



THE CYPRUS ECONOMIC SOCIETY ANNUAL REPORT 2022

October 2023



CONTENTS

FORWARD BY THE PRESIDENT

THE CYPRUS ECONOMIC SOCIETY IN BRIEF

Who We Are

Our Mission

Our Audience

Our Scope

Our Events

Publications

Resources and Funding

Corporate Donors

History of Activities

GOVERNANCE

Transparency and independence

Executive Board

OUTPUT IN 2021

16 Discussion events

112 Blog posts

4 Discussion papers

MEDIA OUTREACH

FORWARD BY THE PRESIDENT

History is a tricky thing because secular changes, economic or otherwise, come at long intervals, but when they do they are persistent in their direction. We began the decade with the Covid-19 pandemic, which caused a deep global recession. We had a major election in the United States, which ushered in a new government with a different agenda to the outgoing one, and a new government in Germany. In 2021, we saw the disruption of supply chains and the start of reshoring or nearshoring. Then in 2022, we saw the start of another major war on European soil when Russia invaded Ukraine, with devastating consequences for countries and global alliances. It proved to be a protracted war of attrition, forcing Europe to reorient itself, its security, and its position in the world. The war brought successive rounds of sanctions against Russia and an energy crisis. We have seen the return of inflation and a sharp monetary reversal in the advanced world.

This is a moment of secular inflection. Economics and politics will never be the same again. Great power politics are back, perhaps a new Cold War is in its early stages. Russia is reorienting itself eastwards, and the European Union is planning another wave of expansion that may prove more conflicted than any previous wave of expansion. Technology will be an epicentre of competition in a fragmenting world. The green transition falls far short of what is needed to avoid a temperature rise of more than 1.5°C.

The world is in uncharted waters and change is a constant as the global economic and security order is increasingly challenged. The big question now is how to navigate this increasingly uncertain and less predictable environment, economically, geopolitically, and climatically. Critical strategic thinking will be needed more than ever.

The Cyprus Economic Society functions as a forum for public debate focusing on national, European, and international issues at the precipice of the dynamics of change. We remain focused on our mission 'to inform public debate and facilitate discussion on public policy issues and EU affairs'. Our activities consist of discussion events and publications, including discussion papers and our weekly blog posts. We seek critical analysis from our authors and speakers and aim to serve as a platform for independent, constructive, and well-informed debate and discussion.

The Cyprus Economic Society does not promote any particular point of view other than the principles of openness, transparency, integrity, and independence. We welcome alternative points of view; we ask questions, and we dialogue. We are a 'knowledge centre' in our own right, and with good reason. We bring together eminent thinkers from home and abroad. We link up with European think tanks such as 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 fascinating discussions. We publish some of these discussions as papers and post them regularly on our blog.

The Cyprus Economic Society relies on its loyal members to attend events, participate in discussions, and raise questions and ideas that can lead to future events. Our membership is



strong, and we believe it will continue to grow. The Cyprus Economic Society also relies 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 providing speakers on topics relevant to their business. We are also grateful to our media partners for providing a medium for the effective dissemination of our discussions and publications.

I would like to express my sincere thanks to all our loyal members, corporate partners, and media associates and, of course, to all the members of the Board who have accepted and supported this effort on a completely voluntary basis.

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 Dani Rodrik (2022), 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

Christos Papoutsas, Deputy Secretary

George Strovolides, 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

Andreas Assiotis, member

OUR ACTIVITIES IN 2022

16 DISCUSSION EVENTS

In 2022 we had 16 events of which 12 were discussion forums, two panel discussions, one workshop and one annual lecture. Two thirds of these events were held as web events only and the remaining one third were held in a hybrid format, in web and physical forms.

A complete list is provided below.

Workshop – hybrid event, web and physical

Thursday, November 17, 2022

17:30-18:45

Risk through the looking glass

Speakers: Savvakis Savvides – Visiting Lecturer, John Deutsch Institute for the Study of Economic Policy, Queen’s University, Canada

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

Abstract: The question of what is really risk in capital investments is posed and discussed. It suggests that the almost total acceptance of the concept that volatility constitutes a good measure of risk is wrong and leads towards a misallocation of economic resources. It is argued that the Expected Loss of a capital investment project should be used as a measure of risk. It is further illustrated how the risk aversion attitudes of potential investors can be taken into consideration in the decision to invest or not. The pursuit of return without risk inevitably leads to the transfer of wealth through a failing banking system which collaborates with an unregulated financial market who constantly seek low risk and relatively safe returns for the benefit of their wealthy clients. It is further argued that wasteful finance impairs the real economy and inevitably brings about financial crises and economic recessions. The promise of a “return without the risk” leads financial intermediaries in the direction of an elusive quest whereby the only way to attain this is through directing funding towards the capture of existing assets rather than investing in the real economy to create new wealth.

