



Capitalism and Dictatorship in Post-war Greece

The seven year rule of the Greek Junta, from 1967 to 1974, has attracted much attention but little satisfactory analysis. It has been used as the basis for case studies of imperialism, CIA conspiracy or third world development. But the specificity of the Greek social formation and its relevance for understanding the roots and nature of the dictatorship remain relatively unexplored. The aim of this article is to examine some of the structural causes for the rise and fall of the Greek military régime. It does not attempt an account of the complicated events surrounding the actual seizure of power, but will concentrate on the long-term effects of economic and class developments. For these, although they do not directly determine, set limits to what is possible on the level of the political superstructure at a given historical moment.

First, it is important to emphasize something which will be argued more fully later. By the nineteen sixties, the major axis of strain within Greece was between the *form* of bourgeois rule which emerged out of the civil war and the *changes*

which Greek capitalism needed to undergo, in order to remain competitive. After 1949, the ruling class was no longer threatened. Neither the bourgeois state as such, nor the capitalist mode of production itself were at risk; their enemies had been effectively destroyed for a generation. It is necessary to grasp this political fact—however unpalatable—before considering the development of the Greek economy. For the path forward for Hellenic capitalism was never seriously disputed by any section of the ruling class. The latter's crisis, on the contrary, was a political one: how to control the masses, who would have to suffer the 'inevitable' consequences of that path. The choice was straightforward enough: either to 'incorporate' the masses by means of parliamentary democracy or to subordinate them to direct domination by the army.

Either way the post-war state, which combined a militarily repressive parliament and a monarchy of manoeuvre, would have to go. Thus the masses themselves were only a passive, if giant, pressure upon the flimsy stage of Athenian politics. The dramas of the accession and demise of the Junta both occurred without the active involvement of the Greek working class. They were conflicts within the bourgeoisie, fought out between its political representatives, over the *type* of régime needed to enforce a general strategy for capitalism—a strategy upon which the bourgeoisie as a whole was agreed.

The Post-war State

Despite the fact that the Left constituted the major resistance force during the German occupation and was in actual control of most Greek territory when the occupying forces started withdrawing, for a variety of reasons which cannot be developed here it subsequently suffered a complete military defeat, in the course of which tens of thousands of people died. After its victory, the Right imposed a quasi-parliamentary régime on the country: a régime with 'open' franchise, but systematic class exclusions. The Communist Party was outlawed and an intricate set of legal and illegal mechanisms of repression institutionalized to exclude left-wing forces from political activity. The job of guaranteeing this régime fell to the agency which created it: the army. The state was nominally headed by the monarchy and political power was supposedly vested in parliament. In reality, however, the army, and more specifically a powerful group of anti-communist officers within it, played the key role in maintaining the whole structurally repressive apparatus. We must start, therefore, with a few words about the political conflicts which divided the Greek army during its 1941–4 exile in the Middle East: in particular, about IDEA (Sacred Bond of Greek Officers), which was to play a key role in post-war politics.

When Nazi Germany invaded Greece in April 1941, the bulk of the Greek army disembarked to Egypt along with the monarchy and a government-in-exile. Immediately a political cleavage developed, with the Right on the defensive. Within the army, now under the British Middle East Command, as among the population in the peninsula, it was the Left which took the initiative. The first secret organization to appear, ASO (Anti-Fascist Military Organization), was anti-royalist as well as anti-fascist; it made three separate attempts to take control of

the army and the government-in-exile.¹ ENA (Union of New Officers), the immediate ancestor of IDEA, emerged in order to counteract the 'subversive' activities of ASO. This conflict between republican and royalist elements in the army was finally resolved by the British authorities. After a 'mutiny' of left-wing soldiers in 1944, the British decided to disband the Greek regiments. They imprisoned left-wing or republican officers and soldiers in various detention camps in Africa and the Middle East. From the remaining personnel, a new ideologically reliable body was established (the 3rd Mountain Brigade), which took part in the Italian campaign and later, in December 1944, fought with the British against the Greek communist and liberation forces in mainland Greece.

A group of these rightist Greek officers organized themselves into IDEA.² They played a decisive role on the side of the British during the battle of Athens in December 1944; then, after the end of the hostilities and the establishment of a precarious agreement between Left and Right—the Varkiza Agreement of February 1945—their major effort was to sabotage any permanent compromise settlement. More specifically, they sought to ensure that articles of the Varkiza Agreement which provided for a purge of all those who had collaborated with the Nazis from the army, police and other State agencies would remain a dead letter. In the army, at least, they were very successful. Republican officers appointed immediately after the Varkiza Agreement were dismissed from the forces. Officers who had participated in the Security Battalions (right-wing organizations collaborating openly with the Germans), on the other hand, were readmitted to the service. By 1946 the aims of IDEA were fully achieved: the Greek army was totally purged of 'unhealthy' elements and IDEA officers were firmly established in key positions within it. Once this anti-communist army had been constructed and blooded in the civil war, it was only a matter of time before the same spirit and organization permeated all other state agencies.

It lies outside the scope of this article to trace all the steps in the establishment of the anti-communist state.³ Here, one need only emphasize that after the Communists' final defeat in 1949, with the extermination or imprisonment of thousands of left-wing resistance fighters and their leaders, military reaction established firm control over the whole of Greek territory and consolidated a system of 'repressive parliamentarism' or 'guided democracy'. This was controlled by a triarchy of throne, army and bourgeois parliament. Within this power bloc it was the army, the victor of the civil war, which played the dominant role.

The fact that the officers who controlled the army were royalists did not, it must be emphasized, mean that the army was a mere instrument of the King. King Paul knew of the existence of IDEA, but both he

¹ In March 1943, July 1943 and April 1944. Cf. G. Karayannis, *1940–1952: The Greek Drama* (in Greek), Athens no date, pp. 105–69.

² IDEA was founded in Athens in 1944 by the merging of ENA with TRIENA (a right-wing officers' resistance group). The most interesting insider's account of IDEA is given by Karayannis (op. cit.), who was himself an IDEA man.

³ For a detailed account see G. Kataphoris, *The Barbarian's Legislation* (in Greek), Athens 1975.

and especially Queen Frederica were apprehensive of its growing power. The rise of Marshal Papagos whom King Paul detested, Papagos's enormous prestige among officers and his successful entrance into politics in 1952 through the creation of a popular right-wing movement (the Greek Rally), were indications of the army's autonomy from the crown.⁴ Papagos's electoral successes in 1952 and 1953 confirmed the military's domination of parliamentary forces. They also marked the beginning of more than a decade of uninterrupted right-wing rule (1952–63), during which cleavages within the ruling bloc were kept at a minimum and the IDEA group went through a period of quiescence. Although it would be a gross error to see the throne, the army, and the right-wing parliamentary leadership as a monolithic alliance, it is quite true that in the early fifties, when the system of repressive parliamentarism was working quite smoothly, these three power centres presented a united front to the outside world. Their differences would only emerge once the existing system of political controls could no longer cope with the massive social changes and popular dissatisfaction of the late fifties and early sixties.

As these conflicts were, and are still, directly linked to the history of capital accumulation—or lack of it—in Greece, it is necessary at this point to make some reference to the origins and structure of Greek capitalism in general, and in particular to its character in the post-war era. It will then be possible to discuss the impact of economic change upon the 'triarchy'.

Origins of Greek Capitalism

The development of the Greek bourgeoisie must be traced back to the sixteenth century when Greece was under Ottoman rule. For a variety of reasons which cannot be detailed here, Greek merchants managed to accumulate vast fortunes and control not only Balkan trade but most of the Ottoman empire's commercial transactions with the industrializing West. Other Balkan merchant groups—Bulgarian, Serbian—appeared much later (eighteenth century) and never managed seriously to challenge the economic dominance of the Greeks.⁵

With the decline of the Ottoman empire in the eighteenth and nineteenth centuries, the Greek bourgeoisie, through its dissemination of French revolutionary ideas and western culture to the whole peninsula, contributed to the development of Balkan nationalism. It thus played a crucial role in the Greek war of independence against the Turks (1821). For while the Greek peasantry constituted the main revolutionary force in the war, the bourgeoisie and the intellectuals managed to direct this force towards nationalist goals. Fractions of the bourgeoisie, who provided both leadership and material resources, were among the major catalysts of the whole revolutionary process. The leading role of bour-

⁴ S. Gregoriadis, *History of Contemporary Greece* (in Greek), Athens 1974, Vol. 2, pp. 140–219.

