

Greece votes to decide euro future

Europe faces 'make or break' moment Says Greek ex-PM

REUTERS, Athens
Greeks yesterday voted in an election that could decide whether their heavily indebted country stays in the euro zone or heads for the exit, potentially unleashing shocks that could break up the single currency.

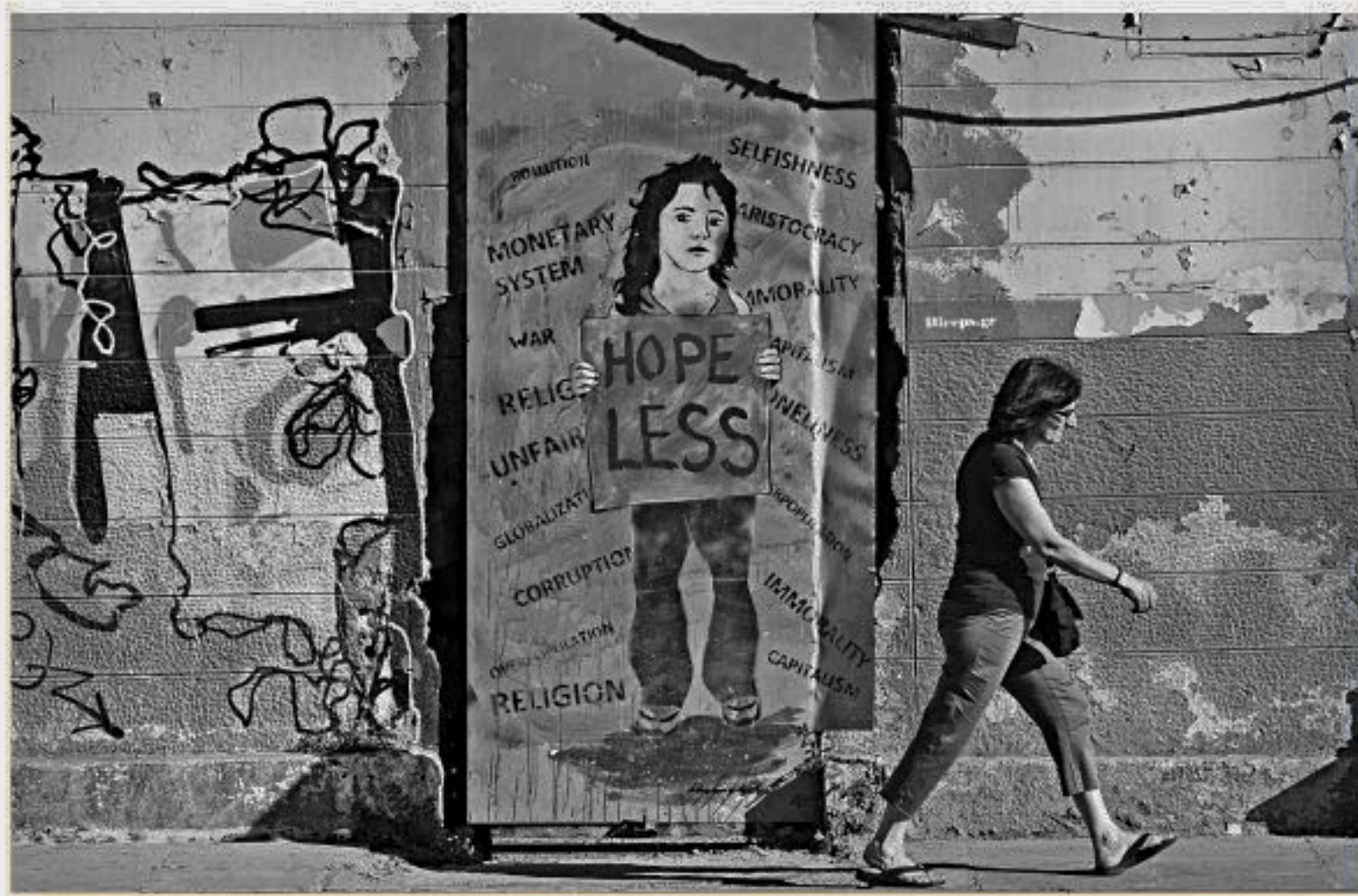


PHOTO: AFP
A woman walks by a graffiti on a wall in Athens on Friday. Greece's economic crisis is inspiring graffiti that probe acute social phenomenon.

In an election fought over a punishing austerity package demanded by international lenders as the price of keeping Greece afloat, opinion polls showed the radical leftist Syriza party, which wants to scrap the deal, running neck and neck with the conservative New Democracy, which broadly backs it.

calamity, although he, too, wants to ease some aspects of the package.

