

EUROBAROMETER 70

PUBLIC OPINION IN THE EUROPEAN UNION

AUTUMN 2008

NATIONAL REPORT

EXECUTIVE SUMMARY

CYPRUS

(AREAS UNDER THE CONTROL OF

THE GOVERNMENT OF THE REPUBLIC

OF CYPRUS)

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EUROBAROMETER 70.1 – CYPRUS

(Areas under the control of the Republic of Cyprus)

EXECUTIVE SUMMARY

A. Life in Cyprus

Eurobarometer 70.1 is the ninth study of the Eurobarometer series to be conducted in Cyprus since its accession to the European Union. Cyprus entered the European Union with the Cyprus problem unsolved and with the Acquis Communautaire applied only in the areas under the control of the government of the Republic of Cyprus.

The study was conducted between 8 October and 2 November, almost one year after the accession of Cyprus to the Eurozone (in January 2008), and during a period in which the global economy was entering a deep crisis.

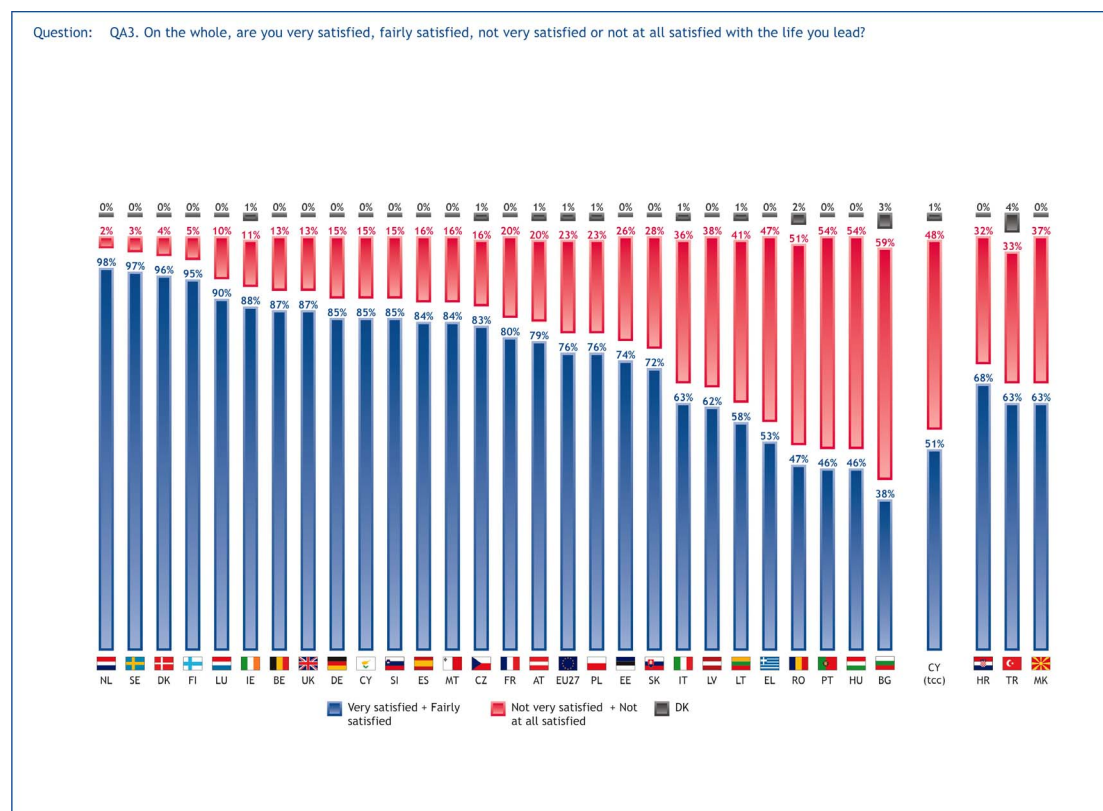
The main events dominating the local media during this period concerned the global economic crisis, the effects of the crisis on the stock markets and various aspects of the Cypriot economy, the E.U. and the rest of the world, measures being decided for dealing with the crisis, the negotiations between president Christofias and Turkish Cypriot leader Talat, the debate over the need for guarantor powers in case of a solution to the Cyprus problem, the possible involvement of the E.U. in the negotiations for the Cyprus problem, the election of Turkey as a non-permanent member of the U.N. Security Council, the scandal in Greece involving investments by the Vatopedi Monastery, the presidential election campaign in the U.S.A., the effects of the drought on the agricultural sector in Cyprus and the aid provided by the government.