Discussion Forum – hybrid event, web and physical

Friday, November 4, 2022

17:30-18:45

Is it time to settle the great inflation debate?

Speakers: 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

Abstract: Inflation has always been controversial to interpret or design policy for. Central banks were unable to inflate their economies in the deflation experience of the 2010s and are now having a hard time controlling the current inflation which is seen as primarily a supply phenomenon. Central bank tools influence inflation via demand and with a time lag and are not well suited for supply driven inflation. At the same time, we raise questions about influences associated with protracted expansionary policies, ad changes in the labour markets since the 1980s.

Discussion Forum – web event

Thursday, October 13, 2022

17:30-19:00

Building the strategic autonomy of Europe while decoupling trends accelerate

Speaker: Elvire Fabry – Senior Research Fellow, the Jacques Delors Institute

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

Abstract: The concept of strategic autonomy, defined as ‘capacity to act autonomously when and where necessary and with partners wherever possible’, is taking a growing importance in the European Union’s strategic thought. The European Union must find its way in the context of growing rivalry between China and the United States. With the COVID crisis and war in Ukraine, the notion of sovereignty, the notion of autonomy in Europe, but also in other parts of the world, it suddenly gained much attention.

Discussion Forum – hybrid event, web and physical

Friday, September 30, 2022

14:30-15:15

Inclusive growth and the future of work

Speakers:

Zsolt Darvas – Senior Fellow, Bruegel

Duygu Güner – Affiliate Fellow, Bruegel

Discussant: Ioannis Tirkides, Bank of Cyprus

Note: This event is offered by the Cyprus Economic Society as a knowledge partner under the ‘Cyprus Forum 2022’. Registration is required separately at the Cyprus Forum website.

Abstract: What challenges and opportunities does technology bring to the labour market? The geography of work is changing. The discussion focusses on what does technological innovation mean for labour markets, remunerations, and inequalities, for social policies and for social systems in general. How can we steer technological change in a direction that is labour-complementing and welfare enhancing? How can governments and businesses help workers to adapt to technological change, through reskilling and transitioning initiatives? These and other related issues will be discussed.

Discussion Forum – A hybrid event, physical and web based

Παρασκευή, 10 Ιουνίου 2022

18:00-19:30

Πληθωρισμός, αυξημένη αβεβαιότητα και νομισματική πολιτική – το νέο διεθνές οικονομικό υπόδειγμα

Ομιλητής: Θεόδωρος Πελαγίδης – Υποδιοικητής της Τράπεζας της Ελλάδος και Καθηγητής Οικονομικής Ανάλυσης στο Πανεπιστήμιο Πειραιώς

Συντονιστής: Ιωάννης Τirkίδης – Οικονομολόγος, Διευθυντής Οικονομικών Ερευνών της Τράπεζας Κύπρου

Σύνοψη: Η έλευση της πανδημίας οδήγησε την παγκόσμια οικονομία στο απόγειο της λεγόμενης δομικής στασιμότητας (secular stagnation). Χαρακτηριστικό της προηγούμενης δεκαετίας αποτέλεσε η αδυναμία της δαπάνης συνοδευόμενη από πολύ χαμηλά ή και αρνητικά επιτόκια αλλά και μια υπέρ-δευκολυντική νομισματική και κατά περίπτωση επεκτατική δημοσιονομική πολιτική διεθνώς. Η έξοδος από την πανδημία συνοδεύτηκε αρχικώς από μια επιτάχυνση των ρυθμών οικονομικής μεγέθυνσης στο σύνολο σχεδόν των δυτικών οικονομιών, συνοδευόμενη όμως από την επιστροφή του πληθωρισμού. Επιστροφή ενός επίμονου, υψηλού και σαφώς μακρύτερου σε χρονική διάρκεια πληθωρισμού, η φύση του οποίου αναφέρεται τόσο σε ένα πληθωρισμό κόστους

όσο και σε ένα πληθωρισμό ζήτησης. Οι νομισματικές αρχές, ευρισκόμενες σαφώς πίσω από την καμπύλη, αντιμετωπίζουν μια σχεδόν πρωτοφανή πρόκληση: από τη μια να τιθασεύσουν τον υψηλό πληθωρισμό ενώ από την άλλη να αποφύγουν μια κατάσταση στην οποία τα μέτρα της νομισματικής σύσφιξης και τα υψηλότερα επιτόκια να προκαλέσουν περιτολή της οικονομικής δραστηριότητας ή και χειρότερα να οδηγήσουν στο φαινόμενο του στασιμοληθωρισμού. Όλα αυτά μάλιστα σε ένα περιβάλλον γεωπολιτικών αναταραχών, οι οποίες αποτρέπουν έτι περαιτέρω την επιστροφή σε μια διεθνή οικονομική τάξη και κανονικότητα.

