



THE CYPRUS ECONOMIC SOCIETY ANNUAL REPORT 2021

June 2022



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FORWARD BY THE PRESIDENT

Change is the only constant in our world and now it is only getting accelerated. Thus, the significance of keeping abreast with the changing currents, in multiple areas at home and abroad in Europe and the world, is now more important than ever. Looking back, within a short period of two years, we have witnessed significant events that have changed the world, in economics, politics and geopolitics, security and war. The Covid-19 pandemic broke out in January 2020, and two and a half years later, it is not yet completely eradicated, despite the most sophisticated vaccines that were developed in short order. The outbreak of war in Ukraine questions the security we were taking for granted up until very recently. Russia, a G20 country and one of the biggest resource producers, is subject to the strictest ever sanctions regime. War and sanctions have been impacting the global economy in different ways, from aggravating the supply chain disruptions, to a new armaments race, including nuclear weapons, to a deeper split between east and west. The global economy is a casualty of these conflicts and disruptions. We live in permanent crisis and uncertainties and imbalances are rising.

In these conditions, all countries, small and big, have a role to play, to work together to prevent catastrophic consequences. That extends from climate change to a nuclear disaster, neither of which is inconceivable anymore. The need for ideas, for dialogue, for new policies is greater than ever. In this environment the Cyprus Economic Society, has as its mission, *‘to inform public debate and to facilitate discussion of public policy issues and EU affairs’*. The Society seeks to integrate itself with the flow of ideas and thought, in Europe and the world, as much as possible, to engage and to discuss.

We engage in discussion, we publish analysis, and we seek to reach an as wide an audience as possible. The Cyprus Economic Society does not propagate any particular view other than the principles of openness, transparency, integrity, and independence. We welcome alternative points of view, we raise questions, and we dialogue. In our own right we are a ‘knowledge centre’ for good reason. We bring together eminent thinkers from home and abroad. We connect with European think tanks like the Bruegel in Brussels, the Jacques Delors Institute in Paris, the Centre for European Reform in London, and others. We invite analysts and thinkers from all these places and more, for intriguing discussions. We publish some of these discussions as papers, and we post on our blog regularly.

The Cyprus Economic Society depends on its loyal membership for participating in events, for engaging in discussion, and for raising questions and proposing ideas that can lead to future events. Our membership is strong, and we think it will get stronger. The Cyprus Economic Society also depends on its corporate partners not only for their support and



contribution, but also for their participation in our events and activities through members of their staff, sometimes contributing speakers on areas pertinent to their line of business. We are also grateful to our media partners, for providing a medium of effective dissemination of our discussions and publications.

And certainly I thank all the members of the board for embracing and supporting this effort on a totally voluntary basis.

The quality of a democracy is reflected in the quality of our internal dialogue on all aspects of public life, from the polity, to society, from economy to culture, and certainly history. The building of society and its institutions, the inclusiveness of the political process, and the resilience of the economy, are not to be left alone. They need change and adaptation on a continuous basis, a process fostered by dialogue and discussion. At the Cyprus Economic Society we are making our contribution in this regard, however small and humble.

Ioannis Tirkides

President

The Cyprus Economic Society

THE CYPRUS ECONOMIC SOCIETY IN BRIEF

Who We Are

The Cyprus Economic Society (CES) was founded in 1962 as a not-for-profit organisation with the general aim of promoting the study of economics in Cyprus, at a time when the young Republic, founded in 1960 under the London-Zurich Agreements, was making its first steps as an independent country. CES has endured and adapted itself to the changing conditions in Cyprus through the invasion in 1974, the accession to the European Union in 2004, the introduction of the single currency in January 2008, and multiple economic crises, such as the stock market crisis of 2000, the global financial crisis of 2008, and the banking-fiscal crisis of 2012-14.

The CES is an independent and transparent organisation, devoted to the European integration process, the advancement of our country as a constructive member state of the EU, and to the understanding of contemporary issues.

We recognise that the European Union is the common house of all member states, but whilst there are many convergences on a variety of issues, there are also areas where the union does not work very well; or it does not work to the benefit of all in an equitable manner. Whilst much has been achieved, the European Union remains work in progress still. We endeavour to follow the developments in the EU and provide a platform for a fruitful discussion of relevant issues.

Cyprus with a long colonial history, and a pivotal location at the cross-roads of three continents – Europe, Asia, and Africa – attracts international interest and is therefore part of geopolitical dynamics beyond its territory. We thus seek to understand these dynamics, the global role of the European Union and how it evolves, and the role of other key powers such as the United Kingdom and how they relate to the island and to the EU more broadly. We are an open and outward looking society. We do not employ resources for in house research activities, but we work through the voluntary contributions of its active board. We seek to leverage our membership for research contributions that come under our guiding objectives and interests as defined above.