At a second level, media coverage was also dominated by concern over the increase in prices and the investigations by the Committee for the Protection of Competition, the viability of the Social Security Fund, the supply of Cyprus with natural gas, the negotiations for Turkey's accession to the E.U., the negotiations within the E.U. for genetically modified organisms, the debate for the ban of smoking in public places in Cyprus, the continuous flow of illegal immigrants arriving through the non-government controlled areas, and the debate within the E.U. regarding the environment and climate change.

During the same period, the media made reference to the E.U. mission in Kosovo, E.U.-Russia relations, the announcement by the European Commission of a programme for the free supply of milk and dairy products to schools and the attempts of activists to break the Israeli blockade of the Gaza Strip.

Citizens are satisfied with their lives:

- The vast majority of citizens (85%) feel satisfied with their lives.
- The level of satisfaction of citizens has decreased by 5% since the last Eurobarometer in Spring 2008.
- A small increase in the percentage of the population that say they are very satisfied is recorded (3%), as well as a significant decrease in the percentage of the population which says they are fairly satisfied (8%).



The vast majority of Cypriots (78%) is not satisfied with the cost of living in Cyprus. Just 22% is satisfied, while in the E.U.27 78% is dissatisfied and 21% satisfied.

88% of citizens residing in the areas under the control of the Republic of Cyprus are dissatisfied with energy prices, a consequence of successive increases in the price of crude oil since the summer of 2008.

Asked regarding their purchasing power, 78% of Cypriots believe it has decreased. This is the highest negative percentage recorded in the E.U.27.

- 67% of citizens say that they have difficulty paying all of their bills at the end of the month.

The majority of citizens residing in the areas under the control of the Republic of Cyprus (53%) find the condition of their national economy to be good. This is the eighth highest percentage recorded in the E.U.27.

Regarding their personal employment situation, half of Cypriots (50%) find it is good while just 13% believes the contrary.

The majority of Cypriot citizens (65%) believe that the situation of their national economy is better than the average of European countries. This is the seventh highest recorded percentage in the E.U.27 and far higher than the E.U. average (36%). 24% answered that the situation is worse.

Cyprus is one of the three members of the Eurozone in which the majority does not agree that membership of the Eurozone makes it feel more stable financially. 50% say that it does not feel more stable, while 40% says it does.

A large number of citizens do not expect changes in the next 12 months when it comes to their personal situation:

- Regarding life in general, 47% of citizens expect that it will remain the same, 24% that it will improve and 21% that it will be worse. The percentage expecting an improvement in their personal situation records a significant decrease (12%) compared to the Eurobarometer of Spring 2008.
- With regards to the financial situation of their household, 56% does not expect any changes, 9% expects it will improve and 31% that it will get worse.
- On their personal employment conditions, six out of ten citizens (60%) predict stability. 10% expects an improvement and 10% that the conditions will worsen.
- Over time, the short-term expectations of citizens on their personal issues record minor changes. However, the significant decrease in those expecting their lives in general to improve is possibly linked to a certain extent with the global economic crisis.

A negative climate prevails when it comes to the economic development of Cyprus and working conditions:

- The majority of citizens expect that the national economy will worsen in the coming 12 months (46%). Regarding employment conditions in Cyprus, the majority (44%) believe that they will remain the same, while a significant 39% expect that they will get worse. Just 8% believe that the national economy will improve, 37% believe that it will remain the same. (The climate is far more pessimistic when compared with the Spring 2008 Eurobarometer).

	Better %	Worse %	The same %	DK %
Your life in general	24	21	47	9
The situation of the Cyprus economy	8	46	37	9
The financial situation of your household	9	31	56	4
The employment situation in Cyprus	5	39	44	12
Your personal job situation	10	10	60	20

The two main problems of concern to the citizens of Cyprus is the rise in prices (46%) and the economic situation (30%). A high percentage (25%) answered "other," while the same percentage answered crime.

