# Thesis submitted in fulfilment of the requirement of the PhD in International Relations

# **EU Accession Dynamics and Conflict Resolution:**

The Case of Cyprus 1988-2002

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#### Abstract

Since 1993, the European Commission, the EU member states and the Republic of Cyprus raised the expectation that the prospect of Cyprus' EU membership would act as a catalyst for a settlement of the island's conflict. Yet throughout the 1990s the divisions between the positions of the principal parties widened. In addition, the 1990s witnessed an escalation of tensions in the Eastern Mediterranean, between Greece and Turkey, as well as between Greek and Turkish Cypriots. The 2002 negotiations failed to deliver an agreement, bringing closer the prospect of an unintended consolidation of the green line dividing the island.

This study analyses the case of Cyprus and the EU with three objectives in mind. First, it explores the inter-relationship between the evolution of the conflict and the development of EU-Cyprus relations within the accession process. Why did the EU accession process fail to catalyse a settlement on the island, or at least a rapprochement between the conflicting parties? Second, it explains the factors driving the conduct of EU policies towards the conflict. Finally, this study seeks to show that the European Union framework could have added important incentives for a settlement and resolution of the conflict by providing an alternative context within which to address the basic needs of the principal parties. The case of Cyprus casts a different light on the problems involved in mobilising the EU's multi-level framework of governance in the field of external relations, particularly in situations of active or latent crisis, typical of ethno-political conflicts.

### **Table of contents**

Abstra	act	2	
Politic	al party spectrum	9	
Chapt	ter 1: Introduction	11	
-	Introduction	11	
2)	Negotiation and conflict settlement between principal parties	15	
3)	Mediation: roles, characteristics and motives	20	
	a) What do mediators do?	20	
	b) Who mediates?	22	
	c) Why do third parties mediate?	23	
4)	Principal mediation	25	
5)	Criticising the realist framework		
	a) Criticising the realist conflict settlement approach	33	
	b) The potential complementarity between conflict settlement		
	and resolution approaches	38	
6)	Re-conceptualising principal mediation	41	
7)	Chapter outline and methodology	42	
Chap	ter 2: The actors in the Cyprus conflict	49	
1)	The Greek Cypriot community: players and positions	49	
2)	The Turkish Cypriot community: players and positions	54	
3)	Turkey: players and positions	60	
4)	Greece: players and positions	62	
5)	The UK: role and positions	66	
6)	The other member states and the Commission:		
	positions towards Cyprus and Turkey	68	
7)	UN peacekeeping and mediation	71	
8)	The US: role and positions	72	
9)	Conclusion	73	

# Chapter 3:

The en	ner	gence a	nd persistence of the Cyprus conflict-1931-1988	75
1)	The ancient history of the island			
2)	Th	e strugg	le for independence: 1931-1959	77
	a)	The Gr	reek and Greek Cypriot anti-colonial struggle for enosis	77
	b)	The Br	itish reaction to the <i>enosis</i> struggle	79
	c)	The Tu	rkish and Turkish Cypriot counter-mobilisation	80
3)	Th	e birth (	of the Republic of Cyprus	
	and	the ye	ars of inter-communal violence: 1959-1974	82
	a)	Greek	Cypriot resentment and the abrogation of the Constitution	86
	b)	The Tu	orkish Cypriot and Turkish reactions	92
	c)	The po	sition of the United States and the European Community	96
4)	Th	e years	of partition and failed negotiations: 1974-1988	99
	a)	Greek	and Turkish Cypriot positions on state and sovereignty	102
	b)	Greek	and Turkish Cypriot reluctance to settle	106
		i)	Greek Cypriot political and economic strength	
			and Greek support	106
		ii)	Turkish Cypriot self-rule and Turkish support	109
5)	Co	nclusio	n	110
Chapt	er 4	<b>!</b> :		
Cypru	ıs' I	EU acce	ssion process and the evolution of the conflict	114
1)	Th	e introd	uction of the EU variable in the Cyprus conflict: 1988-1993	114
2)	Th	e turnin	g point in Cyprus' accession process: 1994-96	119
	a)	EU de	cisions	120
	b)	Greek	and Greek Cypriot assertive nationalism	122
	c)	Turkis	h Cypriot and Turkish antagonising reactions	126
3)	Th	e progre	essive deterioration of the conflict: 1996-1999	127
	a)	EU de	cisions	128
	b)		ational peace initiatives	130
	c)	Turkis	h and Turkish Cypriot antagonising reactions	131
	d)	Greek	Cypriot defence policies	135

	e)	Greek	c-Turkish brinkmanship	137
4)	Th	e short	t-lived thaw: 1999-2001	138
	a)	EU de	ecisions	138
	b)	The p	proximity talks	142
	c)	Turki	sh and Turkish Cypriot positions	143
	d)	Greek	c Cypriot positions	147
5)	Th	e appr	oaching deadline of accession and	
	the	re-lau	anch of direct talks: 2002-3	148
	a)	EU de	ecisions and actions	149
	b)	UN n	nediation and the 'Annan Plan'	151
	c)	Turki	sh Cypriot positions and the role of Turkey	152
	d)	Greek	k Cypriot positions and the role of Greece	156
6)	Co	nclusi	on	158
Ba	ox: C	Chrono	ology: 1987-2003	160
Chap	ter :	5:		
Incentives and disincentives in the EU 'catalytic' effect				166
1)	The EU's expected catalytic effect			
	a)	Cond	litional carrots to the Turkish Cypriots	168
	b)	Cond	litional sticks and carrots to Turkey	171
2)	2) The flaws in the EU 'catalytic' effect			175
	a)	Greel	k Cypriot interests and EU policies	176
		i)	Greek Cypriot frustration with the UN's mediation	
			approach and support for EU membership	177
		ii)	The EU accession process and	
			Greek Cypriot nationalism	182
	b)	Turki	ish Cypriot interests and EU policies	186
	c)	Turki	ish interests and EU policies	194
		i)	EU and Turkish miscalculations	194
		ii)	Turkey's ambivalence towards EU membership	197
		iii)	The lack of credibility of the EU's Turkey policy	199
		iv)	Implications for Turkey's Cyprus policy	203

3)	Co	nclusion	206	
Chapt	er 6	ó:		
Explaining EU policies towards the Cyprus conflict 212				
1)	Th	e starting point: passivity and progressive imbalance	212	
2)	Th	e changing role of Greece	214	
	a)	The early days of Greek membership	214	
	b)	The encouragement of external Greek Cypriot demands	216	
	c)	Domestic instability and the Macedonian interlude	217	
	d)	Greece and inter-state bargaining: linkage politics	219	
		i) Linking Turkey's accession to a settlement in Cyprus	220	
		ii) Linking Turkey-EU relations to Cyprus' accession	220	
		iii) Linking Cyprus' accession to the		
		ratification of enlargement	223	
	e)	Greece's support for a 'European Turkey' and the		
		Greek-Turkish rapprochement	224	
3)	Th	e other member states: the policy vacuum	228	
	a)	Positions on the accession of a divided Cyprus	229	
	b)	Positions towards Turkey	234	
4)	EU	237		
	a)	The Council of Ministers, the European Council and the Presidency	238	
	b)	The Commission	240	
	c)	The European Parliament	243	
	d)	The European Court of Justice	244	
5)	Ex	ternal factors	245	
	a)	Greek Cypriot diplomacy and preparation for membership	245	
	b)	Turkish and Turkish Cypriot 'intransigence'		
		and the views of the UN	246	
	c)	The limits of US pressure	249	
6)	Co	nclusion	251	

# Chapter 7:

Γh	e E	U's	potent	tial to encourage a solution in Cyprus	254
	1)	Th	e EU's	potential to alter the framework of conflict resolution	255
		a)	The co	onstitution	257
			i)	The participation of sub-state actors	
				in the Council of Ministers	259
			ii)	Direct links between the sub-state and supra-state	
				levels of government	265
			iii)	The growing sphere of EU competence	268
			iv)	The option of secession	274
		b)	Territo	ory and economic development	275
		c)	Securi	ity	278
		d)	Freed	om of settlement and property	279
	2)	Cr	eating t	the incentives to settle: flaws in EU policies	282
		a)	Preser	nting the gains of EU membership:	
			the lac	ck of adequate information	283
			i)	Myths concerning the status of Cyprus	284
			ii)	Myths concerning the acquis communautaire	287
			iii)	Myths and realities concerning	
				Turkey's relations with Cyprus	289
			iv)	The economic development of northern Cyprus:	
				'buying' Turkish Cypriot consent	291
		b)	Preser	nting the costs of non-agreement:	
			EU po	olicies of conditionality	292
	3)	Co	onclusio	on	294
Ch	apt	ter (	8:		
Le	SSO	ns f	or Eur	opean foreign policy in ethno-political conflicts	299
	1)	Fi	ndings	of this study	299
	2)			minants of European foreign policy	305
		a)		nal demands	305
		b)	Natio	nal interests within multilateral negotiation processes	306

c) Institutions	310		
d) Europeanisation	314		
3) The constructive and destructive interactions			
between the determinants of European foreign policy	316		
4) Conclusion	320		
Bibliography and other sources	325		
Books and articles			
Official documentation			
Media and web sources			
Interviews and public speeches			
Tables			
Table 1: Election results in northern Cyprus	56		
Table 2: Comparison between the RoC and the TRNC economies: 1995-1999	108		
Table 3: Performance of the RoC economy: 1994-2000	181		
Table 4: Multi-tier governance in a bi-ethnic EU member state: Belgian model	259		
Table 5: Belgian model for representation in EU Councils			
Table 6: Belgian model for representation in EU Councils-practice	263		
Maps			
Map 1: Greek and Turkish Cypriot villages before 1963	94		
Map 2: The 1974 partition of Cyprus	100		
Man 3: Man B presented in the first version of the 2002 'Annan Plan'	278		

#### Political party spectrum

#### Greece

ND Nea Demokratia (conservative)

PASOK Pannelion Socialistikon Minima (socialist/social democratic)

#### Republic of Cyprus

AKEL Aristera Nees Dynameis (leftist/social democratic)

EDI Enomenoi Democrates (liberal)

DIKO Democratico Komma (nationalist centre-right)

DISY Democraticos Synagermos (moderate centre-right)

KISOS Kinima Sosialdemocraton (nationalist centre-left)

NO Neoi Orizontes (nationalist extreme right)

#### Turkish Republic of Northern Cyprus

CTP Cumhurriyetci Turk Partisi (moderate centre left)

DHP Demokrat Halk Partisi (nationalist centre right) (until 1985)

DP Demokrat Parti (nationalist centre right)

TBP Turk Birliği Partisi (nationalist centre right) (until 1981)

TKP Toplumcu Kurtuluş Partisi (moderate centre-left)

UBP Ulusal Birlik Parti (nationalist centre right)

YDP Yeni Doğuş Partisi (centre right) (only present at the 1985 elections)

YBH Yurtsever Birlik Haraketi (moderate left) previously YKP Yeni Kibris Partisi

#### Turkey

ANAP Anavatan Partisi (liberal)

CHP Cumhurriyet Partisi (nationalist centre-left)

DSP Demokratik Sol Parti (nationalist centre-left)

DYP Doğru Yol Partisi (nationalist centre-right)

MHP Miliyetçi Hareket Partisi (nationalist extreme right)

AKP Adalet ve Kalkinma Partisi (Islamic democratic/conservative)

Previously: FP Fazilet Partisi (Islamic); Previously: RP Refah Partisi

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Pity the nation divided into fragments, each fragment deeming itself a nation

