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On the project

Euroscepticism and the European Parliament elections in 2014, the EU's Neighbourhood in light of the Ukraine crisis and power relations in the EU: The EU-28 Watch project is mapping out discourses on these issues in European policies all over Europe. Research institutes from all 28 member states as well as Iceland, Macedonia, Montenegro, Serbia and Turkey give overviews on the discourses in their respective countries.

This survey was conducted on the basis of a questionnaire that has been elaborated in March 2014. Most of the 33 reports were delivered in June 2014. This issue and all previous issues are available on the EU-28 Watch website: www.EU-28Watch.org.

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Cyprus

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1. Euroscepticism and European Parliament elections

Economic crisis brought political crisis

In the Republic of Cyprus, the campaign for the 2014 elections for the European Parliament took place in a tense, highly volatile and totally unpredictable political environment. Cypriots shared with other “Southern” EU member-states the high unemployment, especially youth unemployment, painful economic recession, personal pessimism and social disorientation. Other causes, however, were *sui generis* to Cyprus: the ongoing debate on the actual domestic and external *sources* of the financial and broader economic crisis that led to the Troika’s hegemony; anxieties generated by the new bi-communal negotiations to resolve the Cyprus problem; and deep insecurities due to the feared “package deal” imposing a pseudo-resolution of the country’s problem and a possible usurpation of the promising hydrocarbon deposits in Cyprus’s exclusive economic zone.

Together with the sustained disappointment at the lack of EU solidarity after the devastating Eurogroup decisions of March 2013, these were the key topics in the 2014 electoral campaign in Cyprus. They were pursued by the political parties on a mixed “Cyprus and EU” agenda, while the voters treated them essentially in an ethno-centric manner.

The long-suspected abstention “won” on 25 May, when less than half of the voters participated. In fact, the abstention reached 56.03 percent of the electorate, something unprecedented for Cypriot electoral standards. Also, only a small percentage of the registered Turkish Cypriot voters showed up to vote.

Abstention from voting has long been attributed to young voters’ indifference and voter discontent with traditional politics and parties. The 2009 Euro-parliament elections were held in the middle of a three-day local holiday; and so Cypriots’ “not leaving the beach to vote” was widely cited to explain the record abstention (40.60 percent). Things, however, were more complicated this time.

According to Cypriot political analysts, the extraordinary abstention was to be expected as the decision of the Eurogroup for a bailout, which included a haircut on Cypriot deposits, was perceived by the majority of the people as an unsuccessful economic experiment, which had a devastating impact on the overall economy of the country and the lives of countless European citizens. Moreover, a large majority of Cypriots believe that the Eurogroup’s decision aimed at downsizing the Cypriot banking sector, neglected that the main problem that had arisen for this sector was largely its exposure to the Greek economy and debt, which was reduced via a “haircut”. Prior to the latter, and while EU officials were assuring the market that the Greek bonds were guaranteed, banks from a large European country were selling these bonds to the Cypriot banks with a 20 percent discount.

The election results left the majority of the parties relatively satisfied albeit probably alarmed about their political future. The breakdown of votes was as follows: Ruling conservative Democratic Rally (DISY) 37.75 percent (97,732); left-wing Progressive Party of Working People (AKEL) 26.98 percent (69,852 votes); centrist Democratic Party DIKO 10.83 percent (28,044); Social Democrats Movement EDEK/Environmentalists and Ecologists Movement 7.68 percent (19,894); Citizens Alliance 6.78 percent (17,549); Message of Hope 3.83 percent (9,907); extreme right National Popular Front ELAM

2.69 percent (6,957); and some small formations and independent candidates received less than 1 percent each.

These results did not substantially alter the parties' power and ratio in the political map of Cyprus, despite some shift of voters affected by the participation of the new centre-left Citizens Alliance. DISY recorded the biggest percentage in these elections, although in absolute numbers of voters it suffered a decrease of 14 percent and in real numbers hardly got 16 percent of registered voters. Arguably, even this percentage represented a synthesis, since DISY and EVROKO cooperated during the elections.

AKEL, which had faced the biggest pressure during the pre-election period, managed to sustain its percentages by reaching 26.98 percent. In absolute numbers AKEL lost more than 1/3 of its 2009 votes. With roughly 70,000 votes, the main opposition party constitutes the choice of 11 percent of the electoral body, which could prove worrisome for its future. Political commentators were convinced that AKEL's new percentages resulted from the poor previous presidency by ("communist") Demetris Christofias.

