Dear Reader,

Welcome to the second edition of the World of Cyprus - The Kypros-Net Newsletter.

We have a number of articles which, we hope, you will find both topical and relevant. Sofronis Clerides continues his series on economic subjects, dealing with the efficacy of automatic cost-of-living adjustments as practiced in Cyprus. Tassos Kyriakides presents a personal narrative from an individual who has experienced both the dislocation caused by the Turkish invasion and a public health disaster. Peter Gavriel examines the response of some Turkish Cypriots and some Greek Cypriots to inter-communal loss of life. Nicos Nicolaou provides updated information about the Small States of Europe Games.

We inaugurate two new features. As our first “Guest Article” we present to you the speech delivered by the Cypriot Minister of Agriculture, natural resources and environment, Mr. Costas Petrides, at the “Nineteenth special session of the United Nations General Assembly for the review and appraisal of agenda 21”. We, also, present to you a “Chronology” of events that took place since our last edition.

We hope you will find the results of our efforts stimulating and invite you to join the conversation.

Peter Gavriel
Editor in Chief, “The World Of Cyprus”
### Chronology of News and Events for June 1997

**Sun, June 1**  
President Glafcos Clerides has stressed there can be no dialogue on the Cyprus question if certain issues related to future security of the island were not discussed.

**Mon, June 2**  
The 22nd Cyprus International State Fair closed. A total of 1,600 exhibitors from 40 countries displayed their products, a major trade event in the Eastern Mediterranean.

**Tue, June 3**  
Veteran left-wing union leader and former MP, Andreas Ziartides, died here today at the age of 78. He was one of the first and most active members of AKEL party.

**Wed, June 4**  
President Clinton has appointed Richard Holbrooke, former US Under Secretary of State for European Affairs as the new Presidential Emissary for Cyprus.

In Constantinople, Greek Cypriot film-director Panikkos Chrysanthou and Turkish Cypriot academic Niyazi Kizilyurek were the first Cypriots the Ipekci prize for Greco-Turkish peace and friendship and also met with Greek Orthodox Church Patriarch Bartholomeos.

**Thu, June 5**  
The Cyprus Government hailed the appointment of Richard Holbrooke as US Presidential Emissary for Cyprus as "fulfilling US pledges and confirming the importance it attaches to a resolution of the Cyprus problem".

**Fri, June 6**  
US Secretary of State, Madeleine Albright, assured her Cypriot counterpart, Ioannis Kasoulides, "of America's interest in seeing the people of Cyprus achieve lasting settlement" and "that the division of the island is unacceptable".

Amateur photographers from both communities on Cyprus put on display some of their best work, in an exhibition organised by the US Embassy aiming at bringing Greek and Turkish Cypriots together after 23 years of physical separation and isolation.

**Sat, June 7**  
In Iceland, Cyprus won the second position in the Games of Small States in Europe, with the participation of athletes from eight European states with less than one million population.

**Sun, June 8**  
Nicos Anastasiades was today elected new leader of the ruling right-wing Democratic Rally (DISY) party to replace Yiannakis Matsis, who decided to step down earlier this year.

**Mon, June 9**  
House President Spyros Kyprianou met today with Britain's envoy for Cyprus Sir David Hannay, with whom he discussed efforts to solve the Cyprus problem and its fundamental aspects.

**Tue, June 10**  
President Glafcos Clerides and Britain's special envoy on Cyprus, Sir David Hannay, had talks on the President's private yacht "Kate II".

**Wed, June 11**  
UN Secretary-General Kofi Annan has officially extended invitations to President Glafcos Clerides and Turkish Cypriot leader Rauf Denktash to participate in direct negotiations, to begin July 9.

**Thu, June 12**  
The "Fast Fashion Fair," an international exhibition for clothing, footwear and accessories, opened at the International Merchandising Centre (IMC), Nicosia.

**Fri, June 13**  
Foreign Minister Ioannis Kasoulides outlined the advantages of Cyprus as a regional business centre during his contacts in Japan on an official visit.

**Sat, June 14**  
Commerce, Industry and Tourism Minister, Kyriacos Christofi, visited for Poland on an official visit at the invitation of his Polish counterpart, Wieslaw Kaczmarek.

**Sun, June 15**  
President Glafcos Clerides inaugurated a memorial commemorating the sacrifice of Paphos 2nd World War veterans. More than 33,000 Cypriots served under the British Allied forces during the War, many of them died in the fighting and are buried in military cemeteries in 15 countries.
Mon, June 16
Eleni Foka passed a written complain to the United Nations against the Turkish Cypriot puppet regime which refused to allow the Greek Cypriot teacher to return to her home in the Karpass peninsula.

Tue, June 17
The plenary of the Austrian Federal Assembly has unanimously decided to increase the number of soldiers serving in the Austrian contingent of the United Nations Peacekeeping Force in Cyprus (UNFICYP).

Wed, June 18
The Cyprus government has officially protested at the UN over new violations of Nicosia air space by Turkish jets and of territorial waters by Turkish warships.

Cypriot MP's pay a visit of a House delegation to Russia underlining the importance Cyprus attaches to strengthening ties between the two countries.

Thu, June 19
Cyprus' all-star 4 by 100 relay squad broke the Pan-cyprian record in the event on their way to capturing the bronze medal yesterday at the Mediterranean Games in Bari, Italy.

Fri, June 20
China has expressed its intention to play a more active role in efforts to find a solution to the protracted Cyprus problem.