Our Mission

The Cyprus Economic Society is an independent and transparent organisation, that seeks **‘to inform public debate and to facilitate discussion of public policy issues and EU affairs’**.

We seek to achieve our mission through a variety of activities including discussion forums, panel discussions, lectures, and seminars, and also through publications. We publish the Discussion Papers, which are occasional papers emanating from our discussion events. Other discussion papers can also be published after invitation. We also publish a blog which can be found on the CES website.

In pursuit of our aims we are guided by the principles of openness, objectivity, independent thinking, and rigour combined where possible, with constructive proposals.

We seek to bring together all interested individuals, citizens of the Republic of Cyprus whether they reside on the island or abroad. We seek to reach out to research centres and think tanks in Europe including the United Kingdom. We thus aim to strengthen as much as possible our network of contacts and affiliates in these centres and think tanks and also in institutions like the European Commission, the European Stability Mechanism, the European Central Bank, and other Monetary Authorities.

Our Audience

Our audience is both local and international. We seek to reach the wider public and so our website is freely available. Our public events are posted on the website and also announced in the media. We also seek to reach politicians, the government, official institutions, and policy makers.

Our Scope

We follow developments at home, in the Euro area and the European economies including the United Kingdom, as well as the single market and its energy and trade policies; we are interested in the business environment and the analysis of risk; we are interested in international relations and security issues, including the relations between the European Union, the United States, China, and Russia; we are also interested in the relations between countries in the neighbourhood primarily Turkey and the European Union and since Brexit, in the relations between the United Kingdom and the European Union; we are also interested in the functioning of EU institutions and the state of democracy in Europe. We engage with senior figures in the governments and the European Commission and European Institutions. We engage with research centres and think tanks, and researchers at universities and other institutions.

Our Events

Our events consist of lectures, discussion forums, panel discussions, conferences, and seminars. As much as possible in these events, we seek to bring together people from economics, business, and politics, as well as opinion formers. Most of our events are public, open to our membership and the wider audience. But many events are closed to members only and are off the record to ensure free and frank debate. The conclusions of our research and seminars are reflected in our publications and press briefings.

Publications

The Cyprus Economic Society today publishes two types of research. The Discussion Papers and the Blog. The Discussion Papers derive from lectures and presentations in the programme of events of the Cyprus Economic Society, and publication follows permission of the author to do so. Occasionally, a discussion paper can be published outside of the flow of our discussion events, by invitation from the Board. The Blog consists of short articles in the form of a blog or opinion column.

Resources and Funding

The Cyprus Economic Society is a registered private not-for-profit organisation. It operates by the voluntary contributions of the Executive Board and its members and through its affiliations such as our affiliation with the University of Cyprus, through the Department of Economics and the School of Economics and Management. Funding resources come from membership fees and from contributions from our corporate partners.

Corporate Partners

Bank of Cyprus Plc
KPMG Cyprus
Delfi Partners & Co.

History of Activities

A central activity of CES is the Annual Lecture in Economics, which is a public lecture delivered by a renowned economist on a significant public policy issue. Guest speakers have included Branko Milanovic (2021), Paul De Grauwe (2015), Charles Wyplosz (2014), Charles Calomiris (2013), Christopher Pissarides (2000), Robert Solow (1994) and many others.

During the period 1988 – 2013, CES published a refereed journal; first, The Cyprus Journal of Economics and then its successor, *Ekonomia*. Currently, the Society collaborates with the Economics Research Centre of the University of Cyprus and its six-monthly publication, the Cyprus Economic Policy Review.

In 2010, motivated by the global economic crisis and particularly the Greek crisis, CES initiated a series of closed discussion events under the Chatham House rules. These events, usually restricted to members, have proved particularly popular and were later continued under the generic framework of discussion forums. Material provided or produced in terms of presentation slides and proceedings are circulated to members and press releases may at times accompany these events.

CES also holds workshops and seminars exclusively for members. In this case we take advantage of the Annual Lecture in Economics and other opportunities which may also arise in the context of activities of affiliated institutions, such as the University of Cyprus, to organise these events. This is an opportunity for members to participate in high level discussions on topical issues led by a guest economist.

The Cyprus Economics Society is also member of the International Economics Association (IEA), a renowned international organisation with wide global membership. We contribute an annual fee and are eligible to attend and contribute to the activities of the IEA in terms of presentations at their international conferences. Participation in these conferences is funded by the IEA.

