



Country Issue: Cyprus



## The Relaunch of Europe

Mapping Member States' Reform Interests

**Europa**

**ie** Institut für  
**ip** Europäische Politik

**FRIEDRICH  
EBERT**  
  
**STIFTUNG**

## Europe needs social democracy!

Why do we really want Europe? Can we demonstrate to European citizens the opportunities offered by social politics and a strong social democracy in Europe? This is the aim of the new Friedrich-Ebert-Stiftung project »Politics for Europe«. It shows that European integration can be done in a democratic, economic and socially balanced way and with a reliable foreign policy.

The following issues will be particularly important:

- Democratic Europe
- Economic and social policy in Europe
- Foreign and security policy in Europe

The FES will devote itself to these issues in publications and events throughout 2015–2018: we start from citizens' concerns, identify new positions with decision-makers and lay out alternative policy approaches. We want a debate with you about »Politics for Europe«!

Further information on the project can be found here:

<http://www.fes.de/europa>

## Friedrich-Ebert-Stiftung

The Friedrich-Ebert-Stiftung (FES) is the oldest political foundation in Germany with a rich tradition dating back to its foundation in 1925. Today, it remains loyal to the legacy of its namesake and campaigns for the core ideas and values of social democracy: freedom, justice and solidarity. It has a close connection to social democracy and free trade unions.

FES promotes the advancement of social democracy, in particular by:

- Political educational work to strengthen civil society
- Think Tanks
- International cooperation with our international network of offices in more than 100 countries
- Support for talented young people
- Maintaining the collective memory of social democracy with archives, libraries and more.

## About the authors

Carmen Gerstenmeyer, Julia Klein, Julian Plottka, Jana Schubert, Amelie Tittel, all IEP.

George Tzogopoulos, Senior Research Fellow, Centre international de formation européenne; and Research Fellow, ELIAMEP.

Institut für Europäische Politik (Institute for European Politics, IEP) is one of the leading foreign and European policy research centres in the Federal Republic of Germany dedicated to the study of European integration.

Further information on the project can be found here:

[www.relaunch-europe.eu](http://www.relaunch-europe.eu)

## Responsible for this publication in the FES

Dr. Dominika Biegón, Friedrich-Ebert-Stiftung (FES).

Arne Schildberg, Friedrich-Ebert-Stiftung (FES).

Deadline for data collection: September 2017

Editorial deadline: June 2018

# Contents

**2 THE RELAUNCH OF EUROPE**

**3 CYPRUS**

Social Union

European Economic and Monetary Union

European Defence Union

Asylum and Migration

Polity

White Paper Process

**6 LEGEND**

**7 REFERENCES**

# THE RELAUNCH OF EUROPE

## MAPPING MEMBER STATES' REFORM INTERESTS

*The Relaunch of Europe. Mapping Member States' Reform Interests (RelaunchEU)* is a project conducted by the Institut für Europäische Politik (IEP) on behalf of the Friedrich-Ebert-Stiftung (FES) that surveys the implementation prospects for twelve concrete reform proposals. It covers the policy areas of Social Union, Economic and Monetary Union and Defence Union as well as asylum and migration policy and the EU's institutional set-up. Furthermore, it analyses the support for flexible integration and the positioning towards the five scenarios presented in the European Commission's »White Paper on the Future of Europe« of spring 2017. It covers the positions of national governments and of relevant progressive political parties, which received a minimum share of 5 % of the votes in the previous European or national elections.<sup>1</sup>

The study follows two main objectives: (1) It demonstrates the scope of action for prompt reforms of the EU in the selected policy areas while also taking into account which member states would, under certain conditions, be willing to implement the specific proposals. (2) It empirically determines which member states could belong to an avant-garde group willing to deepen integration.

Researchers from think tanks and research institutions in the member states of the EU-27 compiled information to determine the position of governments and progressive political parties towards the twelve reform proposals. This qualitative analysis reflects the country experts' views and is based on documents such as coalition agreements, government or party programmes, position papers, press releases, interviews, op-ed pieces, and official documents. It presents a snapshot of the discussions within the governments and parties. In order to keep the country issues short, internal debates and deviating opinions cannot be covered in detail. Positions are subject to change, especially following elections and the formation of new governments. The snapshot was taken at the end of September 2017. More recent developments could not be included. Notable exceptions are the country issues of Austria and Germany, which were updated following the latest coalition negotiations.

