Cyprus is about to renew its parliament whilst the country’s situation has changed very little

37 years of division
Cyprus has been divided for the last 37 years. Many young Cypriots have never known Cyprus as a united country. Since July 1974 the island has been cut in two by the “Green Line” which is under the control of the UN’s Blue Berets. The UN has been stationed in Cyprus since 1963 the year in which the first conflicts started. On 15th July 1974 the National Guard inspired by the military junta in office in Greece since 196, overthrew the President of the Cypriot Republic, Archbishop Makarios III and replaced him with Nikos Sampson. On 20th July Turkish troops landed in Kyrenia (north), to protect the Turkish minority. Nikos Sampson’s government, together with the Greek army managed to maintain them behind a line (that then became the Green Line) before collapsing four days later. But Turkey refused to leave the territory it was occupying even after the fall of Nikos Sampson. On 30th July 1974, Turkey, Greece and the UK established a buffer zone guarded by the UN’s Blue Berets and acknowledged the existence of two autonomous administrations. On 13th February 1975 the Turkish leader Rauf Denktash proclaimed an autonomous, secular, federal State of which he was elected President the following year. In January 1977 Rauf Denktash and Makarios III agreed on the principle of a dual, federal community but the death of the latter on 3rd August put an end to the negotiations. The Turkish Republic of Northern Cyprus proclaimed its independence in 1983. Turkey is the only State to have recognised it internationally. There are still 35,000 Turkish soldiers stationed in the northern part of the island.

The island is home to 770,000 Cypriots a third of whom are refugees (160,000 Cypriots fled their home when the Turks invaded); 210,000 people live in the northern part of the island. On 11th November 2002 i.e. 18 months before Cyprus entered the EU the UN submitted a third peace and reunification plan (after those of 1986 and 1992). The Annan Plan (named after the then UN Secretary General) suggested the creation of a United Republic of Cyprus in the shape of a confederation of two constituent but mainly autonomous States (Greek in the south, Turkish in the north) using the Swiss Confederation as a model. This plan was submitted by referendum to all of the island’s inhabitants on 24th April 2004. The Cypriots rejected it by 75.83% but 64.9% of the inhabitants in the northern part of the island approved it. 89.18% of the electorate turned out to vote in Cyprus where it is obligatory to vote and 87% turned out in the north.

Where are the negotiations up to now?
The United Nations Force (UNFICYP) is one of the oldest UN peacekeeping missions. It comprises 1000 soldiers and 150 civilian staff. UN Secretary General Ban Ki-moon met the President of Cyprus, Demetris Christofias and his “counterpart” from the northern part of the island, Dervis Eroglu (National Unity Party, UBP) in New York on 18th No-
vember 2010. Since September 2008 negotiations have been taken up again under the aegis of the UN. However Ban Ki-moon postponed the meeting he was supposed to have with the two men at the beginning of April until June deeming that “discussions over reunification had not made any significant progress.” He hopes that conditions will be better after the general elections in Cyprus and those planned in Turkey on 12th June next. He recalled that peace negotiations could not go on forever and that choices had to be made in order to settle the present stalemate so that the island could reunite. He spoke of “negative public rhetoric” believing that public scepticism was growing with regard to the conclusion of an agreement and said that discussions were “not taken seriously by the parties involved,” adding, “new dynamics are required to come to significant agreement on central issues in all of the chapters before the electoral rounds are too far advanced. The status quo cannot go on.”

He asked Demetris Christofias and Dervis Eroglu to renew their efforts and recalled the energy and resources that the UN had invested over the last 37 years to help Cyprus rise above its division. “The polls undertaken show that people are expecting more than discussions and hope that an agreement is reached rapidly,” concluded Ban Ki-moon asking them “to show courage and true leadership.” According to Alexander Downer, special advisor to the UN Secretary General for Cyprus “it is not a question of knowing whether an agreement is possible but whether the two sides really want it.”

