

# The Gang

## [Η Συμμορία]

**Makarios Droussiotis**  
**Alfadi Nicosia, 2020 (pp. 302)**  
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*'A President may not misuse the national government's legitimate powers by defining his own personal interest as synonymous with the national interest, or by inventing pretexts to mask the pursuit of personal interest under the guise of national interest'.<sup>6</sup>*

An *Al-Jazeera* report on the Citizenship by Investment Program (CBI), published in October 2020, reveals that corruption in Cyprus extends to the highest political echelons. Two months later, Makarios Droussiotis' book *The Gang* is published, which confirms the dealings between the financial and the political establishment in Cyprus, in the wake of the 2013 financial crisis. *The Gang* is probably the most comprehensive journalistic investigation dealing extensively with the entanglement and financial interests between Cypriot power structures, whether institutionalised or not.

The book consists of three chapters. In the first chapter, the central figure is President Anastasiades, who is presented as an 'introducer'. On the one hand, as a lawyer-representing major economic interests, and, on the other hand, as the President of the Republic who has to make crucial choices in conflict with these interests, following the Eurogroup decisions. The second chapter analyses the backstage events that ensued after various interest groups attempted to impose themselves on the ruins of the Cypriot economy, while the third chapter describes the punishment (*nemesis*) and the consequences that the country has suffered from these actions. The author, drawing on material from his personal diary, the minutes of the meetings of the Cabinet, the Parliament sessions and the testimonial material of the Committee of Inquiry into the Economy, the local and international press, books published by key individuals during the period in question, presents evidence, which has not yet been officially challenged.

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<sup>6</sup> Bolton, J. R. (2020). *The Room Where It Happened: A White House Memoir*. Simon & Schuster. Kindle Edition, p.485

The aim of this paper is to take a critical approach to what is reported in the book *The Gang*. A book review is no substitute for the book itself, but it is useful for two main reasons: First, it is a secondary interpretation of what the author describes, and, second, it poses questions for further reflection by the reader. As Belsey notes:

‘The object of the critic, then, is to seek not the unity of the work, but the multiplicity and diversity of its possible meanings, its incompleteness, the omissions which it displays but cannot describe, and above all its contradictions. In its absences, and in the collisions between its divergent meanings, the text implicitly criticises its own ideology; it contains within itself the critique of its own values, in the sense that it is available for a new process of production of meaning by the reader, and in this process it can provide a real knowledge of the limits of ideological representation’.<sup>7</sup>

### **The Author’s ‘J’ accuse’ and his Personal Confession**

The economy emerged as a major and distinct issue in the 2013 presidential elections. Negative fiscal indicators, private borrowing and the overexpansion of Cypriot banks called into question the economic viability of the state. As a result, the overall image of Cyprus abroad, became increasingly negative, replacing the thematic dynamics of the Cyprus issue with the problem of the economy. Internally, while in the previous elections the main pillars of discussion were the Cyprus Question and the issues of Domestic Governance, which included the Economy, suddenly the economic problem acquired its own topical thematic in the election campaign.

According to Droussiotis, his proximity with Nicos Anastasiades on the critical issues, led him to actively support Anastasiades in the 2013 presidential elections. On the one hand, the economic crisis and, on the other hand, the joint support of the ‘Yes’ to the Annan plan in 2004, led the journalist to believe in the motto of the Anastasiades’ staff that ‘the crisis needs a leader’. In fact, as he confesses, he believed their decade-long collaboration had evolved into a friendship, leading him to join the presidential team as a ‘soldier’,<sup>8</sup> who would serve the good of the country. Soon, his hope turned to disappointment. He believes that he, too, was misled, concluding that ‘*this country holds no future for young people*’, as ‘*Cyprus is held hostage to the special circumstances of the national problem which has become a means of looting*

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<sup>7</sup> Belsey, C. (2003). *Critical practice*. Routledge, p. 89

<sup>8</sup> Interview to George Pavlides, <https://youtu.be/CuCF3HpuQbU>

*by the ruling powers*’.<sup>9</sup> Explaining his reasoning, he argues that the excessive powers acquired by the President of the Republic, due to the constitutional anomaly that has prevailed on the island since 1963, combined with the inability of the institutions to play a balancing role, have left the field open for a corrupt system of power to act like a gang. In other words, according to the author, the Cyprus problem is the productive cause of a distorted political system that is evolving into a corrupt structure.

After reading the book for the first time, three serious issues arise, concerning individuals, legal entities and institutional organisations: First, those accused have not brought legal action against the author in order to defend their personal honour and reputation. Secondly, the mainstream media have not invited the author to present his book to the public, playing a rather controversial role. Thirdly, the Cypriot judiciary has not called for an ex-officio investigation into the allegations made in the book, as it did in the case of the *Al-Jazeera* report.

