstand the hurricane. Incomes and pensions are lost; unemployment is rampant; the public school and health systems approach the vanishing point; the entire country is facing an abyss of misery. It must be said that this rapid descent is deeply class determined. Some benefit from the decline and leveling. Even for many economists whose objective is hardly the abolition of capitalism, such as Paul Krugman, the policy of the Troika is irrational and will have serious and unpredictable consequences, not only in Greece but elsewhere in Europe where the same memoranda policies are expected to be applied very soon in many countries, starting with those which have been termed “PIGS,” and then all over the world.

A number of questions have been posed – in both the reformist and the extra-parliamentary, anti-capitalist and revolutionary Greek left – since the introduction of the first memorandum by the Papandreou government. What are the causes and who is responsible for these policies? What possibilities are there to find a way out of the dictatorship of the lenders and of their willful crimes? The discussion and analyses focus largely on the relationship between the EU, along with the major imperialist countries in the euro zone – especially France and Germany which have unofficially established themselves as the leaders in the past two years – and the European periphery (Ireland, Portugal, Spain, Italy), in particular to Greece. This article cannot deal with the enormous problems of the other Balkan countries or of Eastern Europe.

Some people and organizations have concluded that Greece once again is an “occupied” country, or perhaps the first EU member nation to become an outright colony, as KOE writes [1]. This part of the left considers that the Greek politicians are “sold to foreign imperialist forces” and are mainly “collaborators.” They forget that Greek capital and the Greek state continue to play an imperialist role in the southern Balkans and in the Eastern Mediterranean. Consequently a strategic approach is developed, according to which Greece must be liberated from the “dependence on imperialism” and regain in the first place its economic and political “national sovereignty,” albeit in a “progressive direction,” with a “leftist government” and through a change in the balance of power. Thus it will be possible to free the land, the workers and people from the evil of the dead-end memoranda policy. The most prominent protagonist of this view is undoubtedly P. Lafazanis, deputy of SYRIZA [2]. (In the same spirit, the SYRIZA chairman Tsipras spoke on February 9th about the “enslavement” by the Troika and Merkel and about the transformation of Greece into a “third-world country” etc.)

## The memoranda as class struggle

As a way out of the trouble and as a liberation from the coarse extortions by the Troika and the dictatorship of international banks and finance capital, most left forces (such as leadership of the Communist Party / KKE) suggest that Greece should withdraw from the EU or (as both a wing of SYN and SYRIZA and ANTARSYA [3], along with

other organizations) from the euro zone. The topic of this article is whether the “dependency theory” might be true at the moment and whether the slogan of “withdrawal from the EU and the euro zone” can offer a serious prospect to the working’ class and the broad masses in order to get rid of the deep impoverishment that capital and their governments have prepared for them.

First of all, it is obvious that all memoranda, and especially its latest version, do more than fully satisfy the demands of the Troika, i.e. especially the foreign banks' capital, which cannot be separated from monopoly capital in general—i.e. the “productive” capital of the large multinational companies from Germany, France etc. The same policy also serves the demands of the Greek bourgeoisie. The abolition of the collective wage agreements in entire branches of the economy and the attempt to propel all of society into a sort of crude 'Manchester' capitalism of the 19th century is revealing in this respect, if further proof was needed.

A key element is that the memoranda policies of the Papandreou government were introduced with an initiative of the European “center,” i.e. Brussels and the governments of Berlin and Paris. Their aim was to save the unity of the euro zone, the interests of the international banking capital and, allegedly, Greece! It was totally predictable and planned what was to follow: the plundering of the workers resulting in a deliberately induced and devastating recession of the Greek economy plus a not-insignificant deterioration of the position of Greek capitalism in the international arena, especially within the euro zone. Nevertheless, the Greek bourgeoisie holds its position as an imperialist state in relation to neighboring countries and, as far as Turkey is concerned, as an imperialist competitor. What is new is that a country that itself works on the basis of imperialist domination is now subjected to the exploitation process of the (European) “periphery” by the “center.” The imperialist countries held such relationships with the countries of the Third World and Eastern Europe in the past. Such relations were typical of the extremely aggressive raids by the IMF in dozens of countries in recent decades.

Greece is certainly just the beginning. The “PIGS” and other countries, especially Italy with its third-largest economy in the euro zone, will follow. The involvement of the IMF in the Greek memoranda serves not only to terrorize the workers and the population in an unprecedented way, but also symbolizes that something unusual is happening. This involves an attempt by the major imperialist countries to cooperate and to “rescue” the euro, along with the stability of the global financial system after its initial collapse and the outbreak of the global capitalist crisis in 2008. One has to understand that in such a serious “rescue” procedure the interests of the smaller and peripheral countries cannot be the focus of the actions taken. Their independence, democracy and prosperity will inevitably suffer serious damage or even be eliminated.