No real progress has been witnessed since the resumption of negotiations between the two sides. The election of Dervis Eroglu to the presidency of the northern part of the island on 18th April 2010 after the victory of the National Unity Party in the general elections of 19th April 2009 complicated matters. Cypriot President Demetris Christofias had been negotiating with his predecessor Mehmet Ali Talat (Turkish Republican Party, CTP). He qualified Turkey as being “arrogant and cynical”. “I would like to think that after the general elections in Turkey the authorities in Ankara will review their positions,” declared the head of State who insisted on recalling the Cypriots were right to reject the Annan Plan which did not provide any real solutions to key issues such as security, guarantees and property rights.

Property rights and territorial limits are indeed the sensitive issues in the ongoing negotiations. The Cypriots are demanding that everyone who has a property in the north of the island be allowed to return there. The Turks reject this believing that the present inhabitants also have rights and prefer the establishment of a financial compensation system.

The Cypriot Political System

The 1960 Constitution has not been applied on the island since the inter-communal conflict of 1963. The President of the Republic, elected by direct universal suffrage for a 5 year period, is also the head of government. According to the constitution the role of president is reserved for a Greek whilst that of Vice-President is reserved for a Turk (the position is currently vacant).

Present President Demetris Christofias (Progressive Workers’ Party, AKEL) succeeded Tassos Papadopoulou (Democratic Party, Diko) on 24th February 2008 winning 53.37% of the vote, in comparison with 46.35% for his adversary, Ioannis Kasoulides (Democratic Assembly, DISY). The government comprises the Progressive Workers’ Party, the Democratic Party and independents.

The Vouli Antiprosopon (Chamber of Representatives) is the only chamber of parliament. In July 1985 a law was passed which brought the number of seats in the chamber of representatives up to 80: 56 of them (70%) are elected by Greek Cypriots and 24 (30%) by the Turkish Cypriot community. The latter seats are vacant and will not therefore be renewed on 22nd May next. Candidates who want to be MPs must be aged at least 35. All political parties have to win at least 1.8% of the votes cast in order to be represented in the Chamber of Representatives.

Voting is undertaken according to the Hare Niemeyer method within six constituencies: Nicosia, 21 MPs; Limassol, 12; Famagusta, 11; Larnaka, 5; Paphos, 4 and Kyrenia, 3. Voters can choose either one party by ranking the candidates they prefer in this party or they can vote for different parties. Finally par-
The Parliament comprises 3 MPs representing 3 different communities elected only by the members of those communities. In the outgoing parliament Vartkes Mahtesian is the Armenian community’s representative, Antonis Hatzirousos represents the Maronites (Catholics belonging to the Syrian church) and Benito Mantovani represents the Roman Catholics. Each community comprises around 5,000 members each and, live in an enclave, notably the Maronites 6 political parties are represented in the present Chamber of Representatives:

- the Progressive Workers’ Party (AKEL), founded in 1926 as the Cypriot Communist Party (CCP) but which has given up some of its Marxist-Leninist ideals. It is the party of the present president of the Republic, Demetris Christofias who is against the reunification plan; it has 18 seats;
- the Democratic Assembly (DISY), is the main opposition party founded in 1976 and lies to the right of the political scale and is led by Nicos Anastasiades; it has 18 representatives;
- the Democratic Party (DIKO), a centre left party founded in 1976 and led since 2006 by Marios Kalyian; it has 11 seats;
- the Movement for Social-Democracy-(EDEK), was founded in 1969 and has been chaired since 2003 by Yiannakis Omirou. A government member until February 2010 – it has 5 representatives,
- New Horizons (NO), merged on June 1st 2005 with European Democracy to become the European Party (EVROKO); it lies on the far right and is led by Deometris Syllouris, with three seats;
- the Ecologist and Environmentalist Movement-(KOP), led by Joanna Panayiotou; it has one seat.