⁵ J. Kordatos, *Introduction to the History of Greek Capitalism* (in Greek), Athens 1930; and for a crucial English article cf. T. Stoianovich, 'The conquering Balkan Orthodox merchant', *Journal of Economic History* 1960, pp. 234–313.

geois elements before and during the war of independence explains to a great extent why this class, with the emergence of Greece as an independent nation state, became the standard-setter of Greek life. It explains why, from the very start, there was an attempt to shape political institutions along liberal, bourgeois lines.⁶ The first Greek constitutions, for instance, were inspired by the French experience; and although Capo d'Istria and later King Otto tried to implement an absolutist model of government, their efforts were ultimately frustrated.

Of course, it is true that in the nineteenth century the autochthonous merchant class was rather weak.⁷ But its counterpart living abroad, the Greek diaspora merchants and ship-owners, with their formidable financial power, greatly influenced the shaping of most institutions in nineteenth-century Greece itself. In fact, it would not be an exaggeration to say that it is impossible to understand the nature and development of the Greek social formation without taking into account the merchant communities which were flourishing both in colonial centres (Alexandria, Cairo, Khartoum, etc.), in the major capitals of nineteenth-century Europe and in Constantinople and Asia Minor.

For instance, one cannot understand the 'over-inflated' character of the Greek educational systems (Greece, relatively to its population, has one of the highest ratios of university-educated people in the world), without reference to the diaspora bourgeois. Not only did the latter create a considerable demand for educated young men (to staff their offices), they also gave vast amounts of money for the development of educational establishments. Up to 1870, the state budget for education was much lower than the donations for schools provided by rich Greeks abroad.⁸ The precocious growth of the modern Greek state can be understood in a similar way. The relatively rapid expansion of its administrative machinery and personnel were out of all proportion to the internal resources of nineteenth-century Greece.⁹

To put it simply, the greater part of the Greek bourgeoisie resided geographically outside Greece proper. As a result, the state erected in Athens was disproportionately large for the Greek polity under its command, while Greek capitalism achieved an international, if limited, mercantile character *before* it established itself on the Greek mainland. The impressive development and dominance of the state apparatus within the Greek social formation becomes even more striking if one takes into account that not only the autochthonous merchant class but also the landowning classes were rather weak in Greece. For large landowners appeared relatively late (with the annexation of Thessaly in 1881) and only lasted till the agrarian reforms of 1917, which abolished big landed property in Greece irreversibly.¹⁰

⁶ J. Kordatos, *The Social Significance of the Greek Revolution of 1821* (in Greek), Athens 1946; N. Diamandouros, *Political Modernization, Social Conflict and Cultural Cleavage in the Formation of the Modern Greek State 1821–1828*, unpublished Ph.D. thesis, Columbia University, 1972.

⁷ Cf. V. Filias, *Society and Power in Greece, 1800–1864* (in Greek), Athens 1974.

⁸ Cf. C. Tsoukalas, *Dépendance et reproduction: le rôle de l'appareil scolaire dans une formation trans-territoriale*, Doctorat ès Lettres, Université de Paris I, Vol. 2, part II, ch. 2.

⁹ *Ibid.*, Vol. 1.

¹⁰ C. Vergopoulos, *The Greek Agrarian Problem* (in Greek), Athens 1975.

The two interconnected features which were, therefore, of salient importance in the nineteenth-century Greek social formation were the relatively enormous state apparatus¹¹ and the diaspora bourgeoisie. Although the decline of colonialism at the beginning of the twentieth century also saw the gradual decline of the Greek diaspora communities,¹² their earlier impact on the Greek social formation, as well as the persistent and spectacular development of Greek shipping, explains to a great extent why, up to the Second World War, capitalism was much more advanced in Greece than in any other Balkan country. For instance, the commercialization of agriculture and the shifting of the labour force from agriculture to non-agricultural sectors occurred much earlier in Greece than in the rest of the Balkan peninsula. In the nineteen twenties, whereas the percentage of the total labour force employed in agriculture was approximately 80 per cent in Yugoslavia, Bulgaria and Rumania, it was only 50 per cent in Greece.¹³

This brief overview of Greek pre-war capitalism allows us to summarize, however crudely, its salient features. Historically, Greek capitalism pre-dated independence. It was not created under the colonial tutelage of the western powers. Although relatively small by international standards, the Greek diaspora bourgeoisie, by exploiting inter-imperialist rivalries and playing the role of intermediary between metropolitan and colonial centres, managed to master formidable financial resources, some of which were channelled into mainland Greece. However, given its cosmopolitan and mercantile character, as well as the weakness of the indigenous bourgeoisie, these resources contributed to the development of a top-heavy state and a parasitic tertiary sector, geared to support a mercantile and finance capital, rather than to the development of industry and agriculture. Both the autochthonous and diaspora bourgeoisies, given their position in the international division of labour, failed to overcome their merchant character. This disabled them from making an effective contribution to the industrialization of Greece. As will be shown, this fundamental weakness of Hellenic capitalism became more obvious and serious with the rapid industrialization of Greece's northern neighbours after the Second World War.

Post-war Capital Accumulation

The Second World War and the civil war had devastating effects on the Greek economy. For instance, at the end of the Second World War, 9,000 villages and 23 per cent of all buildings had been destroyed.¹⁴ It

¹¹ One way of assessing the relative strength of the state and its degree of penetration into 'civil society' is to assess its tax-raising capacity, i.e. its ability to extract resources for self-maintenance and expansion. In this respect, whereas in the nineteen-thirties the Greek state managed to extract 83.4 French francs per head (calculated on the basis of pre-First World War purchasing power), only 28 francs were extracted in Bulgaria. Cf. A. Angelopoulos, *Les Finances des États Balkaniques*, Athens 1933, pp. 647-9.

¹² On the development and decline of the Greek diaspora communities, cf. N. Psiroukis, *The Modern Greek Settlement Phenomenon* (in Greek), Athens 1974.

¹³ Cf. N. Mouzelis and M. Attalides, 'Greece', in M. Scottford-Archer and S. Giver (eds.), *Contemporary Europe*, London 1973, pp. 173 ff.

¹⁴ C. A. Coombs, *Post-War Public Finance in Greece*, London 1947.

was partially a sign of the vitality of Greek capitalism that by the middle fifties, pre-war levels of output had been reached again and the economy was growing at a fast rate (the average rate of growth in the fifties was 6 per cent).¹⁵

On the level of relations of production, the post-war Greek model of capital accumulation bears some similarities to nineteenth-century German and French development, in that the banking system, in close collaboration with the state, played the major role in the growth and direction of the productive forces. In fact, the most striking economic characteristic of the post-war era was the spectacular growth and concentration of finance capital and its tight control over the whole of the economy. Whereas during the early inter-war period there was a plethora of small banking establishments, after the 1929 economic crisis amalgamations began. Then, after the civil war, a very complex process of mergers and take-overs took place which was to see the emergence and consolidation today of a duopolistic situation in which two giant commercial banks control virtually all economic transactions: the National Bank of Greece, which is mainly owned by a variety of public corporations through which the state has majority control, and the privately owned Commercial Bank of Greece. To give an idea of the degree of concentration in banking, it suffices to say that in 1962 the assets of these two concerns amounted to 96.3 per cent of the assets of all Greek commercial banks together.¹⁶ If one also takes into account the fact that Greek banking capital is growing much faster than industrial or merchant capital,¹⁷ the enormous power of these two establishments becomes clear. Between them, they not only handle approximately 90 per cent of the country's considerable savings, but also participate directly in the ownership and management of an important part of the insurance and industrial sector.¹⁸ As far as industry is concerned, quite apart from enterprises under direct bank ownership, the banking system has very tight control by means of its credit policies. This control is particularly strict in Greece because, due to the exceptional weakness of the stock market, not many alternatives for financing are available to Greek entrepreneurs.¹⁹ At least up to the late fifties, Greek industrial and commercial capital was highly dependent on the commercial banks, not only for short-term but also for long-term financing.