Khalil Gibran
The Garden of the Prophet

#### Chapter 1

The European Union is both a curse and a blessing for Cyprus<sup>1</sup>

#### 1) Introduction

In July 1990 the Republic of Cyprus applied for EC membership on behalf of the whole island. Since 1993, the Commission, the member states and the Greek Cypriot government raised the expectation that the accession process would catalyse a resolution of the conflict on the island. The 1993 Commission Opinion claimed that the accession process would 'help bring the communities on the island closer together'.2 In 1996, the Ministry of Foreign Affairs of member state Greece stated that 'the prospective accession of Cyprus to the EU may act as a catalyst to the longlasting problem of Cyprus'. Particularly with the launch of accession negotiations, the 'catalyst' argument was frequently reiterated in official speeches and documents. In February 1997, Commissioner Hans Van der Broek declared that 1997 would witness a final breakthrough in Cyprus: 'why should this year be different? The difference is that the Union has offered Cyprus membership, and that prospect could be the key that helps unlock a solution to the Cyprus problem'. The December 1997 Luxembourg European Council concluded that: 'the accession negotiations will contribute positively to the search for a political solution to the Cyprus problem through the talks under the aegis of the UN'.<sup>5</sup>

Behind these statements lay the expectation that EU conditionality in the context of the accession process would generate new incentives to reach a negotiated agreement. The assumption of EU actors throughout the 1990s was that the accession process and conflict resolution efforts under the aegis of the UN would proceed in parallel. Parallel processes would accelerate Cyprus' path to the Union. As put by the December 1999 Helsinki European Council: 'a political settlement will facilitate the accession of Cyprus to the European Union'.<sup>6</sup>

Yet as the accession process progressed during the 1990s, the divisions between the principal parties widened. As such, the prospect of a consolidated partition on the south-eastern borders of an enlarged EU became increasingly likely. The 2002-3 negotiations failed to deliver an agreement and on 16 April 2003 the divided Cyprus, together with nine other candidate countries, signed the EU Accession Treaty. If it were to last, the resulting 'europartition' could further separate the peoples of Cyprus, it could represent a major stumbling block in the emerging Greek-Turkish rapprochement and it would certainly exacerbate the problems in Turkey's own path to full membership.<sup>7</sup>

Why, contrary to official expectations did the accession process fail to catalyse the reunification of Cyprus prior to the signature of the Accession Treaty? Did it offer any such prospects? Were EU policies the product of a misguided strategy? Or was the failure of the 'catalytic effect' the result of empty rhetoric compounded by the very absence of a consistent strategy? In turn what are the implications for the EU as a foreign policy actor? To what extent is the Union capable of mobilising its multilevel framework of governance in the field of external relations, particularly in situations of active or latent crisis typical of ethno-political conflicts?

In attempting to answer these questions, this study first explores the interrelationship between the conflict and relations in the EU-Cyprus-Greece-Turkey quadrangle from 1988 to 2002. EU actors did not expect to catalyse a settlement by replacing the UN as the official mediator in Cyprus. Rather they expected the accession process to complement the UN's mediation efforts by altering the incentive (or disincentive) structure underlying the frozen conflict. Incentives would alter as a result of EU-related 'carrots' and 'sticks' particularly to the Turkish Cypriot community and Turkey. Sticks and carrots would be conditional on progress in the peace process. This approach required a clear and consistent EU-strategy based on a careful assessment of the conflict and its structure. Its successful implementation also depended on the close collaboration between the UN and the EU.

Scratching beneath the surface, the 'catalyst' expectation was ridden with fundamental flaws. First and foremost, member governments neglected the fact that the Turkish and Turkish Cypriot sides viewed the Union as structurally biased against them. To Turkish and Turkish Cypriot policy-makers, the 'EU' was inherently pro-Greek, due to Greece's EU membership and the other member states' solidarity with Greece. Linked to this, EU actors overlooked the reasons motivating the Greek Cypriot application for membership, and the Turkish and Turkish Cypriot suspicion of the application and the ensuing accession process. Second, member governments neglected the complex make-up of the principal parties, each of which included different players aiming to achieve radically different outcomes. As such, the incentives for some players perversely acted as disincentives to others. In addition, on several occasions the accession process contributed to strengthening the hand of those wishing to stall a solution. Finally, exacerbating these trends further, was the Turkish and Turkish Cypriot misperception of the Union as a monolithic entity, acting on the basis of a premeditated strategy.

Indeed, the problem was precisely that the Union was not a monolithic actor with a consistent and comprehensive strategy to catalyse a settlement through accession. The flaws in the 'catalytic effect' are intricately related to and explained by the nature of the EU as a foreign policy actor. In the case of Cyprus, one member state, namely Greece, based its policies and positions on a consistent strategy. However, Greece was also a principal party to the conflict, and as such its strategy was not that of an impartial third party. The other member states, with the exception of the UK, had no strategy to catalyse a settlement through accession. The British government, as guarantor power and UN Security Council member did pay limited consistent attention to Cyprus. However it did so through its bilateral relations with the principal parties and its close collaboration with the UN Secretariat. The other member states were largely disinterested, paying only sporadic attention to the conflict. With the exception of Greece, no member state was willing to see a more active EU involvement in conflict resolution, and all were content with the exclusive UN role in mediation. This also entailed that up until 2001, there was minimal

interaction between UN mediators in the conflict and Commission officials negotiating Cyprus' accession to the Union.

However, this is not to say that the EU framework in the context of accession could not have generated important incentives for an agreement in Cyprus, by providing an alternative context within which to address the basic needs of the principal parties. Inclusion in a multi-level system of governance in which sovereignty is shared rather than exclusive, in which borders are permeable, and in which freedoms are secured while cultural and historical specificities are respected, could have added a constructive new dimension to conflict resolution efforts. In addition, EU accession could have eased the economic ills of northern Cyprus. This in turn would have halted the flow of emigration of Turkish Cypriots from the north, and reduced their dependence on Turkey. Finally EU-Turkey ties, which since 1996 included Turkey's participation in the EU customs union and since 1999 Turkey's inclusion in the accession process, represented another indispensable element of a win-win solution.

In tackling these questions, this study draws on the insights in the conflict and peace literatures and in particular theories of negotiation and mediation in inter or intrastate conflicts. At first sight the focus on international mediation may appear misplaced in the current context, given that the UN, and not the EU, was the official mediator in the Cyprus conflict. The EU collectively was not a mediator in Cyprus, nor were the member governments or the Commission in close contact with UN mediators up until late 2001. In addition, the difficulties of the EU to act as a coherent, let alone single, actor in the field of foreign policy raises the critical question of whether the Union had the capability of mediating in the conflict.

Nonetheless, insights from the conflict settlement, resolution and transformation literatures provide a useful theoretical framework for this study. Although the EU collectively did not (and perhaps could not) mediate in Cyprus, EU actors agreed in assuming that the accession process created the scope for the effective use of leverage and conditionality towards the principal parties. As argued in the conflict settlement literature, the use of leverage and conditionality is typical of mediation,

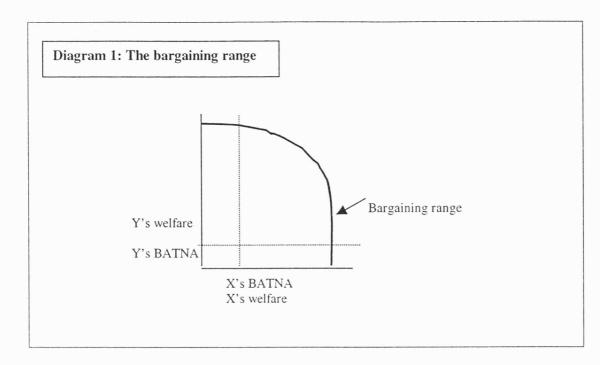
and principal mediation in particular. Like principal mediation, EU policies towards Cyprus and Turkey affected the incentive structure underlying the conflict. Criticism of the 'conflict settlement' school by pluralists and critical theorists can instead contribute to the analysis of whether and how the EU framework could have generated additional positive incentives for a settlement, transformation and resolution of the conflict.

#### 2) Negotiation and conflict settlement between principal parties

In order to understand the nature and dynamics of mediation let us begin with an analysis of negotiation as a method of conflict settlement between principal parties. Who are the principal parties to a conflict? Principal parties are those with direct stakes in the conflict. However the assessment of the value of the stakes may differ between the different actors operating within the broad categories of 'principal parties'. Following Robert Putnam and departing from the classic realist assumption of treating states (and in this case principal parties) as black boxes, this study highlights the importance of differentiating between the positions and interests of leaders and those of the constituents in a negotiating context.<sup>8</sup> At the domestic level, interest groups, acting independently or in coalitions, press governments and politicians to adopt particular positions. Leaders who negotiate in conflict lie at the crux between their domestic constituents and the external negotiating setting. In some instances, leaders may have fewer interests in solving a conflict than the people, if they enjoy advantages that would be lost in the event of a settlement. In these cases, an agreement may be elusive even if it would satisfy in principle the demands of the population it is intended for. On other occasions, leaders may wish but may be unable to move ahead of their constituents towards a settlement. Particularly in cases in which the constituents do not suffer from acute immediate costs from the status quo and populist nationalist language is predominant in public discourse, leaders may be unable to take the risks entailed in a settlement. In such instances, while being bolstered by a tough domestic constituency, leaders may fail to reach an agreement altogether.

Bearing these issues in mind, let us turn to the method of negotiation. Negotiation occurs when two or more principal parties acknowledge a conflict between them and realise that their aims cannot be realised through unilateral action. Negotiation is thus a mechanism for conflict settlement that can take place when the parties feel that they have common interests (integrative bargaining) as well as conflictual zero-sum interests once the Pareto frontier is reached (or redistributive bargaining). When relations are either purely cooperative or purely conflictual, there is no scope for negotiation. 'Without common interests there is nothing to negotiate for, without conflict there is nothing to negotiate about'. Scope for compromise in negotiation can exist either because principal parties have different goals with respect to a common problem, or because they attach different values to commonly desired objectives.

Negotiation occurs along the bargaining range, or the range in which the win-sets of the principal parties overlap. This includes all points of agreement which both parties prefer to their 'security point' or their 'Best Alternative to a Negotiated Agreement' (BATNA). The BATNA represents each party's limit after which non-agreement becomes preferable to a negotiated settlement. In diagram 1, the bargaining range includes all points along and within the Pareto frontier bounded by the dotted lines showing the respective parties' BATNAs. All agreements within these boundaries are mutually beneficial to all parties. They are the points where the win-sets of the principal parties overlap. BATNAs need not be fixed over time. On the contrary, they are likely to alter with changing evaluations of agreement and non-agreement, changing expectations and possibly changing goals as well.



Within the bargaining range there are numerous potential agreements. A process of strategic interaction in the light of imperfect information determines the exact point of agreement along the Pareto frontier. The concept of relative bargaining strength is of fundamental importance in determining at which point agreement is reached. But to state that relative bargaining strength determines the negotiation outcome is little more than a tautology. What exactly determines balance in a negotiation setting?

William Mark Habeeb defines relative bargaining strength as 'relative power'. He argues that relative power is determined by aggregate structural power, issue specific power and behavioural power. Aggregate structural power is given by the general resources (economic, military, demographic and political) available to a negotiating party in its external relations. However, what often appears to be more important than general resources is issue specific power, i.e., the parties' strength in their bilateral relations in the context of the conflict in question. This depends on the levels of dependence and interdependence of the parties, the value they respectively attribute to the issues at stake, their control over the situation, and their BATNAs. The higher a negotiating party's BATNA, the more advantageous an agreement it is likely to secure. The party that stands to lose most from non-agreement (i.e. with the lower BATNA) instead gains the least from a settlement. In other words, 'the more

easily and happily you can walk away from a negotiation the greater your capacity to affect its outcome'. Yet the importance of relative bargaining strength is a matter of perception as well as reality. This is what Habeeb defines as 'behavioural power' determined by communication strategies and tactics. During negotiations parties seek to discover each other's relative strength by distinguishing enduring positions and underlying needs from temporary bluffs. Each party tries to give the opponent the impression of the highest possible relative strength through the use of communication tactics. They aim to create the perception of a high BATNA and attempt to lower that of the opponent. However, the excessive use of strategic misinformation can led to failure in negotiations by creating the misperception of an excessively narrow or non-existent bargaining range, in cases when mutually advantageous deals would be possible.