The Electoral Campaign

The Progressive Workers’ Party is the only Communist party in office in the EU and also Cyprus is only one of two Communist governments in the world to have been democratically elected (together with Nepal). The party of outgoing President of the Republic Demetris Christofias is against privatisation and more widely it is opposed to economic liberalism (in 2005 it voted against the Treaty for the establishment of a Constitution for Europe which it deemed to be "too neo-liberal"). However AKEL tolerates the economic implications which have come since the island’s accession to the EU.

Two years after the start of the international economic crisis the economic situation in Cyprus is a tense one. Nicosia has had to borrow money three times on the financial markets and may be forced to take out a new loan in May or June next. Hence the island’s rating was taken down a notch by the ratings agencies Standard & Poor’s and Moody’s. The latter made the following assessment: inappropriate fiscal measures, lack of structural reform with regard to salaries in the public sector and social transfers which comprise 2/3 of State spending make it difficult to reduce public deficit and debt.

Demetris Christofias has blamed the downgrading of the country’s rating on the governor of the Central Bank, Athanasios Orphanides. The head of State stressed that his government which has had to modify its priorities because of the economic crisis had been able to act effectively by stepping up development and by increasing State spending by 300 million euros which led to a 30% rise in retirement pensions and an increase in social aid to a total of 46%.

"We have chronic problems that we are not sweeping under the carpet but which we are trying to resolve," maintained Finance Minister Charilaos Stavrakis (Independent). The government has started to try and reduce the number of civil servants (55,000) who "cost" the State more than 2 billion € (30% of total spending). The number of civil servants has fallen by 1,240 since December last.

On 15th April last the government decided to delay the debate planned on the reform of retirement pensions. Charilaos Stavrakis said that the electoral campaign would provide an opportunity for national debate on the future of the country’s retirement system. Meetings that had been planned for a long time between the government and union representatives have been postponed. The opposition forces have criticised outgoing President Christofias for not having kept his promise of taking forward negotiations with the pan-Cypriot Civil Servants’ Union, PASYDY. The head of State maintains that several meetings have taken place away from the scrutiny...
General Elections in Cyprus
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of the press – news which the union’s leader, Glafcos Hadjipetrou, has however denied.
On 18th April the Labour Minister Sotiroulla Charalambous (AKEL) suggest a 2.5% increase in the minimum salary, a measure which aims to improve the daily lives of the most vulnerable i.e. young people and women many of whom work in sectors in which there are no collective agreements. The minimum salary is due to rise from 835 to 855 € (from 887 to 907 € after six months work in the same company). Company heads and union members have opposed this measure. The Democratic Labour Federation (DEOK) deems the increase inadequate whilst Michalis Pilikos, director of the Employers and Industrialists’ Federation (OEV) stressed that this increase would come at the worst possible moment and that priority should be given to employment and not increasing the minimum salary which in his opinion will necessarily lead to pressure on wages. Opposition leader Nicos Anastasiades (DISY) criticises President Christofias for his lack of vision and perspective and maintains that the island’s situation has worsened under the government of the outgoing Head of State. Nicos Anastasiades wants to change Cypriot policy by encouraging private initiative – the only means to create wealth and produce growth whilst the State is adding to debt and deficit growth.
The leader of DISY favours part privatisation of several government organisations, the establishment of measures to help SMEs which in his opinion are experiencing major problems in borrowing the money they need, he supports increases in social security contributions by civil servants; he would like to see a two year moratorium on new jobs in the public sector and he finally he wants higher taxes on consumer goods (the government increased VAT by 5% on food and introduced a tax on tobacco). According to Nicos Anastasiades the downgrading of Cyprus’s credit rating is indeed a result of the policy applied by the outgoing government.
The Democratic Party, a member of the outgoing government coalition recently opposed the Progressive Workers’ Party over the President’s veto on Cyprus’s participation in NATO’s peace partnership programme which comprises the final step before gaining membership of the international organisation. The resolution was approved by the Democratic Assembly, the Movement for Social Democracy, the European Party and the Democratic Party in Parliament.
Article 50-1-A of the Cypriot Constitution allows parliament to approve resolutions on subjects that are related to the island’s participation in international organisations of which both Greece and Turkey are members. The President of the Republic cannot place his veto on these resolutions. Marios Garoyian, the Democratic Party leader also declared that the Head of State’s veto infringed the Cypriot fundamental law. The Progressive Workers’ Party criticised its coalition partner for having rallied with the main opposition party, the Democratic Assembly, and accused it of having undertaking secret negotiations which Marios Garoyian has denied. The government’s spokesperson Stefanos Stefanou said that the resolution approved by parliament intended to isolate Demetris Christofias rather than serve Cyprus’s true interests. However Marios Garoyian, the Democratic Party leader stressed that “We never thought that our participation in government cancelled out our political independence. We never thought that a political alliance meant that we had to merge with another party. This was not, is not and will not be our goal,”
For its part the Movement for Social Democracy deplored the fact that the government did not respect parliament. Former partners of the Progressive Workers’ Party within the government coalition it states that President Christofias “lives in virtual reality and embellishes reality presenting Cyprus as a country where there are no problems.”
According to the most recent polls DISY the main opposition party is due to win the election on 22nd May with 25.1% of the vote. It should come out ahead of the Progressive Workers’ Party (AKEL) which is due to win 23.2% of the vote, the Democratic Party, 11.2%, the Movement for Social Democracy 6.8%, the European Party 3.8% and the Ecologist and Environmentalist Party 2%. The island’s future is the main motive behind the majority of Cypriots’ votes (54.7%), far ahead of the economy mentioned by 20.8% of those interviewed.
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22nd May 2011

