

# Greek debt crisis sharpens geostrategic tensions between US, Europe, Russia

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The threats by eurozone officials to financially strangle Greece by cutting off credit it needs to finance its debt are heightening military and geostrategic rivalries between the major powers.

If credit were cut off, Greece would face either the risk of a collapse of its financial system or of a return to its national currency, the drachma, whose value would likely plunge on currency markets. Last month, Syriza responded by capitulating to EU demands for austerity and issuing a list of new budget cuts attacking the working class. Syriza's capitulation reflects the consensus in the Greek capitalist class that, for now, it can best pursue its class interests and its austerity offensive against the working class within the framework of the EU, the euro, and the NATO alliance.

Amid the discrediting of EU austerity policies and continuing tensions inside the EU, however, the risk of a Greek default remains. This could compel Greece to seek hard currency—that is, dollars or euros, to import key products like oil and gas traded on international markets—from other sources such as the United States, but also possibly Russia or China.

In this fraught context, with wars spreading across areas of Eastern Europe and the Middle East near Greece, powerful geostrategic tensions between the major powers are coming to the fore. The Greek ruling class has sought to exploit the threat that Athens might develop closer ties to Russia or China, in a so far unsuccessful attempt to press for better terms for itself from the EU.

Last month, Panos Kammenos, leader of Syriza's right-wing coalition partner, the Independent Greeks, said in a TV interview, "What we want is a deal. But if there is no deal—hopefully there will be—and if we see that Germany remains rigid and wants to blow apart Europe, then we have the obligation to go to Plan B.

Plan B is to get funding from another source. It could be the United States at best, it could be Russia, it could be China or other countries."

On February 20, as his government signed the austerity agreement, Greek Prime Minister Alexis Tsipras spoke aboard a Chinese warship visiting the Greek port of Piraeus, whose container docking terminal the China Ocean Shipping Company (Cosco) has acquired on a 35-year lease. With Cosco the lead contender in an upcoming bid to privatise the Piraeus Port Authority, Tsipras said: "We give special importance to the existing Chinese investments in Greece, including the important activities of Cosco at Piraeus Port."

As NATO seeks to crush Russian influence amid bloody wars in nearby Ukraine and Syria, some in the Western media have openly raised that a Greek default could risk undermining the integrity of the NATO alliance.

In an article last month titled "Keeping Greece in the euro is about far more than money," the *Financial Times* of London pointed to these concerns. "When European leaders talk about Greece, they speak the language of economics, no matter what their mother tongue," the FT wrote, adding however that, "Geopolitics, far more than economics, is what is at stake. The cost of a blunder would be incalculable."

Greece occupies a highly strategic location in the eastern Mediterranean. It controls the Aegean Sea, thus controlling transit between the Mediterranean and Black Seas, as well as islands close to Syria and to shipping lanes coming out of Egypt's Suez Canal. The Aegean Sea is estimated to hold over four billion barrels of oil, fuelling the historic tensions between Greece and neighbouring Turkey.

Greece plays a central role in the military planning of

the major NATO powers. Its proximity to the Black Sea and Ukraine make it integral to NATO's intervention in the Ukraine crisis, which has involved frequent US naval deployments to the Black Sea and a major build-up of NATO forces in Eastern Europe.

Greece also plays a significant role in NATO interventions in the Middle East. It “has more than 200 fighter jets and 1,000 tanks. NATO facilities include a military base in Crete that was used during the airstrikes on Libya in 2011,” according to Bloomberg News.

These geostrategic interests are fuelling inter-imperialist tensions inside the NATO alliance, as well as between NATO and Russia. While there is agreement among Western powers that the burden of Greece's debt to the banks must be borne by the working class, there are divisions on how this should be implemented.

Washington reportedly considers that Berlin's intransigence against Greece underestimates the geopolitical fallout that could result from a Greek default. According to the *Economist*, “America has often put discreet pressure on its European allies to avoid a rift with Greece, as much because of geopolitics as economics.”

The confrontations between Washington and Moscow over wars in Syria and Ukraine are in fact only the most visible and bloodiest components of a power struggle between NATO and Russia throughout the entire region, including in Greece itself.

With Russia's economy crippled by Western sanctions and with oil prices at rock bottom, Moscow has for now ruled out giving financial aid to Greece. Nevertheless, ties between the two countries remain strong.

As Greek Foreign Minister Nikos Kotzias visited Moscow last month, his Russian counterpart Sergei Lavrov hailed “very good prospects” for Greek participation in the Turkish Stream pipeline, which will transport Russian gas across the Black Sea, through Turkey, and to the Greek border.

Russia recently renewed a defence agreement with Greek Cyprus, during a four-day visit by Cypriot President Nikos Anastasiades to Moscow. The agreement allows Russian warships to use Cypriot ports, offering an alternative to the port of Tartus in war-torn Syria, 205 kilometres east of the Cypriot port of

Larnaca. Tartus is currently Russia's only remaining military base outside of the former USSR and the Russian Navy's only fuelling spot in the Mediterranean.

The agreement provoked the ire of Washington, with State Department spokesperson Marie Harf stating, “We stressed with our European allies and partners the importance of unity in pressing Russia to stop fuelling conflict in eastern Ukraine. That is certainly something we feel very strongly about.”

The Syriza-Independent Greeks government itself plays a reckless role in the region, stimulating tensions with Turkey, Greece's historical antagonist in the region. Last month, Greek Defence Minister Panos Kammenos declared that Cyprus remains a subject of “invasion and occupation,” attacking the presence of the Turkish seismic vessel Barbaros in Greece's Exclusive Economic Zone in the eastern Mediterranean as a “provocation.”

Kammenos said that Greece plans to conduct joint drills with the Greek Cypriot administration, Israel and possibly Egypt in the coming months.

This week protests by Greece led to a climbdown by Turkey over planned military manoeuvres in the Aegean Sea involving reserving airspace that would cut off the Greek islands of Skiros and Lemnos.



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