

The Assassination of Greece

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The Greek government is currently locked in a life and death struggle with the elite which dominate the banks and political decision-making centers of the European Union. What are at stake are the livelihoods of 11 million Greek workers, employees and small business people and the viability of the European Union. If the ruling Syriza government capitulates to the demands of the EU bankers and agrees to continue the austerity programs, Greece will be condemned to decades of regression, destitution and colonial rule. If Greece decides to resist, and is forced to exit the EU, it will need to repudiate its 270 billion Euro foreign debts, sending the international financial markets crashing and causing the EU to collapse.

The leadership of the EU is counting on Syriza leaders abandoning their commitments to the Greek electorate, which as of early February 2015, is overwhelmingly (over 70%) in favor of ending austerity and debt payments and moving forward toward state investment in national economic and social development ([Financial Times](#) 7-8/2/15, p. 3). The choices are stark; the consequences have world-historical significance. The issues go far beyond local or even regional, time-bound, impacts. The entire global financial system will be affected ([FT](#) 10/2/15, p. 2).

The default will ripple to all creditors and debtors, far beyond Europe; investor confidence in the entire western financial empire will be shaken. First and foremost all western banks have direct and indirect ties to the Greek banks ([FT](#) 2/6/15, p. 3). When the latter collapse, they will be profoundly affected beyond what their governments can sustain. Massive state intervention will be the order of the day. The Greek government will have no choice but to take over the entire financial system . . . the domino effect will first and foremost effect Southern Europe and spread to the 'dominant regions' in the North and then across to England and North America ([FT](#) 9/2/15, p. 2).

To understand the origins of this crises and alternatives facing Greece and the EU, it is necessary to briefly survey the political and economic developments of the past three decades. We will proceed by examining Greek and EU relations between 1980 - 2000 and then proceed to the current collapse and EU intervention in the Greek economy. In the final section we will discuss the rise and election of Syriza, and its growing submissiveness in the context of EU dominance, and intransigence, highlighting the need for a radical break with the past relationship of 'lord and vassal'.

Ancient History: The Making of the European Empire

In 1980 Greece was admitted to the European Economic Council as a vassal state of the emerging Franco-German Empire. With the election of Andreas Papandreu, leader of the Pan-Hellenic Socialist Party, with an absolute majority in Parliament, hope arose that radical changes in domestic and foreign policy would ensue.^{1/} In particular, during the election campaign, Papandreu promised a break with NATO and the EEC, the revoking of the US

military base agreement and an economy based on 'social ownership' of the means of production. After being elected, Papandreou immediately assured the EEC and Washington that his regime would remain within the EEC and NATO, and renewed the US military base agreement. Studies in the early 1980's commissioned by the government which documented the medium and long-term adverse results of Greece remaining in the EEU, especially the loss of control of trade, budgets and markets, were ignored by Papandreou who chose to sacrifice political independence and economic autonomy in favor of large scale transfers of funds, loans and credit from the EEC. Papandreou spoke from the balcony to the masses of independence and social justice while retaining ties to the European bankers and Greek shipping and banking oligarchs. The European elite in Brussels and Greek oligarchs in Athens retained a stranglehold on the commanding heights of the Greek political and economic system.

Papandreou retained the clientelistic political practices put in place by the previous right-wing regimes – only replacing the rightist functionaries with PASOK party loyalists.

The EEC brushed off Papandreou's phony radical rhetoric and focused on the fact they were buying control and subservience of the Greek state by financing a corrupt, clientelistic regime which was deflecting funds for development projects to upgrade Greek economic competitiveness into building a patronage machine based on increased consumption.

The EEC elite ultimately knew that its financial stranglehold over the economy would enable it to dictate Greek policy and keep it within the boundaries of the emerging European empire.

Papandreou's demagogic "third world" rhetoric notwithstanding, Greece was deeply ensconced in the EU and NATO. Between 1981-85, Papandreou discarded his socialist rhetoric in favor of increased social spending for welfare reforms, raising wages, pensions and health coverage, while refinancing bankrupt economic firms run into the ground by kleptocratic capitalists. As a result while living standards rose, Greece's economic structure still resembled a vassal state heavily dependent on EEC finance, European tourists and a rentier economy based on real estate, finance and tourism.

Papandreou solidified Greece's role as a vassal outpost of NATO; a military platform for US military intervention in the Middle East and the eastern Mediterranean; and market for German and northern European manufactured goods.

