The Capitalist Oligarchy in the early 21st century
The Greek version

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Introduction

Over the last decades, the development of new technologies, the intensity of concentration and centralization of production and capital, the acceleration of the processes of regional integration and 'globalization' of economies and the implementation of the neoliberal governance "model" of the capitalist system, have led to significant changes in the composition of finance capital, the mechanisms of distribution and redistribution of income and wealth, all in favor of the capitalist oligarchy, at national and supranational level. These particular changes alter the balance of power between the large monopolistic groups, capitalist countries and imperialist centers, aggravate the class, intra-capitalist and geopolitical contradictions and intensify the internal contradictions and the historical limits of the capitalist mode of production.

1. Current trends of development of finance capital

The profound crisis that broke out in 2008 has brought among others serious capital restructuring in each country and internationally, which are reflected in the structure and the role of finance capital and the financial oligarchy in modern capitalism. The neoliberal measures of exit from the crisis, by targeting to enhance the rate of profit, intensify social inequalities and uneven development of capitalist countries. The above phenomena are manifested with particular intensity in the eurozone area, both between the countries of "core" and of "periphery". Especially in countries such as Greece, which are under the obligations of "European Support Mechanism" (ESM), the extreme austerity policies have led to a sharp drop in GDP, demolition of the welfare state, crush of fundamental labor rights, explosive unemployment, dramatic cuts in wages, impoverishment of popular strata, psychological exhaustion and social marginalization. Ahead of the people and the workers of the EU and the eurozone, especially of the countries in the periphery, the historical dilemma that Rosa Luxemburg put during her days is raised even more strongly: "Socialism or Barbarism."

1.1 Reorganization of industrial capital, new monopolistic structure

The dominant form of economic relations that was shaped in the advanced capitalist countries in the postwar era, in relation to the type of organization of production, was recorded as "*Fordism*", while with respect to the type of economic management and government economic intervention as *"Keynesian".* Since the mid' 70s, this "model" was in deep crisis, which was at the same time a crisis of the whole web of social relationships. The underlying causes of the crisis[1], were associated with the broader changes and realignments in the terms of utilization of monopoly capital, under the influence of the development of *new technologies* and the passage of the economy into a new technological base, the acceleration of the processes of i*nternationalization, integration and 'globalization'* and the dead end of the model of *state-monopolistic regulation* of the capitalist economy, which led to the quest of new forms of mobilization of its contrasts based on the theoretical approaches of neoliberalism.

Particularly in the field of *industrial organization* the changes led to the gradual transition from the rigid "Fordist" production management model into new systems of organization of the so called "neo-Fordist" or "post-Fordist".[2] The gradual passing of the businesses in a new technological base triggered changes in the *existing monopoly structure and the organizational-structural forms of capital accumulation*. The strategic role of leading companies in the production of new technology products, was strengthened, whilst companies in traditional industries (steel, automotive, etc), lost ground. The acquisitions and mergers played a significant role in both cases, by consolidating the power of certain monopolistic groups and weakening (even dissolving) the monopolistic role of others, with corresponding rearrangements at the top of the industrial pyramid.

The above developments have brought major changes in the entire web of labor relations, with first and foremost the *size and structure of employment.* The labour contracts, subcontracting, part-time, flexible working hours, intensification, wage degradation etc., set in motion the disintegration process of labor relations that destabilize the cohesion of the working class. The restructuring of labour relations to enhance the profit rate, brought about changes in the *forms of dispute resolution* between *"labour – capital"*. Fundamental rights were abolished or shrank, while the growing internationalization of business, relatively weakened the "assertive struggle" of unions at national level.

Another critical factor of the restructuring of monopolistic structure of industrial capital was the reinforcement of the processes of *internationalization, integration and 'globalization' of economic life*. The export of capital in the form of *direct investment* and the creation of more permanent links between companies in different countries saw new momentum. Compared with the past, there is a high concentration of direct investments in major capitalist centers (U.S., EU, Japan), although over the past decade, the *export of capital* from and towards developing countries,

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1. About the nature of the crisis of the '70s, there have been major theoretical debates between Marxists and non-Marxists economists. Indicatively we mention some of them, such as Weisskopf, T. (1981), Hirsch, J. (1982), Gill, S. - Law, D. (1989), Benefeld W. - Holloway, J. (1991), Piven, F. (1995), and others.

2. For a more detailed presentation of the "Fordist" and "post-Fordist" model, see in particular Sabel, C. (1982), Hirsch, J. (1982), Piore, M. - Sabel, C. (1984), Freeman, C. - Perez, C. (1988), KA}.

particularly in BRICS[3], is being enhanced. The traditional forms of transnational investment, give place to new business forms, such as subcontracting, joint ventures, etc., while in terms of sectoral orientation, it is observed an investment shift from raw materials towards the "green economy" and services, particularly in financial, advertising, touristic and in speculative capital movements through off-shore companies with privileged tax regime.[4]

To a large extent these processes are being developed within the context of multinational and multidisciplinary groups *in the form of mergers and acquisitions of transnational (multinational) character*.[5] Also, important factor of the restructuring of the national monopoly structure, is the promotion of privatization policies (state-owned enterprises and state-monopoly groups) mainly in developed but also in developing countries. Another factor of restructuring is also t*he acceleration of integration processes,* particularly in Europe. The promotion of 'the single internal market', the liberalization of capital movements and the creation of EMU, accelerated the restructuring of many sectors, enhanced the mergers and acquisitions, with corresponding changes in the monopolistic structure. As we will see later, the current crisis has accelerated these processes.

Overall, the redeployments in the lines of the industrial monopoly capital, have reinforced the position of transnational-multidisciplinary industrial groups. According to UN figures[6], the number of multinational companies (non-financial) in the early 90's amounted to 37,000 (from which 33,500 were parent companies), compared with 20,000 multinationals in the early 70s. These companies had under their control over 170,000 foreign affiliates (90% in developed countries), while ten years later (2004) the number of multinationals from 77,000 amounted to 770,000 foreign affiliates, which were producing added value of 4.5 trillion USD, employing 62 million people and had exports of 4 trillion USD. The 100 largest (TNCs) multinationals, held 11% of assets, 16% of sales and 12% of employees, while their subsidiaries overseas had 53% of total assets, 55.8% of sales and

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3. During the decade before the crisis, the inflow of foreign capital in developed countries was increasing, whereas during the crisis begun to decline and after that it gradually increases back. In particular in 2007 in a total inflow of $ 1.975 billion, 1.310 billion flowed to developed countries, while in 2009 from 1.197 billion just 606 billion, and in 2011 from 1.524 billion rose to 747 billion. Contrary, the rate of inflow of foreign capital in developing countries, is more potent. In 2007 this inflow amounted to 574 million, in 2009 fell to 519, and ascended to 684 million in 2011. Especially in BRICS (Brazil, Russia, India, China, South Africa) from 240 billion in 2007, increased to 256 in 2009 and 363 billion dollars in 2011. (United Nations, World Investments Review, 2012, Table I.1.)

4. The offshore investing activities take two forms. The offshore financial centers (OFCs) and the special purpose entities (SPEs) which are subsidiaries of multinationals and they serve a specific purpose. In 2012 the amount of investment funds handled by the offshore financial centers (OFCs) amounted to 80 billion dollars (UNCTAD, World Investment Report, 2013, p.15).

5. Between 1996-2012, the cross-border mergers and acquisitions (Cross-border M & As), from 932 cases of 42 billion value, in 2007 they went up to 1,918 cases of 555 billion value, in 2008 dropped due to the crisis to 1,786 cases of 322 billion and in 2012 increased again in number to 2229 cases of only 182 billion. (same as Table 1.2. p.14)

6. UNCTA, (2007), “The Universe of the largest Transnational Corporations”, UN, New York and Geneva, pp. 3-5

49.7% of employees. The 85 of the 100 largest multinationals have their headquarters in the USA, EU, Japan, while 75 in five countries (USA, England, Japan, Germany, France). Finally the 50 largest TNCs in the developing countries had 31.4% of total assets, 43.8% of sales and 33% of employees of TNCs in developing countries.

1.2 "Financialization" and monopolistic structure of banks

The changes in the production structure and the capital accumulation processes, the new wave of mergers and acquisitions and the increasing multidisciplinarity and multinationality of industry groups, *constitute one side of the recomposition procedure of finance capital.* The other equally important side, relates to the changes in the financial sector and the activities of banking groups. In particular, the crisis of the 70s, besides the massive unemployment, high inflation, low rates of accumulation, etc., was also marked by large fluctuations in nominal interest rates, increased public borrowing needs, large currency fluctuations (collapse of the Bretton Woods system), high deficits in the balance of payments etc.