The leaders of the euro zone therefore decided in the summer of 2009, when the Greek population still had no idea what was going on, to communicate with the leaders of the (then ruling “centre-right”) “Nea Dimokratia” and of PASOK (who immediately accepted their “new role”). The top leaders of Greek capital and the IMF agreed to impose the first memorandum on Greece. Undoubtedly this was an outrageous and violent interference by what later came to be called the “Troika” in the “internal affairs” of Greek politics. And the results of the national elections in 2009 were, from the outset, totally fake, because the voters did not know what kind of policy they were voting for, especially with regards to a ballot cast in favor of PASOK. The international intervention was initially silent. But in the next two years it became more brazen, finally reaching the level of crude blackmail, e.g. the proposal to establish an account to which Greece must pay the lion's share of its state budget, but which will be exclusively controlled by the Troika.

## The looting in favor of the Troika

Also, there is no question that “Greece”—i.e. its working population, of course—is bleeding and being squeezed to the benefit of international banking capital. Tens of billions of Euros have already been transferred from the accumulated wealth of Greek society to the accounts of the Troika through privatization, wage and pension cuts,

layoffs, and the exploitation mechanisms of the memoranda. This process will be continued relentlessly. That is the explicit content of the "PSI" agreement which, on February 12, was adopted by the "199" (truly sold-out) members of the Greek Parliament. 89 billion euros of the 130 billion so-called "rescue package for Greece" will be cashed immediately. 275 billion of the 350 billion euro public debt, representing 180% of GDP which constitutes an increase of 60% compared with 2008, will remain according to the PSI "Haircut." This means that the debt will continuously reach a non-viable level. The whole world knows this. In the "best case," a brutal austerity effort will decrease the debt back to 120% of GDP by 2020. This is projected as being a "great success" for the shock therapy applied to the Greek economy and society!

But that's not all. The bonds of creditors which had lost their value will be renewed and become "diamonds" delivered to the bankers. Of course, it is again the Greek population that will have to pay the bill. The loans granted to Greece are to be repaid again by the same, i.e. the working people, pensioners etc. at a rate of 4 to 6%. This means that Greek taxpayers must pay off more than 11 billion euros interest per year over the next 20 years or beyond. This is the torture chamber that Brussels and the Troika have prepared and are implementing for the workers and the population of Greece. (For details see the informative article by S. Kontogiannis, "The PSI Fairy Tales," *Ergatiki Allilengii*, newspaper of SEK, no. 1003). This is the "salvation of Greece" by the troika, the Greek government and its representatives. It is in every respect pure bankruptcy and absolute ruin.

The "political resolution" of OKDE-Spartakos, adopted in December 2011, describes the current trends and results of the memoranda policies as follows: "It is known that the process of exporting capital stifles the economic development of the less developed countries, because it absorbs most of the resources available for the primary accumulation of capital. As for the national economy, a permanent dispossession of the indigenous social surplus takes place in the interest of foreign capital, which obviously leads to the reduction of the funds available for domestic capital accumulation. The remaining funds flow into areas such as foreign trade, agency services for international companies, real estate speculation, usury, gambling, tourism and food industries. The expanded reproduction of capital, supporting in the advanced countries the process of ongoing primary capital accumulation, hampers this same process in the less developed countries. Where capital is plentiful, there it accumulates at high speed; where it is only marginally available its investment and accumulation proceed slowly and inconsistently."

## Greece as a weak link in the imperialist chain

This trend does not come like a bolt from the blue, although the introduction of the memoranda policies undoubtedly represented an incredible turning point, surprising everyone. Its "success" was based on the bureaucratization and the political division of the workers' movement that could not withstand the massive attacks by capital and government. The relentless enforcement of this trend, which shifted the balance of power gradually to the detriment of the weaker Greek capitalism, was the result of the strategic decisions of the Greek bourgeoisie, which joined the EU, signed the Treaty of Maastricht and considered that Greece would be "strong" as part of the euro zone. The "victory" talk of Simitis and the entire establishment of the country is not forgotten. The introduction of the euro actually served, in the first place, the interests of large multinational corporations and the financial capital of the economically powerful European countries. The same applies to the "big projects" before the Olympic Games in 2004, the astronomical cost of the Greek state for armament, and the inevitable opening of the Greek domestic market to large multinational companies in the same period—i.e. for developments dominating the economy during the last two decades.

At the same time it should be remembered that Greece cannot be compared with poor Third World countries. In a remarkable article P. Papakonstantinou pointed out that the GDP of Greece in 2010, according to EUROSTAT figures, was 232 billion euros. This would be enough to grant an income of 2580 euros per month to all working people, 900 to every unemployed person, and 1500 to each pensioner. We are not talking about solving the basic

problems of the working class, only about some measures aimed at amelioration in the framework of the existing system ("Are we doomed to starve?" PRIN, Dec. 11th 2011). This shows again that the problem of the memoranda is exclusively a class issue. And we have still not taken into account either the approximately 560 billion euros deposited by wealthy Greeks to accounts abroad nor the wealth of the Orthodox Church, which remains inviolate.