Annual Lecture in Economics – web event

Thursday 26 May 2022

18:00-19:30

Recent changes in global income distribution and their political implications

Speaker: Branko Milanovic – *Senior Scholar at the Stone Center on Socio-Economic Inequality at the CUNY Graduate Center and Centennial Professor at the London School of Economics*

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

Abstract: Incomes remained fairly stable in the advanced countries since the 1980s and globalization is thought of as the driving force. At the same time the incomes of populations in poor countries have grown steeply and hundreds of millions of people have been lifted out of poverty. Hence global income inequality overall dropped. The lecture will examine the recent trends in global income distributions, both before and after Covid, and what they mean politically, including for globalization itself, and for global relations such as the trade and technology war between China and the United States. What will happen to the spread of technology and improvements in living standards across large swaths of the world? Slowing growth will make it harder to eradicate poverty and likely preserve current levels of global inequality. This will be the opposite of the initial dynamic of globalization.

Discussion Forum – web event

Thursday 12 May 2022

17:30-18:45

Financial stability risks from crypto-assets

Speaker: Costas Stephanou – *Head of Financial Stability Analysis at the FSB Secretariat*

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

Abstract: The Crypto-asset markets include unbacked crypto-assets (such as Bitcoin), stablecoins, and decentralised finance (DeFi) and crypto-asset trading platforms. These markets are fast evolving and could reach a point where they represent a threat to global financial stability due to their scale, structural vulnerabilities and increasing interconnectedness with the traditional financial system. The presentation will cover recent developments in these markets and their financial stability implications, drawing on the Financial Stability Board's (FSB's) latest assessment of risks to financial stability from crypto assets.

Discussion Forum – web event

Thursday 5 May 2022

17:30-18:45

The case for Central Bank Digital Currencies

Speaker: Oliver Wunsch – *Partner at Oliver Wyman*

Chair: Maria Heracleous – *Executive Director and Member of the Board of Directors at Central Bank*

of Cyprus

Abstract: The last 5 years have seen a seismic shift in the debate on digital currencies. After having been dismissive of the idea at first, many central banks around the world have embraced the idea of issuing some kind of central bank digital currency (CBDC). However, developments are currently constrained to use cases that involve payment transactions in the retail and wholesale sphere. We argue that for CBDCs to be broadly accepted and not just compete with existing, highly efficient payment systems, it will require instruments that fulfil all functions of money, i.e., means of payment, unit of account but also store of value, thereby providing an avenue to partially or fully substitute, physical cash in a modern world. Further, we acknowledge that a world with potent CBDCs might indeed come with changes to the institutional landscape of the financial system, with financial institutions regrouping around their basic functions of capital, credit and information intermediation and risk management. As such, a CBDC should be judged against the objective of making the financial system more effective and efficiencies rather than preserving current structures. Finally, we argue that a CBDC that is hampered by disproportionate non-financial considerations, such as compliance or political concerns, might face stiff competition from state-issued and private digital currencies in particular in countries that do not issue a reserve currency.

Discussion Forum – web event

Friday 29 April 2022

17:30-18:45

France’s presidential election and its significance for Europe

Speaker: Sébastien Maillard – *Director at Jacques Delors Institute, Paris*

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

Abstract: In a context of global geopolitical uncertainty, economic transition and multiple challenges in the European Union, the presidential election in the second largest economy in Europe and the only one in Europe that is a nuclear power and member of the UN Security Council, matters, beyond France. The domestic and European issues that will decide the election are the same issues debated across the entire EU. Population ageing, pensions, health care systems, inflation, defense and security, the role of the state in the economy, the role of the EU in national policy and its position in an emerging new global order. We will be discussing these and more, with our guest from the Jacques Delors Institute, Sebastien Maillard.

Discussion forum – physical and web event

Co-organised by the Cyprus Economic Society, the Cyprus Association of Economists and Visa Europe

Thursday 28 April 2022

17:30-19:00

Economic outlook for 2022: the return of optimism, derailed

Speaker: Adolfo Laurenti – *European Principal Economist at Visa*

Introductions:

Aliki Stylianou – *Head of Currency Management Department Central Bank of Cyprus and President the Cyprus Association of Economists*

Michael Ioannides – *Country Manager Cyprus, Visa Europe*

Chair: Ioannis Tirkides – *Economic Research manager at Bank of Cyprus and President the Cyprus Economic Society*

Abstract: Following Russia’s invasion of Ukraine, the West adopted an extensive set of sanctions that can be very costly for Russia but also for the global economy. The war and sanctions are affecting

inflation, supply chains and create conditions that are fragmenting the global economic system. This is the first time that the US dollar as the global reserve currency and the SWIFT messaging system that underpins international transactions, form part of the sanctions regime. What might be the policy response and what might that mean for growth and financial stability. We discuss the subject with Adolfo Laurenti, the European Principal Economist at Visa.