Sat, June 21
Outgoing Ambassador of Greece to Nicosia, Alexandros Sandis, expressed the hope that Cyprus will be free, united and a European Union member on his next visit to the island.

Sun, June 22
In New York, Minister of Agriculture, Natural Resources and Environment, Costas Petrides headed the Cyprus delegation to the UN Special Session on the Environment, "Earth Summit +5".

Mon, June 23
The Council, the top advisory body to the President, met in a bid to forge a strategy which President Clerides will follow in the UN-sponsored direct talks with Turkish Cypriot leader Rauf Denktash in New York.

Government formally protests to the UN about the illegal docking of nine Turkish warships to the Turkish-occupied areas of Cyprus by Cyprus Permanent Representative to the UN ambassador Nicos Agathocleous.

Tue, June 24
Government Spokesman, Manolis Christofides stressed that the common defence pact between Greece and Cyprus remains intact and both governments are determined to safeguard it fervently.

The US Senate Appropriations Committee decided to approve 15 million dollars for aid to Cyprus for 1998.

Wed, June 25
Britain's Special Representative for Cyprus, Sir David Hannay, admitted that Ankara is the key to progress on Cyprus at the forthcoming direct talks between President Glafcos Clerides and Turkish Cypriot leader Rauf Denktash.

Thu, June 26
In his bimonthly report to Congress, US President Bill Clinton urges both leaders in Cyprus to seize the opportunity to demonstrate their commitment leading towards a Cyprus settlement.

Cyprus' three opposition parties, AKEL, EDEK, and the United Democrats, agreed on former Communications and Works Minister Marios Iliades as their common candidate in the presidential elections scheduled for February 1998.

Fri, June 27
The UN Security Council renewed the stationing of the UN Peacekeeping force in Cyprus (UNFICYP) till the end of the year.

In Amsterdam, President Glafcos Clerides attended the European Union meeting with the 12 countries that have applied for membership.

Sat, June 28
Newly appointed State Department Coordinator for Cyprus, Thomas Miller, paid an unofficial visit to Cyprus for meetings with political and other personalities, in view of the upcoming UN-led negotiations for a Cyprus settlement.

Sun, June 29
Paphos celebrated the founding of its Church 1951 years ago. Christianity was introduced in Cyprus in 46 AD by St. Paul and St. Barnabas, when Cyprus was under the Roman Empire.

Interior Minister Dinos Michaelides leaves for Luxembourg today to take part in a ministerial meeting on cultural and audiovisual issues.

Mon, June 30
President Glafcos Clerides today named Spyros Christou as the new Auditor General and Andreas Skordis as the new Deputy Auditor General of the Republic of Cyprus.

President Glafcos Clerides visited Athens on a three-day visit for talks on the protracted Cyprus question with the Greek government in view of the UN-led forthcoming direct talks.

The World Of Cyprus
Kypros-Net comprises a rich online information source on Cyprus. Since June 1, 1997 the following new updates have been made:

**Kypros-Net Projects**

- Cyprus Virtual Library. A new section with a vision to collect all document concerning Cyprus from a variety of sources at a common place. Currently it includes a large collection from the following sources:
  - White House
  - State Department
  - C.I.A.
  - Amnesty International
- Security Council - UNFICYP
- Cyprus Foreign Minister's Visit to the United States
- Statement by Minister Costas Petrides at the Earth Summit
- Clinton letter to the US House About Cyprus

**Occupied Cyprus**

- Dhavlos Page has been updated with pictures and more information in its new Greek section

**Mirrored Pages**

- Department of Registrar of Companies and Official Receiver

- University of Cyprus
- Embassy of Cyprus: Newsletter, June 1997 issue

Plus Interesting Information expanding on a daily basis.

Visit Kypros-Net at:


Please feel free to distribute this announcement anywhere you think it will be useful.

Please direct any questions or comments at:

E-mail: [Kypros-Net@kypros.org](mailto:Kypros-Net@kypros.org)
Address: KYPROS-NET
P.O. BOX 341
College Park, MD 20740
USA

**DO NOT FORGET**
Summer is upon us again and brings with it the sad anniversaries of last year’s events at the demarcation line. The murders started June 3, 1997, when National Guardsman Stelios Panayi was lured into the no-man’s land to exchange his service cap with a Turkish soldier as a token of friendship and received a bullet in the chest, instead. He bled to death while Turkish troops prevented would-be rescuers from carrying him to safety. The murders continued on August 11, 1997 when Tassos Isaak was lynched by a mob of Turkish Cypriot “idealists” (what a dreadful distortion of the word when applied to these murderous thugs), bussed to the Dherinia buffer zone by the occupation regime for the very purpose of killing Greeks, as he demonstrated for the right of Greek Cypriots to move about the island un molested. They culminated on August 14, 1997, when Isaak’s cousin Solomos Spyrou Solomou, moved by grief after Isaak’s funeral, rushed to remove the ensign of his cousin’s murderers, and was himself murdered. The murders came to an end on October 13, 1997, when Petros Kakoullis, a retired fireman, was shot to death near Akhna while gathering snails after an early fall shower.

Panayi, Isaak and Solomou were young men. We don’t know much about Panayi, other than he sought friendship with the “enemy” and paid with his life for the attempted fraternization. Isaak and Solomou we know better. They have been praised as heroes and derided as villains by parties of opposing hue. Certainly, each met the romantic ideal of heroism, dying wie ein Held zum Siegen as Schiller would say. Kakoullis was an older man. Heroism was behind him. Yet he, too, paid with his life for the quest of the ordinary.