Another critical element of strategic bargaining, related both to behavioural power and to issue specific power, is the use of threats and promises. Negotiating parties attempt to alter the relative balance of bargaining strength through the use of threats and promises. A threat is a conditional statement by A to B stating that if B does not behave in A's preferred way a punishment or the withdrawal of a reward will follow. A promise is a conditional statement by A to B stating that if B behaves in A's preferred way a reward or the withdrawal of a punishment will follow. The success of threats or promises depends both on their credibility and on their relative value to the recipient compared to the incremental value of his or her preferred course of action. Credibility in turn depends on the recipient's perception of the donor's capacity (the principle of effectiveness) and willingness (the principle of truthfulness) to carry out the declared commitment. Hence, credibility is closely related to the donor party's aggregate and issue specific power. Relative value is closely connected to the recipient's BATNA.

In Cyprus, other than the general desire for peace, shared by many Greeks, Greek Cypriots, Turks and Turkish Cypriots, negotiations between the leaderships took place because no principal party could achieve its aims through unilateral action. Given Turkish/Turkish Cypriot *de facto* control of northern Cyprus, Turkey's

superior military strength and strategic significance, and its ensuing relations with the US and European countries, Greek Cypriots were unable alter unilaterally the status quo. As such, they could not reunite the country and regain control of their land and property in the north. Turkish Cypriots in turn could not achieve communal security and self-determination in a stable and prosperous environment given the non-recognition of their state. Similarly, Turkey could not attain its strategic objectives unilaterally, while retaining international legitimacy and close ties with the West. Greece and the Greek Cypriots had higher international legal standing because of the status of the Republic of Cyprus as the only internationally recognised authority on the island. They used their standing to prevent any form of recognition of the Turkish Cypriot state. Hence, the need for negotiations.

The bargaining range converged on discussions of federal-confederal models, territorial readjustments, the return of refugees, economic redistribution and external guarantees. Through a federal-confederal arrangement, the Turkish Cypriots could enjoy some form of self-determination without independent statehood. Turkey could ensure that the island was not dominated by Greeks. Yet separate self-government on the one hand, required territorial redistribution on the other, given the disproportionate share of territory controlled by Turkish Cypriots since 1974. This in turn would allow a share of Greek Cypriot refugees to return to their homes under Greek Cypriot rule. The return of the rest of the refugees, as well as the extent of liberalisation of the freedoms of movement, settlement and property, would then be subject to negotiations between the parties along the bargaining range. So would be the precise role of external guarantors and peacekeepers, and the economic redistribution from the south to the north.

However, the BATNAs of the principal parties have been high. As such, the incentives to move away from the status quo have been relatively low (given the narrow bargaining range). In the past, the parties have attempted to reduce each other's BATNA. Hence for example the Greek/Greek Cypriot successful attempts at hampering trade and tourism in northern Cyprus. Both parties have also engaged in unilateral actions (or threats) to raise their own BATNA. Turkish Cypriot attempts to

seek recognition from the Organisation of the Islamic Conference is a case in point. Most relevant to this study, was the Greek Cypriot logic behind its EU membership application and its use of the accession process to alter the status quo by strengthening its BATNA, weakening that of its adversary and achieving particular gains through unilateral action (such as the filing of cases to the ECHR on the return of refugees). The Turkish side for many years reacted with threats of integration between Turkey and northern Cyprus. As will be argued over the course of this study, both approaches significantly hampered the negotiation process throughout the 1990s.

#### 3) Mediation: roles, characteristics and motives

Mediation has been broadly defined as a 'a process of conflict management related to but distinct from the parties' own efforts, where the disputing parties or their representatives seek assistance, or accept an offer of help, from an individual, group, state or organisation to change, affect or influence their behaviour, without resorting to physical force or invoking the authority of law.' Similarly Arthur Lall defines mediation as 'the injection of a third state or states, individual or individuals at the request or with the consent of the parties to an international dispute or situation, with a view to assisting in or obtaining its settlement, adjustment or amelioration'. These general definitions can encompass different roles and functions of mediation to be carried out by different actors. Mediation includes a wide range of activities provided these are non-coercive and non-binding (hence, the distinction between mediation as a political non-binding exercise and arbitration as a legally binding activity). What are these roles and activities, who are they carried out by, and for what purpose?

#### a) What do mediators do?

Mediator roles have been separated into communication, formulation and manipulation.<sup>20</sup> These different roles may be carried out by the same or by different actors. The mediator as communicator and formulator has also been described as the

pure mediator, while the mediator as manipulator is often defined as a principal mediator.

The role of the mediator as communicator is that of facilitating communication, identifying interests and issues, changing perceptions, and persuading principal parties to increase flexibility and understanding.<sup>21</sup> The mediator acts as a passive conduit and a repository of information, aims and perceptions. By doing so, it uncovers the bargaining range and attempts to create empathy which in turn facilitates an agreement. Despite differences, the mediator as communicator can also engage in consultation and conciliation. Consultation helps the parties diagnose issues and re-conceptualise their relations and their conflict by viewing each other as collaborators tackling a joint problem. Conciliation provides additional communication links, lowers tensions and encourages direct interaction.

Zartman and Touval also identify the role of the mediator as formulator. This form of mediation exists when the third party provides good offices, establishes protocol and procedures, structures an agenda, suggests plans for face-saving de-commitments, draws up a formula for negotiation and actively introduces new ideas and proposals.

Finally, the mediator can act as a manipulator, i.e., the third party can engage in principal mediation. In this case the mediator adopts a structural role in negotiations. The manipulator negotiates directly with the conflicting parties, thus changing negotiations from a dyad into a triad (unless the mediator forms a coalition with one of the parties). At times, the principal mediator may actually become the main negotiating partner of the conflicting parties. A three-way bargaining situation may arise whereby party A negotiates directly with the mediator who in turn negotiates directly with party B. Hence, in the case of principal mediation the difference between principal and third party roles may significantly blur if not cease to exist. The mediator attempts to enhance the incentives for an agreement by altering the payoff structure of the bargain. It does so through influence and leverage, discussed in detail below. The mediator as manipulator often retains links with the conflicting

parties even following a settlement, normally as a provider of continuing benefits such as security guarantees.

#### b) Who mediates?

Authors concentrating on pure mediation stress the desirability of mediator impartiality.<sup>22</sup> A mediator is impartial (not necessarily neutral) when it has no connection with or commitment to the conflicting parties and has no direct or indirect interests in the conflict. Impartiality allows the mediator to gain the confidence and trust of the conflicting parties, which allows him/her to act as a repository of information, proposals and perceptions. The mediator can thus uncover the bargaining range and create integrative agreements by making new proposals and by inducing a re-conceptualisation of the problem in win-win terms. In reality complete impartiality is rarely if ever present. Particularly in cases of international organisations' involvement in secessionist conflicts, full impartiality is almost impossible, given the international system's natural aversion to secession and the creation of new states. This is indeed the case of the OSCE's involvement in secessionist conflicts in the former Soviet Union and the UN's involvement worldwide, first and foremost in Cyprus.

Lederach and Wehr also stress the notion of *confianza* (trust) in their analysis of Latin American conflicts.<sup>23</sup> They argue that in order to enjoy the trust of the principal parties, it may be desirable for the third party to be an 'insider partial'. The 'insider partial' is a party from the context of the conflict, who is knowledgeable about the issues at stake, and who as such can credibly commit to a continuing involvement following a settlement (for example as a guarantor). At times an 'insider partial' may be more desirable than an 'outsider-neutral', who is only temporarily connected to the parties through mediation.

Authors concentrating on the role of principal mediation argue instead that the most critical characteristic of the mediator is his/her acceptability rather than impartiality. In so far as the role of the principal mediator is not as easily separable from that of

the conflicting parties (as in the case of pure mediation), impartiality is a condition that almost by definition cannot be met. Acceptability however is key to the success of principal mediation. 'Third parties are accepted as mediators to the extent that they are thought capable of bringing about acceptable outcomes'. In some instances, impartiality is the main determinant of acceptability. But this is not necessarily so. A party may accept the role of an unfavourably biased mediator if it believes the mediator can exert influence on the opponent precisely in virtue of the bias. The most frequently quoted examples of this are the role Henry Kissinger in the Middle East, the role of Algeria in mediating the Iranian hostage crisis and the Soviet mediation in the conflict between India and Pakistan. Precisely because of the third party's connection with one principal party, the other party accepted him/her as mediator.

#### c) Why do third parties mediate?

Again different types of mediators are driven by different motivations. However, all mediators have some interests in getting involved in a conflict. Pure mediators engaged in communication and formulation tend to have either public and/or private interests in conflict resolution, but not in the disputed issues themselves. As put by Adam Curle, a mediator's 'sole motivation is concern for the suffering occasioned by both sides in the conflict, and determination to do everything in their power to reduce it'. This is particularly true of non-governmental organisations such as the Quakers or individual experts. International organisations such as the UN instead engage in pure mediation because it is part of their mandate and indeed an integral element of their raison d'être.

Principal mediators, becoming structurally involved in the conflict, while not having direct interests (otherwise they effectively become participants in the conflict), tend to have indirect interests in the issues at stake. These interests go beyond a general concern for peace and well-being. Mediation in this sense is effectively viewed as a foreign policy instrument and activity. Third party interests may be of different kinds.

Third parties may have an interest in conflict settlement for security concerns.<sup>27</sup> A persisting conflict may be viewed as endangering the security of the third party. In these cases mediators may either have an interest in an agreement regardless of its substance, or they may prefer a particular kind of settlement. However, while mediators may have preferences regarding the substance of possible agreements, they will normally accept a much wider range of alternatives than the parties themselves. Alternatively, third parties may want to intervene in order to increase their own influence. By entering a conflict as a third party, a mediator may succeed in creating relations of dependence with the conflicting parties. This dependence can then be used to increase the influence of the third party on the principal parties in other spheres as well.

The EU accession process affected significantly the dynamics of the Cyprus conflict, altering the incentives and disincentives to reach an agreement. However, as discussed above the precise role of the 'EU' cannot be easily pinpointed because of its nature. It is thus important to disentangle the various actors within the EU in order to assess the overall role of the Union. The next Chapter discusses at length the actors in the Cyprus conflict. Nonetheless, two examples will be cited here to give a flavour of the complex role of the Union.

Member state Greece was a principal party to the conflict. Although after 1974 its interests were mainly to support the Greek Cypriot cause, Greece, as guarantor state, remained a principal party. This does not exclude the fact that the Greek government at times also played third party functions, influencing the positions of the Greek Cypriot leadership in negotiations. The UK, due to its historical responsibilities, contributed to mediation efforts with fluctuating intensity and generally outside the EU framework. However, in certain respects, and particularly those which relate to the future of the British sovereign military bases in Cyprus, the UK was also a principal party in negotiations. The 2002-3 negotiations on the island highlight the blurring distinction between the UK's principal and third party roles. In February 2003, the UN presented the third version of the 'Annan Plan' for the reunification of

Cyprus. One of the proposed elements was the transfer of approximately 50% of the territory of the bases predominantly to the Greek Cypriot side. The cessation of territory was intended to facilitate an agreement on the territorial aspect of the conflict. As such, the British role fluctuated between that of third party and principal party.