These phenomena, combined with the growing use of information technology and the increasing variety of financial "products", showed that the national regulatory systems put obstacles in the “freedom” of the supranational action of monopoly capital. The result was the "deregulation” of monetary-credit relations, with gradual elimination of exchange restrictions, liberalization of capital movements, interest rates and prices of financial services, removal of barriers between bank and non-bank entities, opening markets to international competition and implementation of flexible control rules and supervision of financial institutions (capital adequacy, solvency ratio, etc). On the other hand, the use of new technologies and in particular of modern telecommunications and informatics systems, changed almost radically the forms and terms of the supply of financial services, as well as the framework of operation, organization and competitive conditions, between banks and other financial companies.

The "liberalization" policy and the use of new technologies has brought radical changes to the operating conditions of the *money and capital markets.* New forms of competition emerged in the process of attracting savings resources, consumer services and mortgage lending supply, as well as in covering the needs of companies with new *financial "tools".* Significant changes also occurred in the field of *business finance,* resulting in the intensity of the banking "disintermediation" phenomena and at the same time in the creation of new forms of interconnection between large companies and banks.

However, the most important development, was the progress of the *"securitization"* procedures and the "new techniques" that were developed in the sphere of financial transactions. The phenomenon of "securitization" was primarily associated with the savers turn towards "institutional investors" in order to secure higher yields and with the direct access of business in "financial" and "capital" markets in order to leverage resources by issuing special securities. Accordingly, the borrowing needs of states, because of the "liberalization" and "globalization" of financial systems, could not be met by traditional ways of borrowing from the domestic banking system or from foreign banks (interest rate instabilities and fluctuating exchange rates), but only from flexible forms of funding, that only the "securitization" process could offer (short term Treasury bills or medium term government bonds).

Changes in the structure of banking and the emergence of new financial "products", the creation of new specialized companies that offer financial services and their consequent increasing penetration in the banking realm, have utterly changed the organizational structure of banks and of financial groups in general. The removal of restrictions on the activities of commercial banks in conjunction with the extensive use of new technologies expanded their activities in the market of new products which changed their organizational structure and transformed them into "universal banking". At the same time, by buying or creating specialized financial companies (insurance, investment, brokerage, mutual funds, etc) and by expanding their domestic and international network, created major business associations with the form of "financial groups" (financial conglomerates or "financial supermarkets").

Finally, in addition to the deregulation of the national markets, the generalization of "universal banking", the intensity of competition and the creation of new financial groups (non-bank banks), other major factors in the restructure of the monopolistic structure of bank capital, were also the processes of *mergers and acquisitions, the privatization of state owned banks and strategic alliances with multinational banking groups,* the reproduction of the monopolistic advantage in the field of e-technology (mainly by large banks), and the "multi-specialization" and the increasing "gigantism" in the concentration of money and credit capital.

According to data from the magazine "The Banker"[7], out of the 1,000 largest commercial banks in the world, 339 came from the countries of the "European Union", 163 from the USA, 121 from Japan, 164 from other Asian countries, 79 from other European countries, 59 from Middle East countries and 18 from the rest of the world. In terms of market share, at the end of 1994, the Japanese banks held 33% of assets, 27% of equity and 8% of net profit, in relation to 38%, 34% and 33% of the European Union, 10%, 15% and 30% of the U.S., 4%, 5% and 5% of other European countries, 9%, 11% and 14% of other Asian countries, 2%, 3% and 5% of Latin American countries, and so on.

The major realignments in the banking systems, have brought relevant changes in "labor relations". The "liberalization" of financial relations, the automation of transactions, the intensity of competition, the internal restructuring, and so on, brought significant changes in the volume and the forms of employment, the working hours and conditions, the wage system and social protection, the vocational training, the hierarchical development and the union activity. Also important diversification occurred in the

7. “The Banker”, July, 1995

composition of workers by creating two "speeds" employees and increasing the specialized and highly paid officials at the top ranks (golden boys) while reducing the wages in the lower level employees.

The realignments and changes in the role of banks are associated with the phenomenon of 'financialisation"[8]. In particular, the enhancement of the power of bank capital, creates new standards in the processing and implementation of credit and exchange rate policy, affects the relationships between multinational banks and national states, banking groups and large companies, savers and investors, and so on. Under these new conditions, the ability of national authorities to exercise control on money supply and credit capital and shape an effective credit policy is being reduced. Under the growing "deregulation" of financial markets, the interest rates have a key role in the implementation process of monetary policy, while the credit availability becomes less important.

The expansion of the banking activity in nearly all areas of credit services, their mutual engagement with the new financial firms, the development of new forms of interconnection with large enterprises and rentiers, strengthen their ability to control wider areas of economic life and increase the possibility to gain high profits. On the other hand, the 'deregulation' processes weaken controls on credit expansion and risk management and increase the instability of the financial system at national and supranational level.

The new international financial crisis that erupted in mid-2008 in the U.S., rapidly spread beyond the Atlantic and struck the EU, especially the countries of the eurozone and in one degree or another all the economies of the world. This new crisis is in fact a crisis of *over-accumulation* and specifically of *"fictitious capital"*[9] in the form of overproduction and inflated "value" of securities and intangible securities (stocks, bonds, government bonds, treasury bills, mutual funds, repos, "Hedge Funds" and any kind of paper "values" and financial "derivatives"). This overproduction of fictitious capital, is associated with the policies of "liberalization," "deregulation", "securitization" and the general trend of *"financialization" of the capitalist economy.*

The structure of EMU was shocked by the crisis. The banking crisis along with the financial crisis or the sovereign debt crisis in the peripheral countries, worked as a disintegrating agent and revealed the unsound foundations of the EMU construction (Tolios, Y., 2012). The successive rescue 'packages' of banks did not manage to sanitize them from the enormous volume of 'toxic' financial products that they had accumulated over the past

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8. The "financialization" process of the economy is associated with the growing role of the financial sector in relation to the productive one, and the inflated trading of financial "products" in national and international money and capital markets. For deeper analysis see Lapavitsas, C., (2010), A. Callinicos, A., (2010)

9. About the concept of "fictitious capital", cf, K. Marx, "Capital", Vol. III, ed. Modern Era, Athens (1978), pp. 504-522 and 585-599, while for its role in the current crisis, see, also, Ismael Hossein-Zadeh (2010), Andy Blounten (2011) etc.

decades. The restructuring of the banking system, mainly through acquisitions and mergers at national and supranational level, lead to further restructuring in monopoly structure, which takes on a new depth ahead of the European banking consolidation.

1.3 Contemporary view of the concept of finance capital

The changes in the structure of production and in capital accumulation processes, the increasing multidisciplinarity and multinationality of industrial and banking groups, the phenomenon of 'financialisation' and the creation of new channels of interconnection of industrial and banking monopolies, *brought about profound changes in the core of finance capital* and reproduction mechanisms of dominance relations at national and international level. Therefore, apart from elucidating the concept of finance capital, we also need to look at the main features of its recomposition and its implications on the operation of the economic system.

As is known the concept of "finance capital" was initially used in the early 20th century by Hilferding (1910), in order to express the new qualitative features of capitalism during its transition from the stage of "free competition" to the stage of monopoly capitalism or imperialism. Starting from separating the “capital-property" from "capital-operation", the development of equity companies and the increasing role of banks in the collection and provision of funds, pointed out that an increasing part of industrial capital no longer belongs to the industrialists who use it, but to the banks who own it. Thus, he characterized the "bank capital – viz, the capital in money form that has been converted by this way into industrial - as finance capital" (p.223). Despite his great contribution to the analysis of the emergence conditions and domination of finance capital, *his definition contained methodological and theoretical deficiencies,* which have been highlighted by researchers of his time, such as Lenin (1916) and Bukharin (1918) and also from later researchers such as Sweezy (1942), Heimann (1945), and others.