Nothing inflames the emotions more than murder, and murder has been the tool of choice for the collaborationist regime in its efforts to keep Cyprus divided. Murder is a potent tool, good for the offense and good for the defense, as well. On the defense you can feign fear of being murdered as a pretext for the continued occupation by Turkey. In support of your feigned fear, you can make reference to “the period between 1963 and 1974”. Yet a tally conducted by a disinterested observer belies the purported “fear.”
Richard A. Patrick, a Canadian soldier who served in his country’s UNFICYP contingent in the late 1960’s, made the Cyprus conflict the focus of his academic study and wrote his Ph.D. thesis on the subject. According to his counting, 402 Turkish Cypriots died in intercommunal fighting between December 21, 1963 and November 16, 1967, while 215 Greeks suffered a similar fate. Another 53 Turkish Cypriots were killed by members of their own community, 8 of them executed by the secessionist leadership. The majority of deaths took place between December 21, 1963 and August 10, 1964, during the initial flare up of violence. Intercommunal violence ceased after the November 16, 1967 events at Kophinou, and no intercommunal deaths attributable to the Cyprus conflict are recorded until the Turkish invasion of 1974. Inasmuch as Turkey and the collaborationist regime keep silent about the death-toll of the invasion, I will restrict myself to the gruesome numbers assembled by Patrick, and

“One can only mourn for those killed so senselessly, the wasted lives and wasteful deaths.”

painfully set aside those Greek Cypriots killed in battle or murdered in the Turkish invasion of 1974 and its aftermath.

One person murdered is one too many. Four hundred and two Turkish Cypriots is four hundred and two too many. Two hundred and fifteen Greek Cypriots is two hundred and fifteen too many. One thousand six hundred and nineteen Greek Cypriots is one thousand six hundred and nineteen too many. To compound this killing for any reason, as Denktash and his protectors and his minions are bent to do, is beyond criminal – totally, unredeemably, depraved.

One can only mourn for those killed so senselessly, the wasted lives and wasteful deaths. To all those who have died, I give this poem by Pantelis Michanikos, written in 1964 and included in his collection My Deposition [1975], translated by S. Stephanides:

ODE TO A MURDERED TURKISH BOY

Stetson!
You who were with me in the ships at Mylae!
The corpse you planted last year in the garden,
Has it begun to sprout? Will it bloom this year?
T.S. Eliot: THE WASTE LAND

This lush verdant plain stretched out before me adorned with the yellow of the daisy
the red of the poppy
the smile of the violet
this plain
open beneath the warm bright rays of the sun
this plain
gently caresses our soul
showing us the road of spring
on this plain
that praises the Lord and the soul of man
praises the body
and murmurs the song of mankind
on this plain
lies
dead
a Turkish boy
a convulsed face
caught in the midst of pain
a bloated youthful mask
carved out in eternity asking
if the place was really too narrow
in the festival of spring
asking
if there are nations among the peoples of the daisy
and of which nation is the green grass
The sun warms the roots and the earth
Love overflows like dew
among the leaves and flowers of the soul of man
in the open sincerity of the plain
and a bloated terrible mask of a child
who moved his lips
under the bright light of the sun
and speaks: “I thank you
You brought me to this road and this end. I thank you kin and strangers”

Earth, Lull him into a sweet sleep. For you
this year once more the poet’s voice
asks the oil traders
and the colonizers of corpses
asks Stetson:

“that corpse you planted last year in your garden, has it begun to sprout? Will it bloom this year?”
In the aftermath of the Turkish invasion of 1974, and the uprooting of almost 40% of the Greek-Cypriot population, the fabric of Cypriot society crumbled overnight. Refugees lost all their belongings and had to start over again. As if this were not enough, they often became victims of discrimination by those not directly affected by the invasion. Findings of a recent study (1), suggest that refugees still consider themselves second class citizens.

“I took nothing of my own with me on that July morning when we were forced out of our home”

I spoke with Andreas (his name is fictitious to protect his identity) about his experiences as a refugee. We met with him in his apartment in Nicosia. It was very painful for Andreas to talk to us. At the beginning he just sat there, reserved, not speaking. He finally let go of his emotions, at times tearful, at others angry and profane, at others bitter and cynical:

“I took nothing of my own with me on that July morning when we were forced out of our home. Not even my new bicycle, God damn it. I was only six. My parents reassured me we would return soon; little did they know. I had this fear, though, that we would never see our backyard with the lemon-trees again. Twenty-three years, my friend, twenty-three years, have already gone by and I doubt that there are any lemon-trees left. I am still trying to figure out why I took nothing with me.”

As I urge him to continue, ‘Andreas’ remembers:

“The summer was almost over; the government set up ‘tent camps’ for all of us refugees. Heck, was it fun; all day outdoors! Everything changed in spring. Government people came and told us that we would soon be going to ‘refugee estates’. Big deal! I couldn’t care less for the ‘estates’, I wanted to go back to my house. We were among the first ones to leave the ‘tent’ for a 2 bedroom house in the ‘estate’.”

“I hated my new elementary school. The other kids treated me as though I shouldn’t be there at all. They taunted me, called me names, mocked me as a ‘poor, helpless, little refugee’. The four years at that school were a nightmare. I had no friends since I was not one of ‘them’, but one of the ‘others’.

