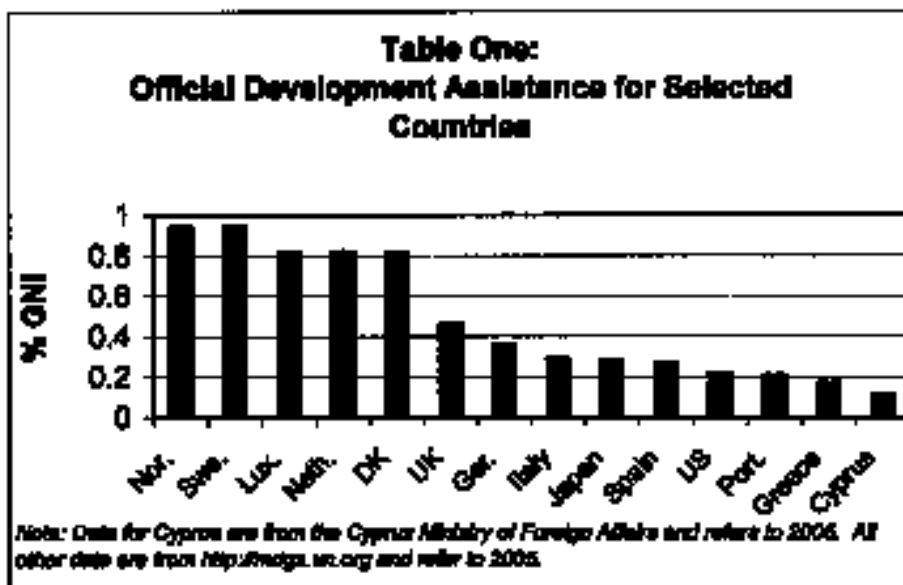


# Cyprus and Its Responsibility towards the World's Poor

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The Millennium Development Goals sponsored by UN Secretary-General Annan in September 2000 set up a list of goals for the world to meet in order to combat global poverty, increase accessibility to education, and empower women, among other things by 2015. One of the key challenges to the most developed countries was to devote 0.7 per cent of the Gross Domestic Product (GDP) to official development assistance by 2015. Official development assistance is one of the means for investing in education, health, and basic human needs in the less developed societies of the world, so it forms a crucial part of the Millennium Development Goals.

The 0.7 per cent of a region's GDP goal articulated by the Millennium Development Goals is not a new one: in 1970, a Gross National Product (GNP) goal of 0.7 per cent was first stipulated in the United Nations General Assembly. While the Millennium Development goal is stated as a percentage of GDP, its measurement is usually expressed to the technocrats dealing with the issue in



terms of a percentage of the Gross National Income (GNI) which, taking subsidies into consideration is a measure of the size of the economy of a country. It can be seen in table 1 that as far as the goal of reaching the minimum amounts of official development assistance as GNI, few countries have lived up to the 0.7 per cent goal they agreed to meet.

The Nordic countries, the Netherlands, and Luxembourg are the areas that perform best in terms of reaching (or sometimes surpassing) the goal. Jeffrey Sachs (2004), the person tapped by Secretary-General Annan to oversee the goals, notes that some countries are unlikely to reach the target and he is especially concerned that the US is one of them, since the current administration has put a great deal of its resources into military adventures, at the expense of development cooperation.

Interestingly, Cyprus is part of this drive to meet the goal of devoting a larger proportion of its economy to expansion in less developed parts of the world. In 2006, it provided €16 million toward development assistance, i.e. 0.11 per cent of GNI. Although the amount given for development assistance seems small both as an amount of money as well as a proportion of GNI, it is a good beginning for Cyprus and is hopefully the onset of the island living up to its international responsibility for promoting development among the world's poorest people.

There are several good reasons why Cyprus should devote itself energetically to an official development assistance programme and expand it. In the first instance Cyprus should maintain a strong programme because it is the right thing to do. Small investments in healthcare, education, infrastructure, and other things will result in an alleviation of human suffering and encourage the developmental process. Secondly, Cyprus, as a society, can afford to do it since the island has reached a respectable level of socioeconomic development itself. Thirdly, it is time to enthusiastically support the type of investment scheme that played a role in creating the vibrant economy that Cyprus now benefits from, by reciprocating. And fourthly, the elimination of poverty would have positive returns for the most developed countries.

