

INDRODUCTION

The *Cyprobarometer* was carried out by RAI Consultancy Services Ltd on the behalf of the Planning and Economic Research Unit of Laiki Group. The survey was carried out for the eighth year running, with the first foray having taken place in the summer of 1996.

The *Cyprobarometer* follows the footsteps of the *Eurobarometer*, which is the best known and the most reliable study carried out for the 15 member states of the European Union. The basic questions of the *Cyprobarometer* are identical with those asked in the *Eurobarometer*.

The key objective of the *Cyprobarometer* was to explore public opinion and attitudes in the following areas:

- The Cyprus accession to the European Union
- The economic situation
- Society, with particular emphasis on youth
- Technology and Internet
- Aspirations for Cyprus and the world in the 21st century

In the following pages we attempt to present the key findings of the study. It is important to note that the analysis indicates a comparison of the current data with the data of the past seven years, thus revealing emerging trends.

METHODOLOGY

The survey covered the Cyprus population aged 18-75, who permanently reside in Cyprus.

The sample selection was based on a multi-stage random selection. For this selection the areas covered by the survey were categorised as urban, semi-urban and rural according to the most recent population census carried out by the Statistical Service of the Republic of Cyprus.

984 personal interviews were carried out for the study. The actual person interviewed was selected randomly from households with the use of a statistical key specially designed so as to give every member of a household an equal probability of being selected.

The survey was carried out according to the standards of the European association ESOMAR (European Society for Opinion and Marketing Research), members of which are all the management executives of RAI Consultants.

Fieldwork for the present study was carried out between December 9, 2003 and January 19, 2004 and it reflects the opinion of the public during that period.

The non-response rate was 4.2% and is within the acceptable limits set by ESOMAR.

KEY FINDINGS

CYPRUS AND THE EUROPEAN UNION

The degree of optimism with regards to the benefits for Cyprus as a result of its accession in the European Union has decreased compared to the past two years. Just over half (54%) expect that Cyprus will benefit a lot or slightly from its entry into the EU. One in five (20%) believe that the entry of Cyprus in the EU will bring negative repercussions on the island.

The most significant areas in which Cyprus is expected to benefit from its accession to Europe, in order of importance are:

- § Security
- § The economy
- § Human rights and the protection of the citizen
- § Worker's rights
- § The protection of the environment
- § Civil Service operations

In this year's *Cyprobarometer* five out of ten respondents believe that the Cypriot Government should handle lawmaking and drafting of regulations for the residence and employability of immigrants as well as for taxation policies (such as the VAT level) in cooperation with the EU. An even higher proportion of respondents (seven out of ten) want to see further lawmaking in the areas of education, social welfare and health, external policies, and environmental protection, and eight out of ten want more laws which would aim at the elimination of drug use and the area of safety and security. Regarding the topics of science and technology, the vast majority of respondents (92%) support the idea that decision-making should be done in cooperation with the EU.

Once again public opinion points out the lack of information on European affairs. Only one out of five believes that today there is sufficient information on the functioning, aims and activities of the EU. The vast majority, 76%, believes that there is not enough information – a considerable increase on the 64% of 2002 and the 69% of 2001. Virtually all get their information on EU matters from Cypriot sources, and 30% also use international sources. The main source of information on topics regarding the EU is TV.

The areas related to the enlargement and functioning of the EU that Cypriots are most concerned about are, in order of importance, the following:

- § The potential influx of immigrants
- § The increase in drug use
- § The increase of organised crime

The potential loss of national identity, the reduced usage of the Greek language and the potentially growing wealth gap between the richer and poorer countries are other areas of concern around half the respondents.

The opinion that prevails among the public is positive when it comes to the question of a common currency (the Euro).

On the subject of a solution to the Cyprus problem in the context of the European accession, the levels of opinion remain similar to those of the previous year. Two out of five respondents (40%) are optimistic that there would be a solution, whilst the rest are pessimistic.

However, the picture relating to the results that a solution might bring to the Greek-Cypriot side is as bleak as it was last year.