In particular, Lenin based on the theoretical and historical analysis of Marx, pointed out that on "Imperialism[10], free competition begets concentration of production, and this concentration, in certain stages of development, leads to monopoly... The concentration of production and the monopolies that spring up from it, the merger and the symphysis of banks with industry, compose the story of the birth of finance capital... Finance capital, is the capital of some very large monopoly banks, which has been

10. Lenin, acknowledging the significant contribution of Hilferding on the study of the major features of imperialism, he identified its economic substance, on five main features: *First*, the concentration of production and capital has come to such a high stage of development that has led to the creation of monopolies which play a decisive role in economic life. *Second,* the merging of banking capital with industrial capital that leads to the creation of "finance capital" and further the formation of financial oligarchy. *Third*, the extremely great importance that takes the export of capital has compared to the export of goods. *Fourth*, the creation of international monopoly associations of the capitalist that share the world and *fifth*, the territorial division of the world among the biggest capitalist powers is over .... and they fight for its economic redistribution. (p. 109, 110, 112). According to Lenin, "Imperialism is the era of finance capital and of monopolies that always tend to rule and not to free. Thoroughgoing reaction, under any political regime, intensification of its contradictions to the fullest". (p. 149)

merged with the capital of monopolistic associations of industrialists... It is concentrated in a few hands and exercises real monopoly, makes enormous and increasing profits by the establishment of companies, by issuing securities and government bonds, secures the domination of the financial oligarchy and imposes on the whole society a vassalage tax towards monopolists... The supremacy of finance capital over all other forms of capital, means the dominance of rentier and financial oligarchy, the predominance of some states that hold the financial "power" compared to everything else. "(P.24, 59, 109, 66, 73)

Furthermore, while analyzing the interconnection mechanisms of industrial and banking monopolies, pointed out the role of "personal union between banks and the largest enterprises of industry and trade, the merger of the former and the latter by shares holding the placement of bank directors in supervisory boards or in the administrations of trade and industrial enterprises and vice versa... The "personal union" of banks and industry, is complemented with the "personal union" of one or the other company with the government... Around three to five of the biggest banks of any of the most developed capitalist nations, carried out the "personal union" of the industrial and banking capital, and took in their hands the management of billions and billions, which constitute the biggest share of capital and cash revenue of an entire country. It is a financial oligarchy which stretches a dense network of dependency relationships in all the institutions of a modern civil society." (P. 50, 51, 153).

In the examination of contemporary forms of existence of finance capital and financial oligarchy, it is essential to estimate its complex and changing structure, which is determined by the general laws and peculiarities of the concentration and centralization of the industrial and banking capital, the mutual engagement of industrial and banking groups, the power balance change between monopolistic unions, the public policy and the transnational arrangements, the internationalization and integration processes, and last but not least the increasing multidisciplinarity and multinationality of its function. From this point of view, the historical structural features of finance capital can be examined in a "narrow" or a "broad" sense.

In the *"narrow sense"*, finance capital is composed of the capital of the monopolistic banking and industrial monopolies, while in the *"broad sense",* from the capital of all monopolistic companies in various sectors of production and circulation (industry, agriculture, construction, transportation, communications, trade, tourism, "various" areas of services including the financial sector (banks, insurance companies, investment companies, etc), developing between them diverse and stable economic and other kind of ties. That is, with the expansion of "monopolistic relations" in every sphere of economy, *more monopolistic "rings"* were included in the structure of finance capital, which had a key role in the processes of reproduction. From this point of view the examination of finance capital in present conditions, requires a broader overview of its structural elements and characteristics.

Thus, while the methodological observation of Lenin (1916), that the finance capital "is extremely agile and flexible, highly entangled within the countries and internationally, highly impersonal and detached from direct production, easily concentrated and has already been concentrated vastly in the hands of a few hundred billionaires and millionaires who hold in their hands the destiny of the whole world" (p. 66), is valuable, in present conditions we must calculate the new qualitative and quantitative traits, for a deeper understanding and interpretation of the cycle of economic relations that expresses and the contradictions that it marks.

In today conditions, while almost all traditional (direct and indirect) forms of associations between banks and industry (provision of credit on favorable terms, mutual shares, holdings in subsidiaries, mutual representation in administrative bodies, calculation and control tasks, support on multidisciplinary and multinational expansion, etc) are preserved and reproduced, *new forms of interconnection emerge*, as a result of the use of new technologies, the offer of new financial services, the establishment of new companies and particularly transnational expansion and mutual interaction of industrial and banking groups with other monopolistic enterprises or groups.

The most typical case of new form of capital interconnection between commercial-industrial and financial groups, is the development of fund management companies, of insurance and brokerage companies, portfolio investment companies, leasing corporations, factoring and venture capital, financial advisory companies, credit cards, and others. The cross-interlocking of capital is carried out both by common stake holding and representation on boards, and by creating subsidiaries within the group. From this point of view, the large "financial conglomerates" (or financial "supermarkets"), are in fact modern forms of "finance groups", just like the large multisectoral groups (industrial, construction, commercial, conveyor, etc.), that are within the financial companies.

The reconstruction of the monopolistic structure of the industrial, banking and other monopolies and the emergence of new forms of interconnection between them, the limitation of state intervention and the "liberalization" policy, the restructure and privatization of state banks, the acceleration of the processes of internationalization, integration and 'globalization' of productive and credit capital, lead to a substantial *reconstruction* of the structure of finance capital. It is a reconstruction where bank capital and credit capital in general, enhances its position in the structure of finance capital, while in terms of ownership the state or state-monopoly capital is limited and strengthens the position of transnational and supranational finance capital.

Nevertheless, from a methodological point of view it would be a mistake to conclude that bank capital plays a leading role in relation to industrial capital. Banks become centers of economic life only when leading financial groups. Hence, what actually dominates in almost all spheres of economic life, is not the bank or industrial capital, but the "finance capital" and in particular the financial groups, with multidisciplinary and multinational structure. However, in cases where banks are at the center of financial groups, is only natural to play a leading role, like in the cases of large industrial, construction, commercial, or investment companies that are at the center of the respective groups. Therefore, the major economic and political power of finance capital is found exactly in the fact of its dominance in the sphere of both production and circulation of capital, as well as in various fields of social life (media, entertainment, professional sports, culture, etc).

Regarding the power of the state or state-monopoly capital, the "deregulation" (cancelation of institutional prerogatives of state banks and state-monopolies companies) and the privatization policy,–favors the private capital, and that part of financial oligarchy (state-monopoly) associated with it. Along with the reconstruction of certain state groups and the quest of "strategic alliances" (exchange blocks of stocks) with private and foreign financial groups, mixed forms of private and public financial groups are created. Of course, the "deregulation" policy does not eliminate all state regulations, nor does it change the class character of the relations between the state and finance capital. However, it makes the state more reactive, limiting basic social and democratic rights.

In current conditions, a significant revenue source of finance capital, apart from the favorable regulations or deregulations in the fields of fiscal and credit policy, as well as "incentives" policy, public supply contracts, investment, etc., is the "securitization" of debt (Treasury bills and government bonds), and the support of its transnational expansion with various favorable institutional or informal regulations. The transnational expansion has two sides. *Geographical* (presence in many countries) and *cross-intertwining of capital of different countries, especially of those involved in integration processes* that marks the most important aspect of its recomposition.

The close relationship between multinational banks and large multinational companies (for markets control and high profits), create a new form of finance capital, the *transnational finance capital*, within which the monopoly capital (productive and credit) from various countries is closely linked through the investments of multinational companies and multinational ownership groups, which are increasingly transformed into cosmopolitan groups with common interests and strategic goals at international level. The transnational finance capital constitutes the *"par excellence"* tangible promoter of neoliberal policy, in *economic*, *social* and *political* level. Basically, the partnership of large companies with *transnational financial groups* converts the capital of the former in an organic part of the latter and the companies into parts or subsidiaries of the international financial groups. The plans to be create a '*transatlantic*' *common market between the U.S. and the EU,* reflect precisely these processes[11], although, they do not eliminate, but reproduce with other terms and forms, their inter-imperialist contradictions.