From October 1981 to July 1989 Greek consumption rose while productivity stagnated; Papandreou won elections in 1985 using EEC funds. Meanwhile Greek debt to Europe took off ... EEC leaders chastised the misallocation of funds by Papandreou's vast army of kleptocrats but not too loudly. Brussels recognized that Papandreou and PASOK were the most effective forces in muzzling the radical Greek electorate and keeping Greece under EEC tutelage and as a loyal vassal of NATO.

Lessons for Syriza: PASOK's Short-term Reforms and Strategic Vassalage

Whether in government or out, PASOK followed in the footsteps of its rightwing adversary (New Democracy) by embracing the NATO-EEC strait-jacket. Greece continued to maintain the highest per capita military expenditure of any European NATO member. As a result, it received loans and credits to finance short-term social reforms and large scale, long-term corruption, while enlarging the party-state political apparatus.

With the ascent of the openly neoliberal Prime Minister Costas Simitis in 2002, the PASOK regime “cooked the books”, fabricated government data on its budget deficit, with the aid of Wall Street investment banks, and became a member of the European Monetary Union. By adopting the euro, Simitis furthered deepened Greece’s financial subordination to the non-elected European officials in Brussels, dominated by the German finance ministry and banks.

The oligarchs in Greece made room at the top for a new breed of PASOK kleptocratic elite, which skimmed millions of military purchases, committed bank frauds and engaged in massive tax evasion.

The Brussels elite allowed the Greek middle class to live their illusions of being ‘prosperous Europeans’ because they retained decisive leverage through loans and accumulating debts.

Large scale bank fraud involving three hundred million euros even reached ex-Prime Minister Papandreou’s office.

The clientele relations within Greece were matched by the clientele relations between Brussels and Athens.

Even prior to the crash of 2008 the EU creditors, private bankers and official lenders, set the parameters of Greek politics. The global crash revealed the fragile foundations of the Greek state – and led directly to the crude, direct interventions of the European Central Bank, the International Monetary Fund and the European Commission – the infamous “Troika”. The latter dictated the ‘austerity’ policies as a condition for the “bail-out” which devastated the economy, provoking a major depression; impoverishing over forty percent of the population, reducing incomes by 25% and resulting in 28% unemployment.

Greece: Captivity by Invitation

Greece as a political and economic captive of the EU had no political party response. Apart from the trade unions which launched thirty general strikes between 2009 – 2014, the two major parties, PASOK and New Democracy, invited the EU takeover. The degeneration of PASOK into an appendage of oligarchs and vassal collaborator of the EU emptied the ‘socialist’ rhetoric of any meaning. The right wing New Democracy Party reinforced and deepened the stranglehold of the EU over the Greek economy. The troika lent the Greek vassal state funds (“bail-out”) which was used to pay back German, French and English financial oligarchs and to buttress private Greek banks. The Greek population was ‘starved’ by ‘austerity’ policies to keep the debt payments flowing outward and upward.

Europe: Union or Empire?

The European economic crash of 2008/09 resounded worst on its weakest links – Southern Europe and Ireland. The true nature of the European Union as a hierarchical empire, in which the powerful states – Germany and France – could openly and directly control investment, trade, monetary and financial policy was revealed. The much vaunted EU “bailout” of Greece was in fact the pretext for the imposition of deep structural changes. These included the denationalization and privatization of all strategic economic sectors; perpetual debt payments; foreign dictates of incomes and investment policy. Greece ceased to be an independent state: it was totally and absolutely colonized.

Greece’s Perpetual Crises: The End of the “European Illusion”

The Greek elite and, for at least 5 years, most of the electorate, believed that the regressive (“austerity”) measures adopted – the firings, the budget cuts, the privatizations etc. were short-term harsh medicine, that would soon lead to debt reduction, balanced budgets, new investments, growth and recovery. At least that is what they were told by the economic experts and leaders in Brussels.

In fact the debt increased, the downward economic spiral continued, unemployment multiplied, the depression deepened. ‘Austerity’ was a class based policy designed by Brussels to enrich overseas bankers and to plunder the Greek public sector.

The key to EU pillage and plunder was the loss of Greek sovereignty. The two major parties, New Democracy and PASOK, were willing accomplices. Despite a 55% youth (16 – 30 years old) unemployment rate, the cut-off of electricity to 300,000 households and large scale out-migration (over 175,000), the EU (as was to be expected) refused to concede that the ‘austerity’ formula was a failure in recovering the Greek economy. The reason the EU dogmatically stuck to a ‘failed policy’ was because the EU benefited from the power, privilege and profits of pillage and imperial primacy.