What is this crap about ‘us’ and ‘them’ anyway?”, ‘Andreas’ kept asking me, as if I had the answer. He then went on:

“High school was another story; everybody welcomed me, everyone was so ‘nice’. Hypocrites! They were being nice only because they felt it their duty to take pity upon me and ‘help’. Shit, I had no use for that. So I dropped out of high school after two years and got a job. I had to make some money for the family anyway”.

The Government, with its meager resources but with a lot of international relief aid (2), tried to help the displaced people in their struggle for survival. The extent and the gravity of the social problems created by the Turkish invasion mandated a radical revision of the social framework. The Government quickly responded and took a series of measures aimed at benefiting the displaced population (3): free medical services, free education, establishment of Government funds for scholarships and loans for study abroad, construction of new hospitals.

In October 1986, twelve years into the Government’s Development Programs, and at a time when the economy of Cyprus was steadily recovering, mainly as a result of the ever-expanding tourist industry (4), a 27 year old Cypriot woman was diagnosed with AIDS (5). The word AIDS was for the first time heard on the island. By the end of April 1997 there were 262 HIV-positive individuals in Cyprus. Just like anywhere else, AIDS in Cyprus was originally viewed as a ‘gay disease’.

Andreas reminisces about the first time he saw the word AIDS on a poster:

“It must have been November of 1986. I had
been working in this hotel in Agia Napa for 2-3 years, and one day I drove ‘Mr. Yiorgos’ to the local hospital. He was getting older and he wanted to make sure that his heart was still OK. I saw this weird-looking poster on the wall; it must have been English or something (I only knew a bit of Swedish and Danish, all the Scandinavian languages are the same shit anyway, enough to get by and get laid). I asked one of the nurses and she started telling me about this ‘bitch’ from America who had this AIDS thing. I asked her what it was, and she told me that, unless I was gay, I should not worry about it. I started yelling at her for even associating me, the foremost kamaki of that summer, with the word gay. So, after ‘Mr. Yiorgos’ had his tests, we drove back."

Andreas is both a refugee and an AIDS patient. A closer look at the reaction to both the ‘refugee group’ and the ‘HIV/AIDS group’ reveals many similarities in the context of Cypriot society. AIDS patients are considered second class citizens; males are relieved of their 26-month mandatory military service if they are known to be HIV-positive. The state health authorities provide for the medical care of AIDS patients (6). HIV-infected individuals are confidentially reported to the Ministry of Health and their health status has to be re-evaluated every 3 months (7) (like the refugees who have to register periodically in order to receive the benefits they are entitled to).

Andreas speaks of his experience as follows:

“It was about a year after the nurse told me about this gay disease from America, that I had to go back to the same hospital. I had a headache and high fever that persisted for 2-3 days, (despite the Panadols ‘Mr. Yiorgos’ gave me) and during the night I was sweating a lot (even though the air-conditioner in my room was on). They checked me out and found nothing wrong. ‘Mr. Yiorgos’ insisted I should go to the General Hospital in Lefkosa. It was a good chance for me to see my mom and sister. The doctor there asked me a couple of questions, where I worked, how many sex-partners I had (which by the way, means how many women you have slept with), and other irrelevant questions, and then wrote something on a piece of paper. He told me that they wanted to do some tests and I would stay in the hospital for a few days. A nurse came by and drew blood from me; she was so nervous and she was sweating; it must have been the first time she drew blood from a ‘patient’. She then took me to my room upstairs. It was not just a room, it was a whole ward. I had the whole ward by myself. I stayed there for three days. On the last day, a different doctor came in and closed the door behind him. ‘He told me that I got ‘it’. What the hell ‘it’ was I had no clue. He then turned to my mother and asked her if she knew that I was gay. My mother broke out in tears, more out of shame than anything else. Me gay, how could it be? I started yelling at the doctor, and then he told me that the test results were back, and that I had AIDS and only a few years to live. Then I remembered. Oh, AIDS, the gay disease from America. No way. If I am not gay, how could I have the gay disease? Here I was, having AIDS (well actually I was HIV-positive). The doctors told me to come back every three months so that they could observe me and give me drugs. Oh, and the Government would be covering all my health expenses and all the medication. How generous of them! The year before I had been relieved of military service since my dad is a missing person, and this year I am HIV-positive and I am getting all these medical benefits. Lucky bastard!”

Once again, I could sense the bitterness in ‘Andreas’ words. He was bitter, not because of what had happened to him, but because of the way people reacted to him. First, a refugee, one of ‘them’, and now, to top it all off, an HIV patient, definitely one of ‘them’.

An issue that has recently attracted a lot of attention in Cyprus, is the decriminalization of homosexuality. What we are witnessing, is a concealed but nonetheless vehement opposition of institutionalized religion towards an overdue introduction of intensive ‘Safer Sex--HIV/AIDS prevention’ programs in Cypriot society at large and the education system in particular. ‘Sex education’ is part of the high-school curriculum, but more often than not it takes the form of a mere biology/anatomy course (8) so that the ‘religious/moral code’ not be violated. Given the strong religious beliefs of Cyprus, homosexuality and anything associated with it (disease in particular), has been a forbidden topic of discussion. As a result, AIDS education has been delayed because of these homophobic attitudes.

And yet, it is unlikely that the decriminalization of homosexuality will lead to an exacerbation of HIV infections, or any sexually transmitted disease for that
matter. It is the lack of effective ‘Sex’ and ‘AIDS’ education, which are opposed by organized religion on the pretext that they will lead to moral disintegration, that would more likely lead to public health problems of epidemic proportions.