The Centrist DIKO succeeded, with the help of abstention, in exceeding the psychological barrier of 10 percent with relative comfort. Nevertheless, in absolute numbers DIKO lost 25 percent of its voters compared to 2009. Apparently, around 10,000 persons did not vote for the party, hence DIKO was chosen by 4.6 percent of the electorate.

As regards the combination of EDEK-Ecologists, they received a positive vote of 7.68 percent, a percentage that is translated, in absolute number of voters, to roughly 20,000 votes or 3.3 percent of the electoral body. This result marked the biggest reduction of electoral power compared to 2009.

It follows that Cypriot political parties must work much harder towards the drastic changes required in the socioeconomic and political life of Cyprus and the EU in order to win over the citizens. Intriguingly, "alternative choices," through candidatures and combinations that were criticizing the current political life, did not seem to impress the electorate.

Disappointment over EU

As regards euroscepticism, if we define the term as the absolute or wholesale rejection of the EU project, there were no serious political parties or formations to which this term could be attached. Even AKEL, traditionally "Europhobic" and steadily inimical to "the EU's neo-liberal economic policies", did not call for the rejection of the Union but fought instead to keep its second EP seat that was being threatened according to numerous pre-election polls.

Euroscepticism as such was not addressed directly by Cypriot polls. And since public opinion was fixated on the disconcerting domestic problems, it is hard to separate the widespread Cypriot disappointment with domestic institutions from the Cypriots' lack of trust exhibited vis-à-vis the EU as identified by Eurobarometer 415, *Europeans in 2014*. According to data collected between 15 and 22 March 2014, only 22 percent of Cypriots (versus 32 percent in the EU average) responded that they tend to trust the EU, while 74 percent tend not to trust it (59 percent in EU-28). But noteworthy is also the Cypriots' parallel lack of trust towards two domestic institutions. On their Parliament, while the EU average of trust was 27 percent, the Cypriots' was only 15 percent (while the corresponding lack of trust was 68 percent and 83 percent). As for their Government, the Cypriots' trust level was 22 percent (EU 26 percent) while the lack of trust was 74 percent (EU-28, 71 percent).

Recalling the broader causes of Cypriot dissatisfaction, disappointment and even anger preceding these elections, we submit that, currently in Cyprus, we seem to be confronted by a phase of Euro-disappointment, albeit cohabiting with a dormant Euro-optimism.

Thus, DISY president, Averof Neophytou, stated to the Cyprus News Agency (CNA) on 15 May 2014 that his party always supports the EU; that its candidates “could shine” in the Euro-Parliament being capable of “bringing to Cyprus the good things of Europe”; that “DISY insists on Europe, because it is imperative to apply to the solution of the Cyprus problem the principles and values of Europe [i.e. the EU]”. He then added: “...we wish to render our country an inseparable part of the energy security of Europe”.

Similarly, in his own CNA interview on 16 May 2014, Parliament Speaker and EDEK president, Yiannakis Omirou, identified his party’s key goals: to present the vision of a Europe of solidarity, equality and respect for the national characteristics of each member-state; “away from the neo-liberal recipes of austerity and a crippling budgetary discipline”; and “a Europe of the peoples and not a Europe of the numbers”. Omirou also added that, “despite the justified bitterness for the painful and catastrophic decision [of the Eurogroup]...our position was and remains European. We remain European and fight for a Europe of the peoples, of solidarity, and of social cohesion.” And while Neophytou emphasized his party’s support for Jean-Claude Juncker (who had visited Nicosia recently), President Omirou gave his party’s unqualified support to Martin Schulz.

As regards the “historic” abstention of 56.03 percent, RAI Consultants investigated the reasons on behalf of the Nicosia daily *Phileleftheros*: a mind-boggling 84 percent accounted for it by disappointment and frustration with the “political system”. More specifically, (political) disappointment accounted for 16 percent; the answer “no politician satisfies me” reached 11 percent; sentiments against the political system, 9 percent; “no politician is worthwhile”, another 9 percent; (abstention) to see those responsible for the economic crisis punished, 9 percent; “I do not trust any (politician)”, 9 percent; “no one cares/they all work in their own interest”, 8 percent; and smaller percentages for protest for the failure to punish those responsible, and disappointment with political parties.

To conclude, the emerging grounds for the fact that almost six out of ten Cypriots did not vote on 25 May 2014 seem to be frustration and anger against the country’s politicians for their political acts and omissions that relate to both domestic issues and their failure to mobilize the EU in support of Cypriot causes and needs.

