## **TOWARD A GENERAL PARADIGM SHIFT?**

Andreas Theophanous

Professor of Political Economy at the University of Nicosia and Director of the Cyprus Center for European and International Affairs

It seems that this period is indeed critical for Cyprus in relation to several vital issues. This short article will address only four; the Cyprus question, the economy, the security challenge and the broader national value system.

For more than three decades the prevailing perspective was that the Cyprus problem would be resolved within the framework of a bizonal bicommunal federation. This has not been possible over different protracted rounds of negotiations despite the strong support of the international community. Such a solution seems to have also defied the positive circumstances created by the current leaders of the two communities, President Christofias and Turkish Cypriot leader Mehmet Ali Talat in whose long standing comradeship so much has been invested. According to the polls Mehmet Ali Talat will not win in the forthcoming elections of April 18 in the "TRNC". Be that as it may, the fact that there has not been a solution on the basis of bizonal bicommunal federation should provide the opportunity for a broader reassessment. Yes, a solution advancing integration could bring many changes and above all a new era. other hand, solutions based on consociational ethnonationalist pillars - as in the case of the solution being sought - are more often than not associated with tensions and frictions and are rarely viable. The record of Cyprus is such that nobody can support the view that such a model will be successful. Indeed, a Cyprus solution along the basis of the Bosnian model would create more problems than it will solve.

In actual fact, the substantive decision to be made is whether we move into a federal integrationalist model or a two state solution. There is good reason to believe that if Turkey recognizes the right of the Republic of Cyprus to exist, withdraws its occupation troops and resolves the issue of the settlers a federal integrationalist model may have good chances of being sustained.

Second – the economy. For years many Cypriots thought that in one way or another the Cyprus economy was strong enough to sustain domestic as well as international shocks. But the reality is that the model which led to what has been described as "the economic miracle" of the 80s and 90s has long expired and is now out of context. And irrespective of the international economic crisis the economic fundamentals of Cyprus are problematic –its oversized broad public sector, structural problems in the labour market such as a mismatch between supply and demand, low productivity and low competitiveness in several sectors including tourism, strong unions in the privileged sectors often with unrealistic expectations.

These problems will not go away, and certainly not through short term measures to combat the growing economic crisis. Drastic reform is necessary. The question that is raised is to what extent pragmatism will overcome

ideology and sustained practices. The positive element is that these issues have been raised and are being discussed. And there is a general consensus that Cyprus must act in a way to avoid the fate of Greece. Nevertheless, so far there has been no fundamental move which will create a new engine of growth and, indeed, a new paradigm. In this regard the potential for advancing Cyprus as a regional academic centre so far remains very much underutilized.

Third, for years the objective of a demilitarized non aligned Cyprus has been treated as a sacred cow. This idea has been sustained in the presence of 40.000 Turkish troops of occupation, the British Bases and a relatively small Cypriot National Guard, of about 10.000. But how can a demilitarised nonaligned Cyprus be possible even after a solution? Cyprus is located in the heart of the Eastern Mediterranean - a region of high geostrategic and geoeconomic significance. Inevitably Cyprus must place itself as a member of a relevant defence organization. The old system of guarantor powers -Greece, Turkey and Britain - did not provide security to the island. On the contrary there is little doubt that this system was part of the broader problem. Following the 1974 disaster there was an anti-western outcry which to the present has prevented even Cyprus as a EU member state from addressing serious options. To be more specific Greek Cypriots blamed NATO for the disaster and also felt bitter that the West in essence tolerated the Turkish invasion and occupation of the northern part of Cyprus. Although perspectives have not changed much about what really happened in 1974, with the accession negotiation process as well as with the eventual accession to the EU and subsequently with the adoption of the euro, a great deal has changed in relation to perspectives about the future. There is little doubt that the silent majority would like to see Cyprus as a member of a security organization of the West. Likewise most Greek Cypriots eventually feel that the objective of an integrated Cyprus may be achieved in the framework of the EU and western institutions. And a notable number of Turkish Cypriots would be prepared to go along with such adjustments.

This brings us to the fourth issue. For years Cyprus politics entailed several myths which were considered also as fundamental pillars of the system. One could say that all countries have their narrative which inevitably contains some myths. In the case of Cyprus not only the concept of the narrative is not understood but several existing myths and practices have proved very costly. It is therefore essential to address the Cyprus question, the economy and the security challenges "outside the box" - leaving behind or at least modifying established wisdom and positions. On several issues the public may be ahead from politicians. It is time to abandon outdated and inapplicable models.

The time has come for Cyprus to truly move forward. This would be the triumph of politics.