The degree of concentration of the banking system is at the same time a clear indication of the extent to which the Greek state controls the

¹⁵ Cf. *National Accounts of Greece 1948-70*, pp. 120-1. For a detailed analysis of the growth of the Greek economy, cf. N. Vernicos, *L'Économie de la Grèce 1950-1970*, unpubl. Ph.D thesis, Université de Paris VIII, Vol. 1.

¹⁶ D. Psilos, *Capital Market in Greece*, Centre of Economic Research, Athens 1964, pp. 185-6.

¹⁷ For instance, from 1955 to 1969 the assets of the commercial banks increased twenty times! Cf. M. Mallios, *The Present Phase of Capitalist Development in Greece* (in Greek).

¹⁸ Psilos, op. cit. p. 194. For an adequate account of the development of finance capital in post-war Greece, cf. M. Serafetinidi, *The Breakdown of Parliamentary Institutions in Greece*, unfinished Ph.D. thesis, LSE, ch. 1.

¹⁹ Cf. Psilos, op. cit. ch. 10.

economy. For not only does the state control the National Bank (the stronger of the two banking giants), but through its powerful Monetary Commission it regulates in great detail the credit policy of all banks, setting limits on the manner and extent of their operations. It is not, of course, only through the banking system that the state exercises control over the country's economic life. In 1957 its direct investments into the economy amounted to approximately \$113 million, i.e. 4.7 per cent of the GNP. This rose to \$538 million, or 9.2 per cent of the GNP, in 1970. Furthermore, if one considers that the state budget, which constituted 16–17 per cent of the GNP before the war, now amounts to more than one third of it, one can understand why a Greek Marxist economist in a recent book talks about state monopoly capitalism in Greece.²⁰

But despite the impressive rate of growth, the concentration of finance capital and, through this, the tight state control over the whole social formation, the Greek economy of the fifties did not manage to overcome a major feature of its underdevelopment: its weak manufacturing sector. Greek capital, whether in its mercantile, industrial or finance form, was unable to orient itself towards the manufacturing sector—especially in those key branches (chemicals, metallurgy) which, through their multiplying effects and their great transformative powers, can contribute most to a rapid growth of the industrial sector.

Thus, given the fact that profits were much higher in the commercial sector, it is not surprising to find that the two banking establishments often failed to dispose of the 15 per cent of their funds they were obliged to advance for the development of the industrial sector.²¹ Moreover, one should also take into account the fact that in the fifties the commercial banks were reluctant, despite pressures from the state, to provide industry (especially small industry) with cheap credit. For not only was the structure of commercial banking totally unfit for long-term industrial finance, but also banking capital could be placed much more profitably elsewhere. Besides, the strong links of banking capital with the already existing highly inefficient traditional industrial monopolies made it reluctant to help in the creation of serious industrial competitors.²²

Neither, of course, did Greek capital orient itself into the agricultural sector. Given the low profitability of agricultural investments, big private capital shunned the countryside even more than it did the manufacturing sector.²³ It preferred to exploit agricultural labour in the sphere of circulation rather than that of production. In fact, whether catering for the domestic or the international market, merchant capital has managed quite effectively to squeeze the small and non-organized farmers and has contributed to a great extent to the *relative* pauperiza-

²⁰ Mallios, *op. cit.* pp. 156 ff.

²¹ Psilos, *op. cit.* ch. 14.

²² Cf. H. Ellis *et al.*, *Industrial Capital in the Development of the Greek Economy* (in Greek), Centre of Economic Research, Athens 1965, pp. 197–204.

²³ Private investment in agriculture was only 5.9 per cent of total private investment in 1950. It went up to 9.4 per cent in 1960, and down again to 8 per cent in 1970. Cf. Vergopoulos, *op. cit.* p. 203.

tion of the Greek peasantry and the systematic transfer of resources from the countryside to the urban centres.²⁴

As far as shipping is concerned, this was a sector which assumed colossal proportions in the post-war period.²⁵ But in a certain way, the impact of post-war Greek shipping on the economy was similar to that of Greek migration to the West. For, as in the case of Greek migrants to Western Europe (mainly Germany), Greek seamen helped the economy by reducing unemployment and by providing valuable foreign currency through their remittances home. On the other hand, since shipping capital lies outside the effective control of the Greek state (it can always move elsewhere if the state bothers it with heavy taxes or other restrictions), it becomes increasingly an avenue of escape for Greek merchant capital. In this way, if migration robs Greece of its most valuable human resources, shipping plays a similar role with respect to the country's financial resources.

In conclusion, up to the late fifties Greek capital, by following its long established merchant traditions, found it more profitable and less risky to operate in the non-manufacturing sectors—mostly on borrowed money²⁶—and to shift a considerable part of its profits to foreign banks or to shipping. It is not, therefore, surprising that during this period Greece portrayed the classical features of an 'under-developed' economy: i.e. a fast-growing, highly parasitic tertiary sector, a weak and more or less stagnant manufacturing sector with a low labour absorption capacity, and a large but inefficient agricultural sector. Thus in the late fifties more than half the labour force was *still* employed in agriculture, whereas the contribution of the industrial sector to the GNP was only around 25 per cent. This last figure is even less impressive if one considers that manufacturing was the slowest growing sector of industry, so that its contribution to total industrial output was decreasing (whereas that of construction, transport and public utilities was growing).²⁷

The seriousness of this fundamental structural weakness of the manufacturing sector becomes more obvious if one takes into account the fact that during the fifties Greece's now communist Balkan neighbours, who had lagged so far behind her during the inter-war period, were starting to industrialize at a very fast rate. The figures in Table 1 illustrate strikingly the growing crisis of Greek merchant capitalism in the late fifties and early sixties. Given this type of impasse, and the state's long-term commitment to a 'free-enterprise' economy, there was no solution for Greece other than to resort to the help of foreign capital.

²⁴ Ibid., ch. 4.

²⁵ S. Andreadis, *Greek Shipping* (in Greek), Athens 1964.

²⁶ The rate of ploughing back profits is very low in Greek firms (cf. Psilos, op. cit. p. 245) and, as the Greek stock market is extremely weak, they have no alternative for their short and long-term finance other than the commercial banks. (Cf. Psilos, op. cit., p. 189). This is another clear indication of the extent to which all Greek firms are dependent on state and finance capital.

²⁷ Whereas in 1938 manufacturing output amounted to 85.6 per cent of all industrial output, it declined to 79.7 per cent in 1948–9 and to 73 per cent during the 1959–60 period. Cf. G. Coutsoumaris, *The Morphology of Greek Industry*, Athens 1963, p. 55.

TABLE 1
Index of Manufacturing Production (1958 = 100)

	1938	1948	1959	1965
Greece	52	34	101	155
Yugoslavia	28	44	114	226
Bulgaria	10	21	121	272
Rumania	24	20	110	248

SOURCE: United Nations Statistical Yearbook, 1966 (from Table 50).