Links:

- Angelos Anastasiou, [Record abstentions predicted in euro elections](#), 25 May 2014.
- ASTRA, [Averof: To send a strong signal that Cyprus is no turning back](#), 15 May 2014.
- Cyprus News Agency, [Omiron: We want a Europe of solidarity away from neoliberal recipes](#), 16 May 2014.
- European Commission, [Eurobarometer Special Surveys](#), May 2014.
- Kathimerini newspaper, [Poll 'R': The nadir credibility of institutions](#), 2 June 2014
- Ministry of Interior of the Republic of Cyprus, [Central Election Service](#), May-June 2014.
- Phileleftheros newspaper, [Why the 57.3 did not vote in elections](#), 1 June 2014
- Prime Consulting, [European Elections Poll](#), 14 April 2014

2. The EU’s Neighbourhood

Russia: a long-standing friend and supporter of Cyprus

Greek Cypriots have long regarded Moscow as the principal protector of their country’s rights, primarily in the United Nations Security Council (followed by France and China), and a solid and consistent economic partner in various fields, including trade, banking and tourism. Hence, following the Crimea crisis, most political formations - except DISY - kept voicing their sensitivity regarding

Cyprus's relations with Moscow, while acknowledging that, strictly or formally, President Putin's bold initiative did not un-problematically conform to international law. President Anastasiades asked from the outset that, should EU sanctions against Russian interests hurt Cyprus's *sui generis* relations with Russia, compensatory measures should be extended by the EU to Cyprus. To be sure, some Nicosia columnists supported President Putin openly, while identical voices were heard in Cypriot civil society. For them, such violent "Western" rhetoric against Russia's decisions has never been applied to Turkey's 1974 invasion of Cyprus nor any serious sanctions applied against Ankara for decades. In any case, the political elite concentrated on the need to protect at all costs the country's material interests and the religious, historical, cultural and friendly bonds with the Russian people. In turn, Russian Ambassador in Nicosia, Stanislav V. Osadchyi, has stated repeatedly that Moscow recognizes the inevitability of Cyprus's siding with its EU partners.

As regards the future of the special Russia-Cyprus bilateral relationship, while President Anastasiades had expressed his willingness to visit Moscow soon after his election in February 2013, the visit has not materialized to date. However, Foreign Minister Ioannis Kassoulides met his counterpart, Sergei Lavrov, in Moscow in early spring 2014, and agreed "to extend and enrich Russia-Cyprus relations". Similarly, the leadership of AKEL, as the main opposition party, also paid a (post-Crimea) official visit to Moscow to cultivate the long-standing cordial relations between the two countries. In addition, both social-democratic EDEK and the Citizens' Alliance, headed by former Foreign Minister Yiorgos Lillikas, have remained vocal proponents of a strong bilateral relationship with Russia, appealing to the Nicosia government to recall that Moscow has long been a faithful friend and the most solid diplomatic protector of the Republic's rights. However, whereas Ambassador Osadchyi has kept reiterating that, "if invited", Moscow is prepared to assist Cyprus in the current bi-communal negotiations, President Anastasiades and the DISY leadership appear fully satisfied with the assurances of US Ambassador John Koenig that Washington is committed to protecting the rights of the Greek Cypriot majority. Unfortunately, the US ambassador's assurances and his hyperkinetic diplomatic activities have deeply disappointed most influential Cypriot commentators and a large section of civil society, especially following Koenig's interview with *Phileleftheros* on 11 May 2014 in which he advised the Greek Cypriots to "trust Turkey more"!

EU double standards

Given the ongoing socio-economic malaise in the Republic following the Cyprus-related Eurogroup's decisions of March 2013, and given also the tempestuous domestic debates associated with the labyrinthine re-start of Cypriot bi-communal negotiations, there has been no real discussion in (free) Cyprus of EU relations with the Eastern Partnership countries. Cypriot analysts and public opinion have tended to perceive "Western responses" against President Putin's Moscow as hyperbolic and motivated exclusively by geopolitical calculations and ambitions. And when Western politicians were adamant about applying sanctions against Moscow, Cypriots kept recalling that no sanctions have been applied to Turkey, even though the latter had no excuse whatsoever when it invaded Cyprus in 1974.

Coverage in the media, post-Crimea, has included various reports about some unsavoury acts by Ukrainian extremists, if not "neo-fascists". For this additional reason, Cypriots have favoured the more cautious stance of Germany, Luxembourg, and Malta regarding sanctions. Needless to say, Cypriot political elite and public opinion have stressed the need for a diplomatic solution to the Ukrainian problem, lamenting the pain caused to innocent Ukrainians and Russians, and looking forward to keep welcoming Ukrainian and Russian tourists to the Mediterranean Island. Political analysts noted that "diplomatic means should be exhausted", adding that "we have to find solutions that are possible without damaging the EU's relations with either Russia or Ukraine, as both countries are essential partners of the Union".