Moreover, for the Brussels elite to acknowledge failure in Greece would likely result in the demand to recognize failure in the rest of Southern Europe and beyond, including in France Italy and other key members of the EU (Economist 1/17/15, p. 53). The ruling financial and business elites in Europe and the US prospered through the crises and depression, by imposing cuts in social budgets and wages and salaries. To concede failure in Greece, would reverberate throughout North America and Europe, calling into question their economic policies, ideology and the legitimacy of the ruling powers. The reason that all the EU regimes back the EU insistence that Greece must continue to abide by an obviously perverse and regressive ‘austerity’ policy and impose reactionary “structural reforms” is because these very same rulers have sacrificed the living standards of their own labor force during the economic crises (FT 2/13/15, p. 2).

The economic crises spanning 2008/9 to the present (2015), still requires harsh sacrifices to perpetuate ruling class profits and to finance state subsidies to the private banks. Every major financial institution – the European Central Bank, the European Commission and the IMF – toes the line: no dissent or deviation is allowed. Greece must accept EU dictates or face major financial reprisals. “Economic strangulation or perpetual debt peonage” is the lesson which Brussels tends to all member states of the EU. While ostensibly speaking to Greece – it is a message directed to all states, opposition movements and trade unions who call into question the dictates of the Brussels oligarchy and its Berlin overlords.

All the major media and leading economic pundits have served as megaphones for the Brussel oligarchs. The message, which is repeated countless times, by liberals, conservatives and social democrats to the victimized nations and downwardly mobile wage and salaried workers, and small businesspeople, is that they have no choice but to accept regressive measure, slashing living conditions (“reforms”) if they hope for ‘economic recovery’ – which, of course, has not happened after five years!

Greece has become the central target of the economic elites in Europe because, the Greek people have gone from inconsequential protests to political powers. The election of Syriza on a platform of recovering sovereignty, discarding austerity and redefining its relations with creditors to favor national development has set the stage for a possible continent-wide

confrontation.

The Rise of Syriza: Dubious Legacies, Mass Struggles and Radical (Broken) Promises

The growth of Syriza from an alliance of small Marxist sects into a mass electoral party is largely because of the incorporation of millions of lower middle class public employees, pensioners and small businesspeople. Many previously supported PASOK. They voted Syriza in order to recover the living conditions and job security of the earlier period of “prosperity” (2000-2007) which they achieved within the EU. Their radical rejection of PASOK and New Democracy came after 5 years of acute suffering which might have provoked a revolution in some other country. Their radicalism began with protests, marches and strikes were attempts to pressure the rightwing regimes to alter the EU’s course, to end the austerity while retaining membership in the EU.

This sector of SYRIZA is ‘radical’ in what it opposes today and conformist with its nostalgia for the past. –the time of euro funded vacation trips to London and Paris, easy credit to purchase imported cars and foodstuffs, to ‘feel modern’ and ‘European’ and speak English!

The politics of Syriza reflects, in part, this ambiguous sector of its electorate. In contrast Syriza also secured the vote of the radical unemployed youth and workers who never were part of the consumer society and didn’t identify with “Europe”. Syriza has emerged as a mass electoral party in the course of less than five years and its supporters and leadership reflects a high degree of heterogeneity.

The most radical sector, ideologically, is drawn mostly from the Marxist groups which originally came together to form the party. The unemployed youth sector joined, following the anti-police riots, which resulted from the police assassination of a young activist during the early years of the crisis. The third wave is largely made up of thousands of public workers, who were fired, and retired employees who suffered big cuts in their pensions by order of the troika in 2012. The fourth wave is ex PASOK members who fled the sinking ship of a bankrupt party.

The Syriza Left is concentrated at the mass base and among local and middle level leaders of local movements. The top leaders of Syriza in power positions are academics, some from overseas. Many are recent members or are not even party members. Few have been involved in the mass struggles – and many have few ties with the rank and file militants. They are most eager to sign a “deal” selling out the impoverished Greeks

As Syriza moved toward electoral victory in 2015, it began to shed its original program of radical structural changes (socialism) and adopt measures aimed at accommodating Greek business interests. Tsipras talked about “negotiating an agreement” within the framework of the German dominated European Union. Tsipras and his Finance Minister proposed to re-negotiate the debt, the obligation to pay and 70% of the “reforms”! When an agreement was signed they totally capitulated!