Panel Discussion – web event

Friday 8 April 2022

17:30-19:00

Banking Crisis, Sovereign Debt Restructurings, and Financial Stability Policies in Cyprus During 2012–13

Speakers:

Michalis Papaioannou – *TA Expert Advisor, International Monetary Fund and Visiting Scholar and Professor at the Lebow College of Business, School of Economics, Drexel University*

Tamon Asonuma – *Economist, Strategy Policy and Review Department, International Monetary Fund*

Discussants:

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

Michael Sarris: *Chairman of AstroBank, former Finance Minister and former Department Director at the World Bank*

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

Abstract: The discussion forum will revisit of Cyprus' domestic sovereign debt restructuring in 2013 which was undertaken in the context of the country's economic adjustment programs agreed with the European Stability Mechanism and with the International Monetary Fund. In this context, Cyprus' second-largest bank, the Cyprus Popular Bank (CPB), was closed, and a unique bail-in mechanism was applied, with a one-time bank deposit levy (haircut) imposed on all uninsured deposits of CPB and on 47.5 percent of uninsured deposits of the largest commercial bank, the Bank of Cyprus (BOC). The debt restructuring was successful in attaining substantial debt relief, reducing the country's debt-to-GDP ratio, and restoring financial stability, but at a high cost for depositors. The discussion forum will focus on a paper by Asonuma, Papaioannou and Tsuda, *Multinational Finance Journal*, 2021, vol. 25, issue 3-4, 163-186.

Discussion Forum – web event

Wednesday 30 March 2022

17:00-18:15

Πολεμικές αναταράξεις στην Ουκρανία – βραχυχρόνιες και μακροχρόνιες επιπτώσεις για κυπριακή οικονομία

Ομιλητής: Ευγένιος Ευγενίου – Σύμβουλος Επιχειρήσεων, τέως διευθύνων σύμβουλος της PWC Κύπρου

Συντονιστής: Ανδρέας Χαραλάμπους – Οικονομολόγος, πρώην Διευθυντής Χρηματοοικονομικής Σταθερότητας, Υπουργείο Οικονομικών

Σύνοψη: Η κυπριακή οικονομία χαρακτηρίζεται από ικανοποιητική ανάπτυξη και ικανοποιητικό βιοτικό επίπεδο – κατά γενική ομολογία ανάκαμψε σχετικά γρήγορα από την χρηματοοικονομική κρίση του 2013, ενώ ο χειρισμός της πανδημίας παρά τις επιμέρους αδυναμίες χαρακτηρίζεται ως θετικός – από αριθμό αναλυτών προβάλλεται η θέση ότι η πορεία της οικονομίας χαρακτηρίζεται από επιμέρους στρεβλώσεις, που αντικατοπτρίζεται στην υπέρμετρη εξάρτηση από τον τουρισμό και τον τομέα των κατασκευών – οι πολεμικές αναταραχές στην Ουκρανία φέρνουν στο επίκεντρο ακόμη μια πρόκληση – την εξάρτηση από τις σχέσεις της Κύπρου με τη Ρωσία και σε μικρότερο

βαθμό την Ουκρανία – ποιοι τομείς προβλέπεται να επηρεαστούν περισσότερο; πως θα επηρεαστούν η απασχόληση και τα εισοδήματα; πως μπορεί να προσαρμοστεί ο ιδιωτικός τομέας; πως μπορεί η Κυβέρνηση να αμβλύνει τις επιπτώσεις; πως επηρεάζεται το αναπτυξιακό μοντέλο της Κύπρου;

Discussion Forum – web event

Thursday 24 March 2022

17:00-18:15

The journey towards sustainability, resilience, and purpose: An overview of the ESG challenges, opportunities, and ways of successfully incorporating ESG practices in organizations

Speakers:

Antonis Bargilly – Board Member, Head of Management Consulting and KPMG IMPACT

Eleni Damianou – Senior Manager in Management Consulting and KPMG IMPACT

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

Abstract: Sustainable investing is becoming more popular and environmental, societal and governance criteria (ESG), are becoming increasingly more important when deciding potential new investments. The financial world is rushing to offer more compatible products for their clients. The European Central Bank has concluded on a comprehensive action plan, to further incorporate climate change considerations into its policy framework. This means that the central bank is committed to reflect environmental sustainability considerations more systematically in its monetary policy. There is no doubt that ESG is well intended. It comes with tools, standards and disclosures that keep growing. Can we influence the direction of capital allocation with ESG tools and so have a social impact, toward solving large social problems? Can this tool deliver significant results in our quest to fight climate change? We discuss ESG, its application and likely impact in business and society in this discussion.