The study's results are published in English on the website [www.relaunch-europe.eu](http://www.relaunch-europe.eu). It presents maps for every actor and reform proposal, 27 country issues and an analytical paper. The paper compares the positions of all actors in all member states of the EU-27 on the twelve concrete reform proposals and presents five flagship-projects, which bear the chance for a relaunch of Europe.

---

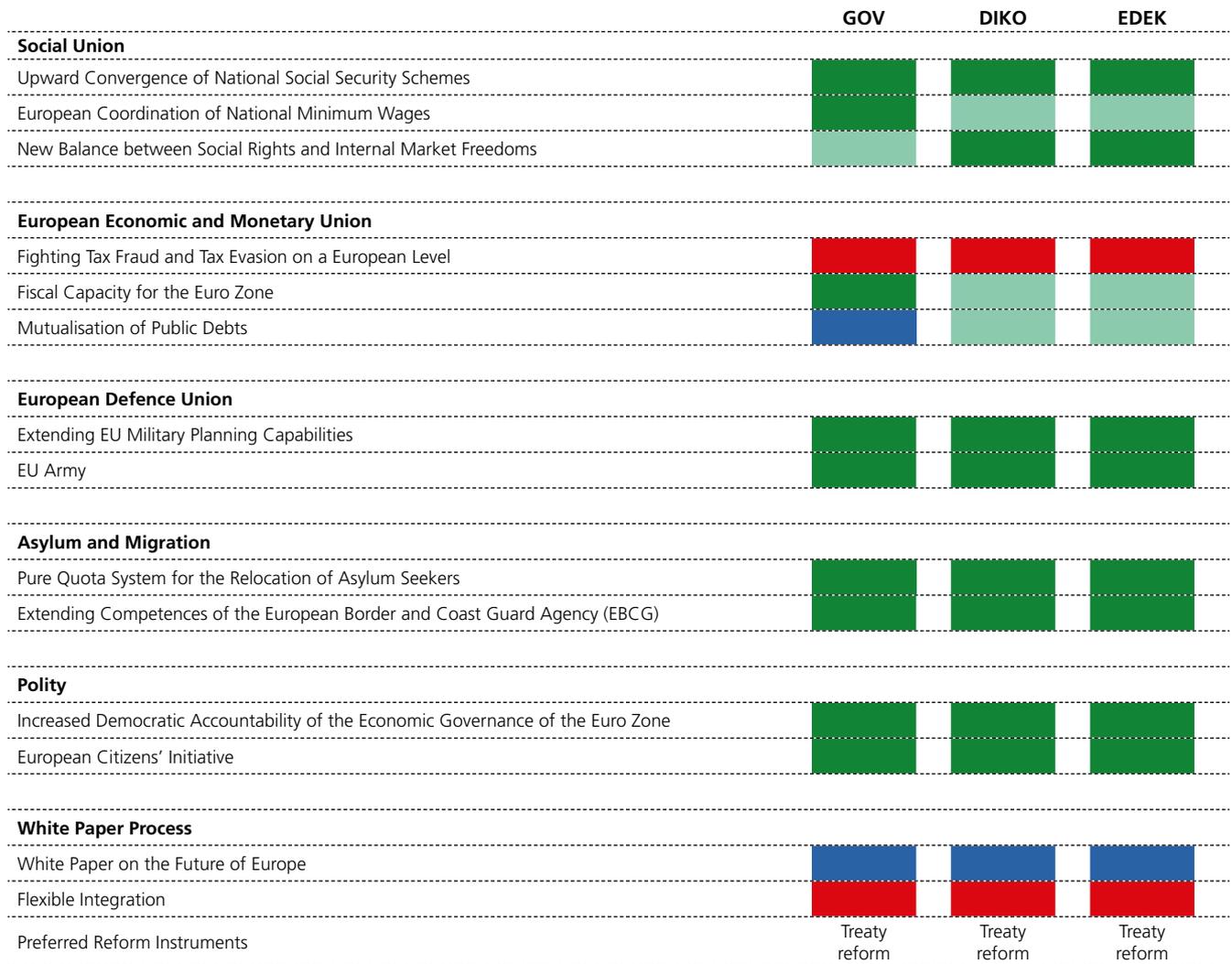
<sup>1</sup> If a party fulfills this criterion, but is not a relevant actor in the national public debate anymore, it was deleted from the sample based on the judgement of the projects' country expert.

