

## **THE CYPRUS EU PRESIDENCY AND THE IMAGE OF CYPRUS**

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The question of a journalist from a serious Netherlands newspaper asking "What would you say is the current image of Cyprus in Europe?" poses a question from a perspective other than the introspective one we usually see ourselves from, prompting the train of thought which follows and the speculation about the impact of the presidency on the image of Cyprus.

The image of Cyprus in Europe is of course not likely to have been a unitary one. It is probably a composite and multidimensional image, and among others it arises from the combinations and intersections on a number of issues on which there are variable views and responses: Among others, the 2004 referendum, the changing image of Turkey, the association with Greece and the economic situation of Greece, the natural gas deposits in the exclusive economic zone of Cyprus and the actual image of the currently most well known Cypriot politician, the President of Cyprus.

In 2004, there was another Annan Plan, designed to solve the Cyprus problem. At a referendum, 76% of Greek Cypriots voted against it, while at another referendum, 65% of Turkish Cypriots voted in its favour. European Commissioner Verheugen and others were very critical of the Cyprus Government and the Greek Cypriots, accusing them of deceiving the EU into taking Cyprus in as a member. There was a very negative atmosphere for the Greek Cypriots which included attempts "to bring the Turkish Cypriots out of isolation". The reactions were exaggerated, and it was very quickly accepted that the point of a referendum is that people are free to vote either way. It is not possible to tell them that "this is a free vote so long as you vote yes." This probably forms the first dimension of the image of Cyprus on the European scene.

The second dimension has to do with the changing image of Turkey. In 2004 Turkey was truly considered a candidate to join the European Union. However since then, several, sometimes intertwined, factors have led to a declining image of Turkey in Europe. (Which of course is not the same as declining significance or hard power.) One is that the leaders of the two most influential countries, France and Germany expressed opposition to Turkey joining. Turkey's image declined also due to its declining relations with Israel. Finally, suspicions are aired about a creeping Islamic predominance within the country, (the Gulen movement), an "Islamic" or even "Sunni" foreign policy, and also aversion to what looks like continuing human rights violations, and particularly strong-arm tactics in relation to journalists. Obviously, as a country in a pronounced dispute with Turkey, the image of Cyprus, and its reading of the Cyprus problem,

has benefitted from the declining image of Turkey, particularly in France and Germany.

Greek Cypriots speak Greek, and are considered by themselves and by many in Europe to be closely associated with Greece. So the third dimension of the image of Cyprus lies in the current conjuncture of severe economic problems in Greece, and the outcome of the elections in Greece, with the rise of political extremism on the left and right, and the reawakening of wounds from the Second World War. All this has not left the image of Cyprus untouched, particularly as Cyprus itself has now asked for assistance from the European Union and the International Monetary Fund, with the dreaded "Troika" also now descending on Cyprus. Can a country in dire economic straits conduct an EU Presidency is the question asked.

Many do know that despite the proximity of the Greek Cypriots to Greece, their economic condition is substantially different. Though struck by recession, the Cyprus economy did not suffer from extensive debt. The Cyprus public debt was only a little over the 60% of GDP limit and its deficit will be down to below 3% of GDP by the end of this year. It does have an expensive and occasionally ineffective public sector, and this is a serious problem in itself, as indicated by the impasse in the model of economic development, the blowing up of most of the electricity generating capacity of the island through incompetence, and the widespread suffering of innocent citizens in the hands of overprivileged and underworked officials. This is a source of many long term structural problems, but it is not the source of the current crisis. The source of the current crisis lies in the exposure of the two largest Cypriot banks to the Greek public debt and the Greek economy more generally, as well as the reduction in the borrowing ability of the Cyprus government by the rating agencies due to the size of the banking sector. Public waste will nevertheless have to be limited to overcome the problems.

Finally Cyprus has discovered that it is the owner of extensive natural gas deposits in its exclusive economic zone, which it has peacefully and legally delimited, in an exemplary manner, in accordance with the International Convention on the Law of the Sea, with Egypt, Israel and Lebanon. Turkey on the contrary has emerged as the regional bully, conducting gunboat diplomacy in its effort to dispute the existence of the Republic of Cyprus and its right to its own natural wealth. All over Europe (and further) there has been recognition of the right of Cyprus to the exploitation of its own natural wealth.

So the image of Cyprus is mixed. It is also laden with problems. It additionally has a president who is not shy about proclaiming that he is a communist, though he has never attempted to implement communist policies. He was, when elected, the leader of the Cyprus communist party, but was elected because he was in favour of the solution of the

Cyprus problem, and not because he is a communist. Under normal circumstances he can lay claim to the image of "Old Labour" rather than "Stalinist dictator". But he needs to be aware of what image he wishes to pursue in a post-communist Europe, during the EU presidency.

The presidency can have an enormous impact on Cyprus and its image which is already improving, mainly in relation to a worsening of the image of Turkey. The Presidency has already led to enormous political change. It has led to an engagement of the President of Cyprus and other Cypriot politicians with issues which they have never engaged with in the past, given a rather parochial outlook. Multi annual financial perspectives, reform of the Common Agricultural policy, Europe 2020, Common Asylum policy and the Neighbourhood policy, have become issues to engage with, and have entered the public dialogue and the intentions of the government. In other words the politics of Cyprus is, for the first time, and eight years after accession, becoming Europeanized.

Secondly, the Cyprus civil service, with all its weaknesses has two strengths which make it fully capable of undertaking the presidency tasks successfully. Its problems are structural, and not in the quality of its personnel. Its personnel has the capability in terms of ability and expertise to undertake the presidency task. And the small size of the country make possible the flexible overcoming of communication and other bureaucratic rigidities.

Thirdly, it has been decided and widely announced that the Cyprus problem will not dominate the actions of the Cyprus Presidency, and will not impede the Cyprus Government acting as an honest broker, facilitator of European consensus, and promoter of solutions to the fearful European budgetary and financial problems. This is the case even though Turkey is offending some in Europe by refusing to recognize and work with a basic EU institution: The rotating presidency of the Council of the European Union.

The Presidency, well handled by Cyprus, in terms of solving European issues, and sound diplomatic handling of problems created by Turkey, has the potential to transform the image of Cyprus from a peripheral problematic EU member state, to a country with a central role in processes of European integration. There is no doubt that this new image could create enormous moral capital which may also contribute to the solution of its own problems. This may be the opportunity for Cyprus to reoccupy the international moral high ground which it lost in 2004.