Specifically this year's survey shows that 46% believe that a solution would have negative effects for our side. About one out of five (22%) have neither a positive nor a negative expectation and only a minority of 28% believes that the solution will have positive effects.

One out of two (47%) believe that the economic effect of the Cyprus problem will be somewhat or very negative for our side and only 28% expect that Cyprus will have any economic benefits as a result of a solution. Additionally, about 18% consider that the effects of a solution on the economy will have neither a positive nor a negative impact on our side.

The responders were asked to express their opinion on whether they consider the cohabitation of the Turkish-Cypriots and Greek-Cypriots in the case of a solution to the Cyprus problem convenient or not. The opening of the borders and the free movement of Greek-Cypriots to the occupied areas has influenced public opinion as far as the subject of cohabitation is concerned in relation to 2002.

47% of those interviewed had visited the occupied areas. Of those who have visited the occupied areas, one in four (24%) has been to the occupied areas once, 11% twice, 6% thrice, and 6% over four times. The average number of visits is 1.2. Also, 8% mentioned that they visited the occupied areas for the last time in April, 16% in May, 7% in June, 10% in July, 19% in August, and 10% in September. During October, November and December these figures were 8%, 7% and 9% respectively. It appears that most of the responders visited the occupied areas in May and August. Approximately one out of two (47%) of those who have already visited the occupied areas said that they plan to do so again.

Those who said that they had visited the occupied areas but do not plan to do so again were asked for the reasons that let them to decide not to. One out of three (34%) gave psychological reasons such as sadness, bitterness, and disappointment, while 18% said that they would only go again if there were a solution; 10% did not want to go again because everything had changed there and there was an overwhelming picture of destruction; 8% said that they don't want to show their passport, and 5% gave as a reason the fact that they are refugees and don't wish to visit the occupied areas again.

Those who had not visited the occupied areas were likely to have not done so because they did not want to show their passport (36%). Furthermore, 21% claimed that they would prefer to visit the area only when there would be a solution, i.e. when it is freed. 8% said that they are no refugees and that's why they didn't visit the occupied areas. Other reasons given were lack of security (4%) and sentimental reasons (4%).

THE ECONOMY

The second section of the *Cyprobarometer* records predictions about developments in the economy, the perceived factors affecting financial developments, the mergers and liberalisations of public and semi-public services and organizations.

Public opinion has not changed since 2003 with regards to economic developments, with indicators remaining at the same levels as in 2002. Perceptions on the economy during the period 1996-2003 had considerable fluctuations and during that period public opinion was, on average, slightly pessimistic..

The average Cypriot evaluates his/her economic situation, less favourably compared to the past two years (2001 and 2002) when a more positive picture was drawn. The mean score was reduced to 2.7 from 2.9 in 2002 and 2.8 in 2001 presenting a slightly negative view.

The responders were also asked to express their expectations with regards to the development of the economy during 2004 compared to 2003, as well as to the development of a gap between the rich and the poor in Cyprus in the upcoming years.

Public opinion appears bleak about the course of the economy in 2004 compared to 2003. One out of two Cypriots believes that the economy will get worse, contrary to previous years when the expectation was more confident.

The impression that prevails amongst the public is that in the following years the gap between the rich and poor will increase.

The main domestic factors which are seen to influence negatively economic developments are the lack of security due to the national problem, the harmonisation with Europe, the cost of foreign workers, the government economic policy and the financial system.

The public opinion appreciates that the four main sectors of the economy that currently face problems are:

- § The agriculture and livestock farming
- § The industry
- § Tourism
- § The trade and the construction sector.

When asked to determine the areas to which the unions should pay more attention, the top three were: pay rises (46%), job guarantees (33%) and the increase in productivity (12%). Following with much lower percentages are the contribution to social modernisation and the integration with the EU.

The respondents were also asked to state whether they agree or disagree with the privatisation of the various public and semi-public services. By and large, Cypriots appear to consider the prospect of privatisation negatively. More than 50% said that they disagree with the privatisation of six out of the ten organizations presented to them.