For a brief time Syriza maintained a dual position of ‘opposing’ austerity and coming to agreement with its creditors. It’s “realist” policies reflected the positions of the new academic ministers, former PASOK members and downwardly mobile middle class. Syriza’s radical gestures and rhetoric reflected the pressure of the unemployed, the youth and the mass poor who stood to lose, if a deal to pay the creditors was negotiated.

EU – SYRIZA: Concessions before Struggle Led to Surrender and Defeat

The “Greek debt” is really not a debt of the Greek people. The institutional creditors and the Euro-banks knowingly lent money to high risk kleptocrats, oligarchs and bankers who siphoned most of the euros into overseas Swiss accounts, high end real estate in London and Paris, activity devoid of any capacity to generate income to pay back the debt. In other words, the debt, in large part, is illegitimate and was falsely foisted on the Greek people.

Syriza, from the beginning of ‘negotiations’, did not call into question the legitimacy of the debt nor identified the particular classes and enterprise who should pay it.

Secondly, while Syriza challenged “austerity” policies it did not question the Euro organizations and EU institutions who impose it.

From its beginning Syriza has accepted membership in the EU. In the name of “realism” the Syriza government accepted to pay the debt or a portion of it, as the basis of negotiation.

Structurally, Syriza has developed a highly centralized leadership in which all major decisions are taken by Alexis Tsipras. His personalistic leadership limits the influence of the radicalized rank and file. It facilitated “compromises” with the Brussels oligarchy which go contrary to the campaign promises and may lead to the perpetual dependence of Greece on EU centered policymakers and creditors.

Moreover, Tsipras has tightened party discipline in the aftermath of his election, ensuring that any dubious compromises will not lead to any public debate or extra-parliamentary revolt.

The Empire against Greece’s Democratic Outcome

The EU elite have, from the moment in which Syriza received a democratic mandate, followed the typical authoritariancourse of all imperial rulers. It has demanded from Syriza (1) unconditional surrender (2) the continuation of the structures, policies and practices of the previous vassal coalition party-regimes (PASOK-New Democracy) (3) that Syriza shelve all social reforms, (raising the minimum wage, increasing pension, health, education and unemployment spending (4) that SYRIZA follow the strict economic directives and oversight formulated by the “troika” (the European Commission, the European Central Bank, and the International Monetary Fund) (5) that SYRIZA retain the current primary budget surplus target of 4.5 percent of economic output in 2015-2017.

To enforce its strategy of strangulating the new government, Brussels threatened to abruptly cut off all present and future credit facilities, call in all debt payments, end access to emergency funds and refuse to back Greek bank bonds – that provide financial loans to local businesses.

Brussels presents Syriza with the fateful “choice”, of committing political suicide by accepting its dictates and alienating its electoral supporters. By betraying its mandate, Syriza will confront angry mass demonstrations. Rejecting Brussels’ dictates and proceeding to mobilize its mass base, Syriza could seek new sources of financing, imposing capital controls and moving toward a radical “emergency economy”.

Brussels has “stone-walled” and turned a deaf ear to the early concessions which Syriza offered. Instead Brussels sees concessions as ‘steps’ toward complete capitulation, instead

of as efforts to reach a “compromise”.

Syriza has already dropped calls for large scale debt write-offs, in favor of extending the time frame for paying the debt. Syriza has agreed to continue debt payments, provided they are linked to the rate of economic growth. Syriza accepts European oversight, provided it is not conducted by the hated “troika”, which has poisonous connotations for most Greeks. However, semantic changes do not change the substance of “limited sovereignty”.

Syriza has already agreed to long and middle term structural dependency in order to secure time and leeway in financing its short-term popular impact programs. All that Syriza asks is minimum fiscal flexibility under supervision of the German finance minister-some “radicals”!

Syriza has temporarily suspended on-going privatization of key infrastructure (sea- ports and airport facilities) energy and telecommunication sectors. But is has not terminated them, nor revised the past privatization. But for Brussels “sell-off” of Greek lucrative strategic sectors is an essential part of its “structural reform” agenda.

Syriza’s moderate proposals and its effort to operate within the EU framework established by the previous vassal regimes was rebuffed by Germany and its 27 stooges in the EU.