Aside from religion, complacency has, also, been detrimental. Government bureaucrats and the public at large silently ask, How could AIDS have been introduced into a Cypriot society characterized by great religiosity and morality when AIDS is only seen in immoral, atheistic societies that are plagued by homosexuality? Nothing is more detrimental to public health efforts to control the spread of HIV than this assertion. It is to ignore that sex and love-making are an integral part of human nature. Health authorities in the mid and late-80’s did not want to admit that AIDS was a problem that was bound to manifest itself in Cyprus. As recently as a few years ago, a member of the National Commission

“\textit{The extent and the gravity of the social problems created by the Turkish invasion mandated a radical revision of the social framework}”

on AIDS, dismissed the author’s question with regard to perinatal transmission prevention as “an issue that at the moment does not worry us”. At that point in time, indeed it was not an issue of concern, simply because there were no cases of mother-to-child HIV transmission. It is only now, when cases of newborns being infected by their HIV-positive mothers have already been reported, that the fallacy of that easy dismissal becomes apparent.

At first sight, it might appear that care for those affected by the AIDS pandemic is sufficient but there is certainly room for improvement. There should be something more that just free medication and follow-up visits. There should be an attempt to erase the discrimination against HIV-positive individuals and AIDS patients, just like there was an apparently successful attempt to make the refugees feel part of an evolving Cypriot society. It seems that refugees have by now adjusted to their new environment, whereas HIV-infected individuals and AIDS patients are still neglected and discriminated against. A great number of second-generation refugees in Cyprus were absorbed in the expanding tourist industry (94), and this compounded by social pressures associated with refugee status, seems to increase their likelihood of exposure to HIV. An assessment of the risk factors for HIV-infection of refugees working in this industry has not yet been done.

As the sun sets behind the porch on Andrea’s apartment, the question is begging: I ask him how he spends his time.

“As you have probably figured out by now, I am an unemployed, AIDS patient, who also happens to be a refugee. I spend my lonely days sitting on this porch. Every time I remember my childhood, so brutally cut short by the invasion, I cry... I cry, not for what might have been, but I cry for what was. I then think of the hard times I had, adjusting to a new environment that often seems like a facade constructed by the powers that be to keep us quiet. I still consider myself an outsider. And I am now an AIDS patient, and once again I find myself neglected and abandoned. I am one of ‘them’...the story of my life, right? But you know all these years, I have not figured out who the ‘they’ and the ‘we’ are. Call me naive, but I thought we were all the same, people. Isn’t this what the priest in our church used to say after Sunday Mass? I don’t know, I thank God for the days I have and only hope that “they” live to see the day when there are no ‘us’ or ‘them’...because, my friend, I don’t think I will.”

References

1 Orphanides AC and Check JVP. Psychological Problems in Children of Greek-Cypriot Refugee Families. Department of Psychology, York University, Toronto, Canada 1988;24:54-55
3 Ibid.
6 Hatziminas M. AIDS in Cyprus. AIDS-What we should know, National Committee for the Control of AIDS, Ministry of Health, Cyprus 1989;1:12-13.
7 Ibid.
Indexation is generally defined as a mechanism that adjusts future payments to information that cannot be foreseen when the initial contract is negotiated. The future payments in question might include anything from wages to loan repayment or bond interest. Indexation makes a lot of economic sense as a natural way of transferring the risk involved in a transaction from one party (the payee) to the other (the payer). In fact, one of the biggest puzzles in economics is why indexation is beneficial in the face of nominal shocks to the economy, because they can neutralize potential negative output consequences. But they can also be a detriment when the economy is hit by adverse real shocks, because they lead to a disequilibrium in the labor market and hence to an increase in unemployment. This problem is related to the fact that wage adjustment necessarily comes with a certain lag compared to the price change that caused it. This compounds the problem by prescribing a rise in wages at a time when a drop in wages is needed to prevent a surge in unemployment. The end result, of course, is that the surge in unemployment does occur.

Another important consideration concerns the incentives that the presence of indexation provides governments with. If wages are not indexed, the government (which in most countries is also the biggest employer) would greatly benefit from a rise in prices, as that would shrink the real value of its payroll. Therefore the government has an incentive to allow (or even cause) prices to rise. These are certainly not the incentives that will lead to prudent inflation policies.

But even with indexation, things are not perfect. Even though there is now less of an incentive for the government to cause inflation, there is also not much of an incentive to curb it. If workers are shielded from price fluctuations, the government feels less pressure to keep prices stable and may became complacent about fighting inflation. This carries the danger of higher inflation in the long run.

Some of these problems could be overcome if information other than prices was
incorporated in the index used to adjust wages. One possibility that has not been explored widely is the use of nominal GNP. This has the advantage that it ties worker income to the overall performance of the economy. It prescribes wage adjustment when the economy is hit by nominal shocks, but also enables real wages to drop when real shocks occur. It remains to be seen how well it might work in practice.

The overall conclusion is that even though wage indexation in itself is not necessarily bad, indexation to prices is very problematic. Any system that prescribes wage increases during bad economic times is bound to cause inefficiency, instability, and unemployment. In most developed countries these faults have been recognized and CoLA schemes have been abandoned. Cyprus, in fact, is today the only country in Europe that continues to use a CoLA scheme.

