

SMALL PARTIES TO PLAY OUTSIZED ROLE IN GREEK ELECTION

ATHENS: Greece's splintered political landscape means small, often relatively new parties may determine whether the winner of elections next month can cobble together a lasting government and avoid a new financial crisis. The Jan 25 vote marks a showdown between the conservative New Democracy

party of Prime Minister Antonis Samaras, who imposed unpopular budget cuts under Greece's international bailout deal, and the radical leftist Syriza of Alexis Tsipras, who wants to cancel austerity along with a chunk of Greek debt.

Syriza holds a lead over New Democracy

in opinion polls, although this has narrowed to only about three percentage points in the run-up to the election, called after parliament failed to elect a new Greek president this week. But neither may be able to form a government alone, even with a 50 seat-bonus that the constitution automatically awards to the biggest party in the 300-seat chamber, leaving one or more of the smaller groups to shape the final outcome.

Dominated for decades by New Democracy and the Socialist PASOK party, Greek politics have been radically reshaped by the debt crisis that forced the country to accept two bailouts worth \$240 billion (\$292 billion) from the European Union and IMF. In return they demanded harsh measures, which have deepened an anti-establishment mood and anger against the old order. One of the parties most likely to hold the balance of power is To Potami ("The River"), a recently-created centrist group which has refused to define itself as pro- or anti-bailout. The other is PASOK, which was in Samaras's outgoing coalition despite taking an electoral thrashing in 2012, and is now expected to split.

"Small parties were on the sidelines in the past but now will be the determining factor in the coming election," said a senior official from the PASOK faction that is expected to break away in the coming days. Two small anti-bailout parties, the Democratic Left and Independent Greeks, are possible allies for Syriza. However, the Democratic Left is not expected to win 3 percent of popular vote,

the minimum required to enter parliament, and may be absorbed by Syriza before the election.

The right-wing Independent Greeks would make unusual allies for Syriza, with which they have little in common apart from dislike of the bailout deal. Polls show a group of parties jockeying for third place behind Syriza, which is now the main force on the Greek left, and New Democracy. They are the far-right Golden Dawn, the KKE Communist party, PASOK and To Potami. Golden Dawn, which has a swastika-like emblem, denies it is neo-Nazi or that it has been involved in violent attacks. Nevertheless, all other Greek parties refuse to deal with it, while the KKE has ruled itself out of any coalition alliance. That leaves To Potami in prime position to become kingmaker. Set up this year by a prominent TV journalist, the party made its debut in elections to the European Parliament in May, when it came fifth with 6.6 percent.

Taking Fright

Financial markets took fright on Monday when Samaras was forced to call the election, worrying that Tsipras will win and tear up the bailout deal that saved Greece from bankruptcy. However, if Tsipras were to win but fail to find a coalition partner, Greece could also face a political crisis. Political analyst John Loutis expected Syriza and To Potami to team up. "Once Tsipras wins, the most stabilising development will be to cooperate with

Potami, but both of them will keep denying it until the right moment," he said.

Polls show 5 to 6 percent support for To Potami, which insists it is firmly pro-euro and pro-reform but opposes certain austerity measures. It also wants Greece's debt to be settled within a broader resolution of Europe's problems. Party leader Stavros Theodorakis has opened To Potami to a deal with either of the big parties, describing his natural allies as the "reasonable" members of Syriza or "the liberals in New Democracy, not the neoliberals".

The other player will be PASOK, whose support has shriveled from 42 percent of the vote just five years ago to 4 to 6 percent. Its future is in doubt, with former Prime Minister George Papandreu expected to set up his own party with some disgruntled PASOK lawmakers. "Papandreu's party is a huge question now," said Costas Panagopoulos of ALCO pollsters, saying the new group could steal votes from Syriza, PASOK and even New Democracy. Some analysts speculate that either faction could prop up Syriza if it toned down its anti-bailout stance.

"If Syriza moderates its program on key issues like the economy and comes closer to our program, we can support a Syriza government without necessarily participating in their government," said the PASOK official allied with Papandreu. "Parties that participated in the government during the crisis took a huge risk - that's why some of them shrank or disappeared. They become unpopular to their voters." —Reuters



ATHENS: A police officer places outside the Greek parliament an announcement of the parliament's dissolution yesterday. —AFP

LITTLE HOPE FOR FUTURE AS EAST UKRAINE ENDS NIGHTMARE YEAR

SMALL VILLAGE TURNED INTO FRONTLINE

MARINIVKA, Ukraine: Larissa Pogorelka began the year looking forward to seeing her son graduate college and planning for the future with cautious optimism. Now she will end 2014 homeless, after her house was destroyed in the fighting that swept through this region of east Ukraine, and counts herself

and totally unremarkable, hamlet of 600 inhabitants. Life was sometimes tough but it was at least predictable and people here had a sense of sleepy stability. That, though, has been turned upside down as a conflict that no one saw coming between Ukrainian troops and Russian-backed rebels turned

street, no house they pass seems to have escaped undamaged. Here a roof is missing, there a family home is little more than charred remains.