Industrialization

Although legislation aimed at attracting foreign investors was initiated in 1953, it was at the beginning of the sixties that foreign capital (in the form of direct investments) came into the country on a large scale and had a serious impact on the structure of the economy. Table 2 shows the amount of foreign capital imported during the sixties.²⁸

TABLE 2
Flow of Foreign Capital into Greece, in Dollars

1960	11,683,700
1961	13,509,809
1962	16,764,758
1963	50,026,290
1964	59,716,887
1965	111,596,368
1966	157,606,242
1967	32,265,000
1969	64,000,000
1970	70,000,000

By the end of 1973, foreign capital invested in Greece had risen to a total of approximately \$725 million,²⁹ an amount which is not very impressive if one takes into account that in a single year (1969) \$2,504 million went to the gross formation of fixed capital in the Greek economy.³⁰ Nevertheless, as foreign capital was mainly directed towards the key manufacturing sectors, its impact on the economy was much greater than its relatively small size would suggest. In fact, especially during and after the years 1962-3, when the metallurgical, chemical and metal construction industries experienced a great boost due to foreign investments, one can speak of a qualitative break in the growth of Greek industry. Not only did the industrial sector start expanding at a much faster rate, but there was an important shift in investment from light consumer goods to capital goods and durables. Whereas in the period 1948-50 light industry represented 77.5 per cent of total manufacturing output, its share went down to 60.9 per cent in 1963-70.³¹ This important shift is clearly reflected in the changing

²⁸ Table taken from G. Giannarou, 'Foreign capital in the Greek economy', in E. Iliou *et al.*, *Multinational Monopolies* (in Greek), Athens 1973, p. 404.

²⁹ G. Petrochilos, *The Role of Foreign Capital in the Greek Economy*, unfinished Ph.D. thesis, University of Birmingham.

³⁰ Vernicos, *op. cit.* Vol. 1, p. 372.

³¹ B. Nefeloudis, *Demythization with Numbers* (in Greek), Athens 1973, p. 146.

structure of the Greek export trade. In 1960 agricultural products constituted 80 per cent of the country's exports, but this figure went down to 54 per cent in 1966 and to 42 per cent in 1971, as Greece was more able to export industrial goods. Thus the sixties saw a qualitative advance in the industrialization of modern Greece.

There can be little doubt that the ability of the Greek economy to reap the benefits from concentrated foreign investment in manufacturing was due to its own pre-existing capitalist development. This was not able to generate a significant industrial sector autonomously, but it could adapt itself to, and consolidate one with exceptional rapidity. Yet this type of capitalist development not only failed to eliminate some fundamental aspects of Greek under-development, but on the contrary accentuated them, creating disruptions and dislocations which are directly relevant to an understanding of developments in the political superstructure. To assess the scope of such disruption, we shall have to examine how the spectacular growth of the productive forces was linked to the relations of production during the sixties.

The intrusion of foreign capital, in close collaboration with Greek capital and the Greek state, reinforced the already impressive degree of capital concentration in the economy. A first rough intimation of this is conveyed by the enormous size (in terms of assets) of such giants as ESSO-Pappas or Pechiney,³² or the fact that out of the 200 largest companies in terms of fixed capital, seventeen were fully foreign-owned and in another thirty-nine foreign capital had a degree of participation varying from 10 to 90 per cent.³³ As the share of foreign capital in the GNP steadily increased (from 2.15 per cent in 1962 to 8.15 per cent in 1972), the monopolistic tendencies of the Greek economy were markedly accentuated. If in the fifties monopoly or oligopoly were due mainly to indiscriminate and nepotistic state protectionism, in the sixties they were due rather to the capital intensive nature of the new industries and the small size of the Greek market.

This impressive concentration of industrial capital did not eliminate the plethora of small industrial units, which for the most part have a family-oriented, artisanal character. Indeed, one of the most striking characteristics of Greek industry is the persistence, especially in the more traditional sectors of the economy (footwear, clothing, leather, wood products), of small, low-productivity units side by side with large firms that exercise a quasi-monopolistic control of the market.³⁴ For a variety of reasons including indiscriminate state protectionism and the inability of small firms to grow,³⁵ any increase in demand for indigenous industrial products creates a proliferation of additional tiny

³² Cf. Mallios, op. cit. pp. 136 ff.

³³ Cf. Photopoulos, 'The dependence of the Greek economy on foreign capital' (in Greek), *Economicos Tabidromos*, No. 17, July 1975, p. 10.

³⁴ The extent to which small firms persisted in the Greek manufacturing sector can be seen by the fact that whereas in 1930 93.2 per cent of manufacturing establishments were employing fewer than five persons, by 1958 this percentage had only gone down to 84.9 per cent. In 1958 the percentage of firms employing more than twenty persons was 2.1 per cent (cf. Coutsoumaris, op. cit. p. 37).

³⁵ For some of the reasons which can explain this inability, cf. E. Kartakis, *Le Développement Industriel de la Grèce*, Lausanne 1970, pp. 20 ff.

units instead of consolidating existing ones.³⁶ These small units remain, on the whole, unspecialized, highly inefficient and only survive either because their elimination is politically undesirable or because big industrial capital realizes superprofits by tolerating them.

As far as agriculture is concerned, here again one sees the persistence of small, family-based, low-productivity units; very few rural holdings employ wage labour. Despite the dramatic decrease of the agricultural population during the fifties and sixties, the agrarian structure does not show any signs of basic change: there is no marked tendency towards land concentration or the emergence of large-scale capitalist enterprises in agriculture.³⁷

Growing Inequalities

By inducting concentrated doses of foreign direct investment the Greek capitalist class has managed to even out somewhat the imbalance between itself and its competitors abroad. But it has achieved this at the cost of greatly amplifying inequalities at home. The general standard of living, it is true, has undoubtedly risen. Gross per capita income, approximately \$500 at the beginning of the sixties, had reached the \$1,000 level by the end of the decade.³⁸ But the few rough calculations which have been made in the absence of complete data leave us in no doubt as to the inequities which disfigure this spectacular gain. For instance, according to a relatively recent estimate, 40 per cent of the lowest income groups receive 9.5 per cent of the national income (after deduction of taxes and social security benefits), whereas the 17 per cent in the top income brackets receive 58 per cent.³⁹ From 1954 to 1966, when the national income approximately doubled, profits tripled (banking profits between 1966 and 1971 quadrupled).⁴⁰ Obviously, as the relative share of big capital increases, the relative share of all other income decreases.

Those engaged in agriculture are, as usual, the worst off. Thus in 1951 agricultural income amounted to 83.3 per cent of the average national income; the proportion dropped to 60.3 per cent in 1962 and 51.1 per cent in 1971.⁴¹ Given this situation, the mass exodus of the rural pop-

³⁶ Thus in 1961 the state issued 4,088 permits for the establishment of new enterprises and 2,536 for the extension of existing ones. Of these only twenty-nine and fifty-five respectively were of any importance (i.e. were investing more than \$30,000). Cf. Ellis *et al.*, op cit. p. 189.

³⁷ For instance, in 1950 the total number of agricultural establishments was 1,006,973. Of these, 28.5 per cent had a size of less than one hectare, and 68.4 per cent were cultivating land between one and ten hectares. At the same time the average cultivated surface per exploitation was 3.59 hectares and the average number of persons employed 3.57. Both these averages were further reduced in 1961 and 1971. Cf. C. Vergopoulos, *The Agrarian Problem in Greece* (in Greek), Athens 1975, p. 189. Given this type of land fragmentation, it is not surprising to find that in 1950 independent cultivators and their working family-members constituted 92.39 per cent of the agricultural labour force (Vergopoulos, op. cit. p. 198).

³⁸ *Statistical Annual of Greece* 1971, p. 378.

³⁹ Cf. D. Karageorgas, 'The distribution of tax burden by income groups in Greece', *Economic Journal*, June 1973.

⁴⁰ Mallios, op. cit. pp. 139 and 141.

⁴¹ N. Vernicos, *Greece Facing the Eighties*, Athens 1975, p. 116.

ulation and its migration into the industrial centres of western Europe is at least partly understandable. Moreover, given the insignificant development of the capitalist mode of production in agriculture, farmers' income differentials are not very important. It is the quasi-totality of the agricultural labour force which is being exploited by the more or less impersonal mechanisms through which simple agricultural commodity production is incorporated into the capitalist mode of production dominant in the urban centres.