**Cyprus and the CoLA**

The Cost of Living Adjustment was first introduced in Cyprus in 1944, following a 23-day strike in March of that year. Initially the adjustment was given to civil servants only, but it gradually spread to other sectors of the economy, so that by the establishment of the Republic in 1960 almost every collective labor agreement included a stipulation for a cost of living adjustment.

The system has been in force with minor adjustments ever since, apart from the period following the Turkish invasion of 1974. The CoLA was temporarily suspended at the time as part of the effort to rejuvenate the hard-hit Cyprus economy. It was reinstated at the beginning of 1978.

In 1985, after an intense public debate between employers and labor unions, the government set up an independent committee to study the issue and make recommendations. The committee concluded that the CoLA should be maintained, but proposed that increases in indirect taxes should be excluded from the cost of living estimate for CoLA purposes. No agreement was ever reached, however, and the committee's recommendations were never implemented.

After a period of relative dormancy, the issue resurfaced in recent years with the usual exchange of ideas, proposals, and threats among labor unions, employers, and the government. It all looked like business as usual until a few weeks ago, when some indications appeared that the gridlock might be broken. A proposal put forth by President Clerides gained the support of the two main employer groups, KEVE and OEV, and of two of the three biggest unions, SEK and the civil servant union PASYDY. The third big union, PEO, broke ranks with the other two and rejected the proposal.

Under the current system, a worker's wage consists of two main components: a relatively low “base wage” and the CoLA. The level of the CoLA is determined every month, based on the Consumer Price Index (CPI). The CPI is a measure of the cost of a typical “basket of goods”. If prices rise, the cost of this “basket” rises, and hence so does the CPI. This, in turn, means that the CoLA will also rise, thus compensating the worker for the rise in prices.

As the system currently stands, the CoLA gets automatically adjusted when prices rise, regardless of what caused the
rise. In particular, if the government increases taxes on consumption, this will raise prices and the CPI, and therefore lead to an increase in the CoLA. The President's proposal, in the spirit of the 1985 committee's recommendations, aims to change precisely that by suggesting to exclude any consumption taxes from the calculation of the CoLA.

The rationale of this proposal is that the current system makes it very difficult for the government to use consumption taxes in order to implement policy. There is little point in imposing a tax when most of the revenue generated from it will have to be returned in terms of higher salaries, wages, pensions, and other payments.

Of crucial relevance to this issue is the status of the Value-Added Tax (VAT). The President's proposal pledges not to increase the VAT during the current government's term, and states that if it is increased by future governments, its inclusion or not in the index should be the subject of negotiations. On the other hand, the two unions that accepted the proposal (SEK and PASYDY) did so under the condition that the VAT will be excluded from the new arrangement. The concern about the VAT is understandable, since it is the most comprehensive consumption tax, and -- everyone knows -- it will soon have to be raised to the levels that are currently prevalent in Europe.

The unions' rationale for accepting the proposal was that an agreement now will guarantee the existence of the CoLA as an institution, even if slightly weakened, for many more years. On the contrary, the unions thought, rejection of the President's proposal would have led to more wrangling and debating, and could have provided firepower to the proponents of complete abolition. PEO, on the other hand, rejected the proposal, on the grounds that weakening of the CoLA today would only be a first step towards its eventual abandonment.

Temporary as it may be, the split between the unions is a significant event. Despite their ideological differences and the fact that their members come from opposite parts of the political spectrum, SEK and PEO have historically been able to present a united front on almost every major labor issue. Their cooperation and coordination is largely responsible for the many gains won by Cypriot workers over the years. It will be interesting to see what the effects of this disagreement will be on the Cypriot labor movement. This should be a precursor of other fights yet to come as more adjustments will need to be made in order to prepare Cyprus for entry in the EU.

Sources:
“Aftomati Timarithmiki Anaprosarmogi (ATA),” a publication by PEO.
Mr. President,

In 1992, in Rio de Janeiro, we were at a critical crossroads. We still are.

All definitions of sustainable development encompass collective intergenerational and intragenerational responsibility: national, regional, international responsibility.

At the national level, all our countries should practically endorse, with strong and lasting political commitment, the principles of sustainable development. This can only be secured through a system that is characterized by the appropriate setting of priorities, credibility, implementability, high pluralism, accountability, longer-term views, and reduced dependence on the transfer of institutions. Above all, the collective will of the free market should not be allowed to continue to breed problems.

In Cyprus, we are guided by Rio’s Agenda 21 and our active participation in the evolution of the Barbados Program of Action for the Sustainable Development of Small Island Developing States, the Tunis MED-Agenda 21 of the Mediterranean countries and the Council of Europe’s Biological and Landscape Diversity Strategy. Among others, we have ratified the Biological Diversity Convention and we have decided to ratify the Climate Change Convention. An Environmental Action Plan has been adopted, the main thrust of my country’s latest Strategic Development Plan is the further incorporation of sustainability into social and economic policies, whereas a new comprehensive bill for the Protection of the Environment has been drafted.

At a regional level, the great civilizations that have flourished around the shores of the Mediterranean, have interacted from the dawn of history, closely living in a complex web. We have, gradually, established forums for dialogue and instruments for action. Cyprus is honoured to be associated in partnership UNEP’s Mediterranean Action Plan, the European Union’s Euro-Mediterranean Cooperation and

The accomplishments and potentials of what has so far been achieved cannot be overlooked, but neither can it be repudiated that we have not, yet, replaced, unequal growth with sustainable development. Up to now, the periphery, only, has been smoothed. We need to deliver more, much more.