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11. In the economic sector, the 'de facto' factors that lead to a "transatlantic market ,'are connected with the broader network of economic relations between the U.S. and the EU. In particular, the total bilateral trade in goods between the EU and the U.S. in 2011 amounted to 455 billion €, with positive balance for the EU at around 72 billion €. The U.S. was the largest supplier to the EU by exporting goods of 192 billion € value(11% of the total EU imports), while the EU was also the largest supplier of U.S. selling respectively € 264 billion of goods (17% of EU exports). Also the U.S. was the leading partner of the EU in trade services by exporting 138.4 billion € (29% of the total EU imports),

The transnational finance capital and the *respective transnational* groups are the "vanguard", i.e. the most active and aggressive part of modern finance capital, which plays a *vital role* in the integration and globalization processes of national economies. They resemble like "galloping horses" dragging violently the "sickle chariot" of neoliberal globalization. This part of finance capital seeks to regulate the international relations (political and economic), based on its own particular interests and under its own hegemony. Of course, its pursuits meet the reactions of other parts of finance and non- finance capital, reflecting the conflicting aspirations "of national" and "international" monopolistic associations, as well as national states, which manifest themselves in *competitions and in the mutual approach and cooperation.*

These contradictions are strongly evident in the processes of European integration, where the part of finance capital that primarily operates at national level, faces the pressure of "transnational" and "transeuropean-supranational" groups, which explains the existence of contradictions in the course of EMU (industry restructuring policy, establishment of transeuropean networks, budget allocations, ECB policy, "European Support Mechanism," banking consolidation, etc). Finally, the development of mechanisms of supranational regulation (tighter Stability Pact, Fiscal Pact, etc), creates new forms of interconnection of finance capital and supranational institutions of EU and new forms of personal union, in institutional and political level.

In particular, the “lobby"[12] system, penetrates all the institutions of the EU and the eurozone and ramifies with the "interaction of interests" between the various parts of the ruling elite at national and supranational level. Occasionally, the depth and the implications of these interconnections, come to the surface with the revelation of various economic-political scandals of corruption. At the same time, there are new contradictions between national parts of the financial oligarchy, that derive from the hegemonic behavior of the most powerful elite of the EU, such as Germany, which attempt to seize the processes of regional integration and 'globalization' in favor of their own particular economic and geopolitical interests.

2. Changes within the financial oligarchy

The changes in the processes of capital accumulation and the restructuring of its monopoly structure, the enhancement of the power of multidisciplinary and multinational groups and the transition in the neoliberal

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while it imported from the EU services of 143.9 billion € (24% of total EU exports). These exchanges are complemented by a dynamic investment climate between the two sides. In 2011, the U.S. companies invested in the EU around 150 billion €, while companies from EU investment in the U.S. 123 billion €. At the same time in 2011 the total stock of U.S. investment in the EU exceeded 1.3 trillion €, while the EU to the U.S. 1.4 trillion €. (Source: Independent study outlines benefits of EU-US trade agreement, European Commission - MEMO/13/211 12/03/2013)

12. The lobby practices or lobbying, can be defined as the representation of economic interests in public authorities and public bodies or entities, through third parties, the lobbyists, in coercing and influencing decisions in favor of specific interests, business associations or individual companies. (See more Tolios, Y., 2009, p.111-124)

governance model and the changes in the composition of finance capital, have brought about major changes in the composition of the financial oligarchy and financial elite. For a better understanding of the position and the role of the latter in the life of modern capitalism, the analysis needs to connect with the examination of the composition and the role of the "*ruling elite*"[13]. The latter consists of those leading groups of the "*ruling or dominant class*" (ie the bourgeoisie), that in a general level express its interest and perform on its behalf the management of economic, social and political life.

The "ruling elite" is internally *divided into* separate "elites" (political, economic, bureaucratic, ideological, military), each of which has a specific role in the administration and management of the affairs of the civil society. In particular, the "*political elite*" is the leading group that appears as the main carrier of the political power exercise and consists of the part that takes the political decisions and exercises the political opposition. On the other hand, the *"economic elite"*, consists mainly of the major shareholders of large companies and multidisciplinary-multinational groups, the senior managers of large private and state-owned enterprises, the big landowners and real estate owners, and also the heads of the employer organizations, who all together control the key levers of the economy. The "economic elite" works as a "pressure group" to the "political elite" and in some occasions reach to the point of overthrowing governments in case their interests are substantially affected.

Regarding the *"bureaucratic elite"*, is composed mainly of senior bureaucrats of the administrative, economic, political and ideological mechanism of the urban state, has less power than the other two, but it has considerable influence in the political and economic decisions (mainly in the preparation and implementation of desicion-making). In turn the *"ideological elite"* are people who play an important role in the reproduction and dissemination of the dominant ideology (senior executives of the mass "media", some academics and various spiritual personalities), who in terms of income, lifestyle and relationships with the other elites, ranked in the top leadership of the ruling elite. Last but not least, the *"military elite"* consists of the upper layer of the armed forces, police and security forces, who in terms of income level and role in state affairs, fall in the lines of the "*ruling elite".* Their position at the top of the ruling class, depends on the degree of militarism and militarization of the economy in each country.

Key role in the activity of the “ruling elite” play the ties that develop between the different groups through the operation of the system and the bonds that arise from the common traditions, customs, beliefs, personal and family relationships, and so on. Many times, between and within the groups, there are *conflicts and frictions*, which reflect the different way that each group understands the interests of their class and of society in general and also the rearrangements taking place within their ranks. Among the different elites, there is *mobility* (movement of members from one elite to another),

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13. For a more detailed presentation of the various theories of "elite", see, Bottomore, (1969), Mills, (1956), Koutsoukis (1990), Tolios (1999), and others.

while cases of "dual status" (simultaneous presence in two or more elites) are not rare. Finally, the quantitative and qualitative changes in the lines of the bourgeoisie (in various stages of development of the system), are also reflected in the composition of the groups of “ruling elite” and in the relations and balances with each-other.

In conditions of neoliberal “globalization”, the processes of income imbalance are being intensified and befall major changes within the ruling elite, with reinforcement of the upper layer of the "very rich". The accumulation of wealth in their hands constantly increases[14] and so does the poverty and misery for billions of people on the planet. In the last crisis, although the produced wealth temporarily dropped, the degree of inequality has been strengthened. According to recent data of the magazine "Forbes", the number of the "very rich" (billionaires) rose from 1,270 people in 2012 to 1,634 in 2013, while their wealth increased by 800 billion, reaching 5.4 trillion USD[15]. Also the “rich elite” (millionaires) across the world, quickly overcame the losses of the crisis, since their fortune fell from 40.7 trillion USD. in 2007 to 32.8 trillion in 2008, climbed to 39 trillion in 2009 and to 42.7 trillion in 2010.

Overall, according to the "Global Wealth Report" of Credit Suisse[16], in 2013 the *0.7% of the world's population* (32 million people with assets over 1 million USD), had total fortune of 98,7 trillion dollars (41% of global wealth), and 98.700 of them, had a fortune of over 50 million dollars while 33.900 of them over 100 million. Also, worldwide there were 361 million people (*7.7% of the world population*) with a fortune of 100 thousand to 1 million dollars and income of 101.8 trillion (42.3% of the total), while at the same time there were 1,066 million people (*22.9% of the total)* with fortune of 10-100 thousand dollars and 33 trillion dollars income (13.7% of the total). Finally the remaining 68.7% of the world population (4 billion people) had income less than 10 million dollars per year, which accounted for just 3% of the global wealth (USD 7.3 billion). Of these around 1,100 million people (15.7% of the world population), were hungry and malnourished. *That is, on one end 8.5% of the population possessed 85% of total wealth and on the other end 91.5% of the population had only 15% of wealth!* The process of capitalist accumulation in all its glory!! Thus, Marx's historical highlight of the need of the “expropriation the expropriators”[17], is more timely than ever!!

In present conditions, the main form of wealth accumulation is of "fictitious capital" form (shares, bonds, high-yield deposits, mutual funds,

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14. According to the “Henderson Global Investors”, in 2013 the dividends received by the shareholders of the listed companies on various stock markets in the world-scale, totaled 1.027 billion dollars, raised by 2.8% compared to 2012 and by 43.2% (or by 310 billion dollars) compared to 2009. (Naftemporiki, 25.2.14)

15. From the total of 1,634, billionaires, 442 of them were from the USA, 386 from Asia-Pacific, 366 from Europe, 129 from America (outside the U.S.) and 103 from Middle East-Africa. www.forbes.com/billionaires

16. Credit Suisse, «Global Wealth Report», 2013, www.credit-suisse.com/

17. K. Marx, "Capital", vol. I, p. 787, ed. «S.E», Athens

financial derivatives etc), along with tangible values (production facilities, real estate, gold, artwork, etc). The offshore companies operate as "tax havens", where the rich hide more than 32 trillion USD, with a large part located in banks, where their wealth is covered by bank secrecy. The personal union of the tycoons of finance capital, in addition to the participation in corporate boards, is also carried through participation in various clubs, where among other things the general strategies of the financial elite[18] are developed.

