

The rightwing opposition leader Nicos Anastassiades is the favourite in the Cypriot Presidential Election

Abstract :

On 4th January last the first round of the Cypriot Presidential election was officially set for 17th February next. Although 11 people are running in this election three candidates stand out from the rest: Nicos Anastassiades, leader of the Democratic Assembly (DISY); former Healthcare Minister (2011-2012), Stavros Malas, member of the Progressive Workers' Party (AKEL) and former Foreign Minister (2006-2007), George Lilikas, supported by the Social Democratic Movement (EDEK) led by Yiannakis Omirou.

Outgoing Head of State, Demetris Christofias (AKEL), in office since the election of 17th and 24th February 2008 indicated in May last that he did not want to run for a second mandate. He is the first President of the Cypriot Republic not to run for a second term.

40 polling stations will be open in 26 countries for Cypriots living abroad (around 15,000). In all, the number of voters totals 545,000.

If none of the candidates wins the absolute majority on 17th February a second round of voting will take place on 24th February.

The Candidates

The Cypriot Constitution dates back to 1960 but has not been in application since the intra-community conflict of 1963. According to this text the Presidential office is reserved to a Cypriot, and the Vice-Presidency to a Turk (the post is vacant at present). The President of the Republic is elected by direct universal

suffrage for a five year mandate. Head of the executive, he appoints the government ministers which he leads. 30% of the seats in government and the Vouli antiprosopon (Chamber of Representatives, the only chamber in the Cypriot Parliament) ie 24 out of 80 are reserved to the Turkish Cypriot community and remain vacant.

Presidential Election Results on 17th and 24th February 2008 in Cyprus

Turnout: 89.62% (1st round) and 90.84% (2nd round).

It is obligatory to vote in Cyprus

Candidates	Number of votes won (1st round)	% of votes won (1st round)	Number of votes won (2nd round)	% of votes won (2nd round)
Dimitris Christofias (Progressive Workers' Party, AKEL)	150 016	33,29	240 604	53,37
Ioannis Kasoulidès (Democratic Rally, DISY)	150 996	33,51	210 195	46,63
Tassos Papadopoulos (Democratic Party, DIKO)	143 249	31,79		
Marios Matsakis	3 460	0,77		

Candidats	Nombre des voix obtenues (1er tour)	% suffrages recueillis (1er tour)	Nombre des voix obtenues (2e tour)	% suffrages recueillis (2e tour)
Kostas Kyriacou	1 092	0.24		
Kostas Themistocleous	753	0,17		
Andreas Efstratiou	713	0,16		
Christodoulos Neophytou	243	0,05		
Anastasis Michael	117	0,03		

Source : Cypriot Interior Ministry

To date eleven candidates are officially running in the presidential race on 17th and 24th February:

– Nicos Anastasiades, leader of the Democratic Rally (DISY), supported by the Democratic Party (DIKO) led by Marios Karoyian. He was appointed candidate by the party's congress on 17th March 2012 in which he won 673 votes (86.73%) against 103 (13.27%) for MP Eleni Theocharous. On 30th August the Democratic Rally and the Democratic Party signed an alliance in view of the presidential election. On 27th September 117 members of the central committee of the Democratic Party approved the choice of Nicos Anastasiades as the candidate to the supreme office, 27 voted against and 2 abstained;

– Stavros Malas, member of the Progressive Workers' Party (AKEL) of President of the Republic Demetris Christofias and former Healthcare Minister (2011-2012). Put forward as the successor of the outgoing Head of State by the central committee of the party on 21st July 2012, he was appointed as candidate by 7th September last, Stavros Malas, resigned from his ministerial post on 10th December last (he was replaced by Androulla Agrotou);

– George Lilikas, former Foreign Minister (2006-2007), supported by the Social Democratic Movement (EDEK) led by Yiannakis Omirou;

– Giorgos Charalambous (People's National Front, ELAM) announced that he was standing alongside two Golden Dawn MPs (Chryssi Avghi, CA), the Greek far right party led by Nikolaos Michaloliakos, Ioannis Iagos

and Elias Kasiadiaris. The latter came to fame in June last after having hit a Communist MP and thrown water in the face of a far left MP from the Radical Left Coalition (SYRIZA);

– Praxoula Antoniadou, leader of the United Democrats (EDI) and former Trade, Industry and Tourism Minister (2011-2012);

– Lakis Ioannou, leader of the People's Socialist Movement (LASOK), a far left party that supports the introduction of a federal government to settle the Cypriot problem and of a limit to the number of migrants on the island;

– Loukas Stavrou ;

– Andreas Efstratiou ;

– Makaria-Andri Stylianou ;

– Solon Gregoriou ;

– Kostas Kyriacou.

