

## INTRODUCTION

RAI Consultants Public Ltd has carried out the Cyprobarometer survey on behalf of Marfin Laiki Bank for the fifteenth year in a row. The survey was first carried out in the summer of 1996.

The Cyprobarometer survey aims to collect, process and analyse data that relate to the participation of Cyprus in the European family, the economic and the social situation of Cyprus, fundamental concerns as well as perceptions relating to current affairs.

The questionnaire that is used for the survey is adapted each year by a work team that consists of members of Marfin Laiki Bank (Department of Economic Research and Market Analysis) and of RAI Consultants Public Ltd.

The present report outlines the main conclusions that have resulted from the analysis of the research findings on the opinion of Cypriots on the aforementioned issues mentioned.

## METHODOLOGY

The survey covered a representative nationwide sample in the Government controlled areas of Cyprus. The respondents belonged to the 18-75 year old age group of Greek Cypriots who are permanent residents of Cyprus. The sample was based on multi-stage random selection.

The districts covered by the survey were divided into urban and rural areas, on the basis of the most recent population census carried out by the Cyprus Statistical Service. In total, 1014 telephone interviews were carried out. The selection of an individual from each household, with whom the interview would take place, was random and was effected by applying a statistical key which was designed in such a way so as to give each eligible member in the household an equal chance of being selected in the sample.

The survey was conducted in accordance to the standards of ESOMAR (European Society for Opinion and Marketing Research), the European organisation in which all the directors of RAI Consultants Public Ltd are full members.

The survey took place during the period between the 21<sup>st</sup> of February and the 4<sup>th</sup> of March 2011 and it therefore reflects public opinion during that period.

The socio-economic groups referred to below indicate the educational and occupational level of the respondents and have been categorised as such in order to enable comparisons between the varying groups. The categories have been defined as follows:

- A-B, which includes 9%-13% of the population and is made up of individuals with the highest education level, who are mainly in managerial posts, self employed professionals, professional employees, e.g. executive consultants, higher civil servants, physicians, architects etc.
- C1, ranging between 20% and 25% of the population and is characterised by individuals with higher and middle educational levels, such as middle management employees, e.g. teachers, department heads, shop owners and clerical employees.
- C2, which makes up the largest part of the population with a proportion of 41%-46%. In this category are included individuals with a middle educational level, who work at clerical posts or in the services (such as nurses, firemen, policemen) specialised workers, foremen, and technicians such as mechanics, electricians, plumbers etc.
- D-E, which ranges between 19%-24% of the Cyprus population and is made up of semi-skilled and non-skilled workers, farmers, the retired and unemployed, with the lowest educational level.

## NOTES

The Cyprobarometer Survey (2010) consists of three sections. In each section, public opinion on topics such as the participation of Cyprus in the European family and the Cyprus problem, the social and economic situation as well as reflections on issues that relate to the institutions, society and transport are recorded.

The Cyprobarometer Survey (2010) also contains questions that relate to the current affairs of the period during which the survey was carried out.

## Main Findings of the Survey

### CYPRUS AND THE EUROPEAN UNION

Appreciation of the benefits of Cyprus that were a result of its accession to the European Union shows an increase compared to the previous two years, with the proportion of respondents who declare that Cyprus has benefitted rising from 53% in the past two years to 63%. On the other hand, Cyprus' accession to the European Union has had negative consequences according to 28% of the respondents, a proportion that stayed in similar levels as those of the Cyprobarometer of last year and of 2005 (29%).

The most important areas which benefitted by Cyprus' accession to the EU, according to the answers in the Cyprobarometer Survey (2010) are, in descending order, economic development (25%) the national issue (18%), security (7%) and society (6%). Next, with smaller proportions follow education, budgets/subsidies, commerce, agriculture, tourism, and human rights.

The respondents were also asked to say in which areas they believe that Cyprus has suffered as a result of its accession to the EU. 37% mentioned the economy of Cyprus in this context, while the next sectors that were cited by smaller proportions were the increase in unemployment (12%), the increase in the arrivals of migrants (11%), the political problem (6%), illegal immigrants (5%) and the agriculture / animal husbandry sectors (4%). 3% of the respondents mentioned the increase of prices, the degeneration of society, and high taxation as consequences of the accession of Cyprus to the European Union.

The vast majority of the respondents (77%) stated that Turkey should not accede as a full member, but she should be upgraded as a country with a special relationship to the European Union.