While acknowledging the multi-faceted nature of the 'EU', this study focuses on its actual and potential role in principal mediation. However the EU's multi-faceted nature, which included both principal and third party attributes, is important in determining at the outset that the 'EU' was not a neutral or impartial actor in Cyprus. On the contrary, particularly over the course of the 1990s, it became an integral element of the dynamics of the conflict. With Greece and the UK as members of the Union and both Cyprus and Turkey enjoying institutionalised relations with and aspiring to join the Union, the 'EU', while technically remaining a third party, was certainly not an impartial one. Yet the EU's partiality did not alone affect its acceptability in the eyes of the principal parties. Had both principal parties perceived the third party's role as offering the potential for a more desirable outcome, its 'insider partial' role could have been viewed as an asset rather than a liability in peace efforts.

#### 4) Principal mediation

Having reviewed the different forms of mediation activity, let us concentrate on the roles of principal mediation and incentives, which are of particular relevance to this study. This is for two main reasons. First, because of the potential desirability of principal mediation in the Cyprus conflict. The use of principal mediation is most appropriate in conflicts which are deadlocked in a stage of segregation because the conflicting parties appear to be relatively content with the status quo. This appeared to be the case in Cyprus, particularly at the level of the leaderships. The BATNAs of the leaderships were relatively high and the resulting bargaining range was too narrow. Since 1974, the Turkish Cypriot leadership enjoyed an unprecedented de facto status and secured, together with Turkey, the physical and communal security

of its people. It was reluctant to forego these gains for unsubstantiated promises of political equality. The Greek Cypriot leadership instead benefited from undiluted sovereignty, and many leaders (and citizens) were unwilling to relinquish these gains for an effective sharing of sovereignty in a loose federal structure. In such circumstances the principal mediator can increase the incentives for a negotiated settlement, by raising both the gains from agreement (shifting out the Pareto frontier) as well as the costs of no agreement (reducing the BATNA). Second, a discussion of threats and promises appears to be particularly relevant in the case of EU-Cyprus relations. The EU accession process and the use of conditionality that it entailed presented sticks and carrots to the conflicting parties.

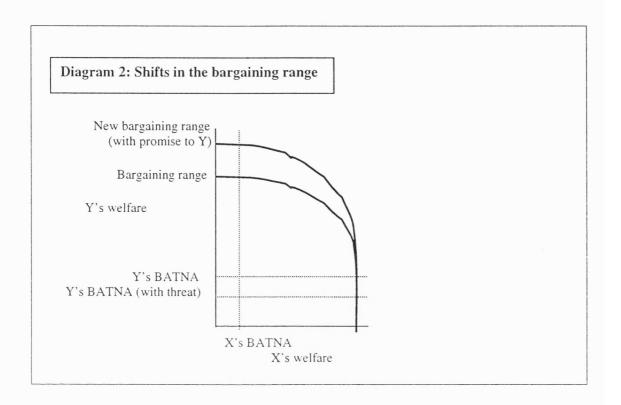
But what are the conditions for effective principal mediation? The notions of influence and leverage are key to principal mediation. While all mediators can exert some form of leverage, principal mediation relies on influence and leverage in his/her role. The mediator exerts leverage to increase the gains from an agreement and the costs of no agreement. This can be done in two ways. The mediator may shift its weight in order to create a (old or new) balance between the conflicting parties and thus facilitate an agreement as opposed to a unilateral victory. When there is a significant imbalance between the conflicting parties, the latter may be reluctant to engage in meaningful negotiations. The stronger party may feel it can achieve its aims unilaterally, while the weaker party feels that any negotiated settlement would entail total submission. The same is true when the relative strength of one side is growing. In these circumstances, the party whose strength is growing is reluctant to negotiate, expecting a continuing rise, while the weakening party fears an unfavourable deal. As put by Lall 'when there is a real or assumed significant disparity of power between the parties to a dispute or situation, or when one of the parties is imbued with a sense of growing power, then such a disparity or sense of buoyant power may militate against resort to negotiation to settle the dispute or ameliorate the situation'.29

In these circumstances, the principal mediator can shift its weight creating a situation in which the strength of the upper hand starts slipping and that of the underdog starts rising.<sup>30</sup> In extreme circumstances this can be done by forming a coalition with one of the parties. The effect of a changing balance on negotiations was evident in the Middle East after the 1973 Arab-Israeli war. Egypt's relative victory demonstrated to the Israelis (i.e., the stronger party) that their interests could not be served through unilateral action but required negotiations. Egypt also had an incentive to settle in order to reap the benefits of its rise in relative strength (that could have been reversed over time due to Israel's greater absolute strength). The mediator may feel it necessary to create such a situation of perceived parity of bargaining strength or movement towards parity. This may entail having to temporarily exacerbate a stalemate in order to ultimately yield a settlement. In Zartman and Touval's words 'stalemate is necessary to mediation like mediation is necessary to overcome stalemate'.<sup>31</sup>

Alternatively, the mediator can add side payments to negotiations thereby increasing the prospects for an integrative bargain. In extreme situations deals are struck more because of the prospect of receiving side payments than because of the substantive issues of the deal itself.<sup>32</sup> Side payments can be conditional or non-conditional. Conditionality is not a necessary condition for the effectiveness of an incentive and can be used in different ways.<sup>33</sup> Furthermore, conditionality can take different forms. A positive incentive may be provided unconditionally and demands for policy changes can be made subsequently, when trust between the mediator and the principal party has increased. Alternatively, conditionality can be applied at different stages, and not exclusively at the time of delivery of the side payments.

Side payments in the form of threats and promises can take a variety of forms, including aid, trade, investment, security guarantees and membership of an international organisation. Their aim is generally that of creating incentives for settlement by altering the negotiating range. The bargaining range changes because of altered expectations of the mediator's future actions (see diagram 2). Through threats the mediator raises the costs of non-agreement and thus reduces the value of the BATNA. Through promises the mediator increases the expected gains from a deal (or reduces the costs of the concessions) and therefore raises the bargaining

range by pushing outwards the Pareto frontier. Post-settlement guarantees may also serve as a useful promise in so far as mutual distrust in the post-settlement implementation phase may be a major hindrance to reach an agreement.

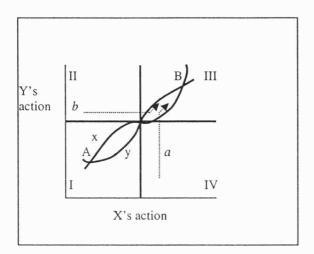


However, while the apparent impact of threats and promises on the bargaining range may be identical, there are important differences between the two, both in terms of their nature and in terms of their effect.<sup>34</sup> First, positive incentives (such as trade and investment) may provide advantages to the donor as well as the recipient. This can increase the credibility of the promise. However it can also reduce its credibility when its delivery is supposed to be conditional on the principal party's compliance with the mediator's demands. If interdependence rather than dependence characterises relations between donor and recipient, the credibility of incentives may decrease. Second, in the case of economic sanctions, effectiveness of a threat decreases or disappears if the recipient finds alternative suppliers. While positive incentives tend to require unilateral action, sanctions hinge on multilateral efforts. However, promises as opposed to threats can create dependence, requiring the persistent involvement of the mediator to sustain peace. Third, while the threat may

generate resentment and nationalistic reactions and thus reduce goodwill and flexibility, a promise is more likely to induce cooperation. However, a promise may be perceived as a sign of appeasement and as such be counter-productive. Another important issue concerns the extent to which the principal mediator can mobilise sufficient resources to offer valuable and credible side payments to all conflicting parties. If the aim is to reach a compromise through mutual concessions, it is important for the mediator to be able to exert influence on all parties. This necessitates sufficient resources and commitment. It is particularly important in so far as a promise to one side may be viewed as a threat to the other. Hence, the desirability of threats and promises to all parties in order to induce settlement. Finally, the relative value of a mediator's threat or promise is also critical. If the recipient feels it can live without the cost or benefit, the incentive strategy would fail and simply result in an additional cost to the mediator.

So far we have discussed the effects of principal mediation within a static framework of one or two-shot games. But what effect does principal mediation have over time? Dean Pruitt elaborated a framework for the analysis of dynamic adjustments in negotiations following a sudden external or internal change.<sup>36</sup> Depending on the nature of the change, its magnitude and durability, vicious or virtuous circles may come about. The effects of change also depend on whether and to what extent reciprocation is proportionate. Reaction functions can also be S-shaped, i.e., underreacting in the case of small sudden changes and over-reacting in the case of big changes or vice versa. In the case of S-shaped reaction functions there are two stable equilibriums, one is described as a high-welfare equilibrium (i.e., settlement point B in diagram 3) the other as a low-welfare equilibrium (no-peace no-war stalemate point A in diagram 3). The aim of the mediator is that of manipulating the environment and generating durable momentary forces to trigger a decisive virtuous spiral towards a settlement equilibrium (forces a and b). This is only possible if the external input generates a sufficiently strong and durable change to lead to a jump of quadrant (from I to III) and to a new stable equilibrium.

Diagram 3: S-shaped curve reaction system



When analysing the conditions for effective mediation and the dynamics leading to a positive change in negotiations a useful notion is that of ripeness. A conflict is ripe for resolution when the circumstances of a conflict change thereby increasing the likelihood of a negotiated settlement. Zartman and Touval identified the conditions necessary to create ripeness. Ripeness can occur in the event of a 'hurting stalemate'. A hurting stalemate or a plateau is a sufficiently painful situation which cannot be unilaterally altered by the principal parties. As put by Touval and Zartman 'both must perceive a plateau...as a flat, unpleasant terrain stretching into the future, providing no later possibilities for decisive escalation or for graceful escape'. Alternatively, ripeness is created when parties are confronted with a precipice. A precipice occurs when parties realise that matters will deteriorate, either because of an impending catastrophe or because of one that has just taken place. An impeding catastrophe creates a deadline and does not create bitterness and hostility as in the case of a catastrophe that has just passed.

The ripe conditions for settlement depend on a set of interconnected issues. Ripe conditions may emerge following changes in the domestic environment. There may be a change in leadership favouring settlement. Or there may be a deterioration in the economy inducing leaders to raise their popularity through a foreign policy success

like the settlement of a conflict. Richard Haass argues that ripeness emerges when leaders in negotiations are either sufficiently strong both to sell the deal domestically and to implement it thereafter, or too weak to avoid compromise.<sup>38</sup> The strength of both Sadat and Begin contributed to the Egypt-Israel peace deal, while the weakness of the Rhodesian leadership contributed to a peace settlement in Zimbabwe.

Ripeness can also emerge from changes in the regional or international environment. An international change could make conflicting parties or their respective supporters natural allies. As such it may foster a more cooperative problem-solving atmosphere in negotiations. An external crisis can also either create or reduce ripeness.<sup>39</sup> It can harm negotiations by increasing cognitive rigidity, reducing tolerance, disrupting communication, or inducing a shift of attention to other issues. Alternatively, a foreseen crisis can create ripeness by increasing the expected costs of no agreement and creating deadlines. However, while an imminent crisis (or precipice) may generate ripeness, the resulting deals may be sub-optimal. Following an initial period during which parties strengthen their negotiation positions by making maximum demands, there could be a final breakthrough before the deadline, through a process of concession-convergence or unilateral caving in. Zartman and Berman refer to this phenomenon as the 'musical chairs' effect. 40 While the music is playing the parties place themselves in the best possible position, ready to stand still when the music suddenly stops. The way in which they ultimately stop and reach an agreement may however be inherently unstable as well as unfair.

