

Hellenic Observatory public lecture

## The True Story about the Geopolitical Role of Cyprus: David or Goliath?

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Thursday 16 January 2014

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<http://www.pio.gov.cy/moi/pio/pio.nsf/All/7111EC2D3DA386C2C2257C620068F10F?OpenDocument>

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It is indeed my honour and pleasure to be here today, addressing such a distinguished audience in the prestigious academic institution of London School of Economics (LSE).

I last addressed LSE in November 2012 in my capacity as the President of the Democratic Rally and a candidate for the Presidency of the Republic of Cyprus and, today, I stand before you in my capacity as the elected President.

Leaving the United Kingdom in the late sixties I was a confident young man who was returning back to Cyprus full of dreams and ready to follow the advice of the Beatles to literally “follow the sun”. But little did I know. I guess, as Oscar Wilde once said, I was “not young enough to know everything.” Well, I am not getting any younger and I am not fighting time (despite the fact that my hair is a proof that sometimes we can win the battle against time).

But experience gained through my life as a Cypriot politician has made me wiser. Experience gives me the right to speak the truth about the constant fight of Cypriots to keep the sun shining over Cyprus.

I promise to tell you the true story about the role of Cyprus in the international scene, as well as of my vision of the geopolitical role that Cyprus can undertake. I will be honest about the challenges we face, but I promise to be also optimistic about the future that lies ahead for Cyprus; a country small in size, just like David, but big in potential.

And as the story of David and Goliath teaches us, power is not always measured in size; power is not always a privilege of the big. The fact that the relevant parameters that determine power in the international arena are the economic, military, diplomatic means and natural resources of a State, means that even States small in size which fulfill some of the above-mentioned characteristics can achieve peace, stability and their peoples’ prosperity and assume an important geopolitical role.

Dear Friends,

There are some basic elements that come to mind when we think about Cyprus: An island state in Eastern Mediterranean at a crossing point between Europe, Asia and Africa – a geographic location eagerly sought after and which resulted to Cyprus throughout its history, albeit some brief time-periods, being under the control of various conquerors; a Member State of the European Union at its southeastern corner; a country affected so many times by its historically turbulent

neighbourhood; a country recently blessed together with its neighbours with the discovery of hydrocarbons, and, sadly, the last divided EU Member-State.

The acknowledgment of these attributes and the variability of some of them make one realize the dynamics linked to the geostrategic location of Cyprus and that the geopolitical role of Cyprus is a dynamic process, the evolution of which depends not only on its geographic location but mainly on the volatility on the environment in which it operates.

In this regard, the geopolitical role that a country can assume is closely related to its foreign policy orientations and objectives, including the ways and means of implementing them. Hence, it should be of no surprise that one of the main goals of my Government for the last ten months has been the conscious reorientation of the foreign policy of Cyprus, based on a comprehensive and extrovert approach that aims at:

1. First and foremost, reaching a solution to the Cyprus problem, which would prove of immense benefit not only to Cypriots but also to regional stability;
2. Safeguarding the exploitation of our natural wealth and the consequential internal and regional economic and political benefits;
3. Enhancing our participation in all EU pillars and policies, including becoming an integral part of the European Security System, and establishing a credible presence and cooperation with the European Union Member States;
4. Actively contributing to building and promoting peace and security in our immediate region of Eastern Mediterranean; while at the same time deepening our bilateral relations with neighbouring countries of the region;
5. Upgrading our bilateral relations with the United States, UK and Israel, without negatively affecting the already deep-rooted relations with other countries such as Russia, China and those of the Arab world, so as to create a grid of alliances in support of our foreign policies and economic goals.

In order for the above to be implemented there should be clarity and no deviation from our end objectives, so as to firmly establish our credibility as a reliable partner to the international community and all old and new friends alike, both in terms of perceptions and implementation of actions.

A most decisive guiding principle of this policy, which in essence marks a strategic shift in our foreign policy dogma, is our decision to initiate procedures to join NATO's Partnership for Peace Programme; the PfP. Bear in mind that we are the only EU Member State which is not in the PfP. I consider this to be an anomaly which finally has to be rectified.

Moreover, our membership in the PfP will be a positive development for the shared strategic security interests and the further development of the EU-NATO relations, while our integration to the Euro-Atlantic security landscape will mean that Cyprus will have an enhanced security role to the benefit of the region as a whole.

Cyprus will be able to contribute with particular added value to the common foreign and security policy of the EU and NATO by seizing the prospects given by its geographic position and the geopolitical role it can carry out. We consider our contribution to effectively tackling the asymmetric threats of terrorism, illegal immigration, human, drug and arms trafficking, as well as diffusing humanitarian suffering resulting from political turmoil, to be an imperative responsibility of our foreign policy.

