



TWO YEARS OF NICOS CHRISTODOULIDES' PRESIDENCY Great Expectations and the Reality

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When it was first announced that Nikos Christodoulides would run for the Presidency of the Republic of Cyprus, expectations soared. Yet, as time passed, doubts about his candidacy began to surface, revealing an emphasis on image rather than substance. Despite the contradictions and challenges that emerged, Christodoulides won the elections. It is worth noting that many voters distrusted Averof Neophytou and AKEL. In essence, Christodoulides' victory rested on two pillars: those who genuinely believed in him and those who saw him as the "lesser evil" given the circumstances.

His initial ministerial appointments did not generate much enthusiasm, despite some notable exceptions. Even Christodoulides himself could hardly claim that his cabinet and close circle of advisors embodied the so-called "best of the best."

Despite some changes and the January 2024 cabinet reshuffle, there is a prevailing sense that President Christodoulides remains in perpetual campaign mode. The focus still appears to be on image rather than substance, with the ultimate objective being his re-election in 2028. While he is not the only leader to adopt this approach, Cyprus stands as a unique case as it faces existential challenges.

On the Cyprus problem, Christodoulides' policy does not differ from that of his predecessors. But what has decades of endless intercommunal negotiations since 1974 yielded? Despite the continuous and substantive concessions of the Greek Cypriot side and the shifting of the negotiation framework towards the Turkish positions, a settlement remains elusive. If talks resume under the current circumstances—where the Greek Cypriot side clings to its pre-2017 Crans-Montana positions and the Turkish side insists on a two-state solution—the best-case scenario would be a loose federation, an outcome that would only further deteriorate the *status quo*.

In foreign policy, a distinct pro-Western tilt is evident. Over the past two years, US-Cyprus relations have significantly strengthened. Given the broader geopolitical context, this shift was largely anticipated—and even inevitable. The key question is what Cyprus has gained and has sacrificed in return. Are the Republic of Cyprus' defense objectives adequately safeguarded? Can these enhanced US-Cyprus ties at least guarantee the *status quo* and deter violations along the buffer zone and in Varosha? Does the US have the political will to prevent a maritime delimitation agreement between Turkey and Syria that would infringe upon Cyprus' sovereign rights? Another issue to consider is how the significant foreign policy shift of the US under the 2nd Donald Trump's Presidency may affect Cyprus.

Moreover, Cyprus has every right to voice its concerns and aspirations within the EU. It is imperative that Nicosia utilizes better the EU's institutions. At the same time, Cyprus must maintain at least some level of diplomatic relations with Russia and China—both permanent members of the UN Security Council—regardless of its deepening ties with the US. Given the developments in the Middle East, Cyprus must strike a balance between Realpolitik and a principled foreign policy—an arduous yet necessary task.

On the economic front, despite increasingly positive evaluations from international credit agencies, structural problems persist. Economic inequality is deepening, and Cyprus' economic model fails to generate sufficient quality jobs for university graduates. President Christodoulides has announced plans to attract highly skilled Cypriots living abroad, but for these initiatives to succeed, much more is required. As things stand, Cyprus struggles to retain its own young scientists, many of whom seek better prospects abroad—a reality that exacerbates the country's demographic challenges. Furthermore, foreign capital has taken control of key sectors, including banks, hospitals, and universities. The extensive sale of land to foreign interests has contributed to soaring real estate prices and rental costs. The cost of living remains high, while vital sectors such as healthcare, education, public administration, and banking require significant improvements in service quality. The pension system also needs urgent restructuring to correct longstanding distortions. Addressing these issues requires a paradigm shift. The prevailing neoliberal model will not provide solutions. Instead, the utilization of the strategic, social and arbitration/mediation role of the state is imperative.

Cypriots have high expectations on several pressing issues. They are concerned about rising crime rates and illegal migration. There is a widespread perception that law enforcement agencies must modernize, become more citizen-friendly and deliver better services; these expectations extend to public administration as a whole.

In education, the Christodoulides administration inherited multiple challenges. The crucial question is whether new approaches will be adopted to address structural inefficiencies. So far, there has been no meaningful policy shift. The proliferation of universities and colleges, coupled with unregulated expansion and inefficient resource allocation, remains a concern. There is also a lack of accountability and transparency, both in public and private universities. Additionally, the quality and market value of degrees are increasingly questioned. The widespread phenomenon of shadow education (private tutoring) may be a direct consequence of these deficiencies.

Cypriot secondary school students consistently rank low in European and global contests in mathematics. The exceptional performance of the top students does not change the overall pattern. Furthermore, there is a lack of historical awareness, while critical thinking is not sufficiently encouraged despite the fact that university professors and public-school educators enjoy relatively high salaries compared to their European counterparts. In short, the demand for higher quality and better performance is both justified and urgent. The current state of affairs cannot continue indefinitely, as it poses multiple risks and long-term consequences.

Finally, it is disappointing that even under the Christodoulides administration, Cyprus has failed to recognize the importance of engaging in the international marketplace of ideas. Previous Presidents could, to some extent, be excused for lacking familiarity with this sphere due to generational differences. But what about Christodoulides? Expectations were higher, yet they remain unfulfilled. It would be instructive to examine the funding allocated to think tanks in major countries. For instance, in 2019, the US federal government provided \$51,7 million to the Wilson Center and \$1,82 million to the Brookings Institution, among others. Notably, funding is provided to a diverse range of organizations, regardless of their ideological and/or philosophical leanings. In other words, the US—a global superpower with unmatched hard power—nonetheless invests heavily in soft power. If the US deems this necessary, how much more vital is it for Cyprus, a small state without adequate hard power facing existential threats, to develop its own soft power strategy? The answer is self-evident.

When Nikos Christodoulides was elected, most citizens believed in the dawn of a new era marked by credibility, meritocracy and progress across all fronts. These hopes have yet to materialize. Evidently, it takes much more to deliver effective governance. Cyprus must rise to the challenge of addressing its existential challenges. Clearly, much remains to be done.