But ripeness is not necessarily only the product of coincidental changes in the domestic and international environment. Ripeness can also be cultivated. Insisting on negotiation and mediation when a conflict is unripe can be useless. Nonetheless, third parties can work to create ripeness. The notion of creating ripeness becomes clearer if ripeness is also interpreted as political will to settle. This idea is particularly relevant in cases when conflicts are protracted because the parties develop vested interests in the status quo and are content with its continuation.

How do principal mediators create ripeness? Above we discussed the use of threats and promises as a tool available both to principal mediators and to principal parties in their efforts to alter the bargaining range. A conflict becomes ripe for settlement when a stalemate becomes 'hurting'. Hence, the use of threats or the creation of an impending deadline or 'precipice'. However, while threats are important in increasing the costs of the status quo, promises are critical in increasing the positive motivation to reach an agreement. Applied leverage can make a stalemate hurting, but in order for short-term decisions to stick, it is necessary for the agreements to be sufficiently attractive. A threat alone rarely contributes to a lasting solution. It must be complemented by the positive exercise of influence, which goes beyond the mere lifting of the 'sticks'. As put by Zartman and Aurik 'if the sticks are in the stalemate, the promises are in the contract'. 42

Several examples from the history of the Cyprus conflict discussed in Chapter 3 can be used to illustrate this argument. In 1960 an agreement was reached predominantly because of external pressures on the Greek Cypriot leadership. The threat of the 1958 Macmillan Plan and Greek dependence on the US, induced Archbishop Makarios to accept the 1959-60 compromises, which ruled out the ultimate goal of *enosis*. The agreement however was inherently unsatisfactory to the Greek Cypriots, explaining its early death in 1963. In 1964 the US deterred Turkish military plans by threatening not to defend Turkey in the event of a Soviet attack in defence of the Greek Cypriots. The threat succeeded in its short-term intent to deter war. However, it did not raise incentives to reach a settlement. In the longer term, it reduced Turkish dependence on the US and induced a Turkish-Soviet rapprochement, which a decade later favoured the Turkish military intervention on the island.

Several decades later, did the EU accession process generate the incentives to shift progressively and durably from a low to a high welfare equilibrium? Collective EU decisions concerning Cyprus emphasised the positive effect of conditional side payments to the principal parties deriving from EU accession. But to what extent did the accession process raise the incentives to reach a durable agreement? Were the gains and losses entailed in accession sufficiently valuable? To what extent were the

threats and promises conditional and credible? Were unconditional promises viewed as a form of appeasement and partiality? Did the deadline of accession generate the conditions for a 'hurting stalemate'? How did these new conditions interact with domestic dynamics within the conflicting parties? Did European threats generate hostility and nationalistic reactions or did sticks and carrots strengthen the hand of the most conciliatory forces in society?

#### 5) Criticising the realist framework

The literature on principal mediation is grounded on a predominantly realist framework. The discussion above reviewed how resourceful and not necessarily impartial mediators exert leverage on the conflicting parties to shift the relative balance of bargaining strength and create incentives for a negotiated settlement. The underlying assumption is that while conflict cannot be resolved it can be managed with the creation of stable balances. The international system is assumed to be a Hobbesian battleground in which states compete for survival or domination. Conflict is objective and endemic and attempting to eradicate it would be an exercise in futility. It would also be undesirable, in so far as conflict is viewed as a motor for progress within the international system. What is desirable is to minimise the costs of conflict in terms of violence and disorder. This is achieved through a rational process of bargaining, which distributes resources reaching a new (or a return to the old) balance. Mediation aims to yield speedier agreements through the use of leverage. Third parties engage in mediation as a foreign policy tool to fulfil their security, economic or political interests.

#### a) Criticising the realist conflict settlement approach

This approach has been criticised both by idealists and by critical theorists for its inadequacy and superficiality in dealing with the sources and causes of conflict. Compromise encouraged by principal mediation may lead to cease-fire or settlement, but it fails to encourage resolution, an aim which is both desirable and possible. It attempts to eliminate the violent means of pursuing conflict through the trading of

gains and losses facilitated by third party arm-twisting if necessary. The conflict itself, i.e., the effective incompatibility of subject positions, remains intact, even if it could be eradicated.<sup>43</sup>

In John Burton's view, conflict is not endemic in human nature, but arises under specific socio-economic structures in which basic human needs (BHN) are frustrated. These include both ontological needs and subjective psychological needs. BHN are universal, permanent and imperative in so far as they are essential to the fulfilment of the 'humanness' in man. Hence, unlike interests, upon which the realist analysis is based, BHN are non-negotiable. An immutable list of BHN, relevant in all places at all times for all people, cannot be drawn. Nonetheless, Johan Galtung identifies four principal categories of BHN: identity, security, welfare and freedom. To this list Edward Azar adds recognition and participation in the processes that determine the conditions of security and identity. When BHN are frustrated the premises for conflict emerge. These may take either the form of 'freezing' under conditions of apathy and lack of participation, or 'boiling', i.e., revolt. Boiling' occurs when there is sufficient contact, sufficient consciousness and sufficient chances of victory.

But why does the frustration of BHN arise? Burton believes that BHN are not in short supply. In fact their fulfilment is mutually reinforcing. The more secure is A, the more security will B enjoy. What may be in scare supply are particular satisfiers. It is the strategy (or type of satisfier sought) which leads to conflict. Conflict is generated when A believes that his/her identity can only be achieved through narrow ethnocentrism rather than multiculturalism. Ethnocentrism and multiculturalism are not underlying needs but subjectively chosen satisfiers of BHN. Some satisfiers such as ethnocentrism or domination generate the premises for conflict and violence. Hence, while BHN are objective, conflicts arising from the clash of chosen satisfiers are not. Subjective attitudes, perceptions, recollections and experiences can distort the rational pursuit of objective BHN through the choice of inappropriate satisfiers. 51

If conflict arises with the frustration of objective BHN generated by the subjective choice of inappropriate satisfiers, conflict resolution must account for both these objective and subjective elements. Given that BHN are non-negotiable, conflict resolution must take the form of integrative, win-win solutions. Principal parties must agree on the implementation of alternative satisfiers, which allow for a universal fulfilment of BHN. This in turn requires a re-conceptualisation of relations between the conflicting parties. Conflict resolution thus entails uncovering BHN and re-conceptualising both relations and subsequently the satisfiers to attain these.

To do so, Burton advocates problem-solving techniques. By engaging principal parties in problem-solving workshops, the conflict is reformulated as a shared problem calling for a joint answer. Through information-sharing, relationship-building and joint analysis, principal parties gradually cease to view each other as enemies and begin to treat each other as partners. As such, subjective processes alter and with these alterations, innovative win-win satisfiers can be found. In terms of participation, authors such as Curle and Lederach stress the role of middle and grass-root levels to generate peace from below.<sup>52</sup> According to Lederach, the middle level acts as a critical link between top level elites and the people, and as such is pivotal to societal reconciliation, conflict transformation and sustainable peace.

Conflict resolution also foresees a role for third parties. But in stark opposition to the roles of principal mediators, third parties intervene to assist the peace process, playing a reactive and supportive role. The mediator should be impartial and should not impose solutions. It should help the parties find an acceptable outcome themselves, by eliminating misperceptions and other obstacles to communication. As argued by Lederach, sustainable peace must emerge from the particular cultural setting of the conflicting parties. Mediators should thus 'empower' the mechanisms for indigenous peace-building, rather than prescribe ready-made solutions. In a similar vein, Fisher advocates 'consultation' as a method of third party intervention. Figure 1.

Critical theorists engaging with conflict and peace research have mounted a further critique of the 'traditional' literature. Fetherston views both realist (conflict settlement) and idealist (conflict resolution) approaches as being fundamentally flawed.55 Drawing from Robert Cox's classification, both the settlement and resolution schools are viewed as 'problem-solving' methods. In different ways, both engage in conflict management, without tackling the underlying systems generating conflict in the first place. The conflict settlement school does so explicitly. It accepts the given power configuration and attempts to conserve it, by managing conflicts and preventing these from disrupting the status quo. But idealists, with their focus on subjective processes, also fail to yield peace. The focus on perceptions and impartial mediation suggests that the underlying structure generating conflict is left untouched. Impartiality entails that even in the light of a clear imbalance of bargaining strength between the parties, the third party contributes to the preservation of the status quo rather than its change. Conflict resolution efforts can solve, resolve and re-resolve the same conflicts through a re-formulation and re-conceptualisation of issues. But the objective roots of conflict are not tackled. Hence both realist and idealist approaches sustain the structures which generate conflict, by improving their efficiency through the removal of sources of tension.

Using Jurgen Habermas' distinction, Fetherston and Parkin separate the 'ability to control' through conflict management, from 'enlightened action' through conflict transformation.<sup>56</sup> The aim should be the latter, and can be achieved by problematising the existing structures, and the dominant modes of social relations and social meaning which generated the initial conditions of conflict.<sup>57</sup> As such critical theory is described by Mark Hoffman as 'both descriptive and constructive in its theoretical intent'.<sup>58</sup>

Yet as Martinelli Quille argues, many of the concerns of critical thinkers were already integrated in the work of Johan Galtung in his analysis of structural violence. <sup>59</sup> In a seminal article, Galtung elaborated the concept of violence, distinguishing between intentional, manifest, physical and personal violence as opposed to unintended, latent, psychological and structural violence. <sup>60</sup> Structural

violence implies violence which is inbuilt in the system. These systems are characterised by inequality, underdevelopment and un-integrated social and political systems. As such, they influence some individuals in manners in which 'their actual somatic and mental realisations are below their potential realisations'. Structural violence does not follow the common 'subject-verb-object' pattern. There is no subject involved. There is no personal culprit whose intentions and actions are to be blamed and punished. Furthermore, the violence is often latent, silent, not readily observable, but creeping under the surface, ready to emerge at any point in time.

The elimination of structural violence is of fundamental importance to the quest for peace. Negative peace can be achieved with the elimination of personal violence, through a well-designed and well-functioning legal deterrent system. But the attainment of positive peace, defined as positive given that eradicating structural violence entails social justice rather than simply the absence of personal violence, is much more arduous. It creates an inescapable link between peace and development theories. Positive peace can only be achieved through structural change, i.e., by redressing power relations. In this respect, these arguments give almost as much importance to power as realist approaches do. As argued by A.J.R Groom, the two paradigms lie on opposite sides of the same barricade in terms of their normative values.<sup>62</sup> While realists do not believe that the international system has the capacity for internal revolutionary change, critical theory aspires to that very change.<sup>63</sup>

The notion of positive peace is also espoused by other proponents of the conflict resolution school. It is not the case that all conflict resolution scholars aim at cosmetic resolution that does not tackle the structures of violence. These authors argue that while structure must be changed, this does not require radical action. It can be achieved incrementally through the re-conceptualisation of relations. Curle develops the notion of peaceful and unpeaceful relations, a distinction grounded on Galtung's classification of violence. Unpeaceful relations exist when an individual's potential development is stalled by the conditions of a relationship. Objective exploitative imbalances are the principal causes of unpeaceful relations. But unpeaceful relations can be transformed into peaceful ones through the gradual

re-shaping of relations and perceptions, creating the awareness of exploitative imbalances and the will to upturn these.