Discussion Forum – web event

Thursday 10 March 2022

17:00-18:15

Past, Present and Future of Fiscal Policy in the EU

Speaker: Maria Demertzis, Deputy Director, The Bruegel

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

Abstract: The architecture of the euro area rests on two pillars, fiscal sustainability, and price stability. The two are inter-related because price stability through monetary policy and interest rates can affect fiscal sustainability. The Covid crisis was unprecedented and required a huge fiscal response. Fiscal rules were suspended in this crisis, until the end of 2022, and public debt levels increased steeply. But we are also at the start of the green and digital transitions which require huge investments both public and private. Hence, going back to the previous fiscal rules may not be fit for purpose. What kind of fiscal regime in the euro area, would be fit then, for fiscal sustainability that at the same time would also support the investment priorities of member states in the decade? We take up these issues and more with, Maria Demertzis.

Discussion Forum – web event

Thursday 17 February 2022

17:00-18:15

Global and European Economic Prospects and Next Generation EU

Speaker: Silvia Merler, Head of research for the Algebris Policy & Research Forum

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

Abstract: Following a strong recovery in 2021, the global economy will be slowing in 2022, including the EU, driven by setbacks from the pandemic, persistent supply chain disruptions, higher inflation, and tightening financial conditions. Oil and gas prices will remain volatile creating uncertainty. Higher debt ratios in many countries will be constraining public spending at a time when investment needs will be rising as the green transition accelerates. Next generation EU funding will be critical but will not be enough to meet the new challenges and debates are shifting to more permanent fiscal structures in the EU. Italy is a focal country because it has a large and ambitious recovery plan which includes an ambitious reform programme. We will be looking into these issues and more in this discussion event.

Conference and panel discussion – web event

Thursday 3 February 2022

17:00-18:30

Annual Economy Panel: A Review of Outlook and Prospects

Speakers:

Ioannis Tirkides – Manager Economic Research, Bank of Cyprus

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

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

Andreas Assiotis – Chief Economist, Hellenic bank

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

Chair: Sofronis Clerides – Professor of Economics, Dean of the Faculty of Economics and Management University of Cyprus

Language: This event will be conducted in Greek

Abstract: This past year, 2021 has been an exceptional year because it has been the year of economic recovery following the deep Covid recession of 2020. It was also the year when next generation EU entered its implementation phase, first with the submission and approval of the national recovery plans and the first disbursements of funds. At the dawn of the new year, there are new issues and challenges. Undertaking the necessary investments for the green and digital transitions; the reform of the Europe's fiscal framework; the uncertainty of inflation; the monetary tapering; and debt sustainability. The Cyprus economy did relatively well in 2021 but will be slowing in 2022. We will be discussing the economic outlook and the prospects for the medium term.

112 BLOG POSTS

We published 112 blogs in 2022, 58 were in English, of which 54 were also translated in Greek. The blog was introduced in the summer of 2021, and has expanded since. All blog posts are published simultaneously in the Cyprus Mail (the English version) and in Politis Newspaper (the Greek version). We provide the list below in English, and then in Greek, from newest to oldest.

Posts in English

December 24, 2022: Secular inflation, monetary policy, and interest rates - Ioannis Tirkides

December 19, 2022: Central Bank digital currencies as weapons of finance - Maria Demertzis

December 12, 2022: Why do European countries join the EU - Maria Demertzis

December 3, 2022: Has COP27 made a difference - Charles Ellinas

November 27, 2022: Inflation, monetary tightening, and financial risk - Ioannis Tirkides

November 25, 2022: Are we heading towards a long-term energy crisis - Andreas Charalambous and Omiros Pissarides

November 18, 2022: Next Generation EU: an underused facility - Maria Demertzis

November 11, 2022: US assertive protectionism at the time of the 2022 midterm elections - Elvire Fabry

November 7, 2022: Political cooperation does not mean economic dependence - Maria Demertzis

October 28, 2022: China and the West - growing apart as geopolitical tensions grow - Alicia Garcia-Herrero

October 24, 2022: The critical importance of chips – and having a plan for them - Maria Demertzis

October 14, 2022: Saudi Arabia: Reducing dependency from mineral wealth - Andreas Charalambous and Omiros Pissarides

October 7, 2022: The importance of being fiscally earnest - Maria Demertzis

September 30, 2022: Technology and the crisis of work - Ioannis Tirkides

September 26, 2022: A cold winter - Maria Demertzis

September 23, 2022: What Italy's Giorgia Meloni would mean for Europe - Luigi Scazzieri

September 17, 2022: State of the Union: politics and realities - Ioannis Tirkides

September 9, 2022: Central banks up the odds in the fight against inflation - Ioannis Tirkides