Mr. President,

All definitions of sustainable development encompass collective intergenerational and intragenerational responsibility: national, regional, international responsibility.

At the national level, all our countries should practically endorse, with strong and lasting political commitment, the principles of sustainable development. This can only be secured through a system that is characterized by the appropriate setting of priorities, credibility, implementability, high pluralism, accountability, longer-term views, and reduced dependence on the transfer of institutions. Above all, the collective will of the free market should not be allowed to continue to breed problems.
the "Environment-for-Europe process. Such initiatives offer shining examples of what can be accomplished when countries decide to undertake their responsibilities as the stewards they are to their environment. In this context and as adopted by the Mediterranean Commission on Sustainable Development, our regional priorities mainly relate to coastal area management, awareness and participation, water management and integration of environmental concerns upstream, in the region of development policies. We have also reaffirmed our commitment to reinforcing the role of institutions responsible for the environment and for sustainable development.

At the international level, we all need to work together to secure a political transition of complementarity of objectives, which is essential in the search for the much needed transitional ethic of mutualism, which still eludes us. In this respect, the fact that environment and fundamental human rights are indivisible should never be lost from sight. The right to an environment of high quality, has, after all, been recognized as a human right by the UN General Assembly's Declaration on the Right to Development. Sustainable Development has also linked the right to permanent sovereignty to one's natural wealth and resources, with the right to a secure environment, free from external security threats, as, among others, declared in the Communique of the Heads of State of the Alliance of Small Island States, at the 1994 Barbados Summit. Cyprus, is well aware how aggression and occupation can bring about immense suffering to human beings, destruction of the economic resources and irreparable damage to the environment, which have direct effects on the enjoyment of practically all human rights. And we are gravely concerned about plans for the construction of a coastal nuclear power plant in an area of high seismic risk, opposite our northern coasts.

We also need to place much greater emphasis on the social, cultural and human dimensions of sustainable development, with priority on poverty eradication and addressing urbanization and its associated problems. This we cannot achieve without effectively tackling international inequalities and securing appropriate technical and financial support, at bilateral and multilateral levels, both from outside as well as from internal sources. We should also harness the international economic system and put it to the service of the real needs of people and reconcile trade competitiveness and environmental protection, within the framework of the World Trade Organization.

As regards international institutional structures, our basic consideration should be to reach consensus on a system effective enough to strategically mediate between competing and conflicting demands, ensure inter-sectoral coordination, assist in the clearer definition of responsibilities and the roles of every actor, establish linkages so that policies are properly integrated and common purposes are agreed upon, and provide for an effective mechanism for sharing information.

Mr. President,

We may have created high expectations at Rio but, in retrospect, this was not a mistake. Rio has, indeed, changed the coordinates of our final destination and this Special Session is giving a new boost to the processes we have set in motion at Rio. Through a frank international dialogue of assent, we have identified the problems, the weaknesses, the drawbacks. Now, conflicts and hard choices are being tackled and, although not easy, we must reconcile differing concerns. Conventional wisdom would, perhaps, dictate that we cannot alter overnight the course of history and economy and that, unfortunately, change can only come slowly. However, we need to abandon this business-as-usual attitude, as it can offer no consolation to the billions of our people who demand action, now, who call upon us to accept, at last, those fundamental truths that, as it so appears, are not, yet, self-evident to everyone: by not listening to the silent voices of a deteriorating environment, we are destroying humanity, by not listening to the cries of children dying from hunger, we are loosing our humanity.

Thank you Mr. President.
The Games of the Small States of Europe started in 1985 though the ideas for organizing such a sports competition among the small European states originated in 1981. The bi-annual gathering features competitive games among Andorra, Cyprus, Iceland, Liechtenstein, Luxembourg, Malta, Monaco and San Marino. All countries have population of less than a million and thus have the right to participate.

The aim of the games is to strengthen the idea of the Olympic Spirit among these small European states and are often nicknamed as the "Small Olympics". According to the "Olympic Charter", the fundamental principles of the IOC are: "to contribute to building a peaceful and better world by educating youth through sport practiced without discrimination of any kind and in the Olympic spirit, which requires mutual understanding with a spirit of friendship, solidarity and fairplay". The Games were approved and place under the auspices of the International Olympic Committee but have their own International Committee as well as Executive and Technical Committees.

The following is a history chart for the Games and the host countries:

<table>
<thead>
<tr>
<th>Year</th>
<th>Host Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>San Marino</td>
</tr>
<tr>
<td>1987</td>
<td>Monaco</td>
</tr>
<tr>
<td>1989</td>
<td>Cyprus</td>
</tr>
<tr>
<td>1991</td>
<td>Andorra</td>
</tr>
<tr>
<td>1993</td>
<td>Malta</td>
</tr>
<tr>
<td>1995</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>1997</td>
<td>Iceland</td>
</tr>
</tbody>
</table>

Participation of athletes from the eight European states involved the following sports:

- Athletics
- Basketball
- Gymnastics
- Judo
- Sailing
- Shooting
- Swimming
- Table Tennis
- Tennis
- Volley-ball

A 180-member delegation traveled to the games representing Cyprus for the competitions that took place in different sites in Iceland. Though summer was not as cold as the host country's winter periods, the official mascot for this year's Games was "Snowie the snowman", which is symbol of the cold conditions in Iceland. Comparing the weather to that of Cyprus, the two may easily be characterized as the two extremes among those of the participating countries.