Specifically the highest levels of disagreement were for the privatisation of healthcare (67%), water supply (60%), the Forest Industries (56%), airports (53%),

the post office (52%), and the marinas and harbours (52%). The lowest degree of disagreement with regard to their privatisation was expressed for EAC (48%), Cyprus Airways (47%), the construction and the management of roads (44%), and CYTA (42%).

For the first time this year the respondents were asked to state to whether they are in favour or against the by-law prohibition of strikes in vital services. The public opinion is split on this subject, with 43% for and 49% against this, whilst 8% did not express an opinion.

THE INTERNET

About one out of five of the respondents (22%) claimed that they use the Internet, whilst 78% claimed they did not.

The most common areas of use are at home (86%) and work (48%). The average usage time is around 7 hours a week compared to 6 hours last year. The Internet is mostly used for educational and recreational reasons (48%), followed by business (46%), general information (24%) and news on Cyprus (19%). Other topics are bank transactions (10%), e-commerce transactions (10%), and stock exchange (6%).

In this year's Cyprobarometer there is a noticeable increase to the level of know-how about banking and commercial transactions via the Internet, with 28% knowing a lot about it and 26% little.

During 1998-2001 the expected future use of the Internet for business and financial transactions was recorded as negative, with limited fluctuations. The largest negative inclination for this was recorded in 2001 at 69%. In 2002 there was a positive expectation on the future use of such services

INVESTMENTS – REAL ESTATE

The respondents were asked to mention their possible intentions in the event that they were presented with a substantial amount of money. The four main choices of the respondents were: to buy land (45%), to give the money to their children (22%), to deposit the amount in a bank (16%) and to buy a house or flat (9%).

41% of the respondents reported that they have stocks and shares of public companies and 59% that they don't. Most of those who have stocks and shares belong to the higher socio-economic classes A-B and C1 (with 52% and 47% respectively), and to the 45-54 and 55+ age groups (48% and 44% respectively).

Respondents were also asked whether they would invest to stock markets abroad, given that today they have the ability to invest only up to a specified amount. The answers on this were slightly positively inclined with about one out of five (18%) saying yes, whilst last year only one out of ten (10%) said so.

The areas in which Cypriots would be prepared to invest abroad are land (45%), a house or flat (43%), deposits in bank (21%), mutual funds (8%) and securities (7%).

One out of four (28%) plans to buy a property within the next five years. 66% said that they plan to buy a plot of land, 24% that they would buy a detached house and 13% a flat.

Respondents were asked to predict the price movements of real estate within the next five years. Half of the respondents (53%) said that they expect prices to increase at an even faster pace, whilst one out of four (23%) said that they expect prices to continue to increase at the same rate as today. 11% said that they expect prices to rise at a slower pace, and only 7% appears to be optimistic that prices will fall (slightly or significantly) or remain the same.

TAXATION

The respondents were asked to state which form of taxation they consider fairer: direct taxation or indirect taxation. The public opinion appears to be split this year in this regard. While in *Cyprobarometer* 2002 68% stated that they consider direct taxation to be fairer, in 2003 only 45% was in favour of direct taxation. At the same time, 34% support that indirect taxation is fairer, something with which only 29% of those asked in 2002 agreed.

33% of the respondents in 2003 said that the tax reform brought negative effects in their personal economic situation, a level much lower than in 2002 when it was 43%. On the other hand, 39% claimed that the tax reforms had a slightly- or very positive impact on their personal economic situation.

SOCIETY – STANDARD OF LIVING

The respondents were asked to mention the problems that they consider to be the most important - after the Cyprus problem. Drugs and the cost of living appear to be the most seriously perceived problems today, with between 25%-27% mentioning them. There is an increase in the perception of inflation as a problem, which now comes second with 25% mentions, compared to 15% mentioning it in this context in the previous year.

For the third year running, the respondents were asked to state what the main reasons for the increase in traffic accidents were in their opinion. No significant changes were noticed in their replies when comparing them to 2002. Six out of ten (60%) said that speeding is the most serious cause of the increase in traffic accidents, and 23% said it was the carelessness of drivers.