Reminder of the General Election Results of 21st May 2006 in Cyprus.
Turnout: 89.02% (it is obligatory to vote in Cyprus)

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Source: Elections Site (http://www.vouleftikes.com/images/users/1/Docs/Sygkentrotika%20vouleftikes%202006.pdf)

The Rightwing Opposition takes the lead in Voting Intentions one Week before the General Elections in Cyprus

The Chamber of Representatives, the Cypriot Parliament was dissolved on 26th April last. 531,136 people including nearly 200,000 in the district of Nicosia alone (191,517) will be electing the 56 members of the new assembly on 22nd May next. Only 10,000 of the 34,000 young people who have turned 18 since the last general election on 21st May 2006 have registered on the electoral rolls. It is obligatory however to vote in Cyprus. Abstention can be sanctioned by a 342€ fine and a prison sentence of up to 6 months, but this law is not applied. 486 people living in the Northern part of the island registered on the electoral rolls. The number of seats per constituency has been modified in time for these elections: Nicosia will elect 20 MPs (-1); Limassol, 12; Famagusta, 11; Larnaca (+1), 6; Paphos, 4 and Kyrena, 3. 406 people from 9 political parties (142 in the district of Nicosia, 86 in Limassol, 77 in Famagusta, 50 in Larnaca, 34 in Paphos and 23 in Kyrena) and also six independents (3 in Limassol, 2 in Nicosia and 1 in Paphos) are officially running on 22nd May. Nine people are standing to represent one of the three communities (Armenian, Maronites and Roman Catholics) which sit in Parliament. Each of these representatives is elected by the members of his community only. He has no voting rights within the Chamber of Representatives except for when it concerns the community he represents.

Four new parties are standing for the first time in these national elections. The People’s National Front (ELAM), a far right party led by Christodoulos Ioannides, is fighting to “protect Greek interests.” “The problem with Cyprus is that it has been invaded and occupied by the Turks. The Turks are not our brothers. The history of Cyprus from 1960 to 1974 showed that Turks and Greeks cannot live together,” declared the extremist leader. They want to see the establishment of a strong central government to take care of both Greeks as well as the Turkish minorities. It also wants to counter immigration, notably the ille-
General Elections in Cyprus
22nd May 2011

gal kind which is synonymous to an increase in unemployment and crime. 16 people will be sporting the colours of the People’s National Front on 22nd May next. At the other end of the political scale there is the People’s Socialist Movement (LASOK). Led by Lakis Ioannou, this far left party supports the establishment of a federal government to settle the Cypriot problem but agrees with the People’s National Front in so far as it wants to limit the number of migrants on the island. 17 people are representing LASOK. Led by Thekla Petridou, Cypriot Cooperation (KYPROS) supports greater immigration control and the teaching of Greek in schools. 28 people are running for this party on 22nd May. Finally the Citizens’ Movement (ZYGOS) founded in January by academics and businessmen supports the idea of a government comprising experts, arguing that political parties defend their own interests before those of the citizens. The party wants to counter corruption. Ten people are running under the Citizens’ Movement’s colours.

The leader of the main opposition party, the Democratic Assembly (DISY), Nicos Anastasiades accuses the government, that is led by President of the Republic Demetris Christofias (Progressive Workers’ Party – AKEL) – in Cyprus the head of state is also the head of government and in this case apart from his own party he governs with the Democratic Party (DIKO) and some independent politicians – of creating “an illusion of prosperity”. Nicos Anastasiades says that Cyprus is one of the European countries in which the prices of electricity, and also milk, coffee, bread and other basic products are the highest.

The party’s second in command and leader in Parliament, Averof Neophytou criticised Mr Christofias’s decision to borrow 200 million € on the internal market. In his opinion the government’s attitude proves that the ratings agencies were right when they downgraded the island’s rating. Two credit ratings agencies, Standard and Poors and Moody’s indeed criticised Nicosia for the inadequacy of its fiscal measures, the lack of structural reform on salaries in the public sector and the size of its social transfers which comprise two-thirds of State spending and which are impeding the reduction of the public deficit and the debt.

According to Averof Neophytou, Demetris Christofias’s government has no plan to counter the socio-economic crisis that is affecting the country and “is leading us into an unending downward spiral with negative consequences for the economy.” The Democratic Assembly is asking the President of the Republic to take steps quickly on retirement pensions and to work towards regaining international market confidence. The Chamber of Representatives passed a bill on 21st April last that abolishes the multiple pensions system (people who received several retirement pensions will now receive half of the last salary that they were paid when they were still working). However MPs will not be affected by this new text. According to many analysts the new law will not lead to significant savings (around one million € per year) notably due to the great number of exceptions to the rule. “The problem with multiple pensions diverted our attention from other major issues such as a global reform of retirement pensions,” highlights Averof Neophytou.

Employment Minister Sotroula Charalambous (AKEL) said that all of those who say that the viability of the pension’s scheme is in danger are “putting forward unfounded ideas.” Outgoing Finance Minister Charilaos Stavrakis (independent) stressed that the issue was a “time bomb”.

Demetris Christofias has regularly boasted the country’s latest economic results. GDP growth lay at 1% last year, a figure that was higher than forecast. It is due to rise to 1.5% in 2011 according to the European Commission and to 1.7% according to the International Monetary Fund (IMF). The government achieved its goal in terms of public deficit: last year it totalled 5.3% ie below the 6% threshold, the limit that was set by Brussels. Demetris Christofias said that the government would do everything it could to achieve the goal set for Cyprus by the EU ie to reduce public deficit below the 4.5% mark. Unemployment lay at 7.2% of the working population in March. Amongst young people it now lies at 20.2%.

Progress Workers’ Party spokesperson Stavros Evagorou said, “we must not be over optimistic but the Cypriot economy is on the right path. The results based on the European Commission’s estimates are satisfactory.” “Salaries in the public sector will not increase because we don’t have enough money in the coffers,” declared Finance Minister, Charilaos Stavrakis, who said that the government was going to start discussions with the pan-Cypriot civil service union (PASYDY) to make savings of up to 35 million €. Head of State, Demetris Christofias says that he has met union members on several occasions, information that has been denied by the union’s leader Glafcos Hadjipetrou.

The Democratic Party’s Vice-President Nicolas Papadopoulos said that the number of civil servants had increased contrary to government statements (which his party is a member of). Nicolas Papadopoulos said he was sorry that Charilaos Stavrakis refused to discuss retirement pensions and civil servants’ salaries; it seemed he said that Mr Stavrakis did not want Cypriots to know what the country’s real socio-economic was prior to
the election.

The governor of the Central Bank of Cyprus Athanasios Orphanides has requested the rapid establishment of structural reform. He said he was pleased that the country’s authorities had acknowledged the need to restrict public spending and to reform the retirement pension regime – a necessary but inadequate step according to this financial expert. According to Athanasios Orphanides, Cyprus’s structural problems have been evident for many years but the will to achieve high growth levels prevailed over the need to find rapid solutions to the country’s problems. “With a government under observation for excessive deficit our national economy is running a serious risk;” concluded the Central Bank governor.

At the end of April both Cypriots and Turks met again as part of the negotiations on the island’s reunification under the aegis of the UN. “Turkey must change its position and become more flexible so that we can reach a settlement,” declared the President of the Republic Demetris Christofias after the meeting.

Greek Foreign Minister Demetris Droutsas (Panhellenic Socialist Movement, PASOK) guaranteed the Cypriots that Athens supported them in finding a solution for the island. “We support the work of the Cypriot President Demetris Christofias in the quest for a solution based on UN decisions and in line with the "acquis communautaire" for a united Cyprus free of Turkish soldiers,” he said qualifying the presence of Turkish troops on the island as "shameful".

The European Commission has granted 25 million € to Nicosia. This money is for the Turkish community. "This proposal again shows the EU’s commitment to settling the Cypriot problem. This fund is a strong statement from Brussels saying that it is expecting that the talks over the island’s reunification will be concluded successfully," stressed European Commissioner for Enlargement and the European Neighbourhood Policy, Stefan Füle. The fund granted by the European Commission must be used to support the country’s reunification in several areas (education, civil society, rural development, the environment and also work by the Committee for people who have disappeared and also for the opening of crossing points).

According to the polls the Democratic Assembly is due to win the general elections on 22nd May. It is due to come out ahead of the Progressive Workers’ Party and the Democratic Party. Many political observers are expecting that the opposition party will try and form a government coalition with the Movement for Social-Democracy (EDEK) a party chaired by Yiannakis Omirou.

The Chamber of Representatives that is elected on 22nd May will meet for the first time on 2nd June next.

The Rightwing Opposition wins the Elections in Cyprus

The Democratic Assembly (DISY) won the general elections on 22nd May in Cyprus. Led by Nicos Anastasiades, DISY won 34.28% of the vote and 20 of the 56 seats in parliament, (+2 in comparison with the previous general election on 21st May 2006), it took the lead over the Progressive Workers’ Party (AKEL) of President of the Republic Demetris Christofias which won 32.67% of the vote and 19 seats (+1). Both parties progressed slightly in comparison with 2006.

In contrast the Democratic Party (DIKO) led by Marios Karoyian, AKEL’s government partner regressed. It won 15.76% of the vote (9 seats, -2) and came third. The government coalition compriseing AKEL and DIKO should however remain.

The Movement for Social Democracy (EDEK), led by Yiannakis Omirou won 8.93% of the vote (5 seats, =) whilst the European Party (EVROKO), a far right party led by Demetris Syllouris won 3.88% of the vote (+0.9 points) and two seats. The Ecologist and Environmentalist Movement (KOP) led by Yoanna Panayiotou won 2.21% of the vote (1 seat, =) and recorded slight progress (+0.25 points). Finally the People’s National Front (ELAM), led by Christodoulos Yoannides, won 1.08% of the vote.

Turnout – it is obligatory to vote in Cyprus – clearly declined in comparison with the previous elections to lie at 78.7% i.e. -10.4 points.
Beaten in the ballot boxes the Progressive Workers’ Party therefore suffered a defeat. "The battlefield was difficult because of the economic crisis. The parties in power in other European countries recorded a clear decline or were defeated. In these circumstances the Progressive Workers’ Party succeeded in improving its position," declared the AKEL chair Andros Kyprianou. The chair of the Democratic Assembly (DISY), Nicos Anastasiades, deemed that these results were a "message to the government in office demanding political change." The result is a setback for outgoing President Demetris Christofias who has been criticised for the concessions he is said to have made in the peace negotiations for the island’s reunification under the aegis of the UN and more generally for the lack of results produced by these talks.

"We should focus our attention on the way we are going to overcome the stagnation caused by Turkey’s intransigence and create conditions to come to a rapid solution to Cyprus’s problem," declared Demetris Christofias.

The rightwing victory may change the direction of the ongoing negotiations in that greater firmness on the part of the Cypriots would make it more difficult for the establishment of a compromise. DIKO which has been moderate on this issue for a long time has moved towards a tougher line, and did not spare the President of the Republic any criticism when it was a government coalition member. “We have paid the price for our tolerance with regard to government tactics which we did not agree with,” declared Nicholas Papadopoulos, DIKO’s Deputy Chair.

“The Head of State has the choice between two approaches. He can either do everything possible to move towards a real solution or adopt a harder line in the hope of increasing his number of votes in the next presidential election,” indicated political analyst Hubert Faustmann.

The result of the negotiations will also depend on the Turkish general election that will take place on 12th June next. Just three weeks before the vote the Justice and Development Party (AKP) led by outgoing Prime Minister Recep Tayyip Erdogan is forecast to be the winner by all of the polls and should win its 3rd consecutive mandate. Demetris Christofias and Dervis Eroglu, leader of the northern part of the island (the National Unity Party, UBP), will meet UN Secretary General Ban Ki-moon on 7th July next in Geneva in the hope of finding a solution to the island’s division before mid-2012. This meeting follows those of 18th November 2010 and 26th January this year which brought the 3 men together. Ban Ki-moon insisted on the need to make further progress to come to a settlement as soon as possible with an agreement that was acceptable to both parties. He expressed his increasing frustration with regard to the lack of progress made during the last round of talks.

Cyprus will take over the Presidency of the European Union on 1st July 2012. During the election on 22nd May the government was also sanctioned because of the island’s socio-economic situation. Two years after the start of the global financial crisis the Cypriot economy is suffering great tension. The country recorded zero growth in the first quarter of 2011 against the previous quarter (the GDP grew by 1% in 2010), i.e. its worst result since the fourth quarter of 2009. Moreover the unemployment rate totals 7.2% of the working population (March 2011 figures). Nicosia has had to borrow money on the financial markets three times and may soon be forced to resort to borrowing again. The island’s rating was also recently downgraded by the ratings agencies Stand & Poor’s and Moody’s.

The European Union has set the Cypriot authorities the following goal: to reduce the public deficit under the 4.5%/GDP threshold. The government will also need a sound parliamentary majority to be able to implement a policy that may be extremely unpopular over the next few months. The rightwing opposition’s victory affects the chances of Demetris Christofias being re-elected as President of Cyprus (the latter has not yet said whether he will run again), in the next election that is planned for February 2013; this increases the chances of the Democratic Assembly (DISY) however.
General Election Results of 22nd May 2011 in Cyprus

Turnout: 78.7% (it is obligatory to vote in Cyprus)

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Source: Election Internet Site (http://www.vouleftikes.com/default.asp?id=336)