Dear Friends,

Cyprus adopting a constructive, predictable and non-conflicting regional role is a primary objective of my Government and we have actively embarked on cultivating good relations with our neighbours and the international community with whom we share a perceptive affinity as regards the vision of a stable, peaceful and prosperous Eastern Mediterranean.

The positive and stabilizing role that Cyprus can assume in the Eastern Mediterranean, especially in the areas of combating terrorism, fighting the proliferation of weapons of mass destruction and providing humanitarian assistance, has in the past few months received extensive recognition. And we have proven that we can assume the role of being an interconnecting bridge between Europe, North Africa, the Near and Middle East, as well as a country that gives true credence to being a safe haven.

This is most evident by our decision to provide refuge and humanitarian assistance from a crisis spillover, as well as a support base for the Organization for the Prohibition of Chemical Weapons and the UN joint mission. We will continue to stand ready if it is deemed necessary – and hopefully it will not – to contribute in an even more substantive manner to any international call to provide humanitarian aid and facilities to any third country national.

A recent most encouraging development in our area is taking place in the field of energy co-operation. The very promising potential of hydrocarbon exploration in the Levantine basin requires that all countries in the region work closely together, bilaterally and regionally.

Cooperation in hydrocarbons development can have a positive spillover effect in the political relations between the Eastern Mediterranean countries, building the foundations for regional peace. After all, economic partnerships form an integral part of political synergies.

This is all the more applicable in a region where stability has proven to be an expensive commodity, as evident by:

- Acts of state violence or acts which call into question sovereign rights enjoyed by states;
- Sponsoring and harboring of secessionist or terrorist movements;
- Religious fundamentalism manifested through terrorist attacks;
- Forcible displacement of millions of people;
- Hunger and distress which intensify migration flows, create demographic changes and exert huge economic and social pressures to all those countries affected.

In this respect we all express grave concern over the effects of what we are witnessing, amongst others:

- The continuing unstable situation in Syria and the spillover effects and unpredictable humanitarian and security challenges for the entire region, especially to Lebanon;
- The long-lasting Palestinian- Israeli conflict;
- The fragile security situation in Libya and the separatist tendencies, most notably in the Eastern Part of the country;
- The ongoing terrorist attacks in Egypt;
- The current political instability in Turkey.

At the same time there have been some positive developments, for example the interim nuclear agreement reached with Iran. It is of utmost importance for the sides involved to stick to the terms of the agreement and push for its implementation as soon as possible.

Further, we greatly welcome the recent historic developments related to the \$1.2 billion gas deal between Israel and Palestine and the decision to build a pipeline to transfer gas from Israel to Jordan. Although these agreements on their own are far from enough in bringing peace, they will help in contributing to growth, normalizing relations between the countries involved and positively assist in efforts toward regional energy security issues.

After all, energy can, and should not be a source of conflict, but a catalyst for conflict resolution and regional integration. If the countries of the Eastern Mediterranean cooperate in the hydrocarbons sectors, they will create common interests which will be best protected through bilateral and regional mechanisms.

Dear Friends,

My Government's domestic energy policy decisions are considered in terms of their larger impact on the energy security of Cyprus and that of its neighbors, especially as decisions made today will have a decisive effect on the quality of the region's future.

In energy policy formulation we seek to: explore synergies; optimize resource development; create opportunities and remove challenges, if any, for potential investors, through interstate bilateral and regional cooperation.

At the bilateral level, Cyprus is pursuing the conclusion of Agreements with similar terms, with all the coastal States with which it shares sea boundaries. The Exclusive Economic Zone Delimitation Agreements Cyprus has concluded with Egypt, Israel and Lebanon have established not only the sea boundaries between Cyprus and its three neighboring States, but also the boundaries between the EU and the Middle East. These Agreements also provide legal security to oil and gas international companies to freely pursue exploration and exploitation of hydrocarbons in the region.

On the regional level we aspire to bring interested stakeholders closer together through seeking opportunities not only for maritime boundary agreements and the joint development of potentially common hydrocarbons, but also for shared cooperation on other issues of mutual interest, such as economy and trade.

In addition, we have taken the initiative for the construction of onshore LNG terminal, in order to realize the significant potential of becoming Eastern Mediterranean's energy hub.

The transportation and liquefaction of gas produced by neighboring countries in the LNG terminal of Cyprus would allow neighboring countries to securely export gas to the EU and Asian markets. It will also help overcome commercial challenges for upstream field developments and attract oil and international gas companies to the region.

From a political perspective, the Cypriot LNG terminal can be a hub for regional cooperation and a vehicle for regional dialogue between the countries of the Eastern Mediterranean and at the same time serve as a direct link of the region with the EU.

In this process there are no zero sum games. The question should not be "whether" to embark on this joint project but "when". The time is now. The main guiding principle is that the mutual benefit is of much higher importance and collectively more rewarding compared to any singular benefit. To this end, we would welcome the prospect of all our neighbors sharing this vision.