There is a moral reason why development assistance should be viewed as a crucial aspect of Cyprus' foreign policy. Cyprus, as a member of the international community, has an obligation to assist in alleviating poverty in less developed countries to ease human suffering. There is staggering poverty and suffering in the world, some of which can be easily and cheaply fixed. For example, there are hundreds of thousands of people in India alone who suffer from leprosy, a disease that causes a great deal of human suffering but can be cured for "the price of a beer" (Harford, 2006). Thus, one could argue that the real cause of the sickness for

those suffering from leprosy is poverty and not bacteria. This is just one example of one of the easier and more inexpensive fixable problems that result in human suffering and create economic problems since sick people hinder the development process.

Cyprus certainly has the means to maintain a strong and well-funded development assistance programme, since, by global standards, it is a wealthy country. The UN Development Programme's Human Development Report 2006 indicates numerically that the Cypriot society lives in relative affluence. Of the 177 countries covered by the report, Cyprus is ranked at number 29 on the Human Development Index (HDI), which means that approximately only 16 per cent of the countries in the world have a living standard as good as, or better than, Cyprus. Taking into account life expectancy, education, and monetary wealth, the index shows that Cyprus is in good company, and is sandwiched between Portugal and the Czech Republic. While the society with the highest index score (Norway) enjoys a HDI value of 0.965, Cyprus enjoys a score of 0.903. This score emphasises the fact that although Cyprus is not in the global top ten in terms of describing the level of social and economic development, it is in respectable company. Those who come to Cyprus observe a visibly high standard of living. Cyprus does not perhaps have as high a living standard as in Norway, Sweden, Canada, or Switzerland, but it is still respectable and would be the envy of the majority of the world's population. Illegal aliens come to Cyprus on a regular basis to work and this shows that the world's poor do acknowledge the success of the level of economic development achieved on the island. Indeed, having a problem with illegal aliens is a "high class" problem and Cyprus has it.

In addition, Cyprus has itself developed from a poor rural country to a modern and largely urbanised society in a very short period of time, aided in part by the international community. The process of development has been assisted by the international community funding and supporting the development process by investing millions of dollars in recent decades. The United States Agency for International Development is one recent example alone where US\$60.5 million was invested in Cyprus through the Bi-Communal Development Programme (Blue et al.) during the period 1998 to 2004. A great deal of it was spent on the investment of sewerage systems and the preservation of cultural heritage in Nicosia (Venetian Walls and historic neighbourhoods within the city walls), in which the residents of the island benefit and will continue to benefit. The US government alone from 1974 until 2004 invested hundreds of millions of US dollars through the United Nations, much of it on humanitarian relief and reconstruction of the Greek-Cypriot sector (Blue et al.). There were other donors, apart from the US as well. In 1974 alone, the top five donors to Cyprus provided US\$41 million in assistance, with the US supplying 53 per cent of the funds in that year (United States Agency for

International Development, 2000). The millions of dollars of investment (building, rebuilding, and developing facilities in Cyprus) have benefited the populations on the island and must have played some role in allowing for the economic rise of the Republic of Cyprus following the events of 1974. At least it seems to be a curious coincidence that the economic ‘take-off’ of Cyprus seems to have happened at times when development assistance and humanitarian assistance from abroad was flowing into the island.

Finally, there are benefits for those of us living in the most developed societies from those in the less developed countries of the world. While the costs of investing in less-developed societies at a rate of less than one per cent of GNI may seem high, it is infinitesimally small in comparison to the externalities of poverty. The cost of dealing with economic refugees in the most developed states continues to rise. The costs of a failed state and the political consequences of it can be staggeringly high. The cost of a degraded environment that undermines the quality of life for all of us is also a cost to be reckoned with.

There are real hindrances to a vibrant and generous official development assistance programme for Cyprus. First, citizens and politicians will argue that such policies will squeeze out investments that could be used to eradicate or alleviate poverty in Cyprus. There continues to be poverty in Cyprus and eradicating it should be a priority of the government. However, domestic poverty and international poverty should be dealt with as two different and mutually exclusive issues and it is not impossible to fight a two-front war against both. It is likely that a war against one may actually assist in the success in a war on the other, as the Swedish, Norwegian, Danish, Finnish, and Dutch successes may attest to. While the Scandinavian countries and the Netherlands worked hard following World War Two to eradicate poverty internally, they also were and still are at the forefront of using the state to fight poverty internationally.