The two-storey school, once the pride of the community, is an empty shell pockmarked by gaping holes caused by tank shells. "You can see what a night-

several months, people are still struggling to work out how the ouster of former president Viktor Yanukovich in February could have ended up with war coming to their doorsteps. "They are in shock. People cannot digest what horrors have happened here," says Valentina's husband Alexander Fyodorov. "We were not prepared for this." Ukraine and the West blame Russia for artificially stirring the rebellion and even sending its own troops over the border, while Moscow paints the uprising in the east as a legitimate reaction to an illegal coup in Kiev.

But for those caught up in the violence, there is little reasonable explanation for what has happened. "The only thing you can put it down to is human insanity," Fyodorov said. "To use howitzer cannons to shoot at peaceful houses - it is just madness." In the neighbouring village of Stepanivka, former tractor driver Vladimir Samolenko glances at the burned-out wreckage of a Ukrainian tank as he opens his front gate.

Inside his cramped living room, his wife Zinaida is boiling some water for potatoes as their granddaughter Katya builds a house out of Lego bricks. "Before the war, we at least received pensions and wages," says Samolenko, 76. "It was possible to live." Now electricity is a constant problem and money is running short after the central authorities in Kiev stopped making welfare payments to the rebel-held areas. "We hope that the war won't return but we feel that it is not over yet," he said. "As for the future, it is impossible to say," he sighed, tracing a large question mark in the air with his finger. —AFP

marish year it has been for us," said Valentina Fyodorova, pointing to the shrapnel scars in the wall of her modest grocery store. "We were peaceful people. Things were good, but now they are bad."

'It is Just Madness'

Although the situation has been more or less calm here for



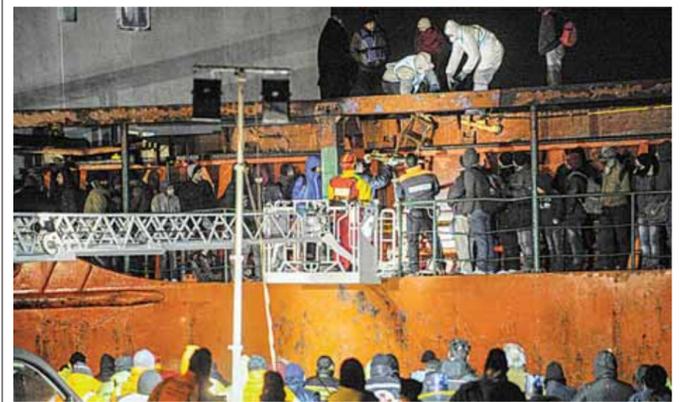
LISICHANSK, Ukraine: A fighter from the Donbass Ukrainian volunteer battalion wearing a Father Frost (the equivalent of Santa Claus) hat stands near this eastern Ukrainian city in the Lugansk region yesterday. —AFP

lucky just to be alive. "Nobody ever expected any of this to happen," the shopkeeper, 42, told AFP. "My home has burnt down and I am living with my parents. What have I lived for? In one day you can just lose everything."

Just a few kilometres from the Russian border, Marinivka in Ukraine's restive Donetsk region, used to be a pleasant, if poor

the village into a front line.

Over the past eight months, the strategic location has swapped hands several times between government forces and the insurgents. Since the end of the summer it has been under separatist control. As a handful of local residents trudge through the snow and brave the icy wind along the main Seleverstova



GALLIPOLI, Italy: Aid workers wait early yesterday near the Moldovan-flagged ship Blue Sky M in the port of this city in southeastern Italy. —AFP

DISASTER AVOIDED AS SHIP STOPPED OFF ITALY

GALLIPOLI, Italy: Italy's coastguard said yesterday it had narrowly averted another high seas disaster by intercepting a freighter that was on a collision course with the country's rocky shoreline with more than 900 Syrian refugees on board. In what was the second maritime drama of recent days, officers revealed that the huge cargo ship's engine had been locked on with the steering set on a direction that would have led to it crashing ashore somewhere in the Puglia region on the "heel" of Italy.