The restructuring of economic and political power between capitalist countries, is also reflected in the institutional and informal forms of organization of various parts of the financial elite**,** at national and supranational level. In particular, it is evident that in the countries involved in the processes of European integration, there is a tendency of forming a "supranational leading elite", which has as a "base" the major shareholders of european groups (eurocapitalists)[19], as well as the heads of the EU institutions (Eurocrats). (Kotzias, 1995, p. 149, 269). With the creation of the eurozone, the supernational leading elite, acquired additional power, while decisive influence in decision-making have the representatives of the more powerful national elite, notably Germany and France.

Based on the above, we can conclude that over the last few decades, in the composition of "financial elite" of the developed capitalist countries, and in particular the countries of the EU and "eurozone", took place significant changes, which can be summarized in the following: *Firstly*, there is an increasing power of transnational financial oligarchy, because of the rapid growth and expansion of the power of multinational and multidisciplinary groups. *Secondly*, the privatization policy and the enhancement of supranational mechanisms of economic regulations, befalls reduction of state and state-monopolistic economic elite at national level and respectively increase in transnational level.

Thirdly, there is an increasing trend of the layer of the new "rich" from the application of the neoliberal governance model and reconstruction of the dominance conditions of finance capital. *Fourthly*, there is an increasing layer of senior managers (golden boys) with the contribution of the "multi-participatory" of big companies and gradual passage of family groups on "collective" forms of management. *Fifthly*, the phenomena of dependency and subordination of weak national elites in the choices and strategic interests of the most powerful ones are even more evident, as well as the contradictions among the latter for hegemony. *Finally*, significant changes are

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18. Among the most well-known Clubs are: "Bilderberg Club", "Club de Madrid", "Club of Rome", etc, while important role also play the annual meetings of the "World Economic Forum" in Davos, Switzerland, meetings between the leaders of the G-8 and G-20, etc.

19. The "European Round Table (ERT) is a forum of 50 Presidents of Europe's largest multinational companies covering mainly the sectors of industry and new technologies. The companies-members of the ERT, have business networks in all European countries and their turnover exceeds € 1,300 billion annually and have 6.8 million employees. Every year, they invest over 51 billion € in "Research & Development" (R&D) mainly in Europe, an amount equal to 18% of funds spent for R&D across the EU. President of ERT since 2009 is Leif Johansson, President of the multinational Ericsson. www.ert.eu

taking place within the employers' organizations by strengthening the role of supranational association, of types like “Unice”, “European Round Table”, etc.

The ongoing realignments and changes within the "finance elite", brought in turn major changes throughout the network of intra-class and inter-class relations, alter the arrangement of the social and political forces and bring in a new basis the relationship of "national-class" and "national-transnational". Nevertheless, the competitive nature of economic relations together with the grid of contradictions of the capitalist system are preserved, while new forms of their movement appear, setting before the Left forces, new questions in developing effective strategies and tactics to overcome the dominant capitalistic relations.

3. Eurozone crisis, alliances and contradictions between the ruling elite

The deep crisis of 2008 struck with particular vehemence the EU countries, particularly the weak economies of the eurozone. Although some countries have returned to positive growth rates, most suffer from stagnation and deterioration in key indicators (public debt, unemployment, investment, wage-pensions purchasing power, social benefits, etc). The long duration of the crisis and it’s intensity of the unequal distribution of income in favor of the powerful sections of the capital, caused upheavals within the bourgeoisie, from the base to the top. Hundreds of thousands of small to medium-sized businesses were destroyed, many large ones shrank, while the reproduction conditions of parts of the capital were deteriorated, resulting in redistribution of the market shares mainly in favor of monopolistic associations of the "hard core" of the eurozone.

The German bourgeoisie reaps the bigger profits from the high surpluses in the trade balance and the low cost of public borrowing, whereas the position of the bourgeoisie on less strong countries (Greece, Portugal, Ireland, Italy, Spain etc) has weakened, resulting in their utter subjugation to the ruling elite of the eurozone. The countries that entered the “European Support mechanism" (ESM), apply with the blessing of the bourgeoisie and the “Troika" (EU-IMF-ECB), extreme austerity measures resulting in the plundering of popular incomes and public property in favor of the creditors. The posteriori confessions of representatives of the 'Troika', for wrong calculations and choices, reveal from one hand their hypocrisy, since they insist in the implementation of the same measures, while on the other hand uncover the flimsy eurozone edifice, which gradually turns from “union of people” into "concentration camp" of peoples and workers.

The more the “support measures” fail, the more the sustainability problems of the eurozone intensify, since they do not solve its endogenous problems. It is no coincidence that there are more and more voices raised by well-known 'Europeanists', calling for composure and initiatives of salvation of the eurozone. However, the course of European unification is not simply a case of abstract visions and "good intentions", but is closely associated with a wider network of transnational and class relations and respective interests.

The European unification as a policy of “collaboration” between the dominant bourgeoisies is carried according the “criterion of power”. The stronger a country is in economic and political terms, the more powerful position holds in the European integration process. The power of the bigger and wealthier countries in institutional field is manifested in the decisions taken about the future of the union. The "great Motherland» (Germany) attempts mainly through the single currency (euro) to enslave the "small countries", placing the EU economy under German auspices. (Kostopoulos, t. 2010, p. 23)

The contrasts between dominant national elites for the role of "hegemony", but also their avoidance to undertake the corresponding "obligations" (reallocating of resources through the federal budget, issuing "euro bond" to support weak economies, etc), decelerates the idea of “Federal Union”. This contrast exacerbates the phenomena of "deviation" instead of "convergence" of economies, strengthens " centrifugal " instead of "centripetal" tendencies, as well as the "unequal growth" within the Union. This is why the EU and much more the eurozone, can not meet the unrealistic utopian visions and declarations of "economic convergence", "social cohesion" and "People's Europe", when the social and political forces that act in terms of power, competition and hegemony -instead of equal cooperation, solidarity, social justice, democracy and popular sovereignty, play the dominant role.

The idea of a “Europe of the peoples and workers” is inconsistent with the neoliberal "pillars" of the eurozone (Stability Pact, ECB, Euro Pact, Support Mechanism + Memorandums and Banking Supervision). *The solution for the vast majority of the peoples of the EU is to overturn the class structure of the eurozone, which regardless of how that will happen, it will be a "radical overthrow" and in any case it will be for the power of the people of Europe and not for the multinational corporations. How exactly it will happen, starting from one, two, three ... thirteen or all the countries together, is still an open political issue!*

From this point of view it is very important to identify the main axes of the alternative program of gradual exit from the crisis, at national and supranational level. Certainly a "United Europe" with neoliberal materials even if it happens, it would be a Union of "reactionary direction”, with no relation to the vision of the Europe of peoples and workers. The last requires reestablishment of the European structure, in a new basis and with new architecture. For the people and the workers of Europe, particularly for the countries of the periphery, the overthrow of the Memorandums' policy and the cancellation of most part of the debt, is a matter of life and death, while it marks the objective necessity for a new course of Europe towards the "historical necessity", the Socialist perspective.

The social-political conditions for promoting these objectives, is the *emergence of a government of radical-left forces, product of a coordinated Left.* The development of a vigorous and diverse resistance movement, of subversion and solidarity against the anti-popular policies, is the "base vehicle" in promoting this project. The passivity, fatalism and acceptance of the fait accompli, is the worst option and does not match to the revolutionary tradition, historical legacy, the unconquered, proud and dignified attitude of the Greek people towards foreign and domestic oppressors. Coordination and upgrading of action with similar movements in the EU countries, is in the current conditions, an irreplaceable mean to success and encouragement of similar reversals at European level, which will open new promising horizons for a Europe of peoples, of workers and of the Socialist perspective.