GOVERNANCE

Transparency and independence

The Cyprus Economic Society is an independent, non-profit, voluntary organisation registered as a 'society' under Cyprus Law. It is governed by its constitution and is fully transparent and open, propagates no particular opinion, but provides a forum for dialogue and discussion. Our integrity is governed by rules that guide the programming of discussion events and our publications. All activities and publications are available on the CES website <https://cypruseconomicsociety.org>.

The Executive Board

The Cyprus Economic Society is managed by an executive board elected for a two-year term at an Annual General Meeting of its members. The executive board for 2020-21 consisted of the following:

Ioannis Tirkides, President

Andreas Charalambous, Vice President

Maria Heracleous, Secretary

Andreas Assiotis, Deputy Secretary

Renos Ioannides, Treasurer

Takis Taoushanis, Deputy Treasurer

Sofronis Clerides, Member and CES Representative for the IEA

Kristie Yiallourou, Member & Social Media Liaison

Marios Soupashis, Member & Compliance Officer

Marios Clerides, Member

George Syrichas, Member

George Kyriacou, Member

Katerina Economides, Member

OUR OUTPUT IN 2021

13 Discussion events

Almost all of these events, because of the pandemic restrictions, took place online as web events only. We had discussion forums, conferences, panel discussions and our annual lecture. A complete list is provided below.

Discussion Forum – web event

Thursday, 9 December 2021

17:30-18:45

The Economics of the EU Climate Action Plan for 2030

Speaker: Elisabetta Cornago, Research Fellow at the Centre for European Reform.

Chair: Ioannis Tirkides – Economic Research Manager, Bank of Cyprus, and President of the Cyprus Economic Society

Abstract: Climate action is not only about setting targets, but more importantly it is about the path to achieve those targets. Which is the essence of Europe's climate action policies that are entailed in the 'Fit-For-55' package, released by the European Commission last July. This includes a large number of policies under 13 distinct proposals with multiple implications for businesses and for consumers. It is a whole economy effort, a comprehensive package covering all industries of the economy. We will be discussing with Elisabetta Cornago, Research Fellow at the Centre for European Reform. Her work focuses on EU energy and climate policy from an economics perspective. Prior to joining the Centre for European Reform, Elisabetta worked as an environmental economist at the OECD.

Conference and Panel Discussion – web event

Thursday 18 November 2021

17:00-18:30

Behavioural Economics: Nudging in theory and Practice

Speakers:

Renos Vakis – Lead Economist, Poverty and Equity Global Practice, World Bank

Melina Moleskis – Economic Advisor and Visiting Professor at Neapolis University Paphos

Elena Karkoti – Officer A, Department of Strategy, International Relations and Communications, Cyprus Securities and Exchange Commission

Chair: Marios Clerides – Economist, formerly CEO of the Cyprus Cooperative Bank; Group Senior general Manager, Hellenic Bank; Former Executive Chairman, CSEC

Abstract: Behavioural Economics dismisses the idea that economic agents are all rational and adopt instead the idea that cognitive biases influence behaviour and decision making. 'Nudging' is the use of behavioural insights as a public policy tool. Firms have long employed

behavioural science to shape their customers' behaviour. Now, national governments and international organisations like the World Bank, increasingly do the same. The discussion forum will explore the principles and applications of behavioural science and nudging, including cases of application in Cyprus.

Discussion Forum – web only event

Thursday 11 November 2021

Time: 17:00-18:15

Global Energy Markets: The New Landscape and What it Means

Speaker: Charles Ellinas, CEO of energy consultancy e-CNHC and non-resident senior fellow with the Atlantic Council's Global Energy Center.

Chair: Ioannis Tirkides – Economic Research Manager, Bank of Cyprus, and President of the Cyprus Economic Society

Abstract: Europe is going through its worse energy-price, crisis of the recent years and in this discussion event, we are asking the basic questions. What are the roots of this crisis; how long the crisis will last; what are its social implications; what are the challenges the crisis and the responses will be posing to the overall climate agenda in Europe; what are some of the geopolitics of the energy crisis especially in relation to the supply of Russian gas to Europe and the pipeline network including Nord Stream 2; what can we do to in order to prevent these situations from becoming a new normal in Europe; and what it means for east-med gas? We are discussing these questions and more.