The coastguard, already working flat out because of the Norman Atlantic ferry disaster, scrambled two helicopters overnight after realising that the Moldovan-registered Blue Sky M, was headed for disaster. Six coastguard officers boarded the vessel and, after some frantic moments on the bridge, were able to unlock the engines and bring the boat under control just five miles from the coast. "It was a real race against the clock," coastguard spokesman Filippo Marini said. "Unlocking the engines was a difficult and delicate operation, but they managed to do it." In a tweet from its official account, the coastguard said a "massacre" had been avoided.

Distress Call

The migrants on board, including a heavily pregnant woman whose waters broke during the drama, were taken to the port of Gallipoli as an inquest began into how the alarming incident had occurred. Greece's coastguard had on Tuesday afternoon received a distress call from someone on board the Blue Sky M who reported that it was being navigated by heavily armed men. A navy frigate, a helicopter and two patrol vessels were dispatched to intercept the boat off the island of Corfu.

But after what now appears to have been a very cursory check, the vessel was allowed to continue its journey. A spokesman for Greek port police told AFP at the time that an inspection had revealed "no (mechanical) problems and nothing suspicious on the boat." Italian officials suspect that the vessel was then under the control of people smugglers who later jumped ship, as they frequently do in the knowledge that their human cargo will be picked up by navy or merchant ships. One man suspected of involvement with the traffickers was arrested after the port arrived in Gallipoli.

Conflict and Poverty

The drama came as Italy and Greece were coping with the aftermath of the Norman Atlantic disaster, which has left at least 13 people dead and dozens more unaccounted for. The Italian-owned, Greek-operated ferry was due to be towed Wednesday from waters off Albania back to Italy. The cause of a killer blaze that erupted on the ferry on Sunday remains unknown and investigations aimed at finding out what happened have been opened in Italy and Greece.

Survivors who waited up to 24 hours to be rescued from the burning ship have highlighted major shortcomings in the crew's response to the emergency. Doubts over the accuracy of the passenger list have hampered attempts to establish the true scale of the tragedy. The prosecutor in charge of the Italian investigation has said he expects to find more bodies aboard the burnt-out ferry, which was carrying an unknown number of stowaways and more than 400 passengers and crew. —AFP

ITALY PRESIDENTIAL CHOICE POSES PROBLEM FOR PM

ROME: An expected decision by Italy's president to step down next year would leave Prime Minister Matteo Renzi facing one of his most delicate political challenges. After dropping hints for months, 89-year-old Giorgio Napolitano, was likely to indicate in an end-of-year address yesterday evening that he will leave his post early next year, although he may not name an exact date. The Italian head of state holds wide but loosely defined powers, including appointing prime ministers, and can veto legislation as well as using the office's moral weight to influence the political agenda.

If Renzi cannot steer an acceptable candidate through the complicated presidential election process, it will raise doubts about his ability to push through economic reforms and planned changes to the constitution and electoral system. That would fuel speculation about early

elections, adding to the political uncertainty surrounding the euro zone.

Napolitano, a former communist respected in Europe and Washington, reluctantly agreed to a second term last year after a deadlocked election threatened to leave Italy politically adrift, but said he would not serve the full seven years. Months of speculation about potential successors have thrown up names ranging from European Central Bank President Mario Draghi to current Economy Minister Pier Carlo Padoan or Defence Minister Roberta Pinotti.

Renzi, 39, appointed by Napolitano less than a year ago as Italy's youngest-ever prime minister said on Monday he was "absolutely certain" a successor could be elected. But the process is full of hazards that could absorb valuable political energy as Italy struggles to pull out of recession. Electing a president involves about 1,000 voters -

members of parliament and representatives from the regions. It allows for multiple rounds of voting by secret ballot, offering ample opportunity for revenge to the many party enemies Renzi has made during his whirlwind months in charge.

Former Prime Minister Silvio Berlusconi, still burning with resentment at Napolitano's presumed role in his tumultuous 2011 downfall, has insisted that an agreement on the president will be needed for his support for wider constitutional reforms. But the experience of 2013, when former Prime Minister Romano Prodi was rejected by around 100 disgruntled lawmakers in his own party, also underlines the danger from within. That fiasco toppled the then-leader of the Democratic Party Pierluigi Bersani, who had proposed Prodi, ultimately paving the way for Renzi to seize control of the party a few months later. —Reuters



TIRANA: Albanian Prime Minister Edi Rama (left) takes a selfie with Italian Prime Minister Matteo Renzi after their meeting on Tuesday. —AFP