4. Finance capital and financial oligarchy in Greece

By the early' 90s in the Greek economy, under the influence of the processes of concentration and centralization of capital, the productive and technological restructuring, the implementation of the neoliberal governance model and the country's participation in the processes of economic and monetary union (EMU), there was a significant capital restructuring, affecting among other things the internal stratification of the bourgeoisie and the financial oligarchy. According to Marxist methodology[20], on the lines of the bourgeoisie in the early 21st century, were the industrial capitalists, bankers, ship-owners, big constructors, big hoteliers, merchants, owners of large real estate and securities, big agricultural producers, senior executives of private and state-owned enterprises, upper income strata of freelancers, and others. In numbers, the bourgeoisie amounted around 120-130,000 people, or 3-3.5% of the economically active population. The capitalist owners were around 50-55 thousands individuals, the big owners of real estate and securities were 7-8 thousands, the big agricultural producers 10 thousands, the upper layers of the freelancers 6-7 thousands, the senior executive around 35-40 thousands and some other categories around 3-4 thousands, etc. (Tolios Y., 1999)

In the last 10 years period, the enhancement of capital accumulation processes, led to the increase of the numerical strength of the bourgeoisie,[21] while there have been significant changes within its ranks. The promotion of neoliberal policy in conjunction with the opening of markets in the Balkan countries (due to collapse of «real socialism»), and Greece's participation in EMU, intensified the processes of accumulation and the appearance of new layer of riches. Simultaneously, the privatization policy[22] has contributed to reducing the layer of managers in the public sector, with a corresponding increase of the layer in the private sector. Also, “ahead” of the EMU creation,

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20. The objective criteria for the determination of classes, in accordance with the Marxist methodology, are associated with the given socio-economic system of production, their relationship to the means of production, their role in the social organization of labor, the way of appropriating part of social wealth, as well as the amount of share in this. More detailed see: K.Marx , "The Poverty of Philosophy " (1847) , K.Marx - F.Engkels , " Manifesto of the Communist Party " (1848) , F.Engkels , Note in the English version of the " Manifesto of the Communist Party " (1888) , V.I.Lenin , "The great initiative" (June 1919) , and others.

[21]. According to ICAP data, the number of companies (SA and Lmt) in Greek economy from 25.134 on 2007, increased to 31.674 companies in 2013.

[22]. During the period of 1990-2009, there were more than 60 privatizations of public enterprises (20), state banks (9) and state property, totaling 27.6 billion €. (Naftemporiki, 19.2.14)

the processes of mergers and acquisitions and the transnational expansion of large Greek firms in Europe (mainly Balkan and East – European) were strengthen. Finally, the capital interaction between the large industrial, banking, construction, trade and other monopoly businesses, was also enhanced, resulting in the reinforcement of the monopoly bourgeoisie and in particular of financial elites in economic and political life of the country.

At the beginning of the 21st century, in the Greek economy were around 280 large and small groups of Greek and foreign ownership (see Appendix), of which the *largest* (in terms of "assets", "turnover", "equity", "net profits" and employees), were around 85 and around 200 the *smaller* groups. The larger groups based on the main sector of activity, were 27 industrial, 4 constructional, 9 shipping, 8 trading, 22 "banking", 3 "insurance", 4 "Media" and 7 in "various" sectors of services of the Greek economy. In terms of *economic power,* explicit supremacy had the banking and shipping, followed by the industrial groups, which confirms a peculiarity of the Greek capital, for relatively autonomous concentration process of the banking and shipping capital from the industrial capital. From the largest industrial groups, *21 were of Greek interests* (17 private, 3 state-owned, 1 multi-stakeholder) *and 6 groups were of foreign interests.* At the same time, in *5 (private) Greek groups there was a strong presence of foreign capital.*

By examining the activities of major groups - based on the size of companies, their activities and market position, the multidisciplinary and multinational expansion, links with other groups (Greek and foreign), the ownership and management, the corporate behavior and their relations with the state, the socio - political affiliations and activities of their owners, we have identified the following characteristics. Almost all groups exhibited trends of *multidisciplinarity* (new startups or acquisitions) in related and other sectors. Some groups have expanded their activities in sensitive areas of social life (new technologies, media, health, professional sports, education, etc), acquiring additional intervention power in the Greek society.

Also, most of the large groups, and several smaller, display trends of amplified *multi-ethnicity,* with establishment or acquisition of companies abroad and by developing "strategic alliances" with foreign multinationals. At the same time, several foreign groups strengthen their position in the Greek economy by creating subgroups of subsidiaries. In terms of "typology" most groups have traits of "imperfect" concern (Konzern), whereas relatively fast grow and the groups with “conglomerate” features, who in terms of management they have family character. However, the companies with institutional set-up (parent Holding Company) and "multi-shareholding" ownership also increase.

In terms of *profitability*, most groups exhibited high returns on equity while a small number had low profit rates, reflecting the structural problems of sectors, mainly of the Greek industry. On the contrary, the foreign sub-groups, had generally *high profitability* due to better organization and " dominant position" in profitable sectors. The "*aggressive" takeover* policy of Greek firms (mainly in the food and beverage sector, commercial and insurance companies) and the use of *extreme methods of monopolistic* *competition* (e.g. cement) is a main attribute of their activity. On several occasions, the "diversification" of certain groups, has exceeded the limits of normal multidisciplinarity, either in the form of "internal" ("*konzern*") or of "external" ("*conglomeration*") expansion, which lends them new qualitative characteristics. These are multidisciplinary groups that exhibit increasing interweaving of activities, both in the sphere of production and the circulation of capital, creating *financial groups*.

This process occurs in *two aspects*. On one hand, the large multisectoral groups expand in financial services (Latsis Group controls Eurobank, Vardinogiannis Group is the main shareholder of Xiosbank, Kanellopoulos, Papastratou and Marinopoulos groups hold significant share in Alhpa Credit Bank, Veropoulos, Angelopoulos, Eliades, Fourlis, Mytilineos groups have significant participation in Piraeus Bank Group, Theocharakis groups is the main shareholder of Egnatia Bank, Stassinopoulos group participate in Banque de Credit Suisse Genefsis etc). On the other hand, almost all the financial groups develop diverse ties with multidisciplinary groups. (Tolios, Y., 1998)

In particular, while almost all traditional (direct and indirect) forms of association between banks and industry (credit supply, mutual shareholding, participation in subsidiary companies, mutual representation on administration bodies, completion of calculation and control processes, support of multidisciplinary and multinational expansion etc) are reproduced, *new forms of interdependence appear* between them. These are development of capital ties through mutual fund management companies, brokerage, investment fund, leasing companies, factoring, venture capital, financial advisory companies, and others.

Finally, there has been a *transformation of old type state-owned financial groups* (Ethniki bank, Emporiki bank, ATE and ETBAbank) in modern financial groups, “financial conglomerates". The transformation was accompanied by a reduction of “capital holdings” in the productive sphere, the sale of affiliate state banks, expansion into new financial services through specialized companies and reduction of state "participation" and public entities in the share capital (groups of Ethniki, Emporiki, Geniki, etc.). On the other, the process of creating private financier groups (Alpha Credit Bank, Euronank, Piraeus Bank, etc), was reinforced, mainly through the acquisition of smaller banks in Greece and abroad, the creation of specialized financial companies, the expansion of large insurance companies in the banking sector, and the creation of bancassurance groups (Kontominas - Interamerican Group, Psomiadi-Aspis/Pronoia Group, etc).

The changes in the capital concentration level, the shutdown or restructuring of old groups and the creation of new ones, brought upheavals within the various groups of "economic elite". The role of large industrial capital decreased substantially while the position of banking, construction, trading and shipping business, in various service sectors ('media', insurance, health, tourism, etc) was enhanced. Also, by limiting the participation of state banks in large industrial and other companies, the promotion of the equity swap- privatization of state banks, large Public Utilities and sustainable problematic companies, has limited the role of the state bureaucratic elite and strengthened respectively the private - economic elite. On the other hand, the reinforcement of the power of multidisciplinary and multinational groups, is accompanied by a growing layer of senior executives (managerial elit and golden boys), while the creation of new relatively small groups, increases the social stratum of the 'new rich'. Also, the layer of senior executives related to foreign capital, either through establishment or acquisition or capital participation in domestic large enterprises is enhanced.

The promotion of neoliberal policy and the increase of the economic power of large groups, strengthened the mechanisms of autonomous intervention of the "economic elite" in social and political life. The exercise of “pressure” of "large interests" to people and mechanisms of political power became stronger. Next to *traditional development* mechanisms 'personal ties and relations between representatives of the ''economic'' and ''political elite'' (friendly, family, social relations), important role plays the practice of "*cliental relations"*, mediated by the bureaucratic elite (favorable financing, tax incentives, “photographic” regulations, assignment of public projects and supplies, etc). Moreover, the abolition of the state monopoly in broadcasting and the establishment of private broadcasters, helps the owners of large groups (Alafouzos, Vardinogiannis, Kokkalis, Kyriakou, Lambrakis, Bobola, Tegopoulos, etc), to elicit favorable arrangements and privileges (government procurement, public works, etc.) with exchange of political and ideological support to the ruling elite.