### **‘The Corrupt System in Cyprus - The Haircut and the Corruption of Politicians and Lawyers’**

Corruption and interlocking interests are not solely a local phenomenon. Similar phenomena occur even in allegedly advanced democracies, such as the United States, which assesses the level of corruption in the rest of the planet through annual reports. John Bolton, former US security adviser under the Trump Presidency, publishing his book *The Room Where It Happened*, directly accuses President Trump of corruption with the aim of his re-election:

‘Had the House not focused solely on the Ukraine aspects of Trump’s confusion of his personal interests (whether political or economic), but on the broader pattern of his behavior—including his pressure campaigns involving Halkbank, ZTE, and Huawei among others— there might have been a greater chance to persuade others that “high crimes and misdemeanors” had been perpetrated. In fact, I am hard-pressed to identify any significant Trump decision during my tenure that was not driven by re-election calculations’.<sup>10</sup>

Without this being an excuse for the Cypriot system of power—since it happens elsewhere, why not here as well?— Bolton’s book, as well as Droussiotis’, describe pandering to interests in order to ensure the political survival of those involved. In

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<sup>9</sup> *The Gang*, p. 301.

<sup>10</sup> Bolton, p.485.

other words, former advisors accuse their superiors of doing anything, regardless of moral barriers and inhibitions, so they can be re-elected to office.

The fact that almost no Cypriot political parties mention *The Gang* in public discourse, leads the reader to multiple interpretations and questions: Do they want to hide it because they are themselves intertwined? Are the writings unsubstantiated and not worthy of any consideration? Is Droussiotis' body of writing such that it discourages the parties from using it as a source of information? The author offers his own interpretation of the attitude of party leaders during the crucial decisions of March 2013, and later, attributing different motives to each of them. Among these may be the reasons why the leading characters studiously avoid mentioning the book.

According to Droussiotis, President Anastasiades was at the heart of the lawyer-banker and auditor ring. He engineered the rejection of the first Eurogroup agreement by the Parliament, exploited the parties' populism, abused the patriotism of the Cypriots to pay the bill so that Russian depositors could be salvaged and abdicated his responsibility by blaming the Parliament's initial decision. The opposition AKEL, seeking vindication through the collapse of Anastasiades' policy, serving its ideological fixations that did not want the Troika in the country, seeking exit from the Eurozone and the non-disruption of Cypriot-Russian relations, paradoxically went along with Anastasiades' decisions.

The other parties, maintaining a pro-Russian stance, became accessories of Anastasiades' strategy, who cultivated the illusion of Russian assistance. The independent institutions were in a state of hypnosis while the media became appendages of the party logic, confirming the finding that, in the modern system of political communication, the predominance of 'party logic' over 'media logic' has created a relationship of interdependence between two basic pillars of modern democracy.<sup>11</sup>

### **Second Reading: Rhetorical Ethos and Debating Binaries**

Whenever the author is central to events, the interposition of his or her own biases is inevitable. Journalistic objectivity and detachment from the facts are concepts that are undermined when the author of a text takes a position aligned with the views of a group. Using Ethos, taken as a concept from the field of Rhetoric, with philosophical origins, and Identity taken from the field of Social Psychology, we attempt a different approach to the book beyond mere reading.

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<sup>11</sup> The author reveals that he was ordered by President Anastasiades to contact a journalist, to publish information against the Governor of the Central Bank (*The Gang*, p. 171)

According to Aristotle, ethos is interwoven with the credibility of the orator. In the book under analysis, ethos is present and used as both a direct and indirect critique of the central figures. The personal attacks are a direct challenge to the ethos of an acting subject. The portrayal of a President addicted to alcohol, who *'already drunk and sleepy, lost his temper and started to yell'*, and who *'... begins drinking a few whiskies around 10am... by 12 the effect of the drink on his behaviour begins to show and at 2 he is drinking whisky as a refreshment before going to bed'* creates an appalling impression, damning the ethos of the institution with the ethos of the person serving it. On another occasion, the account of a well known lawyer who demanded that Anastasiades listen to him because he was a major contributor to his election campaign, with money from a Russian oligarch, suggests the existence of a faction. Anastasiades' association with networks indirectly subtracts from his morality by constructing the image of a dependent President who puts his personal interest above the common good. Moreover, the claim that *'Anastasiades refused to see reality, let alone manage it'*, coupled with *'he had a distorted view of the ELA (Emergency Liquidity Assistance)'* portray the President as having diminished cognitive and perceptual abilities, inferentially calling his decisions into question.