# CYPRUS

In the 2016 parliamentary elections, the conservative Democratic Rally (DISY) received 30.69 % of the votes and, thus, the president from DISY formed the government. The progressive parties, Democratic

Party (DIKO, 14.49 %) and the Movement for Social Democracy (EDEK, 6.18 %), are in opposition in parliament. Due to the unsolved Cyprus question, 24 Turkish Cypriot seats remain unfilled.

## Support of the Cypriot government, the DIKO and the EDEK for Deepening EU Integration



**Legend**

- support for
- support under conditions
- against
- neutral

- GOV** National Government
- DIKO** Democratic Party
- EDEK** Movement for Social Democracy

- 1 – Scenario 1: »Carrying on«
- 2 – Scenario 2: »Nothing but the single market«
- 3 – Scenario 3: »Those who want more do more«
- 4 – Scenario 4: »Doing less more efficiently«
- 5 – Scenario 5: »Doing much more together«

## SOCIAL UNION

In general, the government and both DIKO and EDEK are in favour of **upward convergence of national social security schemes** in the EU, as related reforms could reinforce the internal cohesion between the EU member states and, thus, positively affect the Cypriote social security system. However, specific proposals are missing so far. The government fully supports a **European coordination of national minimum wages**, too, as it assumes that it would reduce income inequalities at national level between member states. Both progressive parties are also supportive. However, they demand a protection of the current level of the Cypriot minimum wage. Both DIKO and EDEK are in favour of the establishment of a **new balance between social rights and internal market freedoms** to better protect social rights in the Single Market. However, the government states that rebalancing social rights and internal market freedoms needs to be realistic. The EU's ability to reinforce its competitiveness in a globalised economy has to be preserved.

## EUROPEAN ECONOMIC AND MONETARY UNION

Cyprus is seen as one of the European »tax havens« as it encourages the influx of foreign capital to the Cypriot banking system. This policy is being criticised by other member states. However, it is one of the main economic strategies of the country and – apart from the 2013 banking crisis – it is considered to be a success. Regardless of the three parties' political orientation, all of them support the continuation of the current banking and tax policies. While they all state that they could support **fighting tax fraud and tax evasion on a European level** in principle, they are rather sceptical as far as concrete proposals are concerned since reforms might harm the current economic and banking model of Cyprus. For this reason, the government and the progressive parties are rather sceptical about the establishment of specific measures like increasing transparency for multi-national companies or banning »letterbox companies«. Furthermore, they oppose a common (consolidated) corporate tax base or a Europe-wide minimum corporate tax rate, as it could reduce the national tax autonomy, increase administrative costs and have a negative impact on the economy. The governing Democratic Rally is in favour of establishing a **fiscal capacity for the euro zone**, in order to avoid crises and to decrease inequalities in the fiscal policies of the member states. They assume that it will improve the functioning of the euro zone. DIKO and EDEK are supportive, too. However, a fiscal capacity must not directly affect the country's macroeconomic autonomy. While the government is indecisive regarding the **mutualisation of public debts** and doubts the measure's effectiveness, DIKO and EDEK would support the reform as long as the mutualisation does not lead to permanent fiscal transfers between member states. Furthermore, they have doubts regarding its implementation. Again, all three actors lack further specific positions on these issues.