Finally, the increasing power of multidisciplinary and multinational groups, brings about changes in the “entanglement” mechanisms between economic elites and political power, not only at national but also supranational level. The part of the ruling elite closely associated with the activities of multinationals and foreign financial centers, which seek to create institutional or informal institutions to promote their immediate and long-term interests, continuously strengthen their position.

5. Crisis and realignments within the economic elite

In the first decade of the 21st century, the Greek economy was found in favorable circumstances, achieving relatively high growth rates. The conduction of "2004 Olympic Games" and the low borrowing cost (private and public sector) during the first five years of participation in the eurozone, ensured high yields in parts of the Greek capital, mainly in the banking and construction sectors, as well as in import trade. However it was mortgaged growth that led to "bubble" incomes and large illusions, that the participation in the eurozone is a catalytic agent for growth and prosperity.

The crisis of 2008 shattered the illusions of "strong economy" that was fostered by the ruling elite and proved that the country's participation in the eurozone was a tragic mistake, something that has been admitted by leading

European politicians, such as Valery Giscard d' Estaing[23]. Greece as well as other peripheral economies, did not meet the conditions for joining the single currency zone, but the architects of the eurozone (Germany-France) for their own particular interests encouraged and supported this choice[24]. On the other hand, the painful measures imposed on the Greek people by the “Troika” (EU-ECB-IMF) in collaboration with the local elite, for the supposedly "salvation" of Greece from bankruptcy, did not have aim to save Greece, but as Angela Merkel bluntly pointed out, to prevent the collapse of euro[25]. The domestic capitalist oligarchy, in order to protect its own political and economic interests, pioneered in the imposition of the Memorandum measures, which have plunged the Greek economy into an unprecedented crisis and brought the vast majority of the Greek people in the front door of Hades.

The crisis revealed the inherent flaws of the Greek capitalism and the ineffectiveness of the political system in its management. The chronic shortfall in tax revenue over expenditures is associated with the privileged status of tax treatment of the economic elite, which took gigantic dimensions with the bloom of off-shore companies[26]. Moreover, the huge armament programs which did not serve the national defense, but primarily the interests of foreign armaments, electronic and other manufacturers (Rheinmetall, STN Atlas, Ferrostaal-HDW, Siemens, etc), and also the interests of domestic supplier and government and Defense Ministry officials, burdening with huge loans and debts the Greek people[27]. Finally, illegally and hidden incomes

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23. In his interview to «Le Monde» (26.11.2011, p.10), the former president of France Valery Giscard 'Estaing, said that "the decision for the participation of Greece in the single currency was a big mistake. Greece was not ready to join the single currency, but the lobbies of the dominant political circles of France (J.Chirac and L.Jospin) imposed it."

24. Confidential IMF document drafted in 2010 and was recently leaked to the foreign press (Wall Street Journal), states that 'the Greek rescue plan in 2010 was not a support program for Greece but for the eurozone itself, and in particular of the banks of the major european economies, which at that time were overly exposed to Greek debt ". ("Efimerida Syntakton” 3.2.14)

25. After the EU summit on December 19, 2013, Chancellor Angela Merkel said among other things that "if Greece had been allowed to leave the eurozone then all members of the monetary union would be required to leave the single currency at a later time." Respectively, the chairman of the Eurogroup Olli Rehn in a statement to the Commission of the European Parliament which explores the responsibilities of the "Troika" said (1/14/14) that “if there had been a restructuring of Greek debt in 2010, we would have faced dramatic consequences of transmission to other Member States, and through the banking system." ("Efimerida Syntakton," 1/15/14)

26. The MP of the New Democracy party in government, V. Polidoras in an interview (12/18/13) said that the amount of tax evasion of the 6.575 Greek offshore companies is annually around 8 billion, since audits that have been done in only 34 companies so far, recorded tax evasion of 40 million €. ("Efimerida Syntakton 18/12/13)

27. In the last few years have come to the surface huge corruption scandals (bribing) and trafficking of "black money" through off-shore companies, for the purchase of military equipment worth tens of billions of euros (ie. 170 Leopard tanks and other weaponry from the companies Rheinmetall and STN Atlas, 4 defective submarines from the German company Ferrostaal-HDW, the electronic system C4i for the Olympics from Siemens, etc), in which government officials from PASOK and ND (defense ministers A.Tzochatzopoulos , E.Venizelos, G.Papantoniou , etc), as well as members of the armed forces , officials , domestic suppliers , representatives of foreign companies , and others had direct involvement.

which fled abroad, mostly in Swiss banks before and after the crisis, deprive vast resources for the development of the Greek economy[28].

The crisis also showed that the participation of countries with unequal level of competitiveness in the eurozone, creates "surpluses" in the strong economies and "deficits" in the weak ones. The "hard euro" complicates the exports of the latter while facilitates the exports of the first to the latter[29]. The locking of exchange rates does not allow the usage of exchange rate policy for improving competitiveness, with as a result the internal devaluation to be the key lever of imposing "wage dumping" at the expense of the working class of particularly the weak economies[30].

On the other hand, the loss of potential "last refuge" borrowing from the Central Bank, leads the weak eurozone countries to borrow from the markets with onerous terms and with favorable terms for the strong economies. The austerity programs, which aim to reduce public deficits, apart from the crash of labour incomes and social spending, leads also to a "vicious circle" of recession, unemployment, production decline and impoverishment of a large part of society. On the other hand, the total lack of "Community solidarity" and the absence of redistribution of resources between strong and weak economies, strengthens towards divergence rather than convergence of economies.

The entrance of Greece in the eurozone had a devastating effect on the economy and the Greek people. The lending from the ESM and the subsequent Memoranda, led in the last 5 years to a 25% reduction of GDP, 30% rise in unemployment (60% for young people), 40%-50% reduction on wages and pensions, 500,000 shutdowns of small and medium-sized enterprises, dismantling of public education, health and welfare, an unprecedented increase in suicides (over 5,000), pillage (sale) of profitable public enterprises and public property, and substantial loss of national and popular sovereignty[31]. The loan agreements and Memoranda that were

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28. According to reports, the Greek deposits in Swiss banks in 2012 exceeded 280 billion €. (Express, 1.6.12) With the outbreak of the crisis there was a massive capital flight (in 2010 amounted to 104 billion) without being taxed. Some of them (2,062 individuals and companies) are listed in the so-called "Lagarde list" and 1,500 of them have deposits in the Swiss bank HSBC. Most of the depositors (entrepreneurs, freelancers, etc) had as an aim to avoid taxes, which are estimated at 1 billion €. (www.real.gr, 4.1.14)

29. According to a study by two French economists, J.Mazier and P.Petit (2013), a possible return to the national currency, the Deutsche Mark (parity of entry in the Euro) in 2010 was devalued by 22%, whereas the currency of Portugal was overvalued by 25%, Greece 19%, Spain 14% and France 12%. This fact shows that the "expensive euro" is a crucial factor for generating trade surpluses in the countries of the North and deficits in the southern countries of the EU.

30. According to a detailed document of the "Rosa Luxemburg" Institute, the theory of "internal devaluation" as a lever of enhancement of competitiveness of the economy and stimulation of growth, carries a profound contradiction. It does not explain how it can enhance the "competitiveness" of each country when all the countries of the “eurozone” implement policy of "internal devaluation", ie making more and more cheap their labor force. This policy of “labor dumping" leads nowhere than to the misery of the people and workers of the EU. This policy of "freezing" wages began in Germany, leading to a downward trend of labor wages in all the countries of the Eurozone.!

31. The parliamentary leader of the party De Linke Germany ,Sahra Wagenknecht, in her speech noted that "Greece is no longer a sovereign state as it is under the dictates of Troïka", throwing

applied in Greece was in violation to the Greek Constitution, the International Labour Conventions, the European Charter of fundamental rights etc[32]. At the same time their implementation was destructive, did not pulled the country out of the crisis, while the false choices of the Troika were identified by the European Parliament[33], but unfortunately too late.

However the strategy of the Greek ruling elite and the Troika (EU-ECB-IMF), it was not a random mistake but a conscious choice that serve the interests of finance capital. The aim was to keep Greece in the eurozone, for different reasons each side, imposing enormous sacrifices upon the Greek people, violating fundamental democratic and social rights. The main core of the Greek elite seeks to stay in the eurozone, not only for economic reasons but because from political perspective considers the staying as a "safe harbor" for preserving its sovereignty. On the other hand, Troika aims to keep Greece in the single currency in order to prevent situations of "domino effect" that the exit might mark.