The European Union and International Monetary Fund have said the conditions of the 130-billion-euro (\$164-billion) bailout accord agreed in March must be accepted fully by a new government or funds will be cut off, driving Greece into bankruptcy.

All the main parties say they will keep Greece in the single currency, but Syriza leader Alexis Tsipras believes a new deal can be renegotiated, betting that European leaders cannot afford the financial market turmoil that would be unleashed by cutting a member of the euro zone loose.

Opinion polls show Greeks, weary and disillusioned after five years of deep recession, overwhelmingly favour remaining in the euro, but there is bitter anger over repeated rounds of tax hikes, slashed spending and sharp cuts in wages and pensions.

"We beat fear. Today we are opening the road to hope, the road to a better tomorrow with our people united, dignified and proud, in a Greece that is an equal member of a Europe that's changing," said Tsipras, 37, who has shot from obscurity to global celebrity in a matter of weeks.

"We are optimistic. The future belongs to the bearers of hope. We will win," he told a jostling media scrum.

On the right, establishment heir and New Democracy leader Antonis Samaras says rejection of the EU/IMF bailout would mean a return to the drachma and even greater

economy and one of the heaviest debt burdens in the world.

A previous election on May 6 created weeks of uncertainty when no party was able to form a government and markets will now watch anxiously for the first signs of a result, with exit polls due shortly after voting ends at 7:00pm.

The party gaining the most votes gets an automatic 50-seat advantage but neither New Democracy or Syriza is expected to have an outright majority and whichever emerges as the top party will have to hold coalition negotiations with smaller groups.

The Socialist Pasok party, virtually wiped out in the inconclusive May election, would join its old rivals New Democracy in a pro-bailout unity government, an option Syriza has repeatedly ruled out.

Some European leaders have urged Greeks to reject Syriza or risk undermining the very foundations of the single currency.

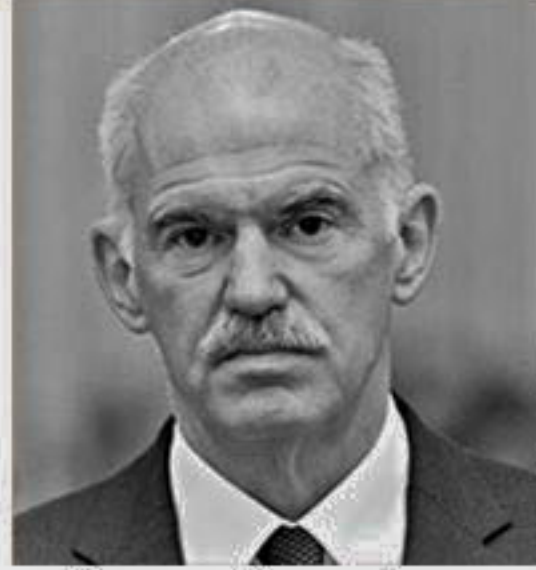
Five opinion polls published before a blackout two weeks ago put New Democracy narrowly ahead. Two other polls had Syriza leading.

But whoever wins power may find it is short-lived and, despite the insistence of EU politicians, some adjustment of the bailout terms may be inevitable if Greece is to get on top of a public debt amounting to 165 percent of gross domestic product.

Euro zone paymaster Germany warned Greeks on Saturday the bailout would not be renegotiated.

A Greek exit from the single currency would heap further pressure on two far larger European economies - Spain has

AFP, London
Greece's former prime minister George Papandreou yesterday said that Europe faced a make or break moment, adding that the euro currency's problems went far deeper than those of his own country.



George Papandreou

Speaking as his countrymen went to the polls in a historic election, Papandreou said closer banking union was needed across the EU, but that it would be "catastrophic" for Greece if it had to leave the eurozone.

"I think we're at a make or break point in Europe," Papandreou, who stood down as leader of the Pasok socialist party in March, told the BBC.

"We must leave behind all this nationalistic rhetoric about who's to blame, whether it's about the southerners or the austere Germans or whatever."

"We need to work together, we need to pool our strengths."

Papandreou said Greece was merely a harbinger of the "deeper problems" in the European Union and the eurozone, particularly the lack of a banking union, common fiscal policy and common economic policy.

Papandreou said there was also a risk that extreme political groups across Europe could profit from the crisis, after the neo-Nazi party Golden Dawn entered the Greek parliament in the inconclusive general election on May 6.

INDIAN PRESIDENTIAL POLLS

Difference in opposition, defers decision on nominee

OUR CORRESPONDENT, New Delhi

India's main opposition BJP-led National Democratic Alliance (NDA) yesterday deferred its decision on the issue of candidature for the July 19 presidential polls amid indications of differences in the combine whether to back ruling UPA nominee Pranab Mukherjee or force a contest against him.