Discussion Forum – web event and physical event available for a limited number of seats

Friday 5 November 2021

Time: 17:30-19:00

COP26 And the Political Economy of Climate Change Policies

Speaker: Yiannis Kitromilides – Associate Member of the Cambridge Centre of Economic and Public Policy, Department of Land Economy, University of Cambridge

Chair: Ioannis Tirkides – Economic Research Manager, Bank of Cyprus, and President of the Cyprus Economic Society

Abstract: The COP26 climate conference in Glasgow this November, will highlight the commitment toward climate initiatives in the developed world, and outline new goals and progress achieved since the Paris Accord of 2015. At the same time however, climate funding will be a dividing issue. Despite the urgency and severity of climate change, financial limitations in the developing world will be limiting their progress toward their climate targets. Climate transition is hotly debated and will have far reaching implications for countries and policies. In this event we will be discussing with Professor Yiannis Kitromilides on the political economy of the climate transition.

Conference and Panel Discussion – web event

Thursday 21 October 2021

Time: 17:00-19:45

The Significance of being Financially Literate and National Strategies for Achieving it

Introduction: Constantinos Herodotou – Governor, the Central Bank of Cyprus

Speakers:

Chiara Monticone – Senior Policy Analyst, OECD

Dennis Philip – Professor in Finance, Durham University, UK

Discussant: George Kyriacou – Director of Economic Analysis and Research, Central Bank of Cyprus

Chair: Ioannis Tirkides – Economic Research Manager, Bank of Cyprus

Abstract: Financial literacy is of vital importance now, compared to the past given the changes that occurred in the different sectors of the economy. There are more opportunities to invest in financial markets and also more opportunities to borrow. Pension systems, education and healthcare are transforming. In pensions we are moving away from defined benefit. The critical question is, to what extent are people financially literate given the rising need to make financial decisions in constantly changing circumstances? What is financial literacy, and does it matter for those decisions? Moreover, which policies or programmes can influence financial literacy?

Discussion Forum – web event

Thursday 14 October 2021

Time: 18:00-19:15

The German Elections and What It Means for Europe

Speaker: Christian Odendahl, Chief Economist, the Centre for European Reform

Chair: Andreas Charalambous – Economist, former Director Financial Stability, Ministry of Finance

Abstract: Germany is the largest economy in Europe and a key decision maker in the EU. The German elections will therefore influence not only domestic policy in Germany but also developments in the EU and world-wide. Germany will have to deal with an uneven recovery from the Covid pandemic; fiscal policies, including taxation; policies for climate change; and with the process and pace of European integration, including the completion of the banking union and how future programmes will be funded. The election will be also important for Germany's cooperation with Mediterranean Europe, for defence cooperation and for relations with the United States, China, and Russia. This and other matters will be the subject of the discussion forum.

Book Presentation and Discussion – web event

Wednesday, 30 June 2021

Time: 17:30-19:00

Money, Credit, and Crises: Understanding the Modern Banking System, (palgrave macmillan, 2021)

Book presentation: Ioannis Tirkides – Chief Economist Bank of Cyprus, and President of the Cyprus Economic Society

Author's comments: Nektarios Michail – Economist, Department of Economic Analysis and Research, Central Bank of Cyprus

Chair: Marios Clerides – Economist, formerly CEO of the Cyprus Cooperative Bank; Group Senior general Manager, Hellenic Bank; Former Executive Chairman, Cyprus Securities and Exchange Commission

Annual Lecture in Economics 2021 – web event

Wednesday, 9 June 2021

Time: 17:30-19:00

The European Project after the Pandemic

Speaker: Marco Buti, Chief of Staff of the Commissioner for the Economy, former Director-General for Economic and Financial Affairs at the European Commission

Introduction: Ioannis Tirkides – Chief Economist Bank of Cyprus, and President of the Cyprus Economic Society

Chair: Andreas Charalambous – Economist, former Director Financial Stability, Ministry of Finance

Discussion Forum – web event

Wednesday, 19 May 2021

Time: 17:30-19:00

Next Generation EU – The Cyprus National Recovery Plan 2021-26

Speaker: George Panteli – Permanent Secretary, Ministry of Finance, Republic of Cyprus

Chair: Ioannis Tirkides – Chief Economist Bank of Cyprus, and President of the Cyprus Economic Society

Language: Greek

Discussion Forum – web event

Wednesday, 21 April 2021

Time: 17:30-19:00

International Economic Recovery from Covid-19 and Building a Greener Economy

Speaker: Tom Strachan – Deputy Chief Economist, the Foreign Commonwealth and Development Offices

Discussant: Marios Clerides, Economist

Chair: Ioannis Tirkides – Chief Economist Bank of Cyprus, and President of the Cyprus Economic Society

Discussion Forum – web event

Wednesday, 14 April 2021

The Magic Money Tree and the Modern Monetary Theory – Do Deficits Matter?