If one now considers the situation in the cities, income differentials here can be seen to have been not only enormous, but continuously increasing. Comparisons of industrial wages (at constant prices) with increases in labour productivity show clearly that, in terms of industrial income, the relative share of labour has been decreasing whereas that of capital has been on the increase.⁴² What is also interesting is that, given the coexistence within industry of sectors with very different rates of productivity, there have been increasing inequalities *within* the industrial labour force and *within* the lower middle classes. For instance, with the relative scarcity of skilled labour in the Greek economy, wages have increased at a much faster pace in industries employing a highly skilled workforce—especially those of the new dynamic manufacturing sectors.⁴³ Similar if not greater income differentials have become discernible among the middle and lower middle classes. Certain white-collar categories (executives, professionals, employees working on advertising, communications or other fast-growing sectors) have seen their incomes rise rapidly beyond those of the rest of the white-collar sector and the 'old' petty bourgeoisie (small shop-owners and craftsmen).⁴⁴ These intra-working-class and intra-middle-class inequalities, which provoke each individual to draw obvious comparisons with the situation of others in the same social milieu, create acute dissatisfaction and frustration among all social groups—from cleaners to colonels.

As far as the state is concerned, it has not done much to change the inequalities generated by the Greek model of capital accumulation. Indirect taxation, which particularly hits low-income groups, has not only provided more than half of the enormous state revenues, but also tended to increase in relation to direct taxes. Moreover, direct taxation seems to hit small and medium incomes much harder than big ones.⁴⁵

⁴² Cf. T. Lianos, *Wages and Employment* (in Greek), Athens 1975, p. 89.

⁴³ Between 1959 and 1969, the average wage per hour in a low-skilled industry such as beverages increased from 10.1 dr. to 23.6 dr., whereas it went up from 10.8 dr. to 37.9 dr. in the petroleum and coal products industry. (Cf. T. P. Lianos and K. P. Prodromides, *Aspects of Income Distribution in Greece*, Centre of Planning and Economic Research, Athens 1974.)

⁴⁴ Cf. J. Crockett, *Consumption Expenses and Incomes in Greece*, Athens 1970, p. 113. More research is needed on this point, but Greece seems to exhibit a trend which has already been noticed in some Latin American countries: namely, the emergence of a relatively affluent middle class (as distinct from the bourgeoisie) which maintains or increases its share in the growth of the GNP—at a time when all strata below them see their relative share decreasing. This stratum becomes a major consumer of the newly founded durable goods industries. For an interesting but theoretically inadequate discussion of this trend cf. P. Salama, 'Vers un nouveau modèle d'accumulation' in *Critique de l'Economie Politique*, April–September 1974, pp. 42–9.

⁴⁵ Nefeloudis, *op. cit.* p. 96.

Finally, the leniency of the state *vis-à-vis* big capital reaches its zenith in the enormous privileges accorded to foreign capital. Taking into account the variety of the privileges which foreign and mixed capital enjoy in Greece (in terms of taxation, credit facilities, cheap energy, etc.), it would not be an exaggeration to say that in many cases industrial expenses and risks are socialized, whereas the fruits of any industrial success go solely to private capital. In other words, the state revenue derived from the taxation of low incomes is mainly used to consolidate and develop big capital. Of course, given the model of capital accumulation that Greece is following, this taxation policy is congruent and necessary. If the dynamism of the economy is based on the willingness of indigenous and foreign capital to go on investing in Greece, any serious attempt to change the fundamental structure of income distribution would result in a deterioration of the favourable climate for private investment in the Greek economy.

Articulation of Modes of Production

To use a more rigorous terminology, the major points may be summed up by saying that the capitalist mode of production, dominant in the Greek social formation, is linked to the mode of simple commodity production (agriculture, artisanal industry) in such a way as to keep growing continuously at the expense of the latter—neither destroying it completely, nor helping it to develop. And it is precisely here that the most crucial difference lies between the western European and the Greek models of industrialization. The former involved either the destruction of simple commodity production in agriculture and industry, or its articulated incorporation into the capitalist mode of production through a specialization which established a positive complementarity with big industry. As a result, the effects of technical progress, which originated in the dynamic sectors, spread fairly quickly to the rest of the economy, with beneficial consequences for income distribution, the expansion of internal markets and so on. In the Greek social formation, by contrast, capital intensive industrial production has taken an 'enclave' form. Despite its rapid growth in the sixties, it has not succeeded in expanding or even transferring its dynamism and high productivity to the backward sectors of the economy. Thus simple commodity production looms large within the Greek economy. It gives a lot (directly and indirectly) to the capitalist mode of production, but takes very little in return—just enough to reproduce itself. As a consequence, inequalities in Greece are much greater than those found in the West. For in addition to the usual inequalities between labour and capital in the sectors where the capitalist mode is dominant, Greece has inequalities resulting from the persistence of vast productivity differentials between 'modern' and 'backward' sectors of the economy.

The sharply uneven development of the forces and relations of production in post-war Greece is directly connected to the rising social unrest and political mobilizations of the late fifties and sixties. The inequalities generated by the Greek model of industrialization—whether seen in terms of income and wealth differentials, of geographical imbalances or of the way in which different modes of production are

articulated in the Greek social formation—have unavoidably created severe disruptions and social unrest.

To illustrate this point one has only to mention the huge rural exodus during the last two decades: out of a population of nine million, a million and a half people have had to leave the countryside. Given the low labour absorption of Greek industry, the majority of these have had to vegetate in parasitic jobs in the tertiary or artisanal sectors, or to emigrate to the industrial centres of western Europe. To a certain extent, massive foreign migration has operated as a political safety valve. It has reduced unemployment in the towns and, through the migrants' remittances, improved the Greek balance of payments and strengthened the meagre income of village households. On the other hand this migration, by dislocating thousands of households, has created resentment and discontent, not only among those who have had to leave their country, but also among those who have been left behind. Moreover, the increased geographical mobility of the population, partially a result of both internal and external migration, has weakened traditional loyalties and orientations, widened the social horizon of villagers and made increasing social inequalities both more visible and less acceptable. These rapid changes have taken place in a country in which a large-scale civil war had already made the rural population politically aware. As a result the system of patronage through which the Right used to maintain political control of the countryside has been steadily, and threateningly, eroded.⁴⁶

At the same time the spectacular development of communications—the media, tourism—and, through them, the encouragement of a consumptionist mentality has created needs and raised expectations far beyond the rise in the standard of living. It has thereby encouraged a further, new political mobilization of the countryside as well as of the towns. The capitalist course which Greece embarked upon held out the promise of integration into the capitalist world at large and the European Common Market in particular. But, as a corollary, it involved widespread social disintegration, specifically threatening the political controls established in the aftermath of the civil war.

Political Dénouement

What has been described constituted the basic socio-economic context for the political mobilization of the late fifties, as right-wing forces gradually lost their hold in the countryside and the towns. A clear sign was the spectacular 1958 election gains of the left-wing party EDA; with the continuing fragmentation of the centre parties, the latter for a time became the main opposition in parliament. This development immediately put the whole repressive apparatus on the alert. IDEA was fully reactivated and participated in the elaboration of the notorious 'Pericles' contingency plan; devised for the purpose of neutralizing

⁴⁶ Empirical evidence on this point is given in an as yet unfinished research project on the development of the patronage system in two Greek provinces during the sixties. Cf. M. Comninos, 'The development of the patronage system in Etolo-Akarnonia and Kavala', mimeo.

the communists in case of war, this was used instead by the Right to achieve victory in the 1961 elections.⁴⁷

However, this blatant intervention of the para-state in the electoral process was also the starting-point of *Anendotos*—the fight against the repressive policies of the Right launched by George Papandreou, who managed to re-unite the centre parties. In the 1963 elections, Papandreou's Centre Union successfully challenged the electoral dominance of reaction. In the elections of the following year, it further consolidated its position by gaining an unprecedented 53 per cent majority. Meanwhile, a strong left wing emerged within the Centre Union, under the leadership of Papandreou's son Andreas.