September 2, 2022: Adoption of the minimum wage in Cyprus, implications, preconditions for successful implementation - Andreas Charalambous

August 26, 2022: A new era of monetary policy is just beginning - Ioannis Tirkides

August 19, 2022: The Greek economy: growth may surprise us - Theodoros Pelagidis

August 12, 2022: Inflation, wages, and monetary policy - Ioannis Tirkides

August 5, 2022: The implications for public debt of high inflation and monetary tightening - Zsolt Darvas

July 29, 2022: Italy after Draghi - Luigi Scazzieri

July 25, 2022: Euro-dollar parity: beyond symbolism - Maria Demertzis

July 20, 2022: A new European tool to deal with unjustified rising spreads - Gregory Clayes and Maria Demertzis

July 15, 2022: The minimum wage – neither a job killer nor a panacea - Ioannis Tirkides

July 11, 2022: Is MiCA the end of the crypto wild west? - Maria Demertzis

June 30, 2022: Measures to reduce the price of electricity in Cyprus - Charles Ellinas

June 23, 2022: Ukraine and what it means for European Union enlargement - Maria Demertzis

June 17, 2022: Rethinking Macroeconomic Policy after the pandemic - Michael Sarris

June 10, 2022: Three headaches for the European Central Bank - Maria Demertzis

June 2, 2022: Turbulence ahead for Turkey and the West - Luigi Scazzieri

May 27, 2022: Buy now, pay later: the age of digital credit - Maria Demertzis

May 20, 2022: The European Commission's spring forecasts and some longer-term considerations - Ioannis Tirkides

May 15, 2022: The long war and its collaterals - Ioannis Tirkides

May 5, 2022: Gas in rubles not euros: what is Putin aiming at? - Maria Demertzis and Francesco Papadia

April 30, 2022: Repurposing the peace dividend - Maria Demertzis

April 22, 2022: The French presidential election: more than about France - Ioannis Tirkides

April 15, 2022: War on Ukraine: the day after - Maria Demertzis

April 7, 2022: Early Warning Brief: China's contorted response to Russia sanctions - Alicia Garcia-Herrero

April 2, 2022: European hydrogen development and opportunities - Charles Ellinas

March 25, 2022: The war in Ukraine and its macroeconomic implications - Ioannis Tirkides

March 19, 2022: Ukraine war, impact on oil & gas markets - Charles Ellinas

March 9, 2022: The week inflation became entrenched - Maria Demertzis

March 9, 2022: How likely are the sanctions against Russia to succeed? - Adonis Pegasiou

March 4, 2022: The War in Ukraine, the sanctions and what it means - Ioannis Tirkides

February 25, 2022: Cyprus LNG import project, questions that will not go away - Charles Ellinas

February 25, 2022: The weakness of average inflation targeting - Maria Demertzis

February 17, 2022: A new EU treaty to fight climate change - Maria Demertzis

February 11, 2022: The global economy at inflection - Ioannis Tirkides

February 4, 2022: Non-fungible tokens (NFTs), the next chapter in crypto - Maria Demertzis

January 28, 2022: Cyprus energy, the need for electrical interconnection - Charles Ellinas

January 21, 2022: The euro comes of age - Maria Demertzis

January 18, 2022: Central bank independence: it's more than just about interest rates - George M. Georgiou

January 14, 2022: A role for the Recovery and Resilience Facility in a new fiscal framework - Maria Demertzis

January 7, 2022: The Covid pandemic after the Omicron variant and the risks that remain - Ioannis Tirkides

Posts in Greek

December 24, 2022: Μακροπρόθεσμος πληθωρισμός, νομισματική πολιτική και επιτόκια - Ιωάννης Τιρκίδης

December 19, 2022: Ψηφιακά νομίσματα Κεντρικών Τραπεζών ως χρηματοπιστωτικά όπλα - Μαρία Δεμερτζή

December 12, 2022: Ποιοι είναι οι λόγοι ένταξης στην Ευρωπαϊκή Ένωση για την κάθε χώρα; - Μαρία Δεμερτζή

December 3, 2022: Έκανε τη διαφορά η διάσκεψη για το κλίμα, COP27; - Χαράλαμπος Έλληνας

November 27, 2022: Πληθωρισμός, νομισματική πολιτική και χρηματοοικονομικός κίνδυνος -

Ιωάννης Τιρκίδης

November 25, 2022: Οδεύουμε προς μακροχρόνια ενεργειακή κρίση; - Ανδρέας Χαραλάμπους και Όμηρος Πισσαρίδης

November 18, 2022: Next Generation EU: ένας υπό-χρησιμοποιούμενος μηχανισμός; - Μαρία Δεμερτζή

