

# **Global Shifts and the East in Cyprus' Foreign Policy**

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Over the past ten years or so the foreign policy of Cyprus, more specifically the Republic of Cyprus, has improved significantly in that it has started, despite some persisting problems and dilemmas, to realize and utilize the island's geostrategic role. To this emerging reality contributed three main factors: i) the maturing of the country's political elites; ii) Turkey's increasing self-aggrandizement and destabilizing foreign policy which led it to multiple diplomatic and strategic dead-ends; and iii) Cyprus' delimitation of its maritime Exclusive Economic Zone with Egypt, Lebanon and Israel and the discovery of hydrocarbons within it.

The results have been evident in a number of foreign policy decisions and geopolitical developments. For example, Cyprus managed to become part of two important regional trilateral partnerships: Israel-Cyprus-Greece and Egypt-Cyprus-Greece. At the same time, and despite its staunchly pro-Western DISY (Democratic Rally) government, it sought to strike a balance between its Western partners (EU and United States) and Russia, rather successfully. To be sure, these efforts are quite recent and very much dependent both on Cyprus' handlings and international developments. As always, international partnerships and alliances are not "carved in stone" while their sustainability demands a lot of effort and commitment.

Having said that, it is not all rosy in Cyprus' foreign policy; the country deals with a number of obstacles and problems that have a direct impact on its international outlook. Perhaps the two most important problems at this moment is the Cyprus Problem (Turkey's invasion and occupation of the island) and the economic crisis. Indeed, foreign policy in Cyprus is often seen as merely a means towards the resolution of the Cyprus Problem; international alliances and agreements are understood through this prism. This approach is not necessarily wrong given that the resolution of the Cyprus Problem is of vital importance for the future of the island and its international position. However, foreign policy should not be confined to any one political issue or dimension; it should

rather seek to strengthen a state's international image and impact, read the newest trends of the international system correctly and adapt accordingly.

While the Republic of Cyprus has been demonstrating some open-mindedness and vision in its foreign policy, it seems to be neglecting one of the most – if not *the* most – important feature of a world order that is changing rapidly: the rise of the East. Doing business with Russia bears some economic and political significance. However, Russia is only one player in the group of countries affecting the economic and power equilibrium of the international system. The US may still be the most powerful pole of the international system but its hegemony and ability to exert its power have diminished, not least because of its reluctance to engage global issues as in the past due to the costs and bitter experiences (e.g. Afghanistan, Iraq). This reality becomes even clearer when the US is juxtaposed with other rising powers and aspiring regional hegemones that form non/anti-Western blocks and networks of cooperation.

The East, in other words Asia, is home to some of the most important international players and therefore no country that wants to be seriously involved in international affairs should neglect it. Importantly, China has recently surpassed the US as the world's larger economy with a purchasing power Gross Domestic Product (GDP) hitting \$17.6 trillion.<sup>1</sup> India has currently an economy growth of around 7.5% which outpaces "China's economic expansion for two quarters out of the last three."<sup>2</sup> Japan is among the four greatest world economies<sup>3</sup> while the Republic of Korea (South Korea) holds the 4<sup>th</sup> place among Asia's economies and number 13 in the world.<sup>4</sup>

These simple facts are reflective of tectonic shifts in international political economy. Moreover, it should be noted that with such economic power comes political clout of global proportions. To this testify economic and financial undertakings of political importance which include the China-led Asian Infrastructure Investment Bank (AIIB) and the establishment of a BRICS<sup>5</sup> Development Bank. Both of these moves can be seen as challengers of the West-dominated International Monetary Fund (IMF), World Bank, and the hegemony of the US dollar.<sup>6</sup> To be sure, it would be too soon for one to assert that the West-dominated economic and financial architecture is a thing of the past. Yet the unprecedented economic and political momentum of Asia and the rising powers more generally cannot be ignored.

Against this background, the Republic of Cyprus should expand its horizons toward Asia and benefit not only from the economic dynamism and political leverage of these states but also from their experience and know-how in sectors ranging from technology and business to education and innovation. Further, Cyprus could develop a closer relationship and collaboration with a country like South Korea that faces its own political problems and geopolitical divide, on issues pertaining to bipartite negotiations, reconciliation and conflict resolution. Of course Cyprus is not completely cut off from Asia; it has traditionally sought good relations with these countries. Relations with China, for example, are positive both in economic and political terms,<sup>7</sup> despite some problems in investment efforts that occurred in the near past.<sup>8</sup> At the same time, the inclusion of South Korea's Korea Gas Corporation (KOGAS) in the Republic of Cyprus' natural gas explorations establishes important links of collaboration and communication.

Nevertheless, there is significant room for improvement from Cyprus' part. Expanded and deeper bonds need to be developed with Asia countries within the framework of mutually beneficial relationships. As an EU member-state and a pole of stability in the midst of the Middle East turbulence and the emerging energy architecture of the region, Cyprus has a lot to offer as well. In order for the Republic of Cyprus to effectively enrich its foreign policy with an Asia outlook it has to make some decisive steps forward, of which getting over its West vs. East dilemmas is perhaps the most important. Lastly, any attempt of improving relations with Asia should be supported by a well-staffed foreign ministry with a developed department on Asia and, certainly, a thought-out strategy with regard to the approach that should be followed, the goals that are to be achieved and the ways in which relations with Asia will be handled vis-à-vis relations with other international actors, notably the EU and US.

Just like the sun, the new era for world politics is rising from the East and Asia may be Cyprus' gateway to it.

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<sup>1</sup> <http://www.valuewalk.com/2015/05/china-world-largest-economy/>.

<sup>2</sup> <http://www.bbc.com/news/business-32928138>.

<sup>3</sup> <http://bit.do/imf-org-gdp>.

<sup>4</sup> Ibid.

<sup>5</sup> Brazil, Russia, India, China, South Africa.

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- <sup>6</sup> <http://www.cnbc.com/id/102526769>;  
<http://www.forbes.com/sites/greatspeculations/2015/04/06/chinas-infrastructure-bank-challenges-dollars-world-hegemony/>; <http://rt.com/business/173008-brics-bank-currency-pool/>.
- <sup>7</sup> <http://www.cychiba.org/>;  
[http://www.mfa.gov.cy/mfa/embassies/embassy\\_beijing.nsf/DMLpoliticalsect\\_en/DMLpoliticalsect\\_en?Opendocument&print](http://www.mfa.gov.cy/mfa/embassies/embassy_beijing.nsf/DMLpoliticalsect_en/DMLpoliticalsect_en?OpenDocument&print).
- <sup>8</sup> <http://www.parikiaki.com/2012/06/chinese-investment-in-old-larnaca-airport/>