## EUROPEAN DEFENCE UNION

Against the backdrop of the dispute between Turkey and Cyprus, all actors, the government and the progressive parties, support the **extension of EU military planning capabilities** as well as the establishment of EU headquarters for executive military missions and operations. Strengthening European defence capabilities is considered an important measure to protect Cyprus. There is a broad consensus that participation in extended European military planning capabilities should be limited to EU member states. As regards the relationship with NATO, the government and the progressive parties endorse establishing more autonomous European defence structures, since Cyprus is not member of NATO. The same applies to the establishment of an **EU army**, which is supported by the government and the progressive parties as a means to protect the sovereignty of the EU member states. All actors refer to the protection of Cyprus against Turkish expansion as a political priority. Furthermore, an EU army could be deployed in order to protect the external borders of the EU and to prevent regional crises, e.g. in the Eastern Mediterranean or the Middle East.

## ASYLUM AND MIGRATION

The governing party DISY as well as DIKO and EDEK support the deepening of the Common European Asylum System. Thus, all parties are in favour of the establishment of a **pure quota system for the relocation of asylum seekers** and the creation of an EU Asylum Agency. Due to the migration crisis, the establishment of a common European system to process asylum applications is considered to be a necessity from the Cypriot point of view. Even though Cyprus is at the South-Eastern frontier of the EU, it has largely been spared from the migration crisis: Between September 2014 and September 2017, less than 1,500 migrants have reached the island. Still, the resources of Cyprus are not sufficient for managing migration and asylum procedures alone; thus, support from the EU would be a welcome development. All three actors support reform proposals aimed at **extending competences of the European Border and Coast Guard Agency (EBCG)**. Due to its geographic location, a stronger European presence at the EU's external borders in the Eastern Mediterranean is strongly supported in order to better address illegal immigration and terrorist threats. However, further specific positions on the issue are missing.

## POLITY

Both the government and the progressive parties support reforms on **increasing the democratic accountability of the economic governance of the euro zone**. They are in favour of reinforcing democratic principles in euro zone structures in order to avoid tough measures, such as the debt relief during the Cypriot banking crisis, in the future. However, they fail to elaborate more on the reform proposals. The lack of specific

positions applies also to the reform of the **European Citizens' Initiative** (ECI). However, all actors support its reinforcement, to better use its potential in reducing the »democratic deficit« of the EU, which is one of the Cypriot parties' main areas of criticism concerning the functioning of the EU political system.

## WHITE PAPER PROCESS

Regarding the Commission's »**White Paper on the Future of Europe**«, there are no official statements from either the government or the progressive parties DIKO and EDEK as of yet. However, they might oppose scenario 3, »Those who want more do more«, as they all have voiced their opposition towards **flexible integration**. They fear a negative spill-over for EU integration. Types of flexible integration such as a multi-speed Europe could threaten the cohesion of the EU as a whole and thus affect smaller member states like Cyprus negatively. In order to implement EU reforms, all actors favour to do so by treaty change.

## Legend

### Actors Covered by the Study in each EU Member State

- *National Government*: including its members from one or more political parties, the Head of State or Government, relevant executive ministers and administration.
- *Progressive Parties*: They include all parties that are represented either in the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament (S&D) or that are members of the Party of European Socialists (PES) and have gained a minimum share of 5 % of the votes in the last national or European elections. They also include La République en Marche (REM) in France.

### Concrete Reform Options in Different Policy Areas

#### **Social Union**

1. *Upward Convergence of National Social Security Schemes* to provide Europe-wide protection against social risks and to ensure a decent standard of living for EU citizens.
2. *European Coordination of National Minimum Wages* to ensure a decent income within the EU to prevent in-work poverty, to promote social convergence and to avoid social dumping across the EU.
3. *New Balance of Social Rights and Internal Market Freedoms* to compensate the current precedence of internal market freedoms over national social rights.

#### **European Economic and Monetary Union**

4. *Fighting Tax Fraud and Tax Evasion on a European Level* for a fair allocation of tax burdens among natural and judicial persons.
5. *Fiscal Capacity for the Euro Zone* to provide stabilisation against economic shocks through public expenditure in the euro zone.
6. *Mutualisation of Public Debts* to tackle the problem of a sharp increase in public debts in some member states as a result of the euro zone crisis.

#### **European Defence Union**

7. *Extending EU Military Planning Capabilities* also for executive military missions and operations.
8. *EU Army* establishing a permanent multinational military force under European command.