When George Papandreou became Premier he made a half-hearted attempt to purge IDEA. A number of rightist officers, including Papadopoulos and some of his close associates, were removed from their key positions and sent to frontier posts. But Papandreou was not willing to attack the structure of the power bloc. He never attempted to deliver an effective blow to the para-state, or to challenge the power of the army except in the most lukewarm manner. Under the pressure of social unrest and mounting political mobilization, he did seek to liberalize slightly the system of repressive-parliamentarianism imposed after the civil war, by ending open political intimidation in the countryside. He also placed minor checks on the growing economic inequalities, by slackening controls on wages and increasing state expenditure on education and welfare. But these reforms, together with Papandreou's feeble attempt at gaining control of the military, alarmed and aroused the army officers without seriously limiting their powers.

Nevertheless, Papandreou's moves, however inadequate, combined with the growing political unrest which sustained them, threatened the balance of power between throne, army, and parliament. To put it more generally, the Greek model of capital accumulation had created conditions which by the middle sixties were incongruent with the existing political superstructure. By favouring big capital (indigenous, foreign and mixed) at the expense of the rural population, workers and also important sections of the old and new middle classes, it had created a level of discontent which could no longer be contained within the prevailing system of repressive-parliamentarianism. This system had to be either abolished, or reinforced by the total removal of parliamentary rule.

To see why this was so, we must examine more closely the triarchy of army/parliament/throne within which the army was dominant. The crucial issue was this 'structure of dominance' itself. An important part of the bourgeoisie, despite its apprehensions at the growing number of strikes and Papandreou's liberalization policies, did not feel threatened enough to opt for a dictatorial solution. Why should it have? There was no chance of a communist takeover, no revolutionary

⁴⁷ (Cf. S. Gregoriadis, *The History of the Dictatorship*, Athens 1975, Vol. 1, p. 14.) This should not be confused with the 'Prometheus' plan used by the same team to take power in April 1967.

situation, no serious challenge to the bourgeoisie as a class. The parliamentary Right decided against a dictatorial solution; Kanellopoulos, its leader, finally accepted the risk of an electoral confrontation set for April 1967 and came to a secret agreement with Papandreou.

In 1967, therefore, a solution was possible in which the parliamentary forces, through pressure from the mobilized masses, could have established a less subordinate role in the triarchy. Such a development, however, would have weakened the army's dominance within the state. Obviously, no bourgeois-parliamentary state exists without an army to ensure the ultimate rule of the class—in *extremis*. This 'determinate' role of armed force must be clearly distinguished, however, from control over policy and personnel. It was this aspect of the Greek army's activities which would inevitably have been dissolved by clear-cut election results and the establishment of parliamentary dominance within the state. The formation of a strong parliamentary régime posed no substantial risk to the bourgeoisie as a whole, give or take a few reforms, and certainly it did not threaten the existence as such of a Greek bourgeois army. But it would undoubtedly have undercut the position of the actual army within the state, and thus would have had a particularly acute impact upon those exercising crucial repressive functions within it. *This* army had only one way to defend its position: to seize power. Given the degree of popular support for the left and centre parliamentary forces, it could not hope to retain its hold over parliament by intervention on the hustings as General Papagos had done so successfully in the fifties. In order to safeguard its rule, it was obliged to make it unilateral and direct.

The third force in the triarchy—the throne—stood to lose either way. The aberrant degree of political power wielded by this latter-day monarchy stemmed from the degree of manoeuvre allowed it by the conflict between army and parliament. At the apex of both—'commander-in-chief' of one, appointer-of-premier to the other—the high tide of royal interference was naturally reached when a hostile stalemate existed. When the politicians hesitated to mobilize support for a real purge of their military counterparts, and the latter held back from direct rule, then the King could 'make history'. This explains the King's ambivalent behaviour during the crisis. He exacerbated political relations when active, prevaricated when faced with a real choice (elections or dictatorship), and was simply impotent when this choice was made by the army without his assent.

The Two Juntas

Although the army was agreed on the need to defend its position by striking pre-emptively to stop the elections, it was also divided. There were two conspiratorial groups: the 'big' junta, on the one hand, and the 'little' junta of IDEA officers under the leadership of Papadopoulos, on the other. The latter decided to stage its coup a few days before the date set for the 'big' junta's coup (24 April), and thus to present it and the King with a *fait accompli*.⁴⁸

⁴⁸ Ibid., Vol. 1, ch. 2.

What are less clear, however, are the reasons underlying the split between the 'big' and 'little' juntas, two groups of officers with fundamentally the same aims. The usual explanation in terms of a CIA decision to support lower-ranking officers who were under its direct control is unconvincing and superficial. Unconvincing, because no one has yet shown why the CIA, or any other foreign agency, should have had any interest in taking the enormous risk of withdrawing support from the right-wing establishment in favour of obscure, lower-ranking officers. Superficial, because such an easy explanation draws attention away from the underlying structural reasons within the army organization which can throw light on this fundamental split, and from the more general conditions in the army conducive to the mobilization of junior officers for a coup. For while it is clear why the personnel of the two juntas wanted to stage a coup, it is less clear how and why they managed to mobilize and gain the support of those below them.

For an explanation of this, one has to look at the promotion structure of the post-war army. During the civil war, the newly established Greek army had to expand hurriedly. Standards were lowered and the training period shortened, so that new officers could be created in large numbers.⁴⁹ After the civil war, with the number of top posts limited, there was a serious constriction in the career possibilities of junior officers. According to a reliable report,⁵⁰ there were 2,000 captains in the Greek armed forces before the 21 April 1967 coup. The average rate of promotion was between 100 and 150 annually. Therefore, those who were bottom in seniority would have to wait fifteen years for promotion. A similar problem, although not so acute, existed among officers in higher ranks. In this climate of general dissatisfaction and frustration, it is not surprising to find that prior to the 1967 coup, 200 captains had formed an association for the advancement of their professional interests. Aside from this bottleneck, there was also a distinct class difference between high- and low-ranking officers which accentuated the gulf between them.⁵¹ It is in these terms that one can better understand the split between the two juntas and the reasons why the Papadopoulos group found such fertile ground for its conspiratorial activities among the junior officers.

From Triumph to D  b  cle

The events of April 1967 in Athens were primarily a struggle between groups within the state. Given the chronic weakness of the Greek bourgeois parties and the dominant position of the army within the

⁴⁹ Cf. Evelpidon Military Academy, *The History of the Evelpidon Academy 1828–1926*, Athens 1962.

⁵⁰ Cf. General Panourgias's report on the events which led to the coup, presented to Karamanlis in June 1967 (*Acropolis*, 20 August 1974).

⁵¹ As already mentioned, the civil war requirements lowered the Military Academy standards of recruitment, and for the first time established a system of free education (under Law 577/22-9-1945). As people of poorer backgrounds could now study in the Academy, there was a distinct difference in class origins between officers who had graduated before and after the war. The top leadership at the time of the coup belonged to the former cohort, while the majority of the low- and middle-ranking officers belonged to the latter. For statistics on the Greek officers' class origin, cf. D. Smokovitis, *A Special Social Group: The Greek Armed Forces*, unpubl. Ph.D. thesis, University of Salonica 1975.

enormous state apparatus, this struggle was settled by a straightforward dictatorial solution imposed by the military. In contrast to what happened in Chile for instance—where the generals managed to organize a massive social campaign, and were supported by sizeable sections of the populace in their decision to overthrow Allende—the Greek colonels intervened strictly ‘from above’, not to defend their country from Marxism but to defend their own role within the state. They not only lacked any popular base in 1967, they were not even able to win one after the seizure of power. As is well known, the colonels failed to build the totalitarian structures for mobilizing the masses which would have given a fascist character to their rule. Because of this failure, the junta had to operate more or less in a social vacuum. Having no mass base and no strong roots either in the towns or in the countryside, in an atmosphere of increasing social discontent its position became more and more precarious. Despite the absence of serious armed resistance, when pressures from below increased the junta had no means of dealing with them. It could not resort to more repression, since it lacked the means—mass organizations—for embarking on a process of wholesale totalitarian mobilization. Neither was it able to deal with social discontent through a genuine opening up of the system. The colonels’ fierce anti-communism and their belief in a ‘disciplined’ and ‘healthy’ political order supervised by the army allowed them to offer only the merest gesture of representation.

