

BREXIT, THE EU AND CYPRUS*

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Despite the intense efforts made within and outside the United Kingdom for the country to remain in the EU, Brexit finally prevailed. This constitutes a critical decision for the UK and for the EU. As it has already been noted by many analysts the way the voters expressed their will was not monolithic; to the contrary it was very complex as it included geographic, demographic and class patterns. Furthermore, migration issues including the possible freedom of movement for Turkish citizens in the EU played a significant role. In addition, the British citizens believe that the nation state is in a better position to protect the interests of their country. And this at a time when the EU clearly fails to deal with its Member States impartially. For example, we should compare how the banking sector crisis was addressed in the case of Cyprus by the Troika in March 2013 with the debate regarding a possible solution to the Italian banking sector crisis today.

Brexit also entailed, symbolically and substantively the element of protectionism vis a vis European integration and globalization. Within this framework it is important to understand that the outcome of the British referendum essentially slows down plans to promote the TTIP (Transatlantic Trade and Investment Partnership) between the US and the EU.

The result of the referendum caused several reactions within and outside the United Kingdom. Various circles referred to a historic mistake that will entail a serious cost for Britain itself. This included concerns for the possibility of a new referendum in Scotland for independence. Perhaps this was an over reaction to the shocking outcome. Be that as it may Britain will have to balance various perspectives and interests and also position itself for the day after. Furthermore, in various EU decision making centres there is concern about the possibility for similar referenda in other countries.

The responsibilities of the EU for Brexit and Euroscepticism in general should not be underestimated; among other things, from the initial idealistic approaches for moving from the nation-state to a supra-national dimension it seems that in Europe today a major issue is the revival of German hegemony. Furthermore, the disastrous handling of the crisis in the Eurozone adversely affected the image of the EU. In this regard we cannot ignore the economic policies inspired by the EU and the Troika which led to increased unemployment, poverty and social exclusion in

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many countries, while the middle class is shrinking. In short, the result of the referendum does not only entail the British traditional Euroscepticism and opposition to the possibility of EU federalism. It also highlights the broader concern shared in almost all European nations for the inadequacy and ineffectiveness of the EU institutions. Moreover, there is criticism for the democratic deficits and the lack of accountability. It also refers to the fact that the EU, and particularly the Eurozone, has become a "sick man". It is also noted that the disparities in the Eurozone are dangerously growing in favour of Germany and to the detriment of the southern European countries.

Inevitably Brexit marks the beginning of developments that will lead to a new paradigm in European affairs and international relations. While the EU is going through a deep crisis, it will be unwise for any member country to rely exclusively on European solidarity and not have its own plans for the multidimensional challenges.

In relation to Turkey it is surprising that even following the aborted coup d'etat on July 15, European officials point out that if the death penalty is brought back by President Erdogan that would signify the end of the accession negotiations between the EU and Turkey. It should be understood that irrespective of the death penalty it would be more pragmatic to work toward a special relation between the EU and Turkey rather than still talk about "accession". In other words the EU should take into consideration the realities on the ground as well as the wishes of all the parties involved, including those of most European citizens.

Given Brexit and other related developments Cyprus should adopt a comprehensive policy for achieving its objectives, despite, on the one hand, the legacy of the British colonialism and the day after which includes some bitter memories and, on the other, the disappointment from the EU, especially in relation to the brutal bail-in of March 2013. In this context, Cyprus, as a full member of the EU should be creative and, at the same time, deepen its relations with Britain on the basis of reciprocity and mutual respect.

In relation to the EU and despite its small size, Cyprus should work in ways to point out the importance of reforming the pillars of the Eurozone as well as of promoting the values of solidarity and accountability. This could be addressed in conjunction with other states. This is particularly important at a time when the EU is facing a deep crisis and the debate for the future of Europe is still ongoing.

Cyprus should also reassess its relations with Britain constructively. Economic cooperation between the UK and Cyprus may include issues of wider financial sector, tourism and the Cypriots' access to the labour market and universities in Britain as was done before. As part of the deepening of relations between Cyprus and the United Kingdom, it is also

legitimate to advance the idea that the British bases in the island, in addition to serving UK's and broader interests, should also provide security to the Republic of Cyprus. Indeed this was part of the arrangements of the Treaty of Guarantee in 1960 when the Republic of Cyprus was founded. Likewise, the UK should be reminded that, as it failed to follow up on its obligations as a guarantor power in 1974, it has to contribute to the restoration of the unity and territorial integrity of the Republic of Cyprus.

In conclusion, Cyprus should become an effective state that can position itself confidently in a constantly changing environment. Brexit and the changing architecture of the EU are developments that do not leave the Republic of Cyprus unaffected. In the contemporary complex international environment, the Republic of Cyprus will have to overcome the economic crisis, to acquire a new economic model and, above all, to address the Cyprus problem and related security issues successfully. The Republic of Cyprus will be able to fulfill its objectives through a creative and constructive participation in the EU as a full member, while deepening its relations with Britain and highlighting its multidimensional role in the Eastern Mediterranean.