Key NDA constituent Shiv Sena, BJP's oldest ideological ally, skipped the NDA meeting. Sena leader Sanjay Raut said his party chief Bal Thackeray will take the decision on presidential nominee.

There had been hectic consultations between NDA parties over whether to support Mukherjee or file its own candidate. While the BJP core group leaders met at party president Nitin Gadkari's residence on Saturday night, Shiromani Akali Dal and the Janata Dal (United) held a meeting on Saturday morning.

Sources say a section of BJP favours a consensus on Mukherjee, particularly since

A P J Abdul Kalam, propped by Mamata Banerjee-led Trinamool Congress to challenge the Indian Finance Minister for the top post, is unwilling to enter the fray without being assured of victory.

JD (U), a key constituent of NDA, is also not keen on a contest arguing that UPA have the numbers in favour of it to win a contest but a section of BJP wants the fight and is not averse to backing former Parliament Speaker P A Sangma whose candidature has been backed by two ruling regional parties Biju Janata Dal (BJD) in Orissa and AIADMK in Tamil Nadu states.

A section of BJP feels that backing Sangma against Mukherjee might help it woo key regional outfits like BJD and AIADMK ahead of the fresh parliamentary elections in 2014. BJP also reckons that a presidential poll contest would also provide it an opportunity to be on the same as Mamata who has opposed Mukherjee's nomination for the top post.

Regime tightens grip as UN halts mission

AFP, Damascus

Syrian troops yesterday tightened their grip on the flashpoint city of Homs as the opposition demanded the deployment of armed peacekeepers after UN observers halted their work because of bloodshed.

Violence cost at least another 11 lives yesterday, taking the overall weekend death toll across the unrest-swept country to 80, according to the Syrian Observatory for Human Rights.

Residents have reiterated fears expressed by the opposition and rights watchdogs that, should regime forces enter the besieged districts, people trapped inside them "will be massacred."

The United Nations Supervision Mission in Syria, or UNSMIS, suspended its operations two months into its three-month mandate on Saturday, blaming the intensifying violence.

The United States said the decision marked a "critical juncture" for Syria and that it was discussing with its allies the way ahead for a "political transition" as set out in two UN Security Council resolutions.

British Foreign Secretary William Hague expressed "regret" at the suspension, saying that it "calls into serious question the viability of the UN mission."

The exiled Syrian National Council, the country's main opposition group called on the UN Security Council to adopt a resolution under Chapter VII of the UN Charter to arm the observers.

Iran, powers to meet in Moscow today

AFP, Moscow

World powers resume crisis talks with Iran today amid hope that a crippling oil embargo and pressure from hosts Russia will finally force the Islamic Republic to scale back its nuclear drive.

The two-day meeting follows a bruising May session in Baghdad during which Iran nearly walked out of negotiations aimed ultimately at keeping it from joining the exclusive club of nations with an atomic bomb.

Host Russia however is keen to flex its diplomatic muscle over Iran to avoid foreign military intervention in the 16-month crisis in Syria.

Two of the biggest bones of contention involve the speed with which world powers lift existing sanctions and the recognition of Iran's "right to enrich".

Egypt polls enter final day

AFP, Cairo

Egyptians were voting yesterday in the second and last day of a highly divisive run-off presidential election between an Islamist once jailed by Hosni Mubarak and the ousted leader's last prime minister.

Former air force chief Ahmed Shafiq, who served as president Mubarak's prime minister in the last days of the uprising that toppled him, is vying for the top job against Muslim Brotherhood candidate Mohammed Mursi.

Polling stations opened at 0600 GMT with small queues forming outside some, an AFP photographer said.

The election comes against a backdrop of legal and political chaos, with the Muslim Brotherhood set on a confrontation path with the ruling military after it ordered the Islamist-led parliament dissolved.

The move throws Egypt's already tumultuous transition after Mubarak's ouster last year into further disarray with the new president expected to take office without a parliament and without a constitution.

The race has polarised the nation, dividing those who fear a return to the old regime under Shafiq from others who want to keep religion out of politics and fear the Brotherhood would stifle personal freedoms.

The military says it does not want to stay in charge and promises to hand power by the end of the month.

On Saturday the military notified parliament it has been dissolved and banned its members from entering the house, a move swiftly rejected by the Islamists.

Blasts hit Nigeria churches

AFP, Kano

Bomb blasts damaged five churches in four cities in Nigeria's northern Kaduna state yesterday, injuring dozens of worshippers and leading to an immediate curfew, officials said.