We also strongly hold that not only for our immediate neighbors, but most certainly for our partners in the European Union, the presence of hydrocarbon resources in the Eastern Mediterranean will contribute toward greater energy security for Europe, which is increasingly short of sources of energy.

Further, the identity and means of Cyprus, including its extensive strategic know-how of the region, in conjunction with the fact that we boast not to be burdened by hidden agendas as we have been enjoying very good relations with all countries in the region and we have not being an involved part in the challenges that still separate some of our neighbors; offer the potential to our EU partners to use Cyprus as a facilitator, linking them to our partners in our immediate neighborhood, and possibly beyond, in advancing towards greater energy security and broader economic security and stability.

Ladies and gentlemen, Dear Friends,

When talking about the importance of achieving peace and stability in our immediate neighborhood and the means through which it can be achieved, I could not ignore to stress the significance and the consequential multiple benefits that the solution of the long-lasting Cyprus problem and the normalization of our relations with Turkey would bring.

First and foremost, a viable and lasting settlement would be to the best interest of the people of Cyprus, Greek and Turkish Cypriots, and their longing to live in a normal and prosperous European country.

At the same time, while one might argue that the normalization of our relations with Turkey—including full respect to our efforts to exercise our sovereign rights to explore and potentially exploit resources in our Exclusive Economic Zone- and a Cyprus solution on their own would not be enough in the transformation of the region and in reaching durable solutions to long-standing complex problems; I remain convinced that these developments will undoubtedly have a very important collateral influence on achieving and maintaining a much needed environment of stability and peace in the region.

In parallel, a re-united Cyprus, fully respecting the fundamental freedoms and human rights of all its citizens, will also prove of great value to the development of the EU – Turkey relations, including its security dimension.

And despite our different geostrategic aspirations, the combination of the above-mentioned benefits would help both countries fulfill their geographical destiny and geopolitical role, to the mutual benefit for: the people of Cyprus; our neighborhood; the EU and, evidently, the international community.

On our own part, I want to assure you that we are determined to rise to the challenge of our historic responsibility and do our outmost with the aim of providing a more stable, more prosperous and more reconciliatory future in the region in which Cyprus is an inexplicable part of, so that our legacy is remembered for all the right reasons.

We certainly hope that a country which aspires to be recognized as a regional leader will rise to the occasion and will meet its obligations not only in terms of international law but also vis-à-vis the EU. We believe that there is room for Turkey to cooperate with its neighbors, out of genuine desire toward common ground and mutual benefit.

Dear Friends,

Some have argued that the economic challenges that Cyprus is currently facing can be setbacks to the path for growth and peace and the geopolitical role we aspire to undertake. However, let us not forget that during our recent history and following the Turkish invasion of 1974, Cypriots had to fight and struggle for survival even under more adverse circumstances and have become known for being resilient and easily adaptable, or should I say adjustable, to dire conditions, emerging even stronger than before.

Henceforth, the Cypriot society has been at an inflection point in its contemporary history, as it bears witness to a paradigm shift that calls for readjustment and evolution. And we are proud to say that have risen to this challenge and we are determined to thoroughly follow through the relevant recovery program. Reforming our economy provides us with an opportunity to seek development through sustainable means.

With this opportunity, allow me to publicly express my gratitude for the swift assistance and sharing of best practices provided by the UK in the banking system and in restructuring the public sector, which has proven indispensable and is much appreciated. We look forward in furthering cooperation with British competent authorities with the aim of further increasing the productivity and competitiveness of our economy.

Dear Friends,

We aim to achieve gradual recovery of the Cyprus economy by 2015. In this effort, our diversified, open-market economy and our highly-educated workforce are valuable assets, as Cyprus retains unique clusters of expertise and service capability to support key growth sectors, such as shipping, differentiated tourism investments and energy, including, as I have already mentioned, the development of significant natural gas deposits in Cyprus' exclusive economic zone.

I also draw inspiration from what Winston Churchill once said: "The pessimist sees difficulty in every opportunity whereas the optimist sees the opportunity in every difficulty".

Cypriots choose to be optimists. Cypriots were able to grasp the opportunity presented to them in the maritime zones of Cyprus and in the seas of our neighboring countries. We recognise the difficulties in this opportunity, but we also acknowledge that this is the opportunity for peace, stability and prosperity. This is time to turn the crisis into an opportunity.

Dear Friends,

I will not pledge for riches but I promise that Cypriots will fight for peace and prosperity; I am confident that on that promise Cyprus will deliver. We will take the advice given by a great English mind, William Shakespeare, who invited people to "be great in act as you have been in thought."

Cypriots make what Cyprus is today and what it can become tomorrow. Cyprus is neither David nor Goliath. What is Cyprus? I could not have said it better than Giorgos Seferis, the poet, when he wrote that "Cyprus is a place where miracle still works." I can assure you, ladies and gentlemen, that Cypriots choose to follow the sun and work to make miracles happen.

**END**