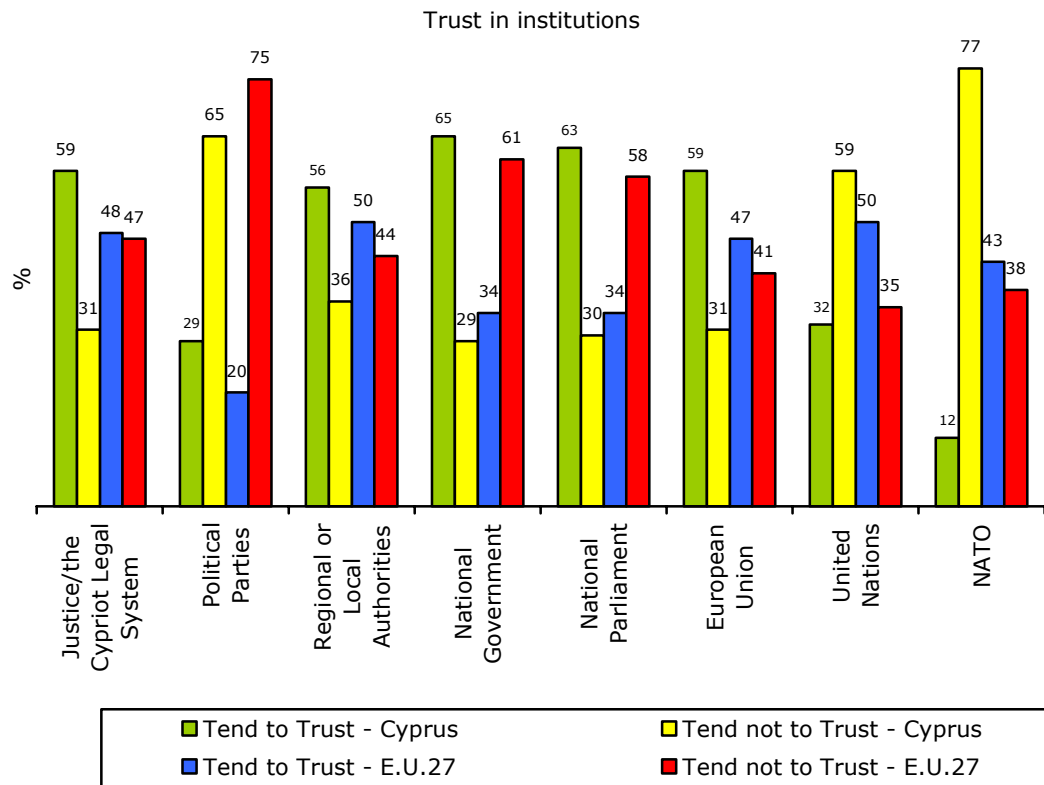
	Cyprus %	E.U.27 %
Crime	25	17
Economic situation	30	37
Rising prices/Inflation	46	37
Taxation	6	8
Unemployment	7	26
Terrorism	1	5
Defence/Foreign affairs	3	1
Housing	17	8
Immigration	11	9
Healthcare system	8	16
The educational system	3	7
Pensions	6	10
Protecting the environment	4	4
Energy related issues	3	5
Other (SPONTANEOUS)	25	1
DK	1	1

More than one third of Cypriot citizens (35%) believes that things in general are moving in the wrong direction in Cyprus.

- 33% answered that things are moving in the right direction. The percentage of those answering positively records a 17% decrease since the Spring of 2008 (50%).

A small decrease in the level of trust of citizens towards their national government and House of Representatives is recorded:

- The trust of citizens in the Cypriot government appears reduced to 65% when compared to the Spring 2008 Eurobarometer (69%) but higher compared to that of Autumn 2007 (49%), while the same trend is recorded in the trust in the House of Representatives, which is at 63% (Spring 2008 69%, Autumn 2007 49%).



