

Greece Debt Crisis: Voters Head to Polls on Referendum

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Athens, Greece: Greeks lined up at polling stations and ATMs alike Sunday as the country voted on its financial future, choosing in a referendum whether to accept creditors' demands for more austerity in return for rescue loans or defiantly reject the deal.

Early indications suggested a high turnout after a week of intense campaigning left Greek cities littered with fliers and posters and opinion polls showed voters evenly split on the first referendum Greece has held in 41 years.

Prime Minister Alexis Tsipras, who was gambling the future of his 5-month-old left-wing government on the hastily called poll, insisted that a "no" vote would strengthen his hand to negotiate a better deal with creditors while a "yes" result would mean capitulating to their harsh demands.

The opposition, meanwhile, accuses Tsipras of jeopardizing the country's membership in the 19-nation club that uses the euro and says a "yes" vote is about keeping the common currency.

"Today, democracy is defeating fear ... I am very optimistic," Tsipras said after voting in in Athens, surrounded by dozens of journalists.

His high-stakes standoff with lenders from the eurozone countries and the International Monetary Fund resulted in Greece defaulting on its debts this week and shutting down its banks to avoid their collapse.

European officials have openly urged Greeks to vote against the government's recommendation.

"I hope people say 'yes,'" European Parliament President Martin Schulz told German public radio.

"If after the referendum, the majority is a 'no' they will have to introduce another currency because the euro will no longer be available for a means of payment."

As voters flocked to polling stations, large lines once again formed at ATM machines so worried Greeks could withdraw their daily limit of 60 euros (\$67) part of the banking restrictions imposed June 28 in an attempt to halt a bank run.

Daniel Tsangaridis, a 35-year-old Athens resident, said he didn't expect banks to reopen soon, despite a government pledge to do so on Tuesday.

"It's not going to happen in the next 48 hours," he said. "If the situation improves and we can have a deal, then the banks will open."

Tsipras' left-wing Syriza party came to power in January after a six-year recession. Since then, the standoff between Athens and its international lenders has grown more bitter, and early signs of some economic growth and recovering employment in Greece have disappeared.

The debt-racked nation also suffered repeated ratings downgrades and lost access to billions of euros after its existing bailout deal expired last week.

Polls published Friday showed the two sides in the referendum in a dead heat with an overwhelming majority about

75 percent of people wanting Greece to remain in the euro currency. Polls also showed a generation divide, with younger voters favoring the "no" side more than older voters.

Greek Police and Protesters Clash at Rally 0:28

"Today, we Greeks decide on the fate of our country," conservative opposition leader Antonis Samaras said. "We vote 'yes' to Greece. We vote 'yes' to Europe."

The sense of urgency was palpable as Greeks struggled to decipher a convoluted referendum question after being bombarded with frenzied messages warning of the country's swiftly approaching financial collapse.

Athens voter Nikolaos Papadopoulos said he cast a "yes" ballot.

"I believe in a democracy, in a united Europe, in a world with a good economy. And I want us all to work together to move forward and not to be retrogressive," he said.

"No" voter Ioannis Nikolaou disagreed.

"I voted for Tsipras and want to vote 'no' because I've lived in Europe and know what rights Europeans and Greeks have ... they don't have the same rights," he said.

Greek Finance Minister Yanis Varoufakis has said he will step down if the "yes" vote wins.

"Today, after five years of failures and mistakes, the Greek people have the opportunity to decide on the last ultimatum (by creditors)," Varoufakis said as he and his 90-year-old father voted at a seaside suburb of Athens. "This is a sacred moment a moment hope for all of Europe ... that a common currency and democracy can coexist."

Deputy Prime Minister Yiannis Dragasakis, meanwhile, denied reports he has been selected as the government's candidate to head a possible national unity coalition if the current government resigns.

Even if the results Sunday lean strongly toward the "yes" or "no" side, neither result leads to a clear answer for what Greece should do about its overstretched finances.

A "yes" result would likely produce a national unity government with a new election to follow but that would take time and without financial assistance, the chances of a full, chaotic default would increase.

Greece is no longer in a bailout program since its previous package expired. It now has to negotiate a new one with its creditors that involves even more money for the government and banks and new economic austerity measures. That will take time meaning the banking restrictions on money withdrawals and transfers may remain in place for longer than anticipated.

Despite the Greek government's assertion that a "no" vote will not lead to a euro exit, most experts agree it would open up more uncertain financial outcomes.

A number of European politicians, including Jeroen Dijsselbloem, the top eurozone official, have said a "no" vote would jeopardize Greece's place in the 19-nation eurozone. Investors are also likely to believe a "no" win increases the chance of a so-called "Grexit," where Greece returns to its own old currency.

German Foreign Minister Frank-Walter Steinmeier said a "no" win won't make a future compromises with the

country's creditors easier " on the contrary. But he said he expected Greece to remain in the 28-nation European Union no matter what the result of Sunday's vote.

- AP