Drawing parallels and analogies is another deconstruction strategy the author employs. By equating President Anastasiades with political figures of diametrically opposed views, he creates doubt among the readers. He presents him as a politically split personality and asks *'So what had happened and Anastasiades... became Zacharias Koulias in a few hours?'*, associating Anastasiades with the current 'rejectionist' bloc in Parliament and, by extension, with 'rejectionism' on the Cyprus issue.

Moreover, by using the analogy that *'Anastasiades follows the practices of Christofias...'*, he is equating Anastasiades with a person whom he opposed, especially in his economic policy, yet replicating his methods. Therefore, the deconstruction of President Anastasiades, in political terms, is achieved by identifying him with persons and policies that he had rejected in the past and that he adopted at the time of the events.

Throughout the plot of the book, various dichotomies of identity and otherness confrontation arise. The author takes care to make the boundaries between 'we' and 'others' distinct by placing himself in the first group. Indicatively, the following are mentioned: 'Rationalists Vs Populists', 'Anti-Russians Vs Pro-Russians', 'Europeanists Vs Anti-Europeanists', 'Pro-MoU Vs Anti-MoU'. The two poles are not necessarily made up of two homogeneous groups, but are structured according to the perspective and interests of each group. The author, adhering to an anti-Russian stance, consid-

ers the memorandum with the Troika necessary through the European structures, rejecting populism and advocating the logic of a constructed 'rationalization', according to his own view. The MoU is presented as a cure, since '*...with quick and effective management, the situation was quickly normalised, the downward trend of the economy was reversed and growth returned again, but at a heavy price for those who paid the banks' bills, such as shareholders, securities holders and, above all, the haircut depositors*'. The MoU and the austerity measures that negatively affected both the economy and the breakdown of the social fabric are studiously avoided, focusing instead on the argument '*that the 2013 crisis was a great opportunity to cleanse and reconstruct institutions... [which] was lost because the "crisis leader", who was supposed to be leading modernisation, was at the core of the problem*'.

Through Droussiotis' narrative, the perspective of a school of thought is presented which believes that Cyprus was brought to the brink of bankruptcy due, exclusively, to internal factors. Mishandling, corruption and political games were the main reasons that led to the Eurogroup decisions. He aligns himself with certain associates of President Anastasiades who act as 'the voice of reason' amongst the frenzy and populism that prevailed during those days. By presenting the Parliament and the majority of MPs as incapable of understanding what was really happening, he creates the image of a broken State that exists by chance and circumstance. In contrast, in some cases he praises the Europeans for the latitude and tolerance they have shown, by adopting some of Anastasiades' proposals, such as the initial haircut rate, which was limited to single digits. In fact, he believes that it was Angela Merkel who saved the workers' social security funds, as the government was ready to give them up in order to save the banks. At this point, Droussiotis reproaches Anastasiades for trying to safeguard the interests of his law firm's clients at the expense of Cypriot citizens. In conclusion, Cyprus is presented as a decayed European State that is condemned solely by the actions of internal actors, while European institutions and external actors are exempt from criticism. The only country that comes into the author's crosshairs is Russia and President Putin, whom he considers equally corrupt.

### **General Assessment**

The book *The Gang* may be of use to future generations and contribute to the transformation of a party system that is in a quagmire. The fact that it was not used as a source of arguments in the 2021 parliamentary elections does not mean that it cannot work in the same way in the 2023 presidential elections. After all, in the past, the revelations of *WikiLeaks* documents related to Cyprus have been a point of friction

between the electoral staffs of the presidential candidates. The reader-voter can use it as part of decoding moves executed on the political chessboard and to interpret events that have been in the news and determine, to this day, policies pursued in the economy.

The book is based on the dichotomy between identity and otherness, going beyond political correctness at some points, exuding empathy towards otherness. This can be seen in the author's statements, which are not limited to a simple statement of facts, but contain his personal position on the facts. An important concept which marks the author's attitude towards the protagonists of his work is the construction of their morality. Apart from the descriptive dimension of morality, references and arguments that are directed against the ethos of these persons in a caustic manner acquire special significance.

The fact that the author develops a relationship of cooperation-friendship with President Anastasiades, which in the following period turns into a relationship of anger and 'blame', cannot take away from the value of his testimony. On the contrary, he can be credited with courage and boldness for his venture to challenge the first citizen of the Republic and the party system by publishing a devastating book. The fact that he does not remain uninvolved in the unfolding of events leads to two additional conclusions: First, that the writing of the book works in the direction of transparency and, second, it is his *mea culpa* for the trust he has shown in the political system and Anastasiades, personally. In other words, the book works as a redemption for him and for the mistakes he has made along the way.

**Kyriakos Kolovos**