

## 1BN) Greek Voters Shatter Myth of Two-Party System to Defy EU Rules

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(See EXT4 for more on the euro-area financial crisis.)

By Jonathan Stearns and Maria Petrakis

May 14 (Bloomberg) -- In a mountain village where Greeks began their liberation from Ottoman Turks two centuries ago and now go to ski, Dimitris Lourantakis says he's proud to be among voters pushing to throw out Greece's political ruling class.

Lourantakis, who lives in Kalavryta, two hours' drive west of Athens, never voted for a party other than the Socialist Pasok until May 6. He cast his ballot last week for an eight-year-old party named Syriza that says it would renege on the bailout agreements that have secured Greece's place in the euro until now.

"I wanted to send a message of change," said Lourantakis, who runs a restaurant in Kalavryta, where the first Greek flag of independence from the Turks was raised at a nearby monastery in 1821 and where the Nazis massacred the male population in 1943. "It can't go on. The old politicians have to go."

The surge in support for smaller parties such as Syriza has blocked the formation of a new government, increasing the chances of new elections and heightening risks the country will exit the 17-nation euro. Syriza leader Alexis Tsipras said yesterday that his party, which came in second nationwide with 17 percent of the vote, would not join a unity government as Greek President Karolos Papoulias tried to broker a coalition.

In return for emergency-aid pledges of 240 billion euros (\$310 billion) from Europe and the International Monetary Fund over the past two years, Greece must keep narrowing its budget deficit to be eligible for quarterly loan disbursements.

#### Golden Dawn

The new Greek political landscape also features the nationalist Golden Dawn, whose logo resembles a swastika; former New Democracy members united as the Independent Greeks; and left-of-center groups in Syriza's shadow.

New Democracy, which came in first with 19 percent, and Pasok, third with 13 percent, have no parliamentary majority alone or together after uniting in November to back budget cuts to keep aid flowing. Failure to form a coalition would lead to new elections as soon as next month.

"The election this month was a political earthquake," said Janis Emmanouilidis, an analyst at the European Policy Centre in Brussels. "If there is an election in June, voters will protest again. They are protesting against the effects of the economic crisis on their lives."

#### Wage Cuts

New Democracy and Pasok have dominated Greek politics over the past four decades because of the appeal of two multiple-term prime ministers, Constantine Karamanlis and Andreas Papandreou. New Democracy's Karamanlis steered Greece into the European Union after leading the country when it emerged from a military dictatorship in 1974. Papandreou, who had been imprisoned during

the dictatorship, founded Pasok and brought it into mainstream politics with a 1981 electoral victory.

The parties' monopoly on power is now disintegrating as the economy suffers a fifth year of recession, with record unemployment of almost 22 percent and a minimum wage that was cut 22 percent this year. Golden Dawn, which opposes immigration and foreign aid, capitalized on the voter discontent to enter parliament for the first time.

Panagiotis Plassaras, a 28-year-old Golden Dawn volunteer from the town of Nemea in the electoral region of Corinth, an ancient city about 80 kilometers (50 miles) west of Athens, said he was spurred to act because of disgust with the status quo.

"We believe we are at war -- at economic and political war against the system that is selling our country to foreigners,"

Plassaras said while sitting with fellow activists in the Golden Dawn office in Nemea. "We want the country back in our hands.

We want Greece to be run by Greeks again."

### Swastika-Like

Golden Dawn gained 12 percent of the vote in the Corinth region compared to 7 percent nationwide. Near Corinth, the party's name has been sprayed on facades across the countryside. The group's logo resembles a disentangled swastika and a video of its leader, Nikolaos Michaloliakos, shows him giving a fascist salute.

Plassaras, who has a ponytail and beard, is married and works in his family-run olive-oil business, said the fascist image of Golden Dawn is unfair.

"We're not Nazis," he said. "We fought the Germans and we would fight them again. We're Greek nationalists."

Nikos Bakopanos, a 55-year-old farmer from Nemea, a wine-growing area, said he voted for Golden Dawn after supporting New Democracy and Pasok in previous elections.

Married with two sons, both of whom are also farmers, Bakopanos said they aren't making money and one son is thinking of going to Australia or the U.S. Drinking rose wine in a local cafe, Bakopanos said the prices for his produce haven't risen in a decade, immigration and crime are rampant and the political system under New Democracy and Pasok is broken.

### Broken System

"The system doesn't work at all," he said. "The state doesn't care. It's anarchy. Greeks need discipline."

Back in Kalavryta, the 42-year-old Lourantakis said what Greeks need is time. With a master's degree in sports from the University of Bucharest and a Romanian wife who is a former Olympic biathlon skier, he said Greece wasn't fit for the euro when joining in 2001 and will have to leave unless the terms for staying are loosened.

"With the euro, all of Greece has gone down," he said while seated at a table in his restaurant called "To Spitiko,"

or "The Household," which is a 20-minute drive from the ski lifts. "The question isn't whether you want to stay in the euro.

It's whether you can. There's no money."

If Europe offers no rescue concessions, said Lourantakis, the nation should reintroduce its own currency. He said Greece, dependent on tourism for about 17 percent of its economy, would regain a comparative advantage when seeking to attract foreign visitors instead of having to operate in a European framework tailored to Germany's high-technology businesses.

"I don't have a Mercedes engine," he said. "I have a tourism engine."

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