Why, then, was there not more widespread opposition to the junta? In the first place, given the overwhelming power of the state and the fact that the working-class movement had been catastrophically defeated and physically decimated in the civil war, armed resistance could find no popular base. Secondly, the working-class was not prepared either for organized civil opposition to the junta’s seizure of power. The mobilization around the Centre Union had been party-political in the strictest sense; the CU had never prepared its supporters to defend parliamentary rule as such, for to have done so would have encouraged the masses to impinge directly upon the character of the state. Finally, although the parliamentary and journalistic fragments of the bourgeoisie’s political leadership were dismayed by the Papadopoulos coup, they could not oppose its economic policies, for these precisely did not differ from their own.

In fact, the colonels accepted the pre-existing model of capital accumulation and simply sought to remove all obstacles to its full development. Using a dictatorial system of controls, they created a political super-structure designed to deal more effectively with the rising social discontent and to create a more favourable climate for the growth of both indigenous and foreign capital. The liberal mythology now rampant in Greece, which portrays the colonels’ economic policies as radically different from those of their predecessors, is a facile ideological mechanism by which the bourgeoisie is trying to shift the attention of the masses away from the fundamental and persistent contradictions of the post-war Greek social formation.⁵²

⁵² This point is emphasized by S. Papaspilopoulos, ‘Une économie tributaire du modèle néo-libéral’, *Le Monde Diplomatique*, October 1974; cf. also by same author, ‘Structures Socio-politiques et Développement Économique en Grèce’, *Les Temps Modernes*, no. 276 bis, 1969.

The colonels, by following the logic of the economic model they had inherited, gave their unlimited support to big capital, foreign and indigenous. They made sure through repression that the ensuing growing inequalities would be accepted unconditionally, without protests or strikes to frighten capital away. After a short period of hesitation, and once the colonels' credentials were fully established, private investment rose again and foreign capital continued its penetration of the Greek economy. The rate of growth soon surpassed pre-dictatorial levels and sustained an impressive acceleration. This achievement was a clear indication of the 'fit' between rapid capital accumulation and the dictatorship. Moreover, as already pointed out, despite growing inequalities, the standard of living grew steadily during the period of the dictatorship. The colonels brought to fruition a process of dependent industrialization that had started before them. They did not initiate it, they merely pursued it with vigour and consistency.

On the other hand, though this successful expansion of the productive forces may have contributed to the longevity of the régime, it could not lead to its permanent consolidation. For at the same time, on the level of relations of production, all the trends already mentioned not only continued but were accentuated: increasing concentration of capital, growing inequalities, scandalous concessions to foreign capital, mass migration of labour, sectoral stagnation and the rest. Discontent continued to rise, as social injustice was coupled with large-scale repression. If this discontent did not take a very acute form when the economic going was good, it became more visible and strong with the economic crisis of 1972-3. In a way, the junta was the first victim of the world recession, which brought the forced expansion of the Greek economy to an end and deprived the dictatorship of its momentum. Politically the junta's foundations were too shallow for it to survive this downturn. For even during the pre-recession years of the dictatorship, despite the rising standard of living, the masses refused to legitimize the régime by giving it any significant measure of support.

Passive rejection by the masses was the main reason, of course, for the failure of Papadopoulos's attempt at liberalization in 1973. On top of this failure and the growing economic crisis came the Athens Polytechnic massacre. Intra-junta fighting then resulted in the fall of Papadopoulos and the rise of Ioannides to the rickety pinnacle of power. All these developments accentuated the structural instability of the régime, cutting it off even further from any popular support. Its isolation meant that, increasingly, there was no correspondence whatsoever between developments in civilian society and the growing infighting between army cliques within the state; the base of the régime, already narrow, kept shrinking. From the point of view of this internal dynamic, the Cyprus adventure can be seen as a last-ditch, desperate attempt by the Ioannides junta to consolidate its precarious position, by gaining popular support through a nationalistic 'triumph'.⁵³ When the

⁵³ Of course, for a full explanation of the Cypriot crisis one should take into account a variety of factors, both on the national and international level, which are beyond the scope of this article. The present explanation is only incompatible with those accounts of the Cyprus problem which do not allow any autonomy to the internal

foolishness and miscalculation of this move brought the Greek army to the brink of a disastrous war with Turkey—a war which, both materially and politically, it was not prepared to fight—the immediate response of the general staff was to dissociate itself from the junta. For even if an eventual war had resulted in a stalemate, the mass conscription and mobilization of an already disenchanted populace might have led to a situation where not only army dominance, but even bourgeois rule itself might have been threatened. The leaders of the armed forces, therefore, swallowed their pride and turned to Karamanlis for exactly the same reason that both ‘big’ and ‘little’ juntas had decided to put an end to the growing power of parliament in 1967: namely, in order to preserve the power position of the army intact.

The Debate on the Rise and Fall of the Dictatorship

Taking into account what has been said above, I would like to comment briefly on the two types of analysis prevalent in the already voluminous literature on the Greek dictatorship. The first, in a highly simplistic manner, portrays the policies of the CIA and other American agencies as the main reason behind the rise and fall of the dictatorship.⁵⁴ The CIA is often represented as an omniscient and omnipotent deity regulating and controlling everything and everybody. Now there is no doubt that the CIA, both before and after 1967, had strong links with the IDEA officers and with the whole repressive apparatus of the state.⁵⁵ But there is equally no doubt that these links have often been exaggerated and a great number of myths created concerning the extent of CIA control over Greek affairs.⁵⁶ Given the scarcity of serious evidence, the extent and nature of foreign intervention in the 1967 coup and the events that followed it will long remain debatable. But what is certain is that it was limited, at least in the short term, by the socio-economic structure of the country.⁵⁷ It is this structure which is

structure of Greece and Cyprus, portraying the colonels as helpless pawns in the power politics of the great powers. This type of explanation is not only misleading, it also constitutes a very suitable ideology for exonerating the junta from its responsibility in the creation and handling of the Cypriot affair. For a recent, short, overall account of the Cypriot crisis, see Christopher Hitchens, ‘Détente and destabilization—report from Cyprus’, NLR 94.

⁵⁴ Most books on the dictatorship not written by social scientists adopt this explanation. For instance, P. Rodakis, *The Colonels’ Dictatorship: Rise and Fall* (in Greek), Athens 1974; or John Katris, *The Birth of Neo-Fascism* (in Greek), Geneva 1971. For an extended bibliography of the voluminous literature on the Greek dictatorship, cf. C. Korizis, *The Authoritarian Regime 1967–74* (in Greek), Athens 1975.

⁵⁵ Cf. Gregoriadis, *The History of the Dictatorship*, op. cit. Vol. 1, pp. 45 ff.

⁵⁶ For instance, a well-publicised myth is that the Greek KYP (Central Intelligence Service) was for many years directly financed by the CIA and that, therefore, this agency was even formally beyond the control of the Greek state. But as has been pointed out in a recent sombre account of the history of the dictatorship: ‘The Greek Central Intelligence Service functions on the basis of special laws. By a series of decrees it is linked to the budget of the Defence Ministry from which it pays its personnel. If it were true that, despite these laws and decrees, it was being financed directly by a foreign agency—the CIA—this would have constituted a colossal scandal entailing very heavy responsibilities for a great number of people. It would have been impossible for such a gross misdemeanour to have been left undiscovered for so many years.’ Cf. Gregoriadis, op. cit. Vol. 1, p. 32.