On 17th October last the European Party (EVROKO), a far right party led by Demetris Sillouris, decided to support none of the candidates in the presidential election. As for the Ecologist and Environmentalist Movement (KOP) led by Ioanna Panayiotou, it said it would support the candidate that won at least a 60% approval by its members. Since this figure was not achieved it will support none of the candidates running for election.

A country suffering the economic crisis

Cyprus is in the midst of turmoil. The GDP is due to contract by 2% in 2012 and by 3.5% this year. The unemployment rate is due to rise to a record rate of

13.8% in 2013 and by 14.2% in 2014, whilst it lay at under 8% (7.9%) in 2011. In June 2012 Cyprus, which was prevented from borrowing on the financial markets, became the fourth euro zone country, after Greece, Ireland and Portugal, to be placed under financial assistance and to have requested a rescue plan from the IMF and the EU. Still under negotiation, this is due to be finalised at the end of January 2013 but might not in fact be completed before the presidential election.

Russia granted Nicosia a loan of 2.5 billion € in 2012 (at a rate of 4.5%). Last August the island asked for a further loan of 5 billion € from Moscow. On 22nd November last Finance Minister Vassos Shiarly indicated that Cyprus needed a loan of 17 billion € over four years (2012-2016), 10 billion of which are destined to replenish the banks which represents one year's worth of the island's GDP. The debt may then reach 200% of the GDP, an unsustainable level (120% of the GDP is the threshold at which the IMF considers that the public debt is unsustainable). "*Any discount on the Cypriot debt is out of the question,*" declared European Commissioner for Economic and Monetary Affairs, Olli Rehn after the decision taken by Moody's.

The situation in Cyprus might, in part, be compared to that experienced by Iceland just a few years ago. Indeed the banking sector represents 800% of the island's GDP. The Bank of Cyprus and the Popular Bank are the country's two main establishments, which have had to appeal to the State for aid after heavy losses suffered because of the restructuring of the Greek debt. The funding required in support of the Cypriot banking system is estimated at 95 billion €.

According to the polls half of the Cypriots (51%) think that the economic situation has worsened during Demetris Christofias's term in office.

On 21st December last the island's sovereign rating was taken down two notches (CCC +) for the third time since 2012, which went together with a negative perspective on the part of Standard and Poor's. The latter gave the following report: inadequacy of the fiscal measures; lack of structural reform in terms of public sector salaries and social transfers, which comprise 2/3 of State spending and which have made it difficult to reduce the public debt and deficit. Standard and Poor's

has deplored the slowness of talks with the Troika (IMF, Commission, ECB). "*We believe that the risk of default is high and growing,*" indicated the agency in a press release.

On 10th January 2013 Moody's took Cyprus's sovereign rating down by three notches (Caa3). The agency believes that the exposure of the island's banking sector to the Greek crisis - believed to total 2.4 billion € ie 13.8% of the Cypriot GDP - will lead to a rise in the island's debt, the degree of which is an impediment to the drafting of an international aid plan for Cyprus.

For a long time the President of the Republic Demetris Christofias denied the degree of the economic crisis. He blamed the downgrading of the country's sovereign rating on the Governor of the Central Bank, Athanasios Orphanides. The outgoing Head of State categorically refuses to privatise the State's companies, which, with the consolidation of public finances and savings measures, comprises one of the conditions of any rescue plan. The Cypriot government has however introduced several austerity measures over the past few months: reductions in social spending, a rise in VAT from 15% to 17%, the introduction of retirement contributions for civil servants. On 19th December last the Cypriot Parliament adopted a budget including several austerity measures comprising the reduction of the State's payroll, the progressive delay of civil servants' retirement age, and a rise in taxes on tobacco, alcohol and fuel. This austerity plan aims to reduce the country's deficit by 1.3 billion € ie 7.25% of the GDP. In 2011 the budgetary deficit lay at 6.5% of the GDP. It is due to represent slightly more than 5% in 2012.