Secondly, there is a stickier issue, which is the question of political culture. The Cypriot political situation tends to get stuck on the major political issue in Cyprus – the Cyprus problem. Foreign policy that is not focused upon the Cyprus problem may be deemed to be of minor importance to Cypriot politicians and the Cypriot public, since it may deflect from investing political resources upon settling the Cyprus problem. Indeed, a vibrant and well-funded development assistance programme may be seen as a serious impediment to solving the Cyprus problem because the Cypriot state would in some ways be acting just like another state – a state that does not suffer from division and occupation. An anecdote is somewhat telling about the political culture here in Cyprus. When I spoke with a Cypriot colleague about my interest in the Cypriot development assistance programme, the colleague found it amusing, since he figured it to be a rather strange topic for

investigation. The assumption that all political issues in Cyprus have to be linked with the Cyprus problem is widely held.

That the welfare state in Cyprus may not be conducive to the funding of foreign development assistance programmes, is another aspect of political culture. Indeed it is shown that those countries with strong welfare states based upon social democratic principles (universal access to the public goods of the welfare state and programmes designed to extinguish class differences in the society) are the states most likely to have strong and well-funded development assistance programmes (Noël and Thérien, 1995). Cyprus has a welfare state based upon a different logic – a socially conservative logic. Thus, the Cypriot welfare state is largely aimed at supplying goods to lower-income groups to pre-empt demands for meaningful redistribution of wealth in the society. The lack of an inheritance tax in Cyprus underscores the state's social and economic approach toward redistribution of wealth from the wealthy to the poor. Thus Cyprus may have the same inhibitor; a conservative welfare state, and a force that has arguably also hindered the funding of development assistance for Austria and Germany. However, there is evidence that the cumulative influence of social democratic parties in a political system increases the level of investment in development assistance (Thérien and Noël, 2000). Although Cyprus does not have a powerful Social Democratic party, left-wing AKEL is influential and could potentially play the role that Social Democratic parties play in countries with more mature development assistance schemes. AKEL's internationalism and left-wing values may make it enough of an analogue to social democratic parties in other donor states to boost development assistance spending for Cyprus' nascent program. Thus, the welfare culture in Cyprus may serve as an impediment to attaining higher levels of development assistance spending, although AKEL's influence in politics may mitigate this.

Moreover, how does one create public support for a strong and well-funded development assistance scheme in the Cypriot context? The citizenry's and opinion leaders' attitudes should be studied. At present, little or nothing is known about how Cypriots perceive their international responsibilities to the world's poor. Research to uncover how Cypriots perceive their duty to the alleviation of poverty and suffering in other countries remains unknown. Such research should be able to uncover a strategy that may create public support for sustained funding of workable and successful projects.

I suspect that research might find that Cypriots would deem it more politically attractive to fund a people with whom there is an historical tie and for whom the Cypriot state could focus its energies. For example, it may be possible to find an ethnic group such as the Kalash in Pakistan, a group which, according to legend, has descended from the Greeks brought by Alexander the Great. The choice of a

group of only several thousand people such as the population of the Kalash, could harness the nationalist energies of politicians and the public in Cyprus. The size of the population too, would enable development assistance to have a visible impact with little investment, i.e. eradicating childhood diseases, eradicating illiteracy among the children, and addressing other basic human needs to enable the people to function effectively in the market economy. The goal of eliminating poverty with little investment among a small group with whom the Cypriot citizens and politicians could perceive a link, might in a short period show results enabling further projects that are small-scale and achievable.

I am not arguing that the Republic of Cyprus must fund development among the Kalash. The point is that I feel it is time for Cypriot citizens and the Republic of Cyprus to put their energies behind development assistance to reach the 0.7 per cent target of the GNI. Research should be carried out to learn how Cypriots perceive this and much needs to be understood about how politicians and the public view the issue of global poverty. Once more information is discerned about perceptions, then a sane, intelligent, and systematic programme can be developed in order to reach achievable goals to alleviate suffering and enable the development process in those countries where large numbers of people live in extreme poverty. Lives are at stake and small-scale victories over poverty abroad can be won by a concerted and intelligent development assistance programme by the Cypriot state.

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