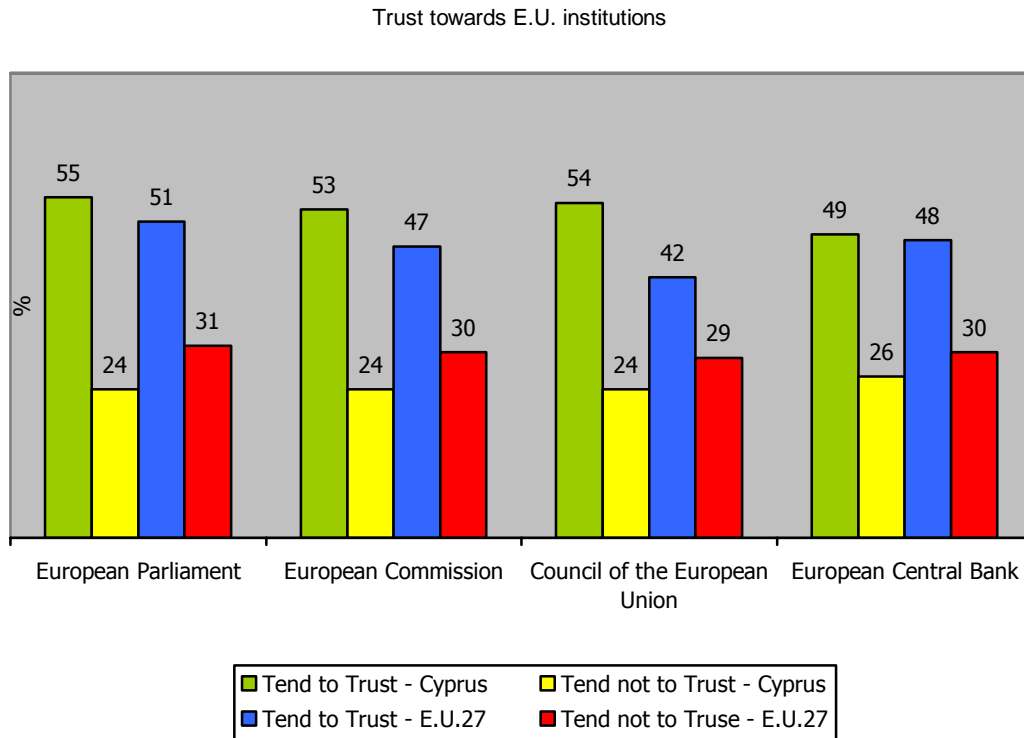
Citizens continue to exhibit a high level of trust in the European Union:

- The majority of citizens (59%) trust the European Union (far lower than the 71% recorded in the Spring). It is important to note that trust in the European Union in Cyprus remains higher than the E.U. average (47%).

B. Europeans and the European Union

The majority of citizens trust the European Union's institutions:

- Trust in the European Parliament is expressed by 55% of citizens, in the European Commission by 53%, in the Council of the European Union by 54% and in the European Central Bank by 49%. All percentages record a decrease compared to the results of Spring 2008, but continue to be higher than the E.U.27 average.