The EU’s dogmatic affirmation of extremist, ultra neo-liberal policies, including the practice of dismantling Greece’s national economy and transferring the most lucrative sectors into the hands of imperial investors, is echoed in the pages of all the major print media. The Financial Times, Wall Street Journal, New York Times, Washington Post, Le Monde are propaganda arms of EU extremism. Faced with Brussel’s intransigence and confronting the ‘historic choice’ of capitulation or radicalization, Syriza tried persuasion of key regimes. Syriza held numerous meetings with EU ministers. Prime Minister Alexis Tsipras and Finance Minister Yanis Vardoulakis traveled to Paris, London, Brussels, Berlin and Rome seeking a “compromise” agreement. This was to no avail. The Brussels elite repeatedly insisted:

Debts would have to be paid in full and on time.

Greece should restrict spending to accumulate a 4.5% surplus that would ensure payments to creditors, investors, speculators and kleptocrats.

The EU’s lack of any economic flexibility or willingness to accept even a minimum compromise is a political decision: to humble and destroy the credibility of SYRIZA as an anti-austerity government in the eyes of its domestic supporters and potential overseas imitators in Spain, Italy, Portugal and Ireland (Economist 1/17/15, p. 53).

Conclusion

The strangulation of Syriza is part and parcel of the decade long process of the EU’s assassination of Greece. A savage response to a heroic attempt by an entire people, hurled into destitution, condemned to be ruled by kleptocratic conservatives and social democrats.

Empires do not surrender their colonies through reasonable arguments or by the bankruptcy of their regressive “reforms”.

Brussel's attitude toward Greece is guided by the policy of "rule or ruin". "Bail out" is a euphemism for recycling financing through Greece back to Euro-controlled banks, while Greek workers and employees are saddled with greater debt and continued dominance. Brussel's "bail out" is an instrument for control by imperial institutions, whether they are called "troika" or something else.

Brussels and Germany do not want dissenting members; they may offer to make some minor concessions so that Finance Minister Vardoulakis may claim a 'partial victory' – a sham and hollow euphemism for a belly crawl

The "bail out" agreement will be described by Tsipras-Vardoulakis as 'new' and "different" from the past or as a 'temporary' retreat. The Germans may 'allow' Greece to lower its primary budget surplus from 4.5 to 3.5 percent 'next year' – but it will still reduce the funds for economic stimulus and "postpone" raises in pensions, minimum wages etc.

Privatization and other regressive reforms will not be terminated, they will be "renegotiated". The state will retain a minority "share".

Plutocrats will be asked to pay some added taxes but not the billions of taxes evaded over the past decades.

Nor will the PASOK – New Democracy kleptocratic operatives be prosecuted for pillage and theft.

Syriza's compromises demonstrate that the looney right's (the Economist, Financial Times, NY Times, etc.) characterization of Syriza as the "hard left" or the ultra-left have no basis in reality. For the Greek electorate's "hope for the future" could turn to anger in the present. Only mass pressure from below can reverse Syriza's capitulation and Finance Minister Vardoulakis unsavory compromises. Since he lacks any mass base in the party, Tsipras can easily dismiss him, for signing off on "compromise" which sacrifices the basic interests of the people.

However, if in fact, EU dogmatism and intransigence forecloses even the most favorable deals, Tsipras and Syriza, (against their desires) may be forced to exit the Euro Empire and face the challenge of carving out a new truly radical policy and economy as a free and independent country.

A successful Greek exit from the German – Brussels empire would likely lead to the break-up of the EU, as other vassal states rebel and follow the Greek example. They may renounce not only austerity but their foreign debts and eternal interest payments. The entire financial empire – the so-called global financial system could be shaken . . . Greece could once again become the 'cradle of democracy'.

Post-Script: Thirty years ago, I was an active participant and adviser for three years (1981-84) to Prime Minister Papandreu. He, like Tsipras, began with the promise of radical changes and ended up capitulating to Brussels and NATO and embracing the oligarchs and kleptocrats in the name of "pragmatic compromises". Let us hope, that facing a mass revolt, Prime Minister Alexis Tsipras and Syriza will follow a different path. History need not repeat itself as tragedy or farce.

Notes:

[1] The account of the Andreas Papandreou regime draws on personal experience, interviews and observations and from my co-authored article "Greek Socialism: The Patrimonial State Revisited" in James Kurth and James Petras, Mediterranean Paradoxes: the Politics and Social Structure of Southern Europe (Oxford: Berg Press 1993/ pp. 160 -224)

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