

Small States Differentiated Integration

Cyprus

Produced by: Nicos Trimikliniotis
Presented by: Nicos Trimikliniotis

European Integration

Differentiated Integration

- Historic steps towards European integration
 - Legal integration status
 - 1973: Republic of Cyprus signs an Association Agreement with European Economic Community
 - 1974: war (Greek coup and Turkish army invasion; de facto partition)
 - The first stage, which was due to expire on 30 June 1977 but was extended to the end of 1983, provided for the phased reduction of tariffs on industrial goods. No opt-outs
 - March 2000 the Council of Ministers approved the “Regulation for the Implementation of the Pre-accession Strategy of Cyprus and Malta” (2000-2004)
 - 1.5.2014: Joins the EU with Malta as part of the EU10.
 - Economic, social and cultural integration
 - Today, Small state, Cyprus dependent on tourism, trade in goods and services.
 - EEC was Cyprus's main trading partner,: 56% of its total imports ; 41% of its total exports. Cyprus's exports to the Community are divided roughly equally between agricultural and industrial exports. New potatoes, wine, grapes and citrus fruit. But became a tourism and financial service economy.
 - The four freedoms (goods, services, capital, workers) and Schengen (open borders) had costs & benefits.
 - Historically part of the British Commonwealth and had had trading partners in the region.

The National Administration and EU Affairs

- Who is responsible in the government?
 - The Ministry for Foreign Affairs is responsible for the coordination of EU policy in Nicosia.
 - Within the Ministry: there is Section on European affairs which is responsible for the coordination of EU affairs for the coordination of European affairs.
 - The Permanent Representation of Cyprus to the EU is Cyprus' busiest and biggest diplomatic mission, consisting of 66 diplomats
 - The Permanent Representation plays mainly a coordinating role and is responsible for general political issues, whereas sectoral committees are expected to also discuss new EU legislation that falls into their areas of competence.

European Integration

Differentiated Integration

- Decision shaping and policy making
 - The government takes decisions – if the matter is related to the Cyprus problems, then the President would normally consult with the leaders of the political parties or convene the National Council, which consists of leader and Parliamentary spokespersons each parliamentary party.
 - Other stakeholders don't officially have access to decision-making
 - However, the Government cannot ignore various organised groups: the Labour Advisory Body i.e. tripartite body of employers and employees trade unions and Ministry of Labour for labour and social issues.
 - Major industries have their representatives who cannot be ignored: the tourism sector, the land developers; financial sector (banks, lawyers, accountancy, other financial industry); there are also agricultural and SME representatives (97% of firms are SMEs in Cyprus).

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National debates (1)

- 3 parties are relatively pro-EU
 - AKEL is Eurocritical but not anti-EU
 - The Neo-Nazi ELAM is anti-EU.
- Ruling conservative DISY party (an EPP member0 — came in first with 29.02% of the vote, but lost over 9% of the share of votes since 2014 results.
 - Communist/Left AKEL party , came in second place (27.49%): Niyazi Kizilyurek, from the— has become the first Turkish Cypriot to be elected as an MEP..
 - The hardline on Cyprus centrist party came third with 13.80%
 - The hardline on the Cyprus issue Social democratic EDEK party managed to retain its seat 10.58%, beating the challenger from the Neo-Nazi ELAM (effectively a branch. of the Greek Golden Dawn, which has tripled its votes since 2014 to 23000 votes or 8.25%.

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National debates (2)

- The national debate on European integration
 - Cyprus had been amongst the most pro-EU countries but the EU became less favourable with the imposition of the hair-cut on bank deposits and austerity measures by TROIKA Memorandum of understanding (2013). AKEL proposed leaving the Euro but has dropped the proposal.
 - None of the parties lobbies for leaving the EU (other than the neo-Nazi ELAM which has not made leaving the EU an issue, as it concentrates on anti-immigration, anti-Turkey and against a compromise with Turkish-Cypriots.
 - It is generally accepted that EU membership is vital because of the Cyprus problem. Both Greek-Cypriots and Turkish-Cypriots feel European
 - Very few parties discuss EU-related topics – for and against EU integration (AKEL & Green party)
- Popular topics
 - Economic situation
 - Unemployment
 - Social policy,
 - Cyprus problem
 - Immigration (from outside the EU)
 - Health (Cyprus is now implementing a National health system)

European Integration

Free movement, Four Freedoms

- Cypriots generally support four freedoms (goods, services, capital, citizens)
 - It strongly relies on EU workers - Foreign residents 150.700 or 15,7%, more than half of whom are Union citizens
 - Big international financial sector
- What are the most controversial issues?
 - The four freedoms are uncontroversial.
 - 'Investment schemes for Citizenship'
 - Controversial issues are related to tax harmonization and financial regulation,.

European Integration Conclusions

- Future trajectories
 - The Government of Cyprus is generally supportive of further EU integration; this generally supported by the public; this is not likely to change in the immediate future.
 - Areas where more integration is supported are, for example, economic integration, social policy; the current government would also support further EU integration security and defence policy, but this is opposed by the opposition AKEL.