The number of casualties in the blasts in the neighbouring cities of Zaria and Kaduna and in the southern Christian-dominated Nassarawa and Barnawa was not immediately clear. Police and the military cordoned off the areas.

Kaduna state authorities immediately imposed a 24-hour curfew.

The state-run National Emergency Management Agency (NEMA) said the blasts happened in the Wusasa and Sabongari districts of Zaria, previously targeted by the Islamist group Boko Haram.

No group has claimed responsibility for the attacks.

PARLIAMENTARY RUN-OFF Socialists on track for majority in France

REUTERS, Paris

France voted in a parliamentary run-off yesterday expected to hand President Francois Hollande's Socialist party a majority and strengthen his position in legislative battles over euro zone crisis policy.

A clear majority reliant neither on opposition conservatives nor eurosceptic hard leftists, as opinion polls suggest, would be a boon as Hollande prepares legislation to raise taxes, adjust budget spending and ratify an EU fiscal discipline pact.

Yet with yesterday's election in Greece threatening to tip Europe into chaos and French voters already weary of belt-tightening, Hollande will have no time to bask in glory.

Opinion polls and projections from last Sunday's first-round vote suggest the Socialist bloc could achieve the 289 seats needed for a majority in the 577-member National Assembly even without adding seats from its Green Party allies.

Added to its control of the Senate and the presidency, that would give the Socialists more power than they have ever held and should leave Hollande's largely social democratic and pro-Europe cabinet broadly intact.

Hollande, who won power last month, will fly to Mexico today with voting slips barely counted for the first of a flurry of summits. His decision to side with southern nations weary of austerity has opened a rift with Europe's paymaster Germany that the Socialist needs to fix fast.



Francois Hollande

Fire kills 13 in Turkey prison

AFP, Istanbul

Thirteen prisoners died from smoke inhalation after inmates started a fire during a mutiny in a jail in southeastern Turkey, officials said yesterday.

The prisoners set fire to blankets and beds in a cell in the Sanliurfa city prison late Saturday, but it was brought under control before it could spread throughout the jail, which holds 1,000 inmates, the Anatolia news agency reported, quoting governor Celalettin Guvenc.

Another five prisoners were hospitalised, as well as 12 prison staff who were injured during the rescue.

The fire broke out during a fight in a dormitory with 18 inmates, Turkey's Prime Minister Recep Tayyip Erdogan told media, relaying a survivor's account.

Sanliurfa, the city's largest jail, reportedly had an initial capacity of around 250, but was upped to 600 in recent years with additional bunk beds.

Energy, water goals doomed to fail



BBC ONLINE

Governments are set to weaken pledges on boosting access to water and energy after a new draft negotiating text was issued at the Rio+20 meeting.

The text was issued by the Brazilian host government after it assumed leadership of the talks from the UN.

It affirms that nations must not slide back on prior pledges and names ending poverty as the "greatest challenge".

Brazil wants the text signed off before 130 heads of government and other ministers arrive on Wednesday.

The new text was not officially distributed to journalists, despite pledges that the meeting here was "accessible".

Preparatory talks were supposed to end on Friday evening, but at that stage only 37% of the UN's draft text had been agreed - which led to Brazil's decision to issue a revamped document.

The 50-page text, obtained by BBC News, gives developing countries much of what they have been asking for in terms of principles without agreeing to their demands for firm pledges of financial and technological assistance from the West.

In another move that should please developing countries, the text confirms the principle that developed and developing countries have "common but differentiated responsibilities" in moving towards sustainable development.

But whereas developing countries have been demanding \$30-\$100bn per year in exchange for "greening" their economies, the draft text gives no firm numbers.

UN Secretary-General Ban Ki-moon's Sustainable Energy for All initiative, which aims to provide everyone on the planet with modern energy by 2030 and increase

progress on renewables and energy efficiency, is only "noted" - not endorsed.

And there is no commitment to end fossil fuel subsidies, as some countries have been advocating.

Many campaign groups have been urging that this summit should at the least acknowledge everyone's basic right to food

and water. The right to food - to which the US has objected during talks - is enshrined in the draft text, but the language on water is vaguer.

Groups working on ocean conservation were however pleased that the text contains commitments to end illegal and exploitative fishing, support local small-scale fishers, and set up a process that would eventually regulate fishing and protect life on the high seas.

Various delegations, especially the US, Canada and the powerful G77/China bloc of 131 developing countries, have previously put red lines



A Brazilian activist dressed as the Grim Reaper poses with a globe during the people's summit in Rio de Janeiro, Brazil on Friday.

PHOTO: AFP

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