The respondents were also asked to say whether they agreed or not with the placement of cameras along the road to record speed violations. Cypriots appear to be in favour of placing cameras along the roads, with 76% being in favour and only 17% being against.

Eight out of ten respondents (81%) believe that Cyprus today is facing a crisis of its institutions. The same was observed in all of the previous years. The institutions with the greatest problems are the Church (42%), the Family (22%), and the Police (10%).

Six out of ten (64%) agree that the Church should modernise itself, while 24% disagree with this.

When asked about the frequency of their church attendance, (except for weddings, christenings, funerals and memorials) 35% said that they go a few times per year and 17% that they rarely go. One out of four (23%) said that they go to church every Sunday, whilst one out of five (20%) said that they go once or twice per month.

Regarding the involvement of the Church to various business transactions, the majority, 77%, said that it was something they disagreed with and only 14% said that it was something they agreed with. The same proportions were recorded in *Cyprobarometer 2002*.

Most agreed that the Church should limit its activities to its spiritual mission, to better manage its finances, and to be subjected to taxation by the state.

During the whole period between 1997 and 2003 there was a steady depreciation of consumer satisfaction levels. During 2003 a 22% said that they were satisfied with consumer protection in Cyprus. The proportion of those who said that they are dissatisfied has increased from 36% (2002) to 43% (2003).

The majority of the respondents in the last seven years (86% in 1997, 77% in 1998, 82% in 1999, 85% in 2000, 85% in 2001 and 89% in 2002) seem to be very or quite happy with their lives. In 2003 this proportion is 88%.

The respondents were then asked to answer the following:

- Which values govern their lives?
- Which values govern the lives of Cypriots in general?

For the first question, about nine out of ten said that their lives are governed by the value of family and integrity (88% and 87%, respectively), followed by reliability (59%), honesty (55%) and hard work (54%). It is interesting to note that only four out of ten (41%) said that environmental conscience and a good life are values that govern their lives.

For the second question the answers given were quite different than the above. The value that they believe governs the lives of Cypriots are the good life (71%). Following are hard work (60%) and family (57%). Integrity comes fourth (27%), and then come reliability and honesty (both at 12%), and finally environmental conscience (6%).

One of the questions asked was which in the opinion of the interviewee is the biggest philanthropic event in Cyprus. 68% said «Ραδιομαραθώνιος», followed by «Πορεία Χριστοδούλας» with 12%, «Τηλεμαραθώνιος» was mentioned by 9% and 9% mentioned «Telethon». 3% mentioned the «Παζαράκι Αγάπης» and «Περπατώ για τους Τυφλούς».

For the first time *Cyprobarometer 2003* included questions on the Elections for European Representatives. The respondents were asked whether they would vote at the elections if it weren't enforced. The majority, 62%, answered positively and 38% answered negatively.

YOUTH – PUBLIC ORDER

Over the years of the *Cyprobarometer* the problem of illegal drugs appears to be a particular concern of the public. In *Cyprobarometer 2003* roughly eight out of ten (78%), believe that the problems relating to drugs is very worrying, compared to 73% who had this opinion in 2002.

CAZINO

This year we included for the first time a question on whether the respondents were in favour of against the creation of a casino in Cyprus. 34% said they were whereas 61% were against it. 5% expressed no opinion in the issue.

ENVIRONMENT

76% said that they believed that there is an environmental problem in Cyprus. The sectors which face the greater environmental problems are air pollution resulting from car exhaust fumes (70%), followed by the lack of cleanliness of the streets (56%). The third in rank environmental problem is noise pollution (mentioned by 52%), the fourth is sea and water pollution.

63% of respondents stated that more conscientiousness is needed in order to protect the environment and 60% demanded stricter laws. 48% share the opinion that there is a need for more education and information on topics concerning environmental protection, while four out of ten (37%) stated that there is a need for a better application of currently existing legislation.

Finally respondents were asked whether they believe that environmental taxes should be imposed. 39% support the imposition of such type of taxation, while 54% do not. The percentage of those who agree with the imposition of environmental taxes is lower compared to last year (39% and 48% respectively).