

Cyprus Prospers Thanks To Russian 'Occupation'

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This week, President Dmitry Medvedev will visit Cyprus, a tiny nation island that has long played a significant geopolitical and economic role for Moscow.

Since its founding in 1960, the Republic of Cyprus has had a special relationship with Russia. As evidence, the Soviet Union was the first country to recognize the independence of Cyprus.

As part of a major effort to turn the island into an eastern Mediterranean stronghold, the Soviet Union took great care to educate the young generation of Cypriots — particularly on the virtues of communism — and to defend the new state. Several thousand Cypriot students graduated from Moscow universities — including the current president of Cyprus, Dimitris Christofias. In addition, Moscow provided a steady and varied flow of weapons to the island of Aphrodite.

It is no secret that in the 1970s and '80s, Cyprus was a favorite base for Palestinian terrorists

and for KGB agents running operations throughout the Middle East. They laid the foundation for the “Russification” and “Russian invasion” of the island that has grown exponentially after the Soviet collapse. In the 1990s, thousands of “redundant” secret service agents lost no time in shedding their epaulets and going into private business. Many opened offshore companies based on the island, followed by a heavy flow of Russian capital.

According to CypRus Kommersant, a Russian-language monthly business newspaper, 60,000 of about 800,000 people living on the Greek part of the island are Russian.

Why do those people prefer to live in Cyprus? Komsomolskaya Pravda answered the question in the following manner: “Cyprus is the largest tax haven for Russian business. ... According to the State Statistics Service, in 2008 alone, about \$55 billion was transferred from Cyprus to Russia.” Russia’s huge offshore investment in Cyprus may be one of the reasons why the island hardly felt the effects of the global financial crisis.

Many residents of Nicosia, the capital of Northern Cyprus, will tell you that their territory is not free because of Turkish occupation. But the southern part is also “occupied” — not by Turks but by Russian capital. How can the southern part of the island consider itself free and independent when the high standard of living its citizens enjoy depends so much on Russian money?

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