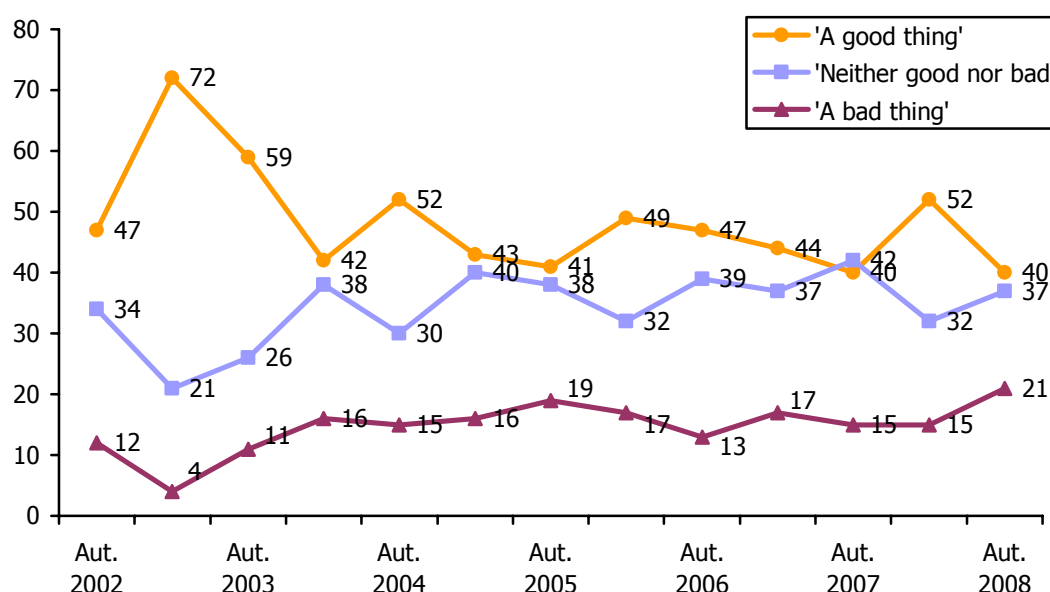


Cypriot citizens also believe that the basic E.U. institutions play an important role in the life of the European Union: 87% for the European Parliament, 86% for the European Commission, the Council of the European Union and the European Central Bank.

Four out of ten citizens residing in the areas controlled by the Republic of Cyprus consider Cyprus's EU membership positive. 40% of respondents believe that Cyprus's membership to the EU is a good thing, 37% that it is neither good nor bad, while 21% believe that it is a bad thing.

- The percentage holding a positive view is reduced compared to the last Eurobarometer by 12 percentage points. This may reflect the population's overall perception of the global financial crisis and the different responses to the crisis from within the EU during this period.
- At 40%, Cyprus holds the 22nd highest positive percentage on the country's E.U. membership, far lower than the E.U. average (53%).

Opinion on Cyprus' membership to the E.U.

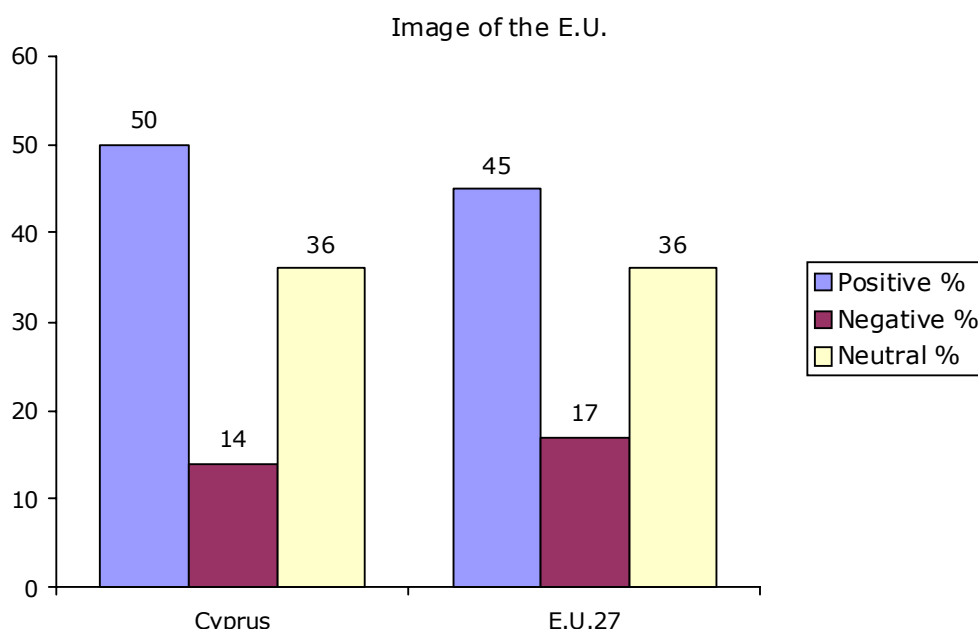


A significant drop of 12% is recorded in the percentage that believes that Cyprus has overall benefited from its membership of the European Union:

- 43% of citizens believe that Cyprus has benefited from its accession to the European Union. This percentage is 13% below the E.U.27 average (56%), and records a drop of 12 points since the Spring of 2008. The percentage of those who believe the opposite is at 46%, an increase of 11% compared to the 35% in the Spring.

Half the citizens (50%) say that they hold a positive image of the European Union:

- The percentage with a positive opinion is higher than the percentage that believes that Cyprus' membership is 'a good thing' (40%) and that, overall, it has benefited from membership to the E.U. (43%). This trend in the perceptions of the European Union was also recorded in previous Eurobarometers.