Critical theories may indeed be too 'critical' of the conflict resolution analysis. Proponents of the conflict resolution literature do focus on structural conditions that generate violence. Yet, while their analysis may pay due attention to both objective and subjective elements of conflict, their prescriptive component focussing on subjective elements may be over-idealistic. The concept of compatible BHN leads Burton and others to concentrate almost exclusively on the need to alter subjective attitudes and perceptions through problem-solving workshops, consultation and conciliation. The argument is that with the alteration of subjective factors, objective conditions would also change. But this automatic link may not always exist. As such, the prescriptions of the conflict resolution school often fail to address directly objective structures, even if structures are acknowledged as being critical to the quest for positive peace.

# b) The potential complementarity between conflict settlement and resolution approaches

Both the conflict settlement and resolution literatures and their critiques offer important insights for the purposes of this study. The rhetoric of EU actors concerning Cyprus rested on the assumption that effective leverage on the principal parties would positively transform the incentive structure underlying the conflict. As such, the literature on principal mediation, resting on concepts of leverage and incentives, provides a framework to analyse the inter-relationship between EU policies towards Cyprus and Turkey and the evolution of the conflict in 1988-2002. But if research then focuses on the EU's potential to induce an agreement, it is imperative to take note of the shortcomings of the conflict settlement school, and account for the insights from both the conflict resolution literature and critical theories.

Above it was argued that the prescriptions of both the settlement and resolution schools are wanting. Traditional realist prescriptions focus exclusively on achieving a settlement through the aid of resourceful mediators. Principal mediators help to restore a new balance of power and achieve a compromise agreement. The focus here is on objective power and interests. Conflict resolution theorists instead focus on subjective elements and call for integrative solutions achieved through the reconceptualisation of problems. Theorists such as Roger Fisher, Loraleigh Keashley and David Bloomfield have recognised that these approaches need not be mutually exclusive, but can be, on the contrary, highly complementary.

Three reasons support the thesis of complementarity. First is the changing mix of objective and subjective elements across the different stages of conflict. Driving Fisher and Keashley's contingency model is the idea that conflicts evolve over time, and that at each stage a conflict is constituted by a different mix of objective and subjective elements.<sup>65</sup> In so far as different methods of third party intervention are more adequate in dealing with objective or subjective components of conflicts than others, the choice of third party roles should vary over time according to the objective-subjective mix. In the initial discussion and polarisation stages, third party conciliation and consultation may help to facilitate communication, alter perceptions and prevent the emergence of substantive conflict. Consultation can also act as a premediation function. In the stages of escalation and de-escalation, pure mediation can deal with the substantive issues at stake, by formulating proposals, providing information and expertise and persuading the parties to negotiate. In the segregation and destruction phases of conflict, principal mediation together with peacekeeping may be needed to raise the incentives to settle. When agreement cannot be found because parties are content with the status quo or because there are insufficient resources to address all needs, principal mediation may be also appropriate. Bloomfield argues also that objective and subjective elements may not only vary over time, but at any given moment different aspects of the conflict may include different objective-subjective mixes.<sup>66</sup> Hence, different techniques may be required simultaneously as well as sequentially to tackle different aspects of conflict.

Second, conflict settlement and resolution efforts can be mutually reinforcing. Allencompassing conflict resolution can only gain momentum once a negotiated
settlement is reached. The emphasis given by Curle and Lederach on grass-root
initiatives is of fundamental importance. But particularly in the case of intra-state
secessionist conflicts with blockaded frontiers and segregated communities, grassroot activities can only become widespread once elites negotiate an agreement.
Conflict settlement thus should not be viewed as an alternative, but rather an
indispensable complement to conflict resolution activities. Likewise conflict
resolution efforts should both cultivate ripeness before a settlement and help to
consolidate peace once an agreement is reached. Particularly after a first agreement,
conflict resolution activities are key to the re-conceptualisation of relations and
perceptions to transform conflict and sustain peace.

Finally, the complementarity of third party roles is supported by an alternative reading of Burton's framework, complemented by the emphasis given by Galtung on structural violence. The BHN literature stresses the importance of ontological basic needs. It argues that through the reformulation of subjective attitudes adequate winwin satisfiers are sought. Problem-solving workshops aided by third party consultants can assist a constructive re-conceptualisation of relations and issues. Nonetheless, the belief that win-win satisfiers will emerge automatically provided subjective elements are altered may be wishful thinking. Some conflicts are indeed characterised by seemingly zero-sum alternatives and scarce resources. Changes in subjective conditions cannot resolve conflicts alone. Innovative solutions require the alteration of objective realities as well. Furthermore, particularly at the level of elites, conflict often persists not only because of misperceptions and a securitised discourse. In many conflicts, while the populations may suffer from the status quo, their leaderships have vested interests in them. Leaders may be relatively content with a stalemate, and as such they will lack the political will to reach an agreement. In such cases, it is imperative for third parties to cultivate ripeness by altering objective realities that would induce the top-level to settle.

The need to cultivate ripeness through a variety of third party activities appears particularly relevant in the case of Cyprus. In the light of stalemate, the potential roles of the UN and the EU were highly complementary. The UN pure mediators could facilitate negotiations and propose solutions that satisfied the parties' BHN, not least by accounting for the specific advantages provided by EU accession. EU actors instead, in the framework of accession, could have made careful conditional use of their sticks and carrots to raise the incentives of the principal parties to converge on the UN's proposals. These third party roles could have been complemented further by grass-root bi-communal activities, aimed at preparing the ground for reunification by re-conceptualising relations and building inter-communal trust. However, EU-UN complementarity rested on both the UN and the EU acting collectively and coherently, and on the smooth and close contact between the two.

# 6) Re-conceptualising principal mediation

But how exactly could the EU accession process have altered positively the context of the Cyprus conflict? What kind of policies could EU actors have adopted to increase incentives for a solution? Could these policies have generated ripeness in a manner that would have encouraged an integrative solution satisfying the parties' BHN; a solution mediated by the UN and fostered by private grass-root initiatives?

Theory cannot give precise answers to these questions. It can only provide rough guidelines concerning the aims and methods of third party activities. Principal mediation can be useful at particular stages of a conflict, it can cultivate ripeness and the political will to settle. Yet not all principal mediation aiming to reach a settlement is conducive to conflict resolution and transformation. It is not necessarily desirable to use any conditional threat or promise to create political will. This was Roger Fisher's well-articulated critique of Henry Kissinger's role as mediator following the 1973 Arab-Israeli war.<sup>67</sup> Kissinger used all conditional carrots that were readily available to yield an already likely agreement between Egypt and Israel. He effectively engaged in direct negotiations with Israel, buying concessions from the latter by offering significant military aid. Israel's objective became to reap the

maximum military and economic assistance from the US rather than to achieve peace with Egypt. Kissinger succeeded in his short-term aim, but paid little service to the deeper aim of conflict transformation and resolution in the region. On the contrary, he militarised the region further, hindering peacemaking and preparing the ground for subsequent wars.

Creating political will and enlarging the pie in order to facilitate its carving-up can thus be highly detrimental in the long-term. Principal mediation is complementary to conflict resolution efforts if it motivates without coercing the parties to settle and if it increases incentives to engage in peaceful change (rather than to reap unrelated gains). Furthermore, principal mediation should employ (conditional or non-conditional) resources to facilitate the search for adequate satisfiers, which are not mere compromises, but which address BHN and set out the mechanisms for conflict transformation. The incentives provided must strive to address the roots of conflict. By doing so, third party efforts contribute to solutions which are complete, acceptable for all, innovative, uncoerced and thus self-supporting and not vulnerable to future 'unripening' situations. The solutions must include the appropriate structures to satisfy the parties' fundamental needs. Only in such instances would principal mediation facilitate integrative solutions paving the way for conflict transformation and resolution.

In the case of Cyprus, did EU actors do the most to present additional frameworks and resources which could have facilitated the search for alternative satisfiers and thus an integrative agreement on the island? Or did they overemphasise the potential effect of conditional threats and carrots that were only indirectly related to the issues at stake in the conflict and thus to its potential settlement and resolution?

# 7) Chapter outline and methodology

Having reviewed the principal theoretical tools used in this thesis, let us conclude with a brief exposition of the structure and method of this research. Chapter 2 introduces the main actors in this study, including both the principal parties and the

third party actors in the conflict. While the main body of the thesis is devoted to the analysis of the interaction between these actors, Chapter 2 provides the background of the nature of these players and their changing interests and positions over time.

Chapter 3 presents a historical review of the conflict from the 1930s to 1988, when Cyprus and the EC launched a political dialogue. The Chapter recounts the views and actions of the principal parties and the most relevant external actors over the decades. Rather than attempting an explanation of the conflict as such, Chapter 3 seeks to highlight the principal reasons for its enduring stalemate. It argues that particularly since 1974, failure to reach an agreement was due to the relatively high BATNA of the principal parties, particularly as perceived by their leaderships. The persisting stalemate was also driven by the formulation of absolute and mutually incompatible satisfiers, centred on notions of absolute sovereignty and statehood.

Chapters 4 and 5 argue that up until late 2001, EU-Cyprus-Turkey relations in the context of enlargement affected critically and negatively the evolution of the conflict. The changes in the rhetoric and the actions of the principal parties and the Turkish and Turkish Cypriot sides in particular were directly linked to developments in relations with the EU. The expectation in the 'catalyst' argument was that by offering conditional sticks and carrots to Turkey and the Turkish Cypriots, the accession process would trigger a settlement. Yet the nature of the carrots and sticks offered and the manner in which they were conditionally offered, had counterproductive effects on the dynamics of the conflict. Rather than aiding the search for alternative satisfiers, the accession process contributed to entrench Turkish Cypriot positions. Furthermore in its policies of conditionality, EU actors neglected or underestimated the extent to which Greek Cypriot positions and their interpretation of EU membership also hindered the peace process by raising the perceived Greek Cypriot BATNA, without inducing a re-conceptualisation of traditional satisfiers. These two Chapters also analyse the re-launch of the peace process in 2002-3 until its failure in The Hague in March 2003. To what extent had the factors inducing a deterioration of the conflict over the 1990s been reversed by 2002?

This argument is supported by private interviews in Brussels, Ankara and Istanbul, Athens, New York, London and Nicosia (both sides of the green line) as well as official documents and public statements. <sup>69</sup> Interviewees included predominantly politicians, diplomats and civil servants, as well as local journalists, academics, civil society leaders and businessmen. The interviews were carried out over three years (2000-2003) in recurrent visits to all of the above mentioned locations. They included representatives from both communities in Cyprus, Greece and Turkey, the Commission, the United Kingdom and other EU member governments, the UN Secretariat and the US. The evidence extrapolated seeks to uncover the effect of EU policies on the evolving stances of the principal parties over the course of the accession process. It also focuses on the effects of EU policies on the different players within the broad categories of 'Greece', 'Greek Cypriots', 'Turkey' and 'Turkish Cypriots'; and on how policies affected the relative balance between different views and their representatives in society.

But did the expected 'catalytic effect' fail because it was based on a misguided strategy? Or did it rather fail because of the absence of a coherent EU strategy based on a collective analysis of the expected responses of the principal parties? The catalytic effect rested on the assumption that the 'EU', not unlike a principal mediator, would alter the incentives underlying conflict. Yet the EU did not (and perhaps could not) act as a single and coherent actor. Chapter 6 explores the factors that determined EU actions or inactions towards the conflict. What was the role and relative importance of member state interests or lack of interests, institutional settings and external factors in determining the EU's 'default strategy' towards the conflict and EU accession? The hypothesis examined is that that policies were the product of the complex inter-relationship between internal EU factors and external developments and expectations. These factors predominantly interacted by reinforcing each other over the course of the 1990s, and as such crystallising the Union's 'non-strategy' towards Cyprus. Only by the turn of the century did countervailing forces operating in a constructive direction begin to have some impact on EU policies. The slow yet present transformation or 'Europeanisation' of member state Greece is viewed as particularly important in this respect.