Speakers

Yiannis Kitromilides – Associate Member of the Cambridge Centre of Economic and Public Policy, Department of Land Economy, University of Cambridge.

Panel Discussion – web event

Thursday, 25 February 2021

The United Kingdom in the World After Brexit

Speakers

Stephen Lillie – The British High Commissioner to Cyprus

Kevin Featherstone – Eleftherios Venizelos Professor in Contemporary Greek Studies and Professor in European Politics, the European Institute, London School of Economics and Political Science; Director of the Hellenic Observatory

Iain Begg – Professorial Research Fellow and Co-Director of the Dahrendorf Forum, European Institute, London School of Economics and Political Science

Moderator

Ioannis Tirkides – Economic Research Manager, Bank of Cyprus

Conference – web event

Thursday, 4 February 2021

The Annual Economy Panel: Outlook and risks in a pandemic world

Speakers

Ioannis Tirkides – Economic Research Manager, Bank of Cyprus

Andreas Charalambous – Economist, Formerly Director of Financial Stability, Min. of Finance

George Kyriacou – Director of Economic Analysis and Research, Central Bank of Cyprus

George Syrighas – Advisor, Economic Research Centre, University of Cyprus

Andreas Assiotis – Chief Economist, Hellenic Bank

20 blog posts

We introduced the Blog in the summer of 2021, and we had an initial success. We published 20 blogs in the period, 12 in English, 2 only in Greek and 6 translations into Greek, of the English version of the same blog. Since its introduction in the summer of 2021, the Blog has expanded, published regularly and the aim is to publish each post both in English and in

Greek. All our blog posts are published simultaneously in the Cyprus Mail and Politis Newspaper. We provide the list below from newest to oldest.

Posts in English

December 17, 2021

'Tis the Season for Behavioural Economics

Melina Moleskis

December 15, 2021

Inflation ideology: camp permanent or camp temporary?

Maria Demertzis

December 13, 2021

The German Elections and What It Means for Europe

Ioannis Tirkides and Andreas Charalambous

November 25, 2021

COP26 and Climate Change

Ioannis Tirkides

November 19, 2021

Growth and inflation after the pandemic in the EU

Maria Demertzis

November 4, 2021

Is the ECB right to take on climate change?

Maria Demertzis

October 29, 2021

The inconsistency in global strategic relations

Maria Demertzis

October 18, 2021

Lies, damned lies, and the World Bank

George M. Georgiou

October 14, 2021

Measuring the informal economy: one guesstimate is as good (or bad) as another

George M. Georgiou

September 29, 2021

The Disconnect of Mainstream Economics from the Real-World Economy

George M. Georgiou

August 6, 2021

The pandemic of the unvaccinated and economic consequences

Ioannis Tirkides

June 18, 2021

The post Covid boom and the road beyond

Ioannis Tirkides

Posts in Greek

December 31, 2021

Οικονομικό πρόγραμμα της νέας κυβέρνησης στη Γερμανία Στρατηγική – προτεραιότητες – επιπτώσεις για ΕΕ

Ανδρέας Χαραλάμπους

December 24, 2021

Προς υιοθέτηση ενός εθνικού ελάχιστου μισθού; Η αρχική κατάσταση, πρόσφατες εξελίξεις, και ο δρόμος που παραμένει

Λούης Ν. Χριστοφίδης

December 15, 2021

Ιδεολογία πληθωρισμού: μόνιμος ή προσωρινός;

Maria Demertzis

December 10, 2021

COP26 και η κλιματική αλλαγή

Ioannis Tirkides

November 19, 2021

Ανάπτυξη και πληθωρισμός μετά την πανδημία στην Ευρωπαϊκή Ένωση

Μαρία Δεμερτζή

November 8, 2021

Είναι σωστό να αναλαμβάνει η ΕΚΤ την καταπολέμηση της κλιματικής αλλαγής;

Maria Demertzis

October 29, 2021

Η ασυνέπεια των παγκόσμιων στρατηγικών σχέσεων

Μαρία Δεμερτζή

August 6, 2021

Η πανδημία των ανεμβολίαστων και οικονομικές συνέπειες

Ιωάννης Τιρκίδης

MEDIA OUTREACH

Our media work consists of publicizing our discussion events as public invitations and publishing all of our blog posts in English and Greek. Through this activity we seek to engage a wider audience with the issues that we think are important.

CONTACTS

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