The vast majority of Cypriots (83%) maintain that the Cyprus Government should freeze Turkey's negotiations for accession to the European Union in case some of the preconditions that it will place are not satisfied. One in eight respondents (13%) are opposed to this view, while 4% did not express their view.

### THE CYPRUS PROBLEM

In this year's Cyprobarometer (2010), Cypriots were asked to say to what degree they believed that the discussions between the Greek Cypriot and the Turkish Cypriot sides would lead to some result. The respondents appeared pessimistic, with 72% of them saying that the discussions will not lead anywhere. Contrary to this, one in five Cypriots (22%) expressed optimism about the outcome of the discussions, while 6% did not express any opinion.

The respondents were asked to say to what extent they consider cohabitation between Greek Cypriots and Turkish Cypriots easy or difficult in the event that there would be a solution of the Cyprus issue. There was a 9% increase compared to last year in the proportion of respondents who stated that cohabitation would be easy, with a proportion that reached 39% this year (compared to 30% who said the same last year). The proportion of individuals who believe that cohabitation with the Turkish Cypriots would be difficult reaches 58%.

The main fear for a non-peaceful future with the Turkish Cypriots appears to be associated with past conflict, mentioned by the same proportion (18%) as in last year's Cyprobarometer (2009). It is followed by the influence of Turkey, mentioned by 14%, a considerably higher proportion than in the past two years (7% in 2008 and 6% in 2009), the differences between the cultures of the two communities and insecurity, with a

proportion of 13% and 11% mentioning them respectively, the lack of trust and the differences in the religion of Greek- and Turkish Cypriots (10%). The fears of the possibility of hostilities, the presence of settlers and prejudice are mentioned by lower proportions.

For the first time, in this year's Cyprobarometer, the respondents were asked to say to what extent they considered the status quo feasible in case there was no permanent solution to the Cyprus problem and what they expected to happen in such an event. Referring to the first question, public opinion appears divided, with a proportion of 46% stating that the status quo is feasible and a 49% stating the opposite. A proportion of 5% does not express an opinion. Regarding the second question, on the opinion of Cypriots about what they expect to happen in case there was no solution to the Cyprus problem, two in five respondents (42%) believe that the situation will remain as it is while 29% predict that there will be partition. A 6% of the respondents expect that the situation will deteriorate and a 5% claim that they believe that Turkey will expand its control to the whole of Cyprus. Lower proportions express the opinion that the pseudo-state will be recognised, that there will be a war whereby Greek Cypriots will become a minority in their own country.

Cypriots appear pessimistic about the situation that will prevail in Cyprus in 20 years from now if there were no solution to the Cyprus problem, since more than half of the respondents (55%) state that the situation will be worse than today. Just one in seven (14%) say that the situation will be better than it is now and one in four (26%) predict that in 20 years the situation will remain the same.

## THE ECONOMY

The index of economic developments appears improved in this year's Cyprobarometer (2010), with a significant increase, from 1,7 to 2,1, thus reaching the levels shown in 2004. The perception of Cypriots regarding the developments in the Cyprus economy in the period between 1996-2010 fluctuates, with the average opinion being slightly pessimistic, i.e. slightly below the neutral view.

In this year's Cyprobarometer (2010) 68% of the respondents expressed the opinion that economic developments during 2010 have worsened either 'slightly' or 'considerably' compared to 2009. On the other hand, a proportion of 16% seems to be positive and 15% of public opinion believes that there has not been any specific change. In summary, the average mean reaches 2,1 from 1,7 in 2009. One in five of the male respondents (20%) believe that the economic situation of 2010 showed a slight improvement compared to 2009.

In 2010 49% of Cypriots stated that compared to the previous year, their personal economic situation was worse. This proportion remains at the same levels as in the previous year, when it was 51%. 37% of the respondents in this year's survey stated that their personal economic situation did not change compared to the previous year, while 11% of them view their economic situation as slightly or considerably better than in 2009.

The respondents were asked to predict the path of the economy during 2011. Cypriots appear more optimistic than in previous years since from 2003 up to last year (2009) the proportions of respondents who predicted that the Cyprus economy would be better in the following year were lower compared to this year's Cyprobarometer (2010) when one in four respondents (24%) believe that the economy in 2011 will be worse than it was in 2010. However, the greatest proportion of respondents (48%) states that the economy in 2011 will be worse than it was in 2010. Moreover, the proportion of people who believe that the economy will remain at the same levels as in the previous year increases from 21% in 2009 to 27% this year.

