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Referendum plan faces hurdles

By Kerin Hope in Athens

Less than 24 hours after Greece's prime minister called a national referendum on the country's next bail-out package, its chances of actually taking place were growing increasingly remote.

Mr Papandreou is already under pressure from European governments to explain the reasoning behind his surprise decision. He faces a grilling on Wednesday as leaders gather for the G20 summit in Cannes.

Yet there are a number of hurdles to be overcome before Mr Papandreou and his team sit down to frame the question that would be put before Greek voters – knowing that a No vote could push Greece into a messy default and possible exit from the eurozone.

First, Mr Papandreou's Socialist party must win a parliamentary vote of confidence set for Friday night. That is already looking uncertain following two defections and one threat by Socialist lawmakers opposed to the plan.

If he scrapes through with a marginal majority, the prime minister must then ask Carolos Papoulias, the president, to endorse the proposal. That is by no means certain.

Mr Papoulias, once a hardline socialist who as foreign minister pushed anti-western policies, could align himself with the intraparty opposition and decide to turn down the request, instead suggesting that Mr Papandreou call an early election.

If Mr Papoulias does agree, it is unclear whether the 40 per cent of Greek voters required to legitimise the referendum process will actually bother to turn out.

At last year's local government elections, participation fell below 50 per cent in many cities, underlining Greeks' increasing frustration with the political process.

Antonis Samaras, the conservative opposition leader, vowed on Tuesday that his party would make "every sacrifice to avert the holding of a referendum". Aides said that his New Democracy party was considering boycotting parliament if the plan went ahead and urging its voters to abstain.

The last time Greece held a referendum was in 1974, following the return of democracy, when voters decided by an overwhelming majority to abolish the unpopular monarchy. Exiled King Constantine was not even permitted by the government to return to Greece and campaign to save his throne.

Analysts said referendums had never gained political traction in Greece, perhaps because the disgraced military junta that ran the country between 1967 and 1974 used referendums as a political tool, with voting mandatory.

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