

## **THE EXPECTATIONS OF THE DAY AFTER**

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The past two Sundays, citizens had gone to the polls to vote for a President but they did so with mixed feelings. There was and there still is deep concern arising from the fear of the unknown; nonetheless there is also a sense of hope. Naturally, expectations from the President-elect Nicos Anastasiades are high. But mistrust in relation to the political system at large and its capacity to respond adequately and effectively is still abundant. It will require hard work and above all tangible results to reestablish the credibility of the system and its trust among the citizens.

Evaluating the results of the election, one must note the significant abstention, as well as the blank protest and invalid votes which soared to 25,78%. It must be noted that on the first Sunday of the elections the respective figure was 19,60%. Restoring public confidence in the state, its institutions and in politicians is a challenge not only for the new President, but also for the entire political system.

First of all, the goal is to end the downward spiral of the economy and to create the conditions for effective recovery. The challenge is to generate positive trends in the economy by late 2013-early 2014. There are various aspects to this target that must be addressed. Evidently the newly elected President should move with fiscal consolidation, restructuring of the financial system and the removal of distortions in the economy. Above all, he must reestablish confidence, end uncertainty, and encourage new engines of growth in order to stimulate economic activity and create new jobs. President Anastasiades will have to exploit his political clout in the EU in the best possible way. It is therefore essential to secure a financial rescue package which can be sustainable. Within this framework, people expect that there will be no additional salary cuts and no higher taxes.

Secondly, it is important to promote a new social contract that embraces the principles of effective government, a fairer society and greater solidarity between stakeholders. Within this context, pension and retirement schemes and the terms of employment in the public and private sectors should be reassessed. In addition, at this particular juncture the employment of Cypriots should be given priority. At the same time arrangements for loan repayments by households should be pursued so as to minimize social cost.

Thirdly, in relation to the Cyprus Problem it is obvious that Turkey continues to remain adamant in its policy to abolish the Republic of Cyprus. In this regard, deliberately and blatantly the Turkish Prime Minister stated quite recently yet again, that "there is no such country as

Cyprus". It is no surprise that doubts continue to grow over the procedure of the bicomunal negotiations that has been pursued for years; indeed, it is becoming clear that it can not lead to the desired results. A revision or perhaps an enrichment of this process is necessary.

Fourth is the absolute need to set up the best possible structures to manage the exploitation of hydrocarbon reserves. In addition to the economic dimensions, this issue, by definition, entails foreign policy and security ramifications. It is essential that all relevant issues are addressed in a way that is broadly accepted.

Obviously for all these to be addressed effectively a change in attitudes is required. This includes an enhanced work ethic, as well as the reestablishment of the credibility of the state. In this context it is possible that the Republic of Cyprus submits proposals for effectively addressing its own economic crisis, which can also serve as new approaches for the broader Eurozone crisis. No matter how large Cyprus' financial needs might be, it is possible for arrangements to be made that will guarantee the sustainability of public debt and the success of this effort.

As the new President of the Republic had repeatedly stressed before the elections, to effectively address the challenges confronting us, it is not up to one individual or a single political party. Coalition formation, modesty, consensus building, meritocracy, a renewed sense of commitment and professionalism are all required. The road ahead remains particularly challenging.