The Chapter is structured around the main themes which emerge in the literature on European foreign policy. Considerable attention is devoted to the role and interests of member states and their mode of interaction, the role of European institutions and the impact of external factors. This structure is applied to the Cyprus case study by relying to a large extent on interviews conducted primarily in Brussels (in both the Commission, the European Parliament and member state permanent representations), Athens and London as well as public statements and official documentation. These interviews seek to uncover the positions (or non-positions) of the different EU actors and the manner in which they interacted to yield the overall EU policy outputs.

But could the EU framework in the context of accession have positively affected conflict resolution efforts? Chapter 7 analyses whether and what the EU framework, with its institutions and policies, could have offered to alter the dynamics of the conflict and the structures within which conflict resolution was sought. Could the prospect of accession to a multi-tier system of governance have increased the incentives of the principal parties to reach a mutually agreed solution? Were the Turkish and Turkish Cypriot sides (as the parties sceptical of EU membership) aware of these realities? Could the EU framework have accommodated the concerns deriving from Turkey's exclusion from the Union?

Given the hypothetical nature of this question only a tentative answer can be attempted. Bearing in mind the negotiating positions of the principal parties (before the launch of the accession process), Chapter 7 assesses the literature on EU multilevel governance and the experience of federal member states within the Union. To what extent could the EU framework have helped to mitigate the differences between the parties? These questions were explored in interviews with current and former negotiators on both sides of the green line, in Greece and Turkey. New evidence was provided by the 2002 UN 'Annan Plan', which included several of the aspects discussed in Chapter 7, and to which negotiators formalised their reactions to. Also equally important was whether and how EU actors could have contributed positively to peace efforts by exposing the parties to these innovative features of the EU

framework. Could different EU policies have affected the parties' perceptions of the Union and subsequently of the desirability of a settlement within it?

By way of conclusion, Chapter 8 attempts to insert the findings of this study within the context provided both by the conflict and peace literatures reviewed in this Chapter and by the literature on EU foreign policy. What do the conclusions drawn in this study tell us about the formulation and conduct of European foreign policy and in particular about the 'EU' as a third party actor in ethno-political conflicts? One of the most interesting lessons drawn is that when faced with a typical foreign policy problem such as an ethno-political conflict, a traditional state actor is often far more effective at mobilising its resources, given the greater simplicity in its policy-making process. The complexity of a multi-level framework, like that of the EU, instead creates critical obstacles in effective external action. Yet the resources offered by a non-nation state framework are precisely those which created the potential for a win-win agreement in Cyprus. In other words, while being potentially of greater value, the EU's framework cannot be easily exported through coherent and persistent external action *because* of its very nature.

Former Turkish ambassador, Istanbul, May 2002

<sup>&</sup>lt;sup>2</sup> Commission of the EC (1993) paragraph 46

<sup>&</sup>lt;sup>3</sup> Ministry of Foreign Affairs: Foreign Policy, Greece, Greek-Turkish relations, Cyprus Issue on www.mfa.gr (18/04/1996) p.3

<sup>&</sup>lt;sup>4</sup> Commission of the EC (1997a)

<sup>&</sup>lt;sup>5</sup> European Council (1997) paragraph 28

<sup>&</sup>lt;sup>6</sup> European Council (1999) paragraph 8(b)

<sup>&</sup>lt;sup>7</sup> The term 'europartition' was used by AKEL leader Demetrios Christofias, quoted in 'Terrible Dilemmas in 2002- Christofias' *Cyprus Weekly* 08/01/02

<sup>&</sup>lt;sup>8</sup> Robert Putnam (1988)

<sup>&</sup>lt;sup>9</sup> Fred Charles Iklé (1964)

<sup>&</sup>lt;sup>10</sup> Fred Charles Iklé (1964) p.2

<sup>11</sup> William Zartman and Maureen R. Berman (1982)

<sup>12</sup> Roger Fisher and William Ury (1991)

<sup>&</sup>lt;sup>13</sup> Arthur Lall (1966); Fred Charles Iklé (1964) and Glenn H. Snyder and Paul Diesing (1977)

<sup>&</sup>lt;sup>14</sup> William Mark Habeeb (1988)

<sup>&</sup>lt;sup>15</sup> Roger Fisher and William Ury (1991)

<sup>&</sup>lt;sup>16</sup> Roger Fisher and William Ury (1991) p.106

<sup>&</sup>lt;sup>17</sup> Terrence Hopmann (1996)

<sup>&</sup>lt;sup>18</sup> Jacob Bercovitch 'The structure and diversity of mediation in international relations' in Jacob Bercovitch and Jeffrey Z. Rubin (1992) pp.1-29, p.7

<sup>&</sup>lt;sup>19</sup> Arthur Lall (1966) p.12

<sup>&</sup>lt;sup>20</sup> Saadia Touval and William Zartman 'Mediation in International Conflict' in Kenneth Kressel, Dean G. Pruitt and Associates (1989) pp.115-137

<sup>21</sup> Thomas Princen (1992)

<sup>22</sup> Oran Young (1968)

- <sup>23</sup> Paul Lederach and Paul Wehr 'Mediating Conflict in Central America' in Jacob Bercovitch (ed.) (1996) pp.55-74
- <sup>24</sup> Saadia Touval and William Zartman 'Mediation in International Conflict' in Kenneth Kressel, Dean G. Pruitt and Associates (1989) pp.115-137, p.122

<sup>25</sup> Thomas Princen (1992)

<sup>26</sup> Adam Curle (1986) pp.11-12

<sup>27</sup> Saadia Touval and I William Zartman (eds.) (1985)

<sup>28</sup> It is interesting to note that at the 2002 Copenhagen Council the Greek government by defending the more moderate approach of the Greek Cypriot leadership, contributed to quelling opposition voices challenging President Clerides of wanting to 'sell Cyprus'.

<sup>29</sup> Arthur Lall (1966) p.150

- <sup>30</sup> I.William Zartman (1989)
- <sup>31</sup> Saadia Touval and William Zartman 'Mediation in International Conflict' in Kenneth Kressel, Dean G. Pruitt and Associates (1989) pp.115-137, p.129

32 Fred Charles Iklé (1964)

- <sup>33</sup> David Cortright 'Incentives and Cooperation in International Affairs' in David Cortright (ed.)
- (1997) pp.3-20<sup>-34</sup> David Cortright 'Incentives and Cooperation in International Affairs' in David Cortright (ed.) (1997) pp.3-20 35 Saadia Touval and I William Zartman (eds.) (1985)

<sup>36</sup> Dean G.Pruitt (1969)

<sup>37</sup> Saadia Touval and William Zartman 'Mediation in International Conflict' in Kenneth Kressel, Dean G. Pruitt and Associates (1989) pp.115-137, p.125

38 Richard N. Haass (1988)

- <sup>39</sup> Oran Young (1968) and William Zartman and Johannes Aurik 'Power strategies in de-escalation' in Louis Kriesberg and Stuart J. Thorson (eds.) (1991) pp.152-181
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<sup>42</sup> William Zartman and Johannes Aurik 'Power strategies in de-escalation' in Louis Kriesberg and Stuart J Thorson (eds.) (1991) pp.152-181, p.181

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<sup>50</sup> John Burton 'Unfinished Business in conflict resolution' in John Burton and Frank Dukes (eds.)

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51 Herbert C. Kelman 'Social-Psychological Dimensions of International Conflict' in I.William Zartman and J.Lewis Rasmussen (eds.) (1997) pp.191-237 and Loraleigh Keashley and Ronald Fisher 'A contingency perspective on conflict interventions: theoretical and practical considerations' in Jacob Bercovitch (ed.) (1996) pp.235-261

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- 54 Ronald J Fisher (1972)
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68 Christopher Mitchell 'Necessitous Man and conflict resolution: More Basic Questions about Human Needs Theory' in John Burton (ed.) (1990) pp.149-176

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#### Chapter 2

# The actors in the Cyprus conflict

This Chapter introduces the main actors in this study, including both the principal parties to the conflict and the main external players. In doing so, it will analyse the nature of these actors, as well as their respective positions concerning or affecting the conflict. In the case of Cyprus, the Greek and Turkish Cypriot communities, Greece and Turkey were the principal parties to the conflict. The interests of Turkey and the Turkish Cypriots on the one hand and Greece and the Greek Cypriots on the other, largely although not entirely overlapped. As such, although it would be inappropriate to refer to four separate and independent sides to the conflict, the differences in the positions of the communities and their respective 'motherlands' must be accounted for. The main external players were the 'EU', the US and the UN. The UN Secretariat was the official mediator in the conflict since the outbreak of intercommunal violence in 1963-4. The US, as global superpower and UN Security Council member affected the dynamics of the conflict, both through its relations with Turkey and through its role in conflict resolution efforts. Most critically, this Chapter attempts to discern the different actors within the EU, whose positions or neglect shaped EU policy towards the region. In this respect, the roles of member states Britain and Greece are particularly relevant, together with the passivity of the other member states. The interaction between these positions in turn determined the role of EU institutions, and the Commission in particular.

#### 1) The Greek Cypriot community: players and positions

The Greek Cypriots seek the reunification of Cyprus and the prevention of secession of northern Cyprus, or its annexation to Turkey. In other words, they seek, as much as possible, a restoration of the status quo ante, i.e., that pertaining before the 1974 partition of the island. Within a reunified island, the Greek Cypriots call for a fair and fully functioning arrangement in terms of territorial distribution and government structures. Most Greek Cypriots accept that the Turkish Cypriots would be granted

more than minority rights. However, the vast majority rejects an interpretation of the 'political equality' between the two communities, as meaning the full numerical equality between the Greek Cypriot majority and the Turkish Cypriot minority (in 1960, the demographic balance was approximately 82:18). The Greek Cypriots also insist on the liberalisation of the 'three freedoms', i.e., the freedom of movement, settlement and property. They also call for the recognition and implementation of the right of return of displaced persons. Finally, they demand security arrangements guaranteeing Cyprus against Turkish expansionism and aggression. However, while most Greek Cypriots share these basic aims, there is a wide array of political views in southern Cyprus.

Nationalism within the Greek Cypriot community, and subsequently positions on the conflict, historically took two different forms: Hellenocentrism or Greek Cypriot nationalism and Cyprocentrism, or Cypriot nationalism. Greek Cypriot nationalists emphasised notions of Greekness in the Cypriot identity and up until the 1974 partition, they gathered around the banner of *enosis*, i.e., union between Greece and Cyprus. Since 1974, Greek Cypriot nationalists, while no longer advocating *enosis*, emphasised the Greekness of Cyprus in the context of an independent Republic that would be organically linked to Greece. Variants of this political ideology were espoused by the moderate right (DISY and DIKO) and extreme right (New Horizons) as well as the socialists (EDEK/KISOS) and the Greek Orthodox Church.

On the other side of the political spectrum, Cypriot nationalists emphasised the *sui generis* nature of the Cypriot identity, shared by both Greek and Turkish Cypriots, as well as the de-ethnicised or civic elements of identity based on common economic, social and political interests. Their political ideology essentially emerged after 1974. They imagined a shared history of inter-communal coexistence and amity. Turks, and not Turkish Cypriots, were viewed as 'the enemy'. Cypriot nationalists strongly supported the reunification of Cyprus and its independence from external interference. This also included independence from Greece, whose irredentism and ethno-nationalism was seen as partly responsible for the events of 1974. Since 1974,

variants of Cypriot nationalism were espoused by the leftist AKEL as well as by the moderate liberal EDI.