In addition to the future economic situation in Cyprus, the respondents were asked to assess their own personal economic situation in 2011 compared to the previous year. Cypriots appear pessimistic once again for this year, since 35% of them believe that their personal situation will be slightly or considerably worse than it was in the previous year. At the same time, two in five respondents (44%) predict that it will remain at the same level, while the proportion of respondents who predict that their economic situation will be considerably or slightly improved reaches 18%. However, the proportions show that the respondents are more optimistic than in previous surveys since the proportion of those who believe that their personal economic situation will be better than last year has increased by 7 percentage points.

The first and most important cause of the problems faced by the Cyprus economy today is unemployment, with a proportion of 34% mentioning it. It is followed, with lower proportions, by:

- The public sector (13%)
- High consumer expenditure (12%)
- Corruption (10%)
- Tourism (10%)
- Banks (7%)
- Low productivity (5%)
- The fall of the stock values (2%)

Reduction of state expenditure (58%), privatisation of semi-governmental organisations (27%) and the increase in consumer taxation (11%) are the three most important actions that the government should take in order to reduce the deficit in the state budget. The increase of income tax is mentioned by a lower proportion (8%). Comparing the results with those of last year's Cyprobarometer (2009) there are no important changes except in those that state that in order to reduce the deficit of the state budget there should be privatisations of the semi-governmental organisations (from 18% to 27%).

Two in five of the respondents (39%) say that the state payroll is the most important sector in which there should be an emphasis if there should really be cut backs in the state budget. With much lower proportions, the state payroll is followed by:

- Development projects (9%)
- Defence expenditure (9%)
- State expenditure (9%)
- Salaries of House Representatives / ministers etc (8%)
- Funding of semi-governmental organisations (7%)
- Benefits paid to foreign immigrants (5%)
- The public sector (4%)
- Pensioner benefits (4%)

The respondents were asked to express their view about the greatest problem faced today by the public sector. The five problems that were mentioned were bureaucracy (31%), high salaries (28%), the large number of employees (17%), high expenditure (12%) and pensions (7%).

The respondents were asked to say to what extent they agree or disagree with the privatisation of various state services and semi-governmental organisations. There was an increase in this year's Cyprobarometer (2010) compared to last year's in the proportion of Cypriots who agree with the prospect of privatising state services and semi-governmental organisations. The greater proportional changes are noted in the proportion of those who agree with the privatisation of Cyprus Airways, from 44% and 51% in 2008 and 2009 to 63% this year (2010). In addition, the privatisation of the sea ports and marinas from 35% and 40% in 2009 reaches 49% this year. In this year's Cyprobarometer (2010) more than one in two respondents agree with the privatisation of the Cyprus Telecommunication Authority (in 2009 the proportion who agreed was 45%). The respondents who agree with the privatisation of the Cyprus Electricity Authority is increased from 39% last year (2009) to 47% this year (2010). Moreover, in this year's Cyprobarometer (2010) even more respondents agree with the privatisation of the water supply services since from 31% in 2009, this proportion is increased by 9 percentage points (to 40%). The same stands for the respondents who agree with the privatisation of the post services since from 40% in 2009 they increase to 48% in this year's Cyprobarometer (2010).

## INVESTMENTS

The respondents were asked to mention what their intentions would be, should they have a significant amount of money for investment to their disposal. The four basic choices of public opinion for the possible investment were the following:

- Land acquisition (38%)
- Bank deposit (14%)
- House or apartment purchase (13%)
- Bequest of the amount to their children (5%)

One in five respondents (21%) plans to buy immovable property in the next 1-2 years, a proportion that appears the same as that of the past four years. On the other hand, more than four in five (78%) do not plan to buy any immovable property in the coming years.

In this year's Cyprobarometer there was a reduced proportion of the Cypriots who estimate that the prices of immovable property will decrease, from 33% in 2009 to 27%. The prediction that the prices of immovable property will increase in the next 1-2 years in the same rate increase by four percentage points and reaches 12%. One in three respondents (34%) believe that prices will remain stable, while 8% of the respondents believe that they will increase by a faster rate. A proportion of 17% of the respondents considers that the prices of immovable property will increase, but in a slower rate, in the next 1-2 years.