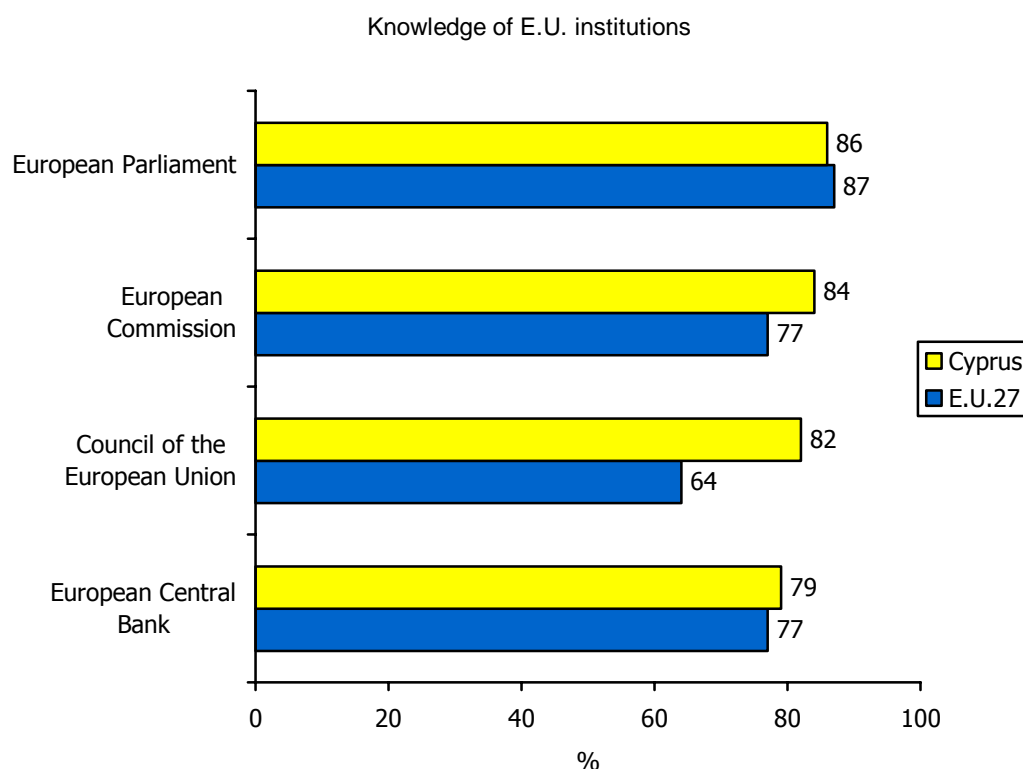


More than half the citizens residing in the areas under the control of the Republic of Cyprus say they understand how the European Union works:

- With 59% of citizens (a drop of 6 percentage points since the Spring of 2008) saying they understand the way the European Union works, Cyprus ranks second amongst member states in citizens' understanding. This performance of 'confidence' has been consistent over the years. Its most recent expression can be correlated to the exposure of E.U. institutions and decision-making processes in relation to the economy prior to Cyprus's accession to the Eurozone, as well as in relation to discussion of E.U. mechanisms on the provision of financial aid to Cyprus in light of the prolonged drought.

31% (-17% since the Spring of 2008) of the sample believes that its voice counts in the E.U., a percentage comparable to the E.U.27 average (30%). It is important to note that the highest recorded percentage, in Slovenia (51%), is the only one exceeding 50%.

The absolute majority of citizens in areas under the control of the Republic of Cyprus have heard of the European Parliament (86%), the European Commission (84%), the Council of the European Union (82%) and the European Central Bank (79%).



In a question whether they have recently read in the newspapers or heard on the radio or television or seen on the Internet anything regarding the Presidency of the Council of the European Union by France or the Czech Republic, Cypriots, as well as European citizens as a whole, appear uninformed, particularly as to the Czech Republic taking over the Presidency of the Council of the European Union.

- Just 14% of the sample answered that they know about the upcoming assumption of the Presidency by the Czech Republic, while 53% answered that they know about the French Presidency of the Council of the European Union. The corresponding percentages in the E.U. 27 are 19% and 50% respectively.