At the same time the Greek ruling elites and the "Troika" deliberately implement together a policy of confiscation of the Greek people (people's incomes and public property) for the benefit of creditors. The ESM loan agreements and the subsequent Memoranda are documents of colonial character, which are sorted in the category of «odious» debt. The Greek bourgeoisie once again has been proved extremely subservient and vassal, and does not hesitate to sells out the country and the Greek people, for its narrow selfish class-interests.

The crisis despite the woes that brought upon the Greek people, for certain parts of the oligarchy worked as an opportunity of enrichment[34]. On the other hand, the crisis caused significant changes within the economic elite. Although there is no comprehensive study on the extent and depth of

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the blame to Angela Merkel's policies, as well as for the increase of suicides in Greece. ("Bloomberg", 1/13/14)

32. According to the constitutionalist G. Katrougalos (2013), the loan agreements and Memoranda are unconstitutional because they were not approved by the Parliament. Also, the constitutionalist K.Chrysogonos, considers that “Memoranda violate provisions of the Charter of Fundamental Rights which is part of the constitution (Primary Law) of the European Union.” (Avgi, 29/12/13). Finally, the Commissioner for Human Rights of the Council of Europe N. Mouiznieks, considers that "many EU governments, including Greece, have forgotten their obligation to respect human rights, especially the social ones. The rigid austerity measures can deteriorate unemployment, poverty, homelessness and inequality." (Avgi , 12/8/13)

33. In a report by the European Parliament, with rapporteurs the MEPs Otmar Karas and Liem Juan Dogs, for the investigation of the Troika's responsibilities on the bailout program of Greece, they note that "the program is inappropriate and ineffective, while the Troika and the institutions behind, have fallen into huge political and computational errors. The indiscriminate cuts in social spending and allowances led large parts of the population to poverty, burst the youth unemployment, in circumvention of the Lisbon policy for development, etc ... The bankruptcy and the subsequent exit from the euro is only removed in the short term"... (www.real.gr, 22.12.13)

34. In recent years the number of the very wealthy Greeks with estate of more than 30 million increased by 11 % (from 450 to 505 people) and totals 60 billion €. The private banking divisions estimate that the number of millionaires with a fortune of more than 1 million € is around 8,000 people, while 2,687 people have stocks in the Athens Stock Exchange that exceed 1 million € per person. Finally, according to the magazine «Forbes», in the list of 1,426 multi- billionaires in the world (2013), there were three Greeks. Sp.Latsis with 3.3 billion USD fortune, Ar.Mystakidis with 2.7 billion and F.Niarchos with 2.6 billion USD ("Efimerida Syntakton”, 5.3.13)

the realignments it caused, in some sectors it is particularly evident[35]. Specifically, in the financial sector, after several mergers and acquisitions, the withdrawal of many foreign banks from the Greek market and the 'plunder' of State banks from private banks for their own enhancement, today there have been left only 4 large financial groups (Ethniki, Eurobank, Alpha Bank, Piraeus), who due to the recapitalisation, are temporarily under the control of the Financial Stability Fund (FSF), while in the near future they will be sold to private (domestic or foreign) investors. Also important changes befell in the industrial sector with the privatization of public corporations (public utilities), mergers and acquisitions or shutdowns of smaller groups (Lanaras, Petzetaki, Chatzis, Katsampas, etc). However, the top ten industry groups maintained their place, while some have moved the headquarters of the "parent-holding" company abroad to ensure more favorable credits (3E, Viohalco, FAGE, etc).

However, the crisis had a negative impact, regarding turnovers and profitability, in other sectors of the economy as well. Nevertheless ,the biggest conglomerates maintained their dominance (the Bobola Group in the construction sector and smaller groups with main field of action in the abroad). Also, in trade sector the groups of Theocharakis, Veropoulos, Marinopoulos, in «media» the groups of Kyriakou, Alafoyzoy, etc. Finally, the shipping groups, especially those operating overseas, were able to maintain and enhance their position,[36] placing the Greek shipping elite at the top of the world ranking (16%), with Japan being second.

6. Financial oligarchy, Labour Movement and the Left

The examination of changes in the composition of the Greek bourgeoisie and especially of the financial elite, its strategic objectives, its alliances, the contrasts within its lines and particularly with other supranational elites, are very important for the development of the proper strategy and tactic by the labor and the Left movement. Countries like Greece, which participate on unequal terms in the hard core of the European capitalist integration, have become the "weak link" of the system. The promotion of radical change for the survival of the people which will pave the way towards a gradual exit from the crisis cannot be done in the frame of the neoliberal integration in the eurozone.

Certainly, the reestablishment of the eurozone in favor of people and workers would be a hopeful perspective, if there were ripe conditions for the rise of Left Governments, if not in all, at least in the main countries. However,

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35. According to data from Business Guide ICAP, in 2007 around 32,200 companies (excluding the financial sector), had assets of 281 billion €, a turnover of 187 billion, equity of 115 billion and EBITDA profits of 19,6 billion. Similarly in 2012, approximately 27,200 companies with a similar amount of assets (281 billion €), had a turnover of 163 billion, 110 billion equity and EBITDA profits 10,4 billion. ("Naftemporiki", 1/23/14)

36. In 2013, the purchases and constructions of new vessels by Greek ship-owners exceeded 19 billion dollars, while according to “Vessels Value.com”, the total value of their fleet is estimated at 101 billion. (Naftemporiki , 13/1/14)

the asymmetric development of the left movement and the urgent need to overthrow the Memorandum policies in order to address the humanitarian crisis, imposes the clash with the context of the eurozone countries. This would accelerate the twists and in other countries to pave the way for a Europe of the people and workers. The idea of staying in the eurozone and fight within its framework, in effect, blocks the left movement and postpones radical changes that are mature in one, two or more countries, for the future.

Alternatively, starting from the overthrow of the policies of the Memorandums and the cancellation of most of the debt at the expense of the holders of finance capital, paves the way for a promising prospect of Greek society in the future. However, these are not sufficient their own. Radical programs that will facilitate the gradual exit from the crisis are also needed. More specifically, it is essential to regain the control of the key tools of economic policy (exchange rate, monetary, credit, financial, income, development, etc). We also need nationalization-socialization of banks, control on capital flows and utilization of popular savings to support the development and productive reconstruction of the economy.

The latter presupposes the process of a restoring program targeting at increasing the employment, the national income and achieving its more equal distribution. Also, radical public finance consolidation with revenue increase and fairer allocation of the tax burden, as well as spending policy with developmental, social and environmental criteria. Support of the purchasing power of wages and pensions, increase social spending and special family agriculture and SMEs support programs. Return of all privatized public utilities under national control and their expansion into new areas of strategic importance. Fighting the cartels and the monopolistic structures, containment and activity control of multinational companies. Development of equitable economic relations with all countries under an effective multidimensional foreign policy. Deep democratization of the state, development of institutions of grassroots control and genuine involvement of workers in the key decision-making centers, etc.

The above axes question the core of neoliberal policy and are the starting line of radical changes for an advanced social transformation, with socialism on the horizon. They do not have exclusively ethnocentric orientation, but nearly as a whole can be applied and at supranational level, in the context of a federal character real democratic union of countries and people. The implementation of a program for socio-economic recovery meets the needs, interests and aspirations of the vast majority of the Greek people and first and foremost of all the employees-workers, the peasants, the small and medium-sized enterprises and the new generation. *These axes of alternative proposal are the "red line" for a promising prospect of Greek society and cannot be be brought under the "heresy" of staying or not in the context of eurozone. To the extent that this context poses (and as it is today it does) substantial obstacles in this prospect, to surpass it by releasing from the eurozone is an imperative need.*

The political-social conditions for promoting these objectives, is the *emergence of a government of radical-left forces, product of a coordinated*

Left. The development of a vigorous and diverse resistance movement, of subversion and solidarity against the anti-popular policies, is the "base vehicle" in promoting this project. The passivity, fatalism and acceptance of the fait accompli, is the worst option and does not match to the revolutionary tradition, historical legacy, the unconquered, proud and dignified attitude of the Greek people towards foreign and domestic oppressors. Coordination and upgrading of action with similar movements in the EU countries, is in the current conditions, an irreplaceable mean to success and encouragement of similar reversals at European level, which will open new promising horizons for a Europe of peoples, of workers and of the Socialist perspective.

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