Whilst his country was undertaking (for the first time in its history) the Presidency of the European Union (from July to December 2012) the outgoing President refused to make any cuts in social aid. He said he was pleased that his government had succeeded in maintaining the cost-of-living allowance and a 13th month on salaries in the civil service (the latter is overstaffed and on average salaries are twice as high as in the private sector and the privileges are numerous). "*The European Union's response to the present economic crisis has worsened social injustice and has not succeeded in providing sustainable solutions,*" said Demetris Chris-

tofias in his message to the Cypriots on 1st January. He said *"he was proud of the services delivered to the Cypriot people."* *"The government has succeeded in protecting workers' rights together with as well as in terms of issues involving the States' sovereignty during discussions with the Troika,"* he stressed. On 15th January he said *"I am absolutely convinced that the austerity policies are doomed to failure and are only enabling the rich to become richer and the poor, poorer."* The president denies accusations brought against Nicosia for tax evasion and money laundering. Finally on 15th January he deemed that the recapitalisation of the Cypriot banking sector should be provided by the European Stability Mechanism and that it should not be a burden for his country. In his opinion recapitalisation is linked to *"certain measures associated with the Greek debt"* the reduction of which has cost the Cypriot banks 5 billion €, *"it would therefore be fairer that the strengthening of the Cypriot banks' own funds be undertaken without using the government's budget,"* he declared.

Nicos Anastasiades is not opposed to the partial privatisation of several government organisations even if he maintains that *"this was not one of his priorities"*. He wants to encourage private initiative, the only thing that can create wealth and produce growth. He wants to help SME's borrow the funds which they require. Nicos Anastasiades maintains that his government's action will focus on growth via investments and the creation of jobs. In the polls the leader of the Democratic Rally is deemed by 37% Cypriots as the best placed candidate to manage Nicosia's negotiations with the Troika (17% quote Stavros Malas and 13% George Lilikas).

The popularity of the outgoing President Demetris Christofias suffered greatly after the explosion in July 2011 of the munitions depot (Iranian explosives and munitions destined for Syria) at the naval base of Mari, that lies near Limassol. This killed 16 people and injured 40. The government in office was punished by the electorate during the last general elections on 22nd May 2011 in which the Democratic Rally won with 34.28% of the vote and 20 of the 56 seats in parliament, ahead of the Progressive Workers' Party which won 32.67% of

the vote and 19 seats. Although the Democratic Party, which was the Progressive Workers' Party government partner at the time lost terrain (15.76% of the vote and 9 seats), the two parties in the outgoing coalition did manage to remain in power. Turnout, since it is obligatory to vote in Cyprus turnout totalled 78.7%, recording a net decrease in comparison with the previous general election on 21st May 2006: -10.4 points.

The first televised debate in the electoral campaign focused on economic issues took place on 14th January last. Lasting two hours it only included the three "main" candidates (Nicos Anastasiades, Stavros Malas and George Lilikas). The latter recalls his proposal to use the natural gas reserves discovered on the island to replenish the Cypriot coffers. *"We should not blame our friends who want to help us. Treating the Germans as thieves is not very constructive,"* warned the Democratic Rally candidate. Stavros Malas tried to avoid questions asked about President Demetris Christofias' results. *"I am looking to the future, not the past. Judge me according to my proposals,"* he repeated. Two other televised debates will be organised: one on the issue of the island's reunification on 28th January and the other on domestic issues which will be broadcast on 11th February.

A divided island for nearly 40 years

Cyprus has been divided for the last 39 years. A green line controlled by the UN's Blue Berets cuts the country in two. The international organisation has been on the island since 1963 when the first community conflict irrupted and the United Nations Force (UNFIC YP) has been there since 1964. This is one of the UN's oldest missions and comprises 1000 soldiers and 150 civilian staff.

On 15th July 1974, the National Guard, inspired by the military junta in power in Greece since 1967 overthrew Cypriot President, Archbishop Makarios III, who was replaced by Nikos Sampson. On 20th July Turkish troops landed in Kyrenia (north) to protect the Turkish minority. Nikos Sampson's government succeeded with the aid of the Greek army in maintaining them behind a line for four days (which became the Green Line). Turkey refused to leave the territory which it occupied, including after the fall of Nikos Sampson on 24th July.

