

Greece's Struggle to Form a Government



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Greece's Socialist leader Evangelos Venizelos speaks to reporters after his meeting with Democratic Left leader Fotis Kouvelis at the Greek Parliament in Athens Thursday

This is the VOA Special English Economics Report.

The Olympic flame was lit in Greece Thursday.

(SOUND)

The ceremony marked the beginning of a long trip through Greece and Britain, which holds the Summer Olympics this year.

Greece has been at the center of a political and economic struggle that threatens many of Europe's economies. It remains unclear if Greece will continue using the euro or if its eurozone partners can enact reforms needed to hold the currency group together.

On the day the Olympic flame was lit, Greek Socialist leader Evangelos Venizelos began an attempt to form a new government. It marked the third attempt to form a government this week after parliamentary elections last Sunday.

First, the conservative New Democracy party attempted and failed. Then the leader of the leftist Syriza coalition, Alexis Tsipras, also failed. He said that the election results showed the Greek people had rejected deep budget cuts required by international creditors.

Mister Venizelos heads the PASOK party, which took third place in the elections. Experts have questioned whether he can form a government. That means the Greek President may ask parties to form an emergency coalition. If that does not work, new elections could be called.

But for Greece, that could mean pain from its eurozone creditors. They could deny future payments from the financial rescue plan agreed to in February. The agreement is worth about one hundred seventy billion dollars in loans and cancelled debt. The rescue is the second and largest for Greece since its debt crisis began in two thousand nine.

On Thursday, euro-area governments released a \$5.5 billion loan to Greece. But Greek officials were reportedly unhappy that over one billion dollars was withheld. The failed efforts to form a government have raised concern that reforms can work in Greece. The country is now in its fifth year of recession.

German Chancellor Angela Merkel spoke to parliament in Berlin Thursday. The leader of Europe's biggest economy said borrowing to get growth would be a step backward.

ANGELA MERKEL (TRANSLATED): "Growth through structural reform is important and necessary. Growth through debt would throw us back to the beginning of the crisis."

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