This year Cyprus clinched to second place with the host country, Iceland, being the one that took the first position.

During the games a shocking event brought...
great distress to the Cypriot athletes. An official program for the event presented the so-called flag of the occupation regime's instead of the flag of the Republic of Cyprus. All programs depicting the flag of the illegal regime, formed after the invasion of Cyprus by Turkey, were destroyed and news ones were printed bearing the correct symbol of the country, and an official apology for the event followed, attributing it to a "human error".

The Cypriot team of about 180 athletes that traveled to Iceland this year, reaffirmed the fact that Cyprus remains as one of the sporting giants among the smaller countries in Europe. The 8th gathering for the Games of The Small States of Europe will take place in Liechtenstein May of 1999.

<table>
<thead>
<tr>
<th>Medalist</th>
<th>Event</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adamides, Christos</td>
<td>Pole vault, men</td>
<td>4.90</td>
</tr>
<tr>
<td>Afamis, George</td>
<td>400 m, men</td>
<td>50.44</td>
</tr>
<tr>
<td>Charalambous, Agni</td>
<td>High jump, women</td>
<td>1.74</td>
</tr>
<tr>
<td>Charalambous, Irini</td>
<td>Long jump, women</td>
<td>6.00</td>
</tr>
<tr>
<td>Cleanthous, Giannakis</td>
<td>800 m, men</td>
<td>1:57.04</td>
</tr>
<tr>
<td>Kasapi, Antri</td>
<td>Shot put, women</td>
<td>13.96</td>
</tr>
<tr>
<td>Kolokotronis, Renos</td>
<td>Long jump, men</td>
<td>7.45</td>
</tr>
<tr>
<td>Loucaides, George</td>
<td>10,000 m, men</td>
<td>30:35,06</td>
</tr>
<tr>
<td>Loucaides, George</td>
<td>5000 m, men</td>
<td>15:07.48</td>
</tr>
<tr>
<td>Papadopoulos, Yiannis</td>
<td>Triple jump, men</td>
<td>15.38</td>
</tr>
<tr>
<td>Pilia, Kyriaki</td>
<td>Discus, women</td>
<td>41.44</td>
</tr>
<tr>
<td>Skender, Georgios</td>
<td>100 m, men</td>
<td>10.51</td>
</tr>
<tr>
<td>Telonis, Christakis</td>
<td>Javelin, men</td>
<td>63.88</td>
</tr>
<tr>
<td>Basketball Team</td>
<td>Men</td>
<td></td>
</tr>
<tr>
<td>Agathocleous, Antri</td>
<td>All round, women</td>
<td>34.450</td>
</tr>
<tr>
<td>Agathocleous, Antri</td>
<td>Floor, women</td>
<td>8.612</td>
</tr>
<tr>
<td>Agathocleous, Antri</td>
<td>Vault, women</td>
<td>8.768</td>
</tr>
<tr>
<td>Georgallas, Herodotos</td>
<td>Floor, men</td>
<td>8.450</td>
</tr>
<tr>
<td>Kousios, Andreas</td>
<td>Rings, men</td>
<td>8.900</td>
</tr>
<tr>
<td>Kousios, Andreas</td>
<td>Vault, men</td>
<td>8.825</td>
</tr>
<tr>
<td>Gymnastics Team</td>
<td>Team competition, women</td>
<td>100.275</td>
</tr>
<tr>
<td>Christiodoulides, Christodoulou</td>
<td>Judo Up to and incl. 65 kg</td>
<td></td>
</tr>
<tr>
<td>Lappas, Demetris</td>
<td>Mistral</td>
<td></td>
</tr>
<tr>
<td>Antonis, Andreou</td>
<td>Skeet</td>
<td>141</td>
</tr>
<tr>
<td>Demetriou, Maria</td>
<td>800 m freestyle, women</td>
<td>9:41.41</td>
</tr>
<tr>
<td>Michaelides, Stavros</td>
<td>50 m freestyle, men</td>
<td>0:23.77</td>
</tr>
<tr>
<td>Papadopoulou, Maria</td>
<td>100 m butterfly, women</td>
<td>01:05.67</td>
</tr>
<tr>
<td>Papadopoulou, Maria</td>
<td>200 m butterfly, women</td>
<td>02:26.85</td>
</tr>
<tr>
<td>Volleyball Team</td>
<td>Men</td>
<td></td>
</tr>
<tr>
<td>Volleyball Team</td>
<td>Women</td>
<td></td>
</tr>
</tbody>
</table>
The World of Cyprus is published monthly by Kypros-Net Inc. at College Park, MD.

Editor in Chief: Peter Gavriel
Assistant Editors: Stathis Mavrotheris
Nicos Nicolaou
Technical Support: Panayiotis Zaphiris

Communication is a two-way process, thus we welcome comments and contributions from our readers. Please direct all letters to:

The World of Cyprus
P.O. BOX 341
College Park, MD 20740
USA

e-mail: newsletter@kypros.org

Copyright ©1997, USA by Kypros-Net Inc

Kypros-Net Inc. is an independent, not-for-profit organization in the state of Maryland, USA.

Kypros-Net offers to interested groups or individuals the opportunity and the means to employ their input and offer voluntary services for the promotion of the world of Cyprus.

Being a not-for-profit organization Kypros-Net seeks donations and support in accordance with regulations pertaining to such status in the USA.

All electronic correspondence may be directed to,

kypros-net@kypros.org

For more information visit,

http://www.kypros.org