What were the negotiating positions through which the different players in southern Cyprus attempted to attain these aims? Apart from the marginal and extreme rightwing New Horizons and the Orthodox Church, after 1974 all political parties in the south accepted the principle of a federal settlement. However, most Greek Cypriot nationalists considered a federation as a major concession made in view of the skewed balance of power in the region in favour of Turkey. A federation was not viewed as just; it was simply considered necessary to secure a 'realistic' outcome.<sup>2</sup> As such, the differences between the positions of 'Hellenocentric' exponents were more due to different assessments of what could be realistically achieved. They were not clear-cut differences in political ideology towards a settlement. As argued by Stavrinides: 'probably only people of strong Cyprocentric tendency feel comfortable with the idea of a compromise settlement, because they see it not only as realistic but also as fair'.<sup>3</sup>

Successive Greek Cypriot governments accepted the concept of a bi-communal and bi-zonal federation in the aftermath of 1974. Yet while accepting the idea of a federation, the Greek Cypriot leadership had in mind a specific federal solution. The federation would be tightly integrated, the territory of the northern province would be significantly reduced, the freedoms to move, settle and acquire property would be respected throughout the island and the security of the federation would be guaranteed from all unilateral interventions. As argued by Mavratsas, although the leadership officially embraced the notion of a federation: 'with a closer look, one realizes that emphasis upon the alleged Greekness of the island certainly contradicts the idea of federation and the ethnic coexistence that it implies, and may lead one to question the sincerity of its official acceptance by the Greek Cypriots'.<sup>4</sup>

Another important qualification is the potential or actual difference between the views of the Greek Cypriot public and its leaderships. Since 1974, the Greek Cypriot public has been persuaded by its governments, civil society and media elites, of the

moral and legal superiority of the Greek Cypriot cause. The political class never invested in arguing to the public the need, let alone the desirability, of a true compromise solution with the Turkish Cypriots.<sup>5</sup> As such, the differences between the demands of the leaders and the public's expectations have been stark, particularly when past leaderships appeared more willing to make the necessary compromises to reach a negotiated agreement. The electoral defeats of moderate George Vassiliou in 1993 to (then) more hard-line Glafcos Clerides, or the 2003 defeat of Clerides to the tougher Tassos Papadopoulos are both cases in point.

In what follows we shall review the positions of the Greek Cypriot leadership during the late 1980s and early 1990s as presented in their 1989 federal proposals and their reactions to UN Secretary General Boutros Ghali's 'Set of Ideas' in 1992. On the constitution, the Greek Cypriot side insisted that a federation would be established through the dis-aggregation of the existing Republic of Cyprus (RoC) and thus the reintegration of the Turkish Cypriot community into the state structures. Any other solution, including the establishment of a new state, would have entailed the recognition of the self-declared Turkish Republic of Northern Cyprus (TRNC). The State of Cyprus would represent all Cypriots and have single sovereignty, international personality and citizenship. The federated entities would have limited powers and would not enjoy sovereignty as such.

In the 1989 proposals, the Greek Cypriot side accepted the idea of political equality. There would be a Greek Cypriot President and a Turkish Cypriot Vice-President. In the Council of ten Ministers there would be three Turkish Cypriot Ministers. In the Supreme Court there would be an equal number of Greek and Turkish Cypriots. There would be a bi-cameral legislature in which the upper house would represent the equality of the two provinces and the lower house would represent the equality of all citizens. However, when compared to the UN's positions, let alone to the Turkish Cypriot positions, the Greek Cypriot side espoused a narrow meaning of political equality. Bi-communal participation was accepted to the extent that it would not hinder the unity and workability of the state, and it would reflect the demographic balance. Hence, elections would not be based on separate electoral rolls but on a

single unified list. Legislative and executive decisions would be taken largely on the basis of majority vote. There would be concurrent powers shared by the federal level and the provinces, effectively increasing the potential for hierarchical relations between the two levels of government. The Greek Cypriot side held that political equality would be guaranteed by establishing a 'symmetric' federation, i.e., the two provinces would have identical powers. Yet the competences reserved to the provinces were limited to welfare, religion, personal status, education and culture. These were the same competences that the 1960 Constitution had reserved to the separate communal chambers.

The fundamental difference in the Greek Cypriot positions after 1974 therefore appeared to be in their acceptance of a territorially based federation, i.e., the acceptance of bi-zonality. The leadership accepted that the Turkish Cypriot northern province would exceed the 1960 population and land ownership share of the Turkish Cypriots (18.5% of the population and approximately the same percentage in land ownership). Nevertheless, they expected a considerable reduction in the territory controlled by the Turkish Cypriots (37% of the island, including over 50% of the coastline). Territorial readjustments would also allow Greek Cypriot displaced persons to return to their properties under Greek Cypriot administration. In 1992, the leadership accepted the Ghali 'map' as a basis for discussion. This map provided for a reduction of northern Cyprus to 28% of the land, returning Morphou (western coast) and Varosha (eastern coast) to Greek Cypriot control. Figures privately mentioned by Greek Cypriot officials ranged from 28% to 24%.

However, while accepting the concept of bi-zonality, the Greek Cypriot leadership called for the full respect of individual rights and freedoms. All Greek Cypriot displaced persons should be allowed to exercise their right of return to northern Cyprus and receive compensation only if they chose to renounce their former properties. Property exchange was rejected given the disparity in the values of Greek and Turkish Cypriot property and the denial of the right of return that it entailed. At most, the leadership was prepared to discuss a gradual implementation of these rights due to 'practical difficulties'. Apart from the right of return, the 'three freedoms' of

movement, settlement and property should be fully liberalised. In practice and over time, this would erode if not eliminate the principle of bi-zonality.

On security questions, the Greek Cypriot side proposed a demilitarisation of the island. This would include the withdrawal of all foreign troops, and most notably the 35,000-45,000 Turkish troops stationed in northern Cyprus. There would be no unilateral rights of intervention, preventing a repeat of the Turkish attack of 1974. On the contrary, there would be international guarantees against foreign intervention. In the 1989 proposals, the Greek Cypriot side also called for the withdrawal of all Turkish settlers from northern Cyprus and their repatriation to Turkey. The settlers were considered a security threat, given they 'artificially' altered the demographic balance on the island and harmed its 'Cypriot' identity.

Finally, turning to the question of EU accession, full membership has enjoyed the overwhelming support of both the public and the political class in southern Cyprus throughout the 1990s. When in 1988 the PASOK government in Greece attempted to persuade the Greek Cypriot government to apply to full membership, the latter refused. In 1988, President George Vassiliou was in power with the leftist party AKEL, which rejected full membership both due to the economic liberalisation and the abandonment of the non-aligned movement that it entailed. In addition, Vassiliou was tempted by the idea of transforming Cyprus in the 'Singapore' of the Mediterranean, profiting from its lucrative offshore financial sector. By 1990, all political parties along the Hellenocentric-Cyprocentric and left-right political spectrums endorsed the goal of full membership. The vast majority of the public shared the same views, with opinion polls constantly reporting over 80% support for EU membership throughout the 1990s and 2000s. The following Chapters will delve into the reasons for this overwhelming support.

## 2) The Turkish Cypriot community: players and positions

The Turkish Cypriots seek political equality with and prevention of domination of the larger Greek Cypriot community. They also call for the highest degree of selfrule and physical separation from the Greek Cypriots (at least for a limited period in time). They call for Turkey's involvement in Cyprus' security, in view of their underlying mistrust of other foreign involvement. However, beyond these general basic aims, there are wide divisions within northern Cyprus. The Turkish Cypriots are divided between the nationalist camp, that has consistently been in power under the leadership of Rauf Denktaş, and the minority centre-left opposition, which in recent years has embraced also the liberal business community and many civil society groups.

The nationalist camp emphasizes the ethnic differences between Greeks and Turks and the impossibility of the two communities to live together. It equally stresses the commonality between Turkish Cypriots and Turks and the organic links between the Turkish Cypriot community and 'motherland' Turkey. According to the nationalists, there are no Cypriots as such, other than the wild donkeys in the Karpass peninsula, as sarcastically put by Rauf Denktas. The history of 1963-1974, i.e., when the 1960 constitutional arrangements collapsed and ethnic violence erupted on the island, is flagged both as evidence of the endemic incompatibility between Greeks and Turks, as well as the justification for rejecting an integrated federal solution. The 1974 Turkish military intervention is considered as irrefutable proof that the Turkish Cypriots need, and only need, Turkish guarantees for their security. Many critics of the regime doubt whether the nationalist camp is genuinely committed to a federal solution. They argue that the regime is content to preserve the status quo, in which the Turks and Turkish Cypriots de facto accomplished their historic goal of taksim, or partition, by controlling 37% of the island's territory. Aside from President Denktas, the two major parties in the nationalist camp are the National Union Party (UBP) led by current Prime Minister Derviş Eroğlu and the Democrat Party (DP) led by Salih Coşar and Serder Denktaş. As Table 1 shows, the UBP and DP have consistently won the lion's share of the vote since 1976. Since partition, Rauf Denktaş has been the leader of the Turkish Cypriot community and of the de facto state in the north.

The centre-left opposition and large sectors of civil society, while recognising the important differences between Greek and Turkish Cypriots, equally emphasise the differences between Turks and Turkish Cypriots. As such, they oppose the immigration of mainland Turks to the north, arguing that the different political, cultural and economic background of the immigrants, 'dilute' the Turkish Cypriot identity of the north. The opposition, while sharing the same understanding of the leadership of the community's basic aims, is generally more flexible about its chosen satisfiers. It argues that Turkish Cypriot aims could be achieved within the confines of a federal settlement. A federation would guarantee maximum Turkish Cypriot self-government and minimum interference of both Greek Cypriots and Turkey from internal Turkish Cypriot affairs. The two main parties on the centre left are the Communal Liberation Party (TKP) led by Mustafa Akinci and the Republican Party (CTP) led by Mehmet Ali Talat. Further left, there is also the marginal New Cyprus Party (YKP) founded by Alpay Durduran and currently led by Izzet Izcan.

Table 1: Election results in northern Cyprus

	1976/06	1981/06	1985/06	1990/05	1993/12	1998/12	2000/05
UBP	30	18	24	34	17	24	23
DP					15	13	11
TKP	2	13	10	16	5	7	11
CTP	6	6	12		13	6	6
YDP			4				
DHP	2	2					
TBP		1					
YKP							

Before analysing the negotiating positions of the Turkish Cypriot leadership, two important provisos need to be borne in mind. First is the degree of independence of the Turkish Cypriot regime from the Turkish establishment. The nationalist camp, and Rauf Denktaş in particular, has enjoyed extremely close links with the Turkish establishment, which in Cyprus is embodied by the Turkish military and the Turkish

embassy. The Turkish Cypriot government would not take any key decisions without Ankara's consent. Particularly in view of the non-recognised status of the TRNC, the latter could not survive without Turkey's political and economic support. However, it would be mistaken to view Rauf Denktaş merely as a puppet in Ankara's hands. The Turkish Cypriot leader, having retained power longer than any Turkish politician, enjoys considerable support and respect in Turkey, particularly amongst the military and the nationalist right and left wing circles. Furthermore, to the extent that Denktaş shares similar views with Turkish nationalists, the key question becomes not so much one of relative influence, but rather one of relative strength between the nationalist and the progressive forces in Turkey and northern Cyprus incorporated. In this respect, Denktaş adds much weight to the strength of the former against the latter.

Second, is the degree of representativeness of the Turkish Cypriot leadership. Up until and including the 2000 elections, presidential and legislative elections consistently brought to power exponents of the nationalist camp. While the proper functioning of the democratic process in northern Cyprus may be debated, up until recently there had been rare expressions of public discontent against the regime in the north. This dramatically changed in recent years, in particular