November 11, 2022: Ο διεκδικητικός προστατευτισμός των ΗΠΑ - Elvire Fabry

November 7, 2022: Πολιτική συνεργασία δεν σημαίνει οικονομική εξάρτηση - Μαρία Δεμερτζή

October 28, 2022: Κίνα και Δύση, Η απόσταση μεταξύ τους μεγαλώνει καθώς οι γεωπολιτικές εντάσεις αυξάνονται - Alicia Garcia-Herrero

October 24, 2022: Η κρίσιμη σημασία των τσιπ και το απαραίτητο σχέδιο που χρειάζεται ο τομέας - Μαρία Δεμερτζή

October 14, 2022: Σαουδική Αραβία, οι προκλήσεις απεξάρτησης από τον ορυκτό πλούτο - Ανδρέας Χαραλάμπους και Όμηρος Πισσαρίδης

October 7, 2022: Η σημασία της δημοσιονομικής υπευθυνότητας - Μαρία Δεμερτζή

September 30, 2022: Η τεχνολογία και η κρίση της εργασίας - Ιωάννης Τιρκίδης

September 26, 2022: Ένας κρύος χειμώνας - Μαρία Δεμερτζή

September 23, 2022: Τι θα σήμαινε η Τζόρτζια Μελόνι της Ιταλίας για την Ευρώπη – Luigi Scazzieri

September 17, 2022: Η 'Κατάσταση της Ένωσης', πολιτική και πραγματικότητα - Ιωάννης Τιρκίδης

September 9, 2022: Οι κεντρικές τράπεζες αυξάνουν τις πιθανότητες στη μάχη κατά του πληθωρισμού - Ιωάννης Τιρκίδης

September 2, 2022: Υιοθέτηση του θεσμού του κατώτατου μισθού στην Κύπρο, επιπτώσεις, κριτήρια για επιτυχή εφαρμογή - Ανδρέας Χαραλάμπους

August 26, 2022: Μια νέα εποχή νομισματικής πολιτικής μόλις αρχίζει - Ιωάννης Τιρκίδης

August 19, 2022: Ελληνική οικονομία, η ανάπτυξη μπορεί να μας εκπλήξει - Θεόδωρος Πελαγίδης

August 12, 2022: Πληθωρισμός, μισθοί και νομισματική πολιτική - Ιωάννης Τιρκίδης

August 5, 2022: Οι επιπτώσεις του υψηλού πληθωρισμού και της νομισματικής αυστηροποίησης στο δημόσιο χρέος - Zsolt Darvas

July 29, 2022: Η Ιταλία μετά τον Ντράγκι - Luigi Scazzieri

July 25, 2022: Η ισοτιμία ένα προς ένα του ευρώ/δολαρίου, πέρα από τα σύμβολα - Μαρία Δεμερτζή

July 20, 2022: Ένα νέο ευρωπαϊκό εργαλείο για την αντιμετώπιση αδικαιολόγητης αύξησης των spreads - Gregory Clayes Μαρία and Δεμερτζή

July 15, 2022: Κατώτατος μισθός, ούτε μείωση θέσεων εργασίας ούτε πανάκεια - Ιωάννης Τιρκίδης

July 11, 2022: Είναι ο MiCA το τέλος της άγριας δύσης για τις κρυπτο-αγορές; - Μαρία Δεμερτζή

July 6, 2022: Συνέντευξη Θεόδωρου Πελαγίδη - Εφημερίδα Πολίτης (Γιάννης Σεϊτανίδης)

June 30, 2022: Μέτρα για τη μείωση της τιμής του ηλεκτρικού ρεύματος στην Κύπρο - Χαράλαμπος Έλληνας

June 23, 2022: Η πορεία της Ουκρανίας προς την ένταξή της στην Ευρωπαϊκή Ένωση - Μαρία Δεμερτζή

June 17, 2022: Επανεξέταση της μακροοικονομικής πολιτικής μετά την πανδημία - Μιχάλης Σαρρής

June 10, 2022: Τρεις πονοκέφαλοι για την ΕΚΤ - Μαρία Δεμερτζή

June 2, 2022: Τρικυμία στον ορίζοντα στις σχέσεις Τουρκίας και Δύσης - Luigi Scazzieri

May 27, 2022: Αγοράζω τώρα, πληρώνω αργότερα: η εποχή της ψηφιακής πίστωσης - Μαρία Δεμερτζή

May 20, 2022: Οι εαρινές προβλέψεις της Ευρωπαϊκής Επιτροπής και ορισμένες μακροπρόθεσμες εκτιμήσεις - Ιωάννης Τιρκίδης

May 15, 2022: Ο μακροχρόνιος πόλεμος και παράπλευρες απώλειες - Ιωάννης Τιρκίδης

May 5, 2022: Φυσικό αέριο σε ρούβλια κι όχι σε ευρώ: που στοχεύει ο Πούτιν; - Μαρία Δεμερτζή και Φραντσέσκο Παπαδία