⁵⁷ For a similar position on the importance of ‘internal factors’ cf. Nicos Poulantzas, *La Crise des Dictatures: Portugal, Grèce, Espagne*, Paris 1975 (English translation forthcoming, NLB).

most relevant if one wants to go beyond *ad hoc* or superficial explanations of the Greek crisis.

On the other hand, those more serious Marxist analyses which shift attention away from the CIA towards the role of the class struggle unfortunately often adopt a similar style of reasoning. By stressing the role of big capital (foreign or indigenous) in the emergence and fall of the dictatorial régime, they often portray the dominant classes in Greece as anthropomorphic entities pulling the strings behind the backs of the military and the politicians.⁵⁸ Such hypostatized 'explanations' have not surprisingly produced a reaction even among serious historians, who have then tended to fall back on purely empiricist accounts, rejecting any form of class analysis and portraying Greek history as a series of conjunctural events.

Developments in the class struggle are, of course, crucial for understanding the dynamics of the Greek dictatorship. But the links between them and the politico-military events which led to the abolition of repressive parliamentarianism are much more complicated and *indirect* than simplistic ready-made formulas would suggest. For instance, there is no doubt that the coup was bourgeois in its general class character, in the sense that 1. big capital, merely by playing its normal role of making maximum profits in the context in which it had to operate, was at the source of the increasing inequalities and disruptions which generated the social unrest and mobilization of the fifties and sixties; 2. important fractions of the bourgeoisie, by adopting an alarmist attitude towards the mildly liberal policies of Papandreou, created a climate highly favourable to the realization of the military's aims; 3. the policy of the junta was to intensify the capitalist development of Greece. Yet these very obvious facts do not mean that 'the Greek bourgeoisie' or any of its fractions should be portrayed as the 'creator' of the coup, whose architects must be politically and institutionally defined—the IDEA colonels, highly specific interests within the previously existing state structure, etc.

Let us take a closer look at the type of theory which sees the rise and fall of the dictatorial régime as basically the result of infighting among different factions of capital. For instance, according to Poulantzas,⁵⁹ the basic dimension for understanding both the rise and fall of the Greek dictatorship is the conflict between what he calls the 'interior' bourgeoisie (a more liberal fraction of indigenous capital which collaborates with European monopolies) and the more traditional, commercially orientated, 'comprador' bourgeoisie (which is much more dependent on American capital). However, despite the fact that this intra-bourgeois conflict is the foundation of Poulantzas's book, he provides no real evidence for any such conflict either before or after 1967—indeed he fails to provide any convincing empirical account of

⁵⁸ See, for instance, Walter Fischer, *et al.*, *Revolution and Counter-Revolution in Greece 1936–1974*, Athens 1974.

⁵⁹ See *La Crise des Dictatures*, op. cit. Poulantzas uses this intra-bourgeois conflict to explain mainly the *fall* of the dictatorial régimes in Greece and Portugal. M. Nikolinakos (*Resistance and Opposition 1967–1974* (in Greek), Athens 1975, pp. 137–40 and 170 ff.) provides a similar explanation of the junta's rise.

the existence of the two fractions at all. In fact, not only is there no serious evidence that these two fractions existed, considered their interests as opposed and were fighting each other; but even from the point of view of the *objective* class situation, there is no reason to believe that such interests would have diverged significantly anyway. Given the close collaboration of autochthonous and foreign capital, and given the fact that foreign capital was mainly directed by the Greek banking and investment institutions into areas where Greek commercial capital was unwilling or unable to go, it seems obvious that such interests were more complementary than antagonistic.

Another, even more important, reason for dismissing this type of explanation is the great dependence of the bourgeoisie on the state, and the overriding importance of the latter in the Greek social formation. There is nothing more misleading than to present the Greek state as a mere puppet of the bourgeoisie—to the extent that alleged conflicts between fractions of capital could more or less automatically lead to a change in political régime. I have already mentioned the extent to which the state, through direct investment and through its control of finance capital, influences the Greek economy. In order to give some historical perspective to this fundamental point, it should be recalled that at the beginning of the nineteenth century, when Greece emerged as an independent nation, a variety of causes brought about a spectacular development of state power and institutions, at a time when the autochthonous Greek bourgeoisie was insignificant and the forces of production were at a rudimentary state of development. Contrary to what happened in eighteenth-century England, for instance, the Greek indigenous bourgeoisie was highly dependent on the state for its consolidation and growth.⁶⁰ As Vergopoulos puts it: 'The functioning axis of the Greek social formation was not bourgeois civil society, as a certain liberal theory would imply, but the state. Ever since the middle of the nineteenth century, nothing could be done in Greece without it necessarily passing through the machinery of the state. The state apparatus, as Gramsci would say, was the social machine *par excellence*.'⁶¹

The state, as the general co-ordinator of the whole social formation, had to provide a favourable institutional framework for the enlarged reproduction of the capitalist mode of production—i.e. it had to use its enormous power to safeguard and promote bourgeois interests. In particular, after the civil war, the Greek state had to play its co-ordinating role in the absence of a western-type, mass social-democratic party. In a political system characterized by 'modern', bourgeois mass parties, the autonomy of the state *vis-à-vis* the dominant classes is not so high as in cases where such parties do not exist. In the latter case, as the Greek experience shows clearly, it is easier for shifts of power to occur *within* the state; they then present the bourgeoisie as a whole with an accomplished fact.

What has been said about the state/bourgeoisie relationship applies equally to foreign capital in Greece. All financial institutions in the

⁶⁰ See, for instance, V. Filias, op. cit.

⁶¹ C. Vergopoulos, op. cit. p. 15 (my translation).

country remain under strict state control (foreign capital playing a minor role in this sphere). Thus the recent, relatively small, influx of foreign capital makes it extremely easy to characterize the Greek state demagogically as the puppet of ESSO-Pappas or Pechiney, since Greek industrialization depends on foreign capital. But this dependence takes a more impersonal, less anthropomorphic form than some conspiratorial theories would have it. It does not take the form of sinister multi-national companies regulating the Greek economy and politics from the City or Wall Street on a day-to-day basis. Rather, as already mentioned, it takes the form of a 'disarticulated' economy and of a chronic and growing deficit in the balance of payments.

In conclusion, even if one admits a certain conflict of economic interests among fractions of the bourgeoisie before 1967, this conflict never assumed significant proportions. What the dominant classes had in common was infinitely more important than what divided them. The fundamental contradiction was between, on the one hand, an expanding model of capital accumulation which, by creating severe disruptions and inequalities, was mobilizing and radicalizing the masses; and, on the other hand, a political system of repressive controls, engineered to prevent the masses from taking an autonomous part in the political process. Confronted with the rising tide of political mobilization, repressive-parliamentarism—characterized by the throne-army-parliament alliance, in which the army was dominant—could no longer survive. Either parliament, through its opening to the masses, had to become the dominant force in this triarchy—in which case the army would lose its leading position with inevitable internal consequences for those holding posts within it. Or else the army had to prevent this, by the overall abolition of parliamentary rule.

I have tried to show why, given the differential reaction of various fractions within the power-bloc and certain structural characteristics of the post-war army organization, the latter solution ultimately prevailed. I have also tried to show how the persistence of the contradiction between capital accumulation and political control after 1967 is relevant for understanding both the unpopularity and the collapse of the dictatorship. For the dictatorial régime proved as inadequate to cope in a lasting way with the disruptions created by the growth of the Greek economy as the repressive-parliamentary order that had preceded it. It remains to be seen whether the new presidential régime of Karamanlis will be more successful in coping with the inequalities and social unrest which the further development of capitalism cannot but continue to generate in the Greek social formation.