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# Greek prime minister faces party election

By Kerin Hope in Athens

Costas Simitis, the Greek prime minister, expects to be re-elected unopposed as party leader at a congress of the governing Panhellenic Socialist Movement (Pasok) that opens today.

But there will be nothing triumphal about Mr Simitis's speech to more than 6,000 delegates attending the opening session. After holding power for 17 of the past 20 years, Pasok is in urgent need of a makeover.

The party consistently lags behind the opposition New Democracy party in opinion polls, while Mr Simitis's rivals are already preparing for a long succession struggle.

Aides say the percentage of votes won by Mr Simitis in Sunday's leadership election may determine policy choices for the remainder of the government's term. If more than 35 per cent of delegates cast blank ballots, the prime minister's grip on the party will be seen as weakening, and he may face difficulty implementing unpopular structural reforms.

Greece is under mounting pressure from the EU to overhaul the debt-burdened pay-as-you-go pension scheme and lift administrative obstacles to liberalisation of the telecommunications and energy markets. Pasok-controlled trade unions led vociferous demonstrations against pension reform earlier this year, while senior executives at OTE, the telecoms operator, and PPC, the electricity utility, have strong party ties.

But if Mr Simitis's modernising faction can win control of Pasok's 180-strong central committee at the

congress, the road to reform would be open, aides say.

The prime minister's approval rating has improved sharply since last month's attacks in the US. Pasok's populist faction has set aside its anti-American feelings to rally behind the prime minister. As a Nato member, Greece has offered full use of military facilities and airspace to the international coalition against terrorism.

Support for Akis Tsochatzopoulos, the defence minister and leader of the populists, has been waning since he called off plans to challenge Mr Simitis for the party leadership. The prime minister's new rival for control of Pasok is likely to be Costas Laliotis, the public works minister and leading candidate to become the party's secretary-general.

In the succession race, however, Mr Laliotis is ranked well behind George Papandreou, the foreign minister and son of the party's founder, the late prime minister Andreas Papandreou. Unlike the other leadership contenders, the younger Mr Papandreou has stressed his loyalty to the prime minister by refusing to endorse any candidates for the central committee.

Whatever the outcome of Sunday's vote, Mr Simitis has promised to reshuffle the cabinet next week. Mr Papandreou, who has good relations with EU colleagues and in Washington, is likely to stay in place. But without the backing of a strong majority of congress delegates, Mr Simitis may be unable to shift Mr Tsochatzopoulos and hand out more senior posts to members of his own faction.