## **SOCIETY – SOCIAL VALUES – QUALITY OF LIFE**

The respondents were asked to state which problems they considered to be the most important ones faced by Cyprus, in addition to the national issue. Two in five Cypriots (39%) mentioned the economy as the most important problem faced by Cyprus today. The problems of immigration (21%) and unemployment (16%) followed. Corruption is also considered an important problem in addition to the Cyprus problem (by 4%) and even lower proportions mentioned water and crime (2%).

The vast majority of the Cypriots (83%) believe that today Cyprus is facing a crisis of institutions, a view that is slightly reduced from last year when it was expressed by 87%.

Reference to the crisis that is experienced by the institution of the family remains at top position as the institution that is facing the greatest problem, with 20% mentioning it. The crisis in the credibility of the political leadership is rated as second and the state machinery as an institution comes third, being mentioned by 13% of the respondents. The proportions of respondents who believe that the police as well as the church are going through a crisis reaches 7% respectively.

Referring to the issue of institutions, the respondents were asked to express the degree of trust that they hold for the Church, the Republic of Cyprus, the European Union, the House of Representatives, the Cypriot Political Parties, the Cypriot Army, the Police, the Local Authorities and the United Nations. A close observation of the average mean shows that the greatest level of trust is shown to the Cyprus Republic, the Church, the Police, the European Union and the Army.

55% of the respondents states that they trust 'very much' or 'considerably' the Republic of Cyprus while the corresponding proportion for the Church reaches 50%. One in two of the respondents express trust for the Police, the European Union and the Army, with proportions of 48%, 47% and 49% respectively. Cypriots seem to have less trust in the institution of the Local Authorities (44%), the House of Representatives (32%) and the United Nations (28%), while trust towards the political parties is limited to just 13%.

In this year's Cyprobarometer (2010) the respondents were asked to mention which factors would influence their decision to seek a new employment position. The greater proportion (58%) stated that the most important factor for which they would change their job would be the salary. At the same time, a proportion of 36% stated that security and conditions of employment are also important factors. In addition, a proportion of 30% and 29% of the respondents respectively considered the working hours and the security of the job to be factors that would influence significantly their decision to start on a new job.

In this year's Cyprobarometer (2010) Cypriots appear to be somewhat more positive regarding their level of satisfaction about the standard of consumer protection in Cyprus with the proportion of satisfaction reaching 30%. At the same time, one in three of the respondents (33%) express discontent with the level of protection that is afforded to the consumer. 36% of the respondents remain neutral.

The proportion of the respondents who express 'quite' or 'very' satisfied with the way in which democracy operates in Cyprus remains at the same level as last year (42%) as is the proportion of those who express dissatisfaction (57%).

The degree to which Cypriots express satisfaction with their personal life remains constant through the years. As in all the other years of the survey, so in this year's Cyprobarometer (2010) the majority of the respondents (86%) said that they are 'quite' or 'very' satisfied with their life.

## **IMMIGRATION POLICY**

About four in five Cypriots (79%) consider the policy of Cyprus on the issue of immigration to be less strict than it should be. On the other hand, only 4% of the population consider it more strict than it should be while 15% say that the policy that is exercised on this issue is as strict as it should be.

About two in three Cypriots (67%) say that immigrants have not helped positively the economy of Cyprus, in contrast to a proportion of 32% who say that they have.

As regards the problems that are caused by the presence of immigrants in Cypriot society, more than two in three of the respondents (42%) mention unemployment. At the same time, one in five (20%) consider criminality to be a problem that is caused by the presence of immigrants in Cyprus. 18% believe that immigrants create problems in the economy of the country, while one in ten (9%) say that immigrants contribute to the deterioration of culture, to insecurity and to the thefts and robberies that are carried out.

## **CASINO**

Public opinion in Cyprus appears divided about the creation or not of a casino in Cyprus, with 56% being for and 44% being against. Similar results were shown in 2009, with 53% of the respondents saying that they were for the creation of a casino and 44% saying that they were against it.

## **TRANSPORT**

The vast majority of Cypriots (86%) said that they have not used the new buses, while only 14% said that they have used them. More than half the respondents (56%) who have already used the new buses say that they will use them more frequently than they do now. One in four (24%) say that they will use them equally frequently, while 17% say that they will be using them less frequently than they do now. On the other hand, three in five respondents (59%) who have not yet used the new buses do not intend to use them in the immediate future. On the contrary, two in five respondents (41%) intend to use the buses in the immediate future.