Six days later Turkey, Greece and the UK introduced a security zone guarded by the UN's Blue Berets and acknowledged the existence of two autonomous administrations on the island. On 13th February 1975 Turkish leader Rauf Denktash proclaimed the constitution of an autonomous State in the northern part of the island which would be secular and federal. He was elected president of this entity the following year. In January 1977 Rauf Denktash and Makarios III agreed on the principle of a bi-communal federal State but the death of the latter on 3rd August put an end to the negotiations. The northern part of the island, the Turkish Republic of Northern Turkey finally proclaimed its independence in 1983. Turkey is the only State to have acknowledged it internationally. 35,000 Turkish soldiers are stationed in the northern part of the island.

On 11th November 2002 ie 18 months before Cyprus's entry into the EU the UN approved a third peace and reunification plan (after those of 1986 and 1992). The Annan Plan (named after the Secretary General at the time, Kofi Annan) suggested the creation of a United Republic of Cyprus in the shape of a confederation of two constituent, extremely autonomous States inspired by the Helvetic Confederation. This plan was put to referendum including all of the inhabitants on the island on 24th April 2004. The Cypriots rejected it by 75.83%, but 64.9% of those living in the north of the island approved it; 89.18% of the electorate turned out to vote in Cyprus (where it is obligatory to vote) and 87% did the same in the north.

Nicos Anastasiades spoke in favour of the Annan Plan whilst his party had called to vote "no" in the referendum. The leader of the Democratic Rally also supports the accession of Cyprus to NATO. In February 2011, MPs from DISY, the Democratic Party, the Social Democratic Movement and of the European Party voted for a resolution in support of Cyprus's participation in NATO's peace partnership programme which is the anti-chamber to joining the international organisation. President Demetris Christofias placed his veto however.

Nicos Anastasiades thinks that Cyprus's membership of NATO will provide new impetus to negotiations over the island's reunification. He wants the EU to force Ankara to assume its responsibilities and help positively towards finding a solution.

Negotiations between the two parts of the island were re-initiated under the impulse of the UN after the election of Demetris Christofias as President of the Republic in February 2008. However, little progress has been achieved over the last five years. UN Secretary General Ban Ki Moon has expressed his concern on several occasions about the slowness of progress and has exhorted the Cypriot leaders to be courageous and show real leadership, pointing out that it was vital to break the status quo and that choices had to be made to emerge from the present stalemate in reunifying the island.

Outgoing Head of State Demetris Christofias, criticised for his lack of results in the talks with Dervis Eroglu ((National Unity Party UBP), President of the northern part of the island) blames this failure on the latter and on Turkey's intransigence. Before his election as Head of Cyprus on 24th February 2008 the president declared that he would only stay for one term in office if he did not find a solution to the country's division.

More than half of the Cypriots (55%) say they are dissatisfied with the way he has managed the territorial problem and deplore the fact that the last five years of dialogue have not led to significant progress.

According to the polls 34% of the Cypriots believe that the opposition leader Nicos Anastasiades is the most able candidate to take the reunification issue forwards. 15% of those interviewed opt for Stavros Malas and 13% George Lilikas.

According to the poll by the public TV channel Cyprus Broadcasting Corporation (CYBC), Nicos Anastasiades is due to win the first round of the presidential election on 17th February next with 37.10% of the vote. Stavros Malas is due to win 23.10% of the vote and George Lilikas, 20.40% of the vote. If a second round opposes the Democratic Rally candidate against the Progressive Workers' Party candidate the former is due to win 43.80% of the vote and the latter 29.90% of the vote. If Nicos Anastasiades has to face the candidate supported by the Movement for Social Democracy he is due to win 41.10% of the vote and George Lilikas, 31.80% of the vote.

More than half of the Cypriots (57%) say they are interested in this presidential election and nearly 70% say they know who they are going to vote for.

Presidential election in Cyprus 17th February 2013

According to the polls 91.60% of the members of the Democratic Rally are about to vote for Nicos Anastasiades, which is unusual for this party. 73.60% of the members of the Progressive Workers' Party say they are about to vote Stavros Malas; 9.80% for the Democratic Rally leader and 5.30% for George

Lilikas. Amongst the Democratic Party members 45.70% are about to vote for Nicos Anastasiades; 37.80% for George Lilikas and 8.70% for Stavros Malas. Finally 4/5 of the members of the Movement for Social Democracy (85.50%) say they want to vote for George Lilikas.

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