Cypriot citizens in general say they are not well informed regarding the E.U. budget.

- The majority (28%) gave economic growth as their first option as to where the E.U. budget should be spent. As their second option, Cypriots said that they would like the E.U. budget to be spent on public health (45%).

The focus of the European Union and its institutions, according to the respondents, should be on solidarity with poorer regions (36%). Following this are the fight against crime (33%) and environmental issues (27%). Respectively, the main priorities as ranked by European citizens are energy issues (30%), the fight against crime (29%) and immigration issues (29%), while solidarity with poorer regions is a priority for 20% of E.U.27 respondents.

Cypriot citizens are in favour of a European monetary union with one single currency, the euro. 58% of Cypriots are for the monetary union with 38% against. The corresponding percentages in the European Union of 27 member states are 61% for and 32% against. The highest percentage is recorded in Slovenia with 90% for and the lowest in the United Kingdom with 28% for.

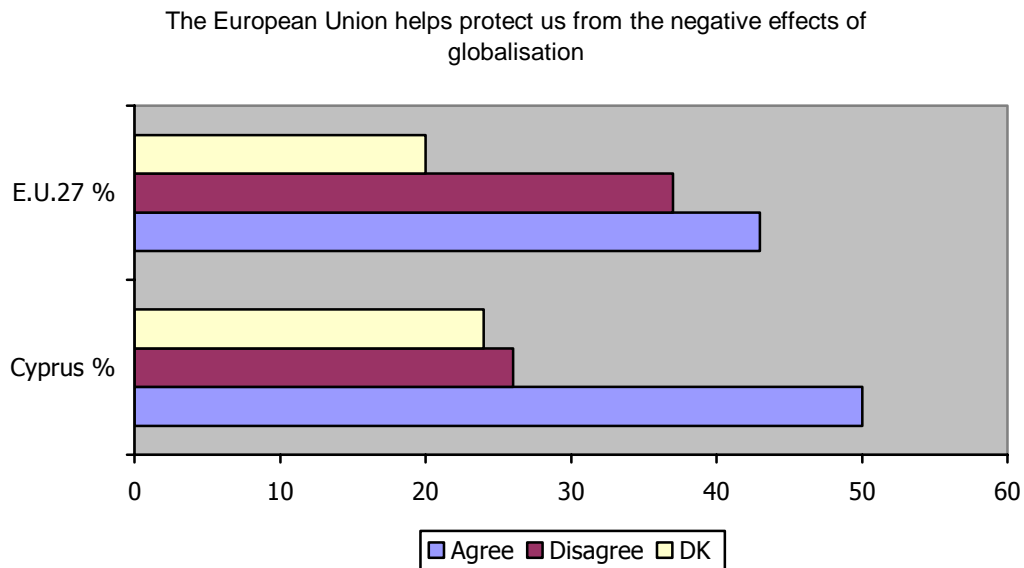
56% of Cypriot citizens are for further enlargement of the European Union and 30% is against.

- In the E.U.27, the issue of enlargement of the European Union is positively received by 44% (43% against).
- On the issue of a common foreign policy among the member states of the E.U., 75% of Cypriot citizens are in favour (16% against), and on the issue of a common defence and security policy 89% are in favour (7% against).

	Cyprus %	E.U.27 %
A European Monetary Union with one single currency, the euro	58	61
A common foreign policy among the Member States of the EU, towards other countries	75	68
A common defence and security policy among EU Member States	89	75
The speed of building Europe being faster in one group of countries than in the other countries	45	39

The vast majority of Cypriot citizens (71%) believe that the recent enlargement has strengthened the European Union. This percentage is the second highest in the E.U.27, after Slovakia (72%). The E.U. average is at 48%.

26% of Cypriots believe that globalisation represents a good opportunity for Cypriot companies due to the opening-up of markets, while 52% believe that globalisation represents a threat to employment and companies in Cyprus. 50% believe that the European Union helps protect citizens from the negative effects of globalization, while 26% believe the opposite.



The vast majority of citizens (92%) have heard of the armed conflict between Russia and Georgia during last August (E.U.27 82%). 81% of Cypriots believes that this conflict could have an impact on the security of energy supply in the European Union.