Turkey still occupying Cyprus Republic's territory

As regards EU-Turkey relations, those tutored in Cyprus's plight since the 1974 invasion and the illegal occupation of 37 percent of Cypriot territory appreciate why the relevant perceptions and sentiments in the Republic are bound to be idiosyncratic. Thus, successive Cypriot governments have addressed Turkey's EU prospects asking primarily whether Turkey's accession would entail a more democratic, less bellicose and "more European" country that would endorse the fair and functional resolution of Cyprus's existential problem according to international law and the EU's celebrated principles and values. Presently, it is remarkable that centre-right DISY and "communist" AKEL together constitute the "optimistic" camp, supporting Turkey's EU accession and the corresponding favourable "narratives". All other –"Centrist"- political formations and their followers belong to the "sceptical" camp, for they mistrust profoundly Ankara's EU-related motives and its Cyprus-related goals. Press columnists and other opinion-makers are divided analogously. Thus, the influential columnists of Nicosia's leading dailies, *Phileleftheros* and *Simerini*, seem to be providing more rational and reasonable readings of the EU-Turkey-Cyprus conundrum. They are critical of the Anastasiades presidency, since they perceive it as acting in a naïve, short-sighted or self-destructive manner vis-à-vis Turkey and EU-Turkey relations.

Links:

- President Nicos Anastasiades, [Press and Information Office](#), 4 March 2014.
- John Koenig, [Trust Turkey More](#), 11 May 2014.
- Newsit.com, [The visit of AKEL in Moscow finished](#), 8 April 2014.
- Stanislav V. Osadchyi, [Russian Ambassador to Cyprus: "Everyone chooses his friends,"](#) 20 March 2014.
- Sigmalive.com, [Lavrov meeting - Kasoulidis in Moscow](#), 29 March 2014.

3. Power relations in the EU

Mixed perceptions of Germany

The euro crisis has transformed political and economic relations within the EU from a club of supposedly equal countries to groups of creditors and debtors. As the largest creditor country, Germany has gained disproportionate political power within Europe. By many measures, it is perceived as Europe's dominant country, both politically and economically. Some political analysts are worried that Germany is using its power selfishly to impose austerity policies on southern Europe and to promote its self-regarding interests disregarding the main core values of the EU - i.e. equality and solidarity. The bail-in policy imposed on Cyprus, and acknowledged by many economic experts as a failed experiment that only deepened and prolonged the crisis, is widely considered as proof of the above.

And yet, the majority of Cypriot political elites and a number of political analysts believe that Germany could and should play a positive role in the novel efforts to overcome the economic crisis in Cyprus. It is noteworthy that a number of German banks and enterprises have expressed their interest to invest in the country as natural gas is creating new synergies for bilateral cooperation through private initiatives. Thus, a high level delegation from the Deutsche Bank visited Nicosia in order to discuss financing prospects for a liquefied natural gas (LNG) terminal. According to the CNA, the visits from the Deutsche Bank delegation as well as European Investment Bank officials are linked to the government's efforts to involve European investors in the development of the island's natural gas

reserves via an onshore LNG terminal. During his early May 2014 visit to Berlin, President Anastasiades stated that “the government will continue the efforts to attract foreign investment and Germany could find many synergies and opportunities in the emerging Cypriot economy” (Phileftheros).

Cohabitation of austerity and growth

Cypriot academics, economists and political analysts favour a balance between austerity and growth measures in order to have a sustainable economy. In this economic environment, "austerity" in the form of balancing expenditures and revenues does not hold back growth. On the contrary, it improves confidence on the part of potential investors and lowers the cost of government borrowing. Nevertheless, these policies should be accompanied by incentives given to business in order to kick-start the economy. Moreover, full scale programmes should be implemented in order to attract foreign investments in the country and generous incentives should be given in order to tackle unemployment.

UK is important for the Union

Britain's relations with the EU are broadly working well in key areas. Cyprus has a close, multilevel, bilateral relationship with the UK. Even though there was no discussion in our country concerning a possible UK exit from the EU, it is our opinion, *in tandem* with a large sector of Cypriot civil society, that the European Union is an historic experiment that concerns all European countries, hence a possible UK exit would be followed by many and unforeseen negative implications.

Links:

- Cyprus News Agency, [Cyprus to discuss with Deutsche Bank LNG terminal financing prospects](#), 23 April 2014.
- Phileftheros, [Cypriot economy and investments at the heart meeting Anastasiadis-Lammert](#), 7 May 2014.