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Greek PM leads party out of east

For a man once dismissed by party colleagues as "wimpish", Mr Costas Simitis, Greece's prime minister, showed unexpected determination in shouldering aside rivals for command of the governing Panhellenic Socialist Movement.

Moreover, Mr Simitis's election on Sunday as Pasok's chairman at a special congress shattered a popular Greek myth. The myth is that technocrats are useful to manage the economy and smooth out Greece's problems with the EU, but that only a charismatic personality can lead a political party.

One analyst said: "Pasok has signalled its re-invention as a European socialist party that can respond to what's happening in Greek society, rather than the concerns of the party leader and his hangers-on."

In an unprecedented display of openness by Pasok, state television broadcast the party congress live. Greek viewers watched a dramatic leadership battle in a smoke-filled hall at the Athens Olympic stadium, including a desperate appeal for support by Mr Simitis's populist rival, Mr Akis Tsochatzopoulos, the public administration minister.

Under the late Andreas Papandreou, who founded Pasok and remained its leader until his death last week, party congresses were as secretive as in communist eastern Europe. Central committee votes were frequently rigged and no challenge to Papandreou's supremacy was permitted, Pasok members say. However, Mr Simitis's victory was as much the result of cultivating support for his moderate pro-European policies among younger Socialist organisers around Greece as his performance at the congress.

Even before becoming prime minister, Mr Simitis had developed a network of supporters in local Pasok organisations which elected the 5,100 delegates to the congress.

To secure support from Pasok hardliners, Mr Simitis could point to an impeccably leftwing background. His father, a prominent lawyer, was a member of the communist-led "Mountain Government" during Greece's civil war in the 1940s and several close advisers started their political careers as members of a Maoist communist splinter group that attracted Greek intellectuals in the 1970s.

The challenge for Mr Simitis is not just to keep control of Pasok but to implement policies that conflict with much that Mr Papandreou stood for, including cuts in government

spending, reductions in the bloated public sector payroll and a more flexible foreign policy, especially over Turkey.

Since taking over as prime minister from Mr Papandreou in January, Mr Simitis has been criticised for accepting US mediation to defuse a crisis with Turkey and for giving mixed signals to investors.

As party leader, Mr Simitis finally controls the levers of power. He will decide who becomes a Socialist parliamentary candidate in the general election next year. Now that his supporters dominate the 200-member central committee which will elect Pasok's new executive bureau later this week, Mr Simitis will be able to promote his reformist policies more effectively.

Thanks to strong backing at the congress from Mr George Papandreou, the education minister and former premier's eldest son, Mr Simitis can also claim a share in Mr Papandreou's heritage - which will exert a powerful pull on the Socialists for some time. On his first day as Pasok chairman, Mr Simitis made a point of going to the central Athens cemetery to lay flowers on Mr Papandreou's grave.

However, Pasok's populist wing, which gave Mr Tsochatzopoulos 46 per cent of the vote, will find it hard to accept defeat. The populists are used to profiting from the pervasive patronage system and will try to undermine Mr Simitis unless he carries out a purge of Mr Tsochatzopoulos's supporters in the party machine.

Analysts said fears of a split in Pasok seemed exaggerated, given Mr Simitis's high approval rating in opinion polls, which favour his chances of leading Pasok to a sweeping election victory next year against a weak conservative opposition. Government advisers say there are no immediate plans to sack populist cabinet ministers.

The main battleground will be the public sector, where employment has increased by more than 2 per cent in the past year as Mr Tsochatzopoulos, responsible for both the civil service and local government, allowed his supporters to hand out jobs to Socialist voters in defiance of a government hiring freeze.

Mr Simitis's first task is to push through much-postponed legislation for spending cuts aimed at bringing down the government deficit by 1.5 percentage points of gross domestic product next year, in line with Greece's effort to meet the Maastricht targets for EU economic union.

Kerin Hope

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