April 30, 2022: Αναπροσανατολισμός του μερίσματος της ειρήνης - Μαρία Δεμερτζή

April 22, 2022: Οι Γαλλικές προεδρικές εκλογές: δεν αφορούν μόνο τη Γαλλία - Ιωάννης Τιρκίδης

April 15, 2022: Ο πόλεμος στην Ουκρανία, η επόμενη μέρα - Μαρία Δεμερτζή

April 7, 2022: Η πολιτική της Κίνας έναντι των κυρώσεων κατά της Ρωσίας - Alicia Garcia-Herrero

April 2, 2022: Η ανάπτυξη του υδρογόνου στην Ευρώπη - Χαράλαμπος Έλληνας

March 25, 2022: Ο πόλεμος στην Ουκρανία και οι μακροοικονομικές επιπτώσεις - Ιωάννης Τιρκίδης

March 19, 2022: Ο πόλεμος στην Ουκρανία και οι επιπτώσεις στις αγορές πετρελαίου και φυσικού αερίου - Χαράλαμπος Έλληνας

March 4, 2022: Ο πόλεμος στην Ουκρανία, οι κυρώσεις και τι σημαίνουν - Ιωάννης Τιρκίδης

February 25, 2022: Η αδυναμία της στόχευσης πληθωρισμού κατά μέσο όρο - Μαρία Δεμερτζή

February 17, 2022: Νέα Ευρωπαϊκή Συνθήκη για την καταπολέμηση της κλιματικής αλλαγής - Μαρία Δεμερτζή

February 11, 2022: Η παγκόσμια οικονομία σε κομβικό σημείο - Ιωάννης Τιρκίδης

February 4, 2022: Μη ανταλλάξιμα ψηφιακά κέρματα, (NFTs): το επόμενο κεφάλαιο στα κρυπτονομίσματα - Μαρία Δεμερτζή

January 28, 2022: Κύπρος και ενέργεια: η ανάγκη για ηλεκτρική διασύνδεση - Χαράλαμπος Έλληνας

January 21, 2022: Το ευρώ ενηλικιώνεται - Μαρία Δεμερτζή

January 14, 2022: Ο ρόλος του Ταμείου Ανάπτυξης σε ένα καινούργιο δημοσιονομικό πλαίσιο - Μαρία Δεμερτζή

January 7, 2022: Η πανδημία του Covid-19 μετά την παραλλαγή Όμικρον, και οι κίνδυνοι που παραμένουν - Ιωάννης Τιρκίδης

4 DISCUSSION PAPERS

Building the strategic autonomy of Europe while global decoupling trends accelerate

By: Elvire Fabry, Senior Research Fellow at the Jacques Delors Institute

December 2022

Abstract: Inflation has been elevated in 2021-22 in Europe and elsewhere, driven by higher energy and food prices, from exogenous influences, but also driven more by mark ups on profits, than by wage adjustments. However, the balance of risks remains relatively even in the short-term. The expected recession may be avoided. Inflation is more resilient than expected of course, but it may return to 2% by 2025 according to forecasts from the ECB. But still, output growth is surrounded by uncertainties linked with geopolitics, the evolution of the Ukrainian conflict, the possible impact of the Chinese recovery, especially on the prices of energy and raw materials and so on.

The implications for public debt of high inflation and monetary tightening

By: Zsolt Darvas

Date: July 2022

Rethinking Macroeconomic Policy after the Pandemic

By: Michalis Sarris

Date: May 2022

Abstract: The paper discusses the different phases of macroeconomic thought from the great depression to the present and looks at the different policy responses to the 2008 global financial crisis and the 2020 pandemic crisis, from the prism of the development of macroeconomics. The policy responses to the last two crisis episodes, were driven by different philosophies on deficit spending and Central Bank debt financing. Unlike austerity



policies adopted in the aftermath of the global financial crisis, the response to the pandemic crisis in 2020 led to unprecedented fiscal and monetary expansion. Macroeconomic orthodoxy does not provide a conclusive assessment of what may happen in the aftermath of this unprecedented fiscal and monetary expansion and beckons the question if the inflation of 2021-22 is a transitory phenomenon or the result of the policies that preceded it. In the latter,

Central bank independence: it's not only about interest rates and price stability

By: George M. Georgiou

Date: February 2022

Abstract: Discussions of central bank independence usually centre around monetary policy, specifically the freedom of central banks to use interest rates to tackle inflation. However, as the financial crisis showed, financial stability is also important, and this requires robust supervision/regulation of banks. This can only be achieved if central banks are politically independent and free of regulatory capture.

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

Website: <https://cypruseconomicsociety.org>

Email: ekom.ces@gmail.com