In any case, it should be added that the whole tragic policy of leveling and dissolution would have been impossible had it not been based on a full agreement between the Greek capitalist class and the troika. We are confronted with a continuing crime due to an agreement of the troika with the Greek bourgeoisie. The only logical conclusion is that Greece is the typical "though certainly not the only" "weak link" in the imperialist chain within the euro zone and within the EU. This also means that Greece has entered a period where "troubles," or revolt (an authentic revolution) is more and more likely. It is also true that the memoranda policies are imposed on Greece as part of a strategy by the ruling classes designed to lower the living standards of working people gradually, throughout Europe, and so dramatically that productive investment can become profitable once again. This seems to be their only way out of the crisis. From this perspective the social carnage going on in Greece is only the beginning of a general attack on the rights and living standards of working people in the euro zone and EU. This is one more indication that all of the problems can only be fully resolved on a European and global scale.

## The fight against the EU, the euro zone, and its goals

It is undeniable that the resistance of the workers and the majority of the population must be directed against the block of Troika and Greek bourgeoisie, along with their political parties, their media etc. There is no doubt that the EU institutions in Brussels, under the leadership of German capital, work in favor of the imperialist policies of the major powers. A plan has been developed that aims at the abolition of the rights of all European workers. This is a class war that has been brewing for decades, but which has become devastating since 2009. The main reason the German bourgeoisie wants to keep Greece in the EU and the euro zone is that the role of "global player" requires economic dominance also in the European periphery. Thus the struggle against the imperialist EU and for its dissolution is inevitable. It would be an illusion to believe that under the existing institutions "another Europe," a "Europe of the workers and peoples," etc. can be achieved.

In the Greek Left different ideas and programmatic elements are circulating focused on the "withdrawal from the EU and the euro zone." The problem with this demand is that if there is no debt cancellation and no nationalization of the banks and corporations (without compensation and under workers' control) it envisions nothing but a reformist utopia of a "better" capitalism within the borders of Greece. Even complementing the withdrawal with a program of redistribution of wealth, of a "fairer" tax system and a "progressive leftist government" with "socialist orientation" or "perspective" would not fundamentally alter this conclusion. It would be the attempt to develop some improvements within the existing system, and it could seriously challenge neither the functioning of capitalism nor that of the bourgeois state which holds all the repressive mechanisms "police, army and prisons" as instruments of class domination in its hands. Such a "leftist government" would not only be a hostage of the actual bourgeois power relations, but would also increase the risk of a counter-revolutionary coup, as in Chile in 1973.

The two reformist parties, SYRIZA and the Communist Party, hope and spread the illusion, each in its own way, that through elections and different political majorities in parliament the prevailing policies can be defeated, to be replaced by better, more "progressive and leftist" policies that could, perhaps, even evolve into "socialism" at some point in the indefinite future. Such futile hopes fail, due to both the harsh reality of bourgeois power of the Greek state and the functioning of the capitalist system in Europe and worldwide, of which the Greek economy is only a small part. No, neither Greece nor Europe can be saved by any "left-wing governments" wanting to carry through some reforms for the workers on the basis of the existing system. A "better capitalism" is not feasible. This is shown by the economic

analyses of Karl Marx in Capital, the correctness of the theory of “long waves” of capitalist crises by Ernest Mandel, and finally the analyses of Robert Brenner (to mention only some of the most interesting results of the Marxist analysis).

The withdrawal from the EU and the euro zone will only have meaning and specific class content if it is connected to the rejection and actual overthrow of the capitalist system. This will not be possible through the routine of elections, important as they may be as a reflection of public opinion at a particular moment. The self-organization of workers in enterprises, of broad layers of the population in the cities and districts, with replaceable delegates at the central and national level based on a system of real democracy is required. This includes the sphere of economic and democratic planning. Such a system would actualize a meaningful democracy and challenge the rotten parliamentary “democracy” – which is nothing but a disguised dictatorship of lenders and capital – eventually taking it down. Such an anti-capitalist assault would be a socialist revolution (or at least its beginning), the inevitable struggle for the conquest of power by the workers, laborers and the oppressed. Such a struggle can be successful if the solidarity of the nations of Europe and the world leads to spreading the anti-capitalist revolution throughout Europe and to the establishment of the Socialist United States of Europe.

*This is a translation of an article from the Greek magazine Spartakos, March 2012.*

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[1] KOE, “Communist Organization of Greece,” is one of the major left-wing organizations that are involved in SYRIZA. SYRIZA is, however, dominated by the reformist party SYN derived from the spectrum of euro-communism. KOE is oriented to Stalinist concepts and stratagems.

[2] Several currents of the SYN and SYRIZA are divided on whether the exit from the euro zone currently represents a desirable and correct perspective. The deputy Lafazanis strongly advocates the exit, while the SYN-SYRIZA chairman Tsipras and the majority current do not agree with this demand.

[3] ANTARSYA is a non-parliamentary anti-capitalist revolutionary alliance of organizations and the unorganized. Its components include NAR, SEK (Greek section of the IS), ARAS, ARAN and OKDE-Spartakos (Greek section of the 4th International).