#### **Asylum and Migration**

9. *Pure Quota System for the Relocation of Asylum Seekers* which would replace the Dublin system.
10. *More Competences for the European Border and Coast Guard Agency (EBCG)* expanding the current EBCG tasks in terms of »shared responsibility« between the EBCG and national authorities.

#### **Polity**

11. *Increase Democratic Accountability of the Economic Governance of the Euro Zone* to make its institutions more responsive to EU citizens.
12. *European Citizens' Initiative (ECI)*: revision of the ECI regulation to make the instrument more citizen-friendly and effective in order to strengthen the participative democracy in the EU.

#### **White Paper Process**

13. *The White Paper on the Future of Europe* by the European Commission presents five possible scenarios for the future course of European integration.
14. *Flexible Integration*: limiting the application of certain rules to certain EU member states.
15. *Preferred Reform Instrument*: Treaty reform, reforms inside or outside the Treaties.

# References

**24h.com.cy** (2017): Την Κύπρο επισκέπτεται σήμερα ο διευθυντής της υπηρεσίας ασύλου της ΕΕ. 20.09.17. <http://24h.com.cy/2017/09/20/tin-kypro-episkeptete-simera-o-diefthyntis-tis-ypiresias-asyλου-tis-ee/> (09.01.18).

**Ανδρέα Κυπριανού** (2011): Σύμφωνο για το Ευρώ: Το πιστεύει η κυβέρνηση. Δημοκρατικός Συναγερμός, 23.03.11. <http://disy.org.cy/σύμφωνο-για-το-ευρώ-το-πιστεύει-η-κυβέρνηση;html> (09.01.18).

**Γραφείο Τύπου** (2015): Πρώτη αποτίμηση της Συνόδου Κορυφής της Ευρωζώνης. Κίνημα Σοσιαλδημοκρατών, 13.07.15. <http://edek.org.cy/2015/proti-apotimisi-tis-sinodou-korifis-tis-evrozonis/> (09.01.18).

**Δημήτρης Παπαδάκης** (2014): Εκδήλωση Ευρωβουλευτή Δημήτρη Παπαδάκη στο Ευρωκοινοβούλιο: »ISIS: IRAQ, SYRIA, MIDDLE EAST. What is the next step«. Κίνημα Σοσιαλδημοκρατών, 11.12.14. <http://edek.org.cy/2014/ekdilosi-evrouleufti-dimitri-papadaki-sto-evrokinovoulío-isis-iraq-syria-middle-east-what-is-the-next-step/> (09.01.18).

**Δημοκρατικό Κόμμα** (2017): Επέκταση του θεσμού, αντί για μείωση του κατώτατου μισθού – Πανευρωπαϊκή Πολιτική για κατώτατο μισθό. ΔΗΛΩΣΗ ΕΥΡΩΒΟΥΛΕΥΤΗ, ΚΩΣΤΑ ΜΑΥΡΙΔΗ. 11.09.17. <http://www.democraticparty.org.cy/epektasi-tou-thesmou-anti-gia-miosi-tou-katota-tou-misthou-paneuropaiki-politiki-gia-katotato-mistho/> (09.01.18).

**Δημοκρατικό Κόμμα** (2017): ΣΤΗΝ ΕΥΡΩΠΑΪΚΗ ΕΝΩΣΗ ΜΠΟΡΟΥΜΕ ΝΑ ΔΙΑΣΦΑΛΙΣΟΥΜΕ ΤΑ ΔΙΚΑΙΩΜΑΤΑ ΜΑΣ ΚΑΙ ΝΑ ΚΑΛΥΤΕΡΕΥΣΟΥΜΕ ΤΗ ΖΩΗ ΜΑΣ, ΦΤΑΝΕΙ ΝΑ ΕΙΜΑΣΤΕ ΔΙΕΚΔΙΚΗΤΙΚΟΙ. 09.05.17. <https://www.democraticparty.org.cy/στην-ευρωπαϊκή-ενωση-μπορούμε-να-διασ/> (09.01.18).

**Δώρος Θεοδώρου** (2016): Quo Vadis Ευρώπη (2). Κίνημα Σοσιαλδημοκρατών, 19.04.16. <http://edek.org.cy/2016/quo-vadis-evropi-2/> (09.01.18).

**Κίνημα Σοσιαλδημοκρατών** (2013): Το Μεγάλο μας Χρέος. 23.04.13. <http://edek.org.cy/2013/to-megalo-mas-xreos/> (09.01.18).

**Κίνημα Σοσιαλδημοκρατών** (2014): Κενά και ελλείψεις για τα ασυνόδευτα παιδιά. 14.09.14. <http://edek.org.cy/2014/kena-ke-ellipsis-gia-ta-asinodefta-pedia/> (09.01.18).

**Κίνημα Σοσιαλδημοκρατών** (2015): Αμνηστία σε όσους καταθέσουν στοιχεία για παράτυπη ρύθμιση των φορολογικών τους υποχρεώσεων. 10.02.15. <http://edek.org.cy/2015/amnistia-se-osous-katathesoun-stichia-gia-paratipi-rithmisi-ton-forologikon-tous-ipochreoseon/> (09.01.18).

**Κίνημα Σοσιαλδημοκρατών Κέντρο** (2015): ΠΡΟΓΡΑΜΜΑΤΙΚΗ ΔΙΑΚΗΡΥΞΗ. <http://edek.org.cy/programmatiki-diakirixi/> (09.01.18).

**ΚΩΣΤΑΣ ΜΑΥΡΙΔΗΣ** (2014): Υποψήφιος Ευρωβουλευτής – Βιογραφικό: ΚΩΣΤΑΣ ΜΑΥΡΙΔΗΣ. <http://www.sigmalive.com/simerini/politics/125065/yropsifios-eurovouleftis-viografiko-kostas-mavridis> (09.01.18).

**Μαρίνος Σιζόπουλος** (2015): Μήνυμα του Προέδρου της ΕΔΕΚ Μαρίνου Σιζόπουλου στη μεγάλη συγκέντρωση του ελληνικού λαού απόψε στην Πλατεία Συντάγματος. Κίνημα Σοσιαλδημοκρατών. 3.7.2015. <http://edek.org.cy/2015/minima-tou-proedrou-tis-edek-marinou-sizoroulou-sti-megali-sigkentrosi-tou-ellinikou-laou-aporpose-stin-platia-sintagmatos/> (09.01.18).

**Υπουργείο Ναυτιλίας και Νησιωτικής Πολιτικής** (2017): Συνάντηση για την σύσταση Σώματος Κυπριακής Ακτοφυλακής. 25.07.17. <http://www.hcg.gr/node/15521> (09.01.18).

**Φίλε Υπουργέ Εξωτερικών Ιωάννη Κασουλίδη** (2016): Ανατολική Μεσόγειος: Ο ρόλος του ΝΑΤΟ, της Ε.Ε. και της Ρωσίας. Δημοκρατικός Συναγερμός. 25.4.16. <http://disy.org.cy/«ανατολική-μεσόγειος-ο-ρόλος-του-νατο,-της-ε.ε.-και-της-ρωσίας».html> (09.01.18).

## **Imprint**

© 2018

### **Friedrich-Ebert-Stiftung**

Publisher: International Policy Analysis,  
Hiroshimastraße 28, D-10785 Berlin, Germany  
[www.fes.de/ipa](http://www.fes.de/ipa)  
Orders/Contact: [info.ipa@fes.de](mailto:info.ipa@fes.de)

Study conducted by:  
Institut für Europäische Politik  
Bundesallee 23, 10717 Berlin, Germany  
[www.iep-berlin.de/en](http://www.iep-berlin.de/en)

The statements and conclusions are the sole responsibility of the authors and do not represent an official opinion of the Friedrich-Ebert-Stiftung.

Commercial use of all media published by the Friedrich-Ebert-Stiftung (FES) is not permitted without the written consent of the FES.

**ISBN: 978-3-96250-119-8**

Front cover image: [AboutLife/shutterstock.com](https://www.shutterstock.com)  
Design concept: [www.stetzer.net](http://www.stetzer.net)  
Realisation/Typesetting: pertext, Berlin  
Print: [www.druckerei-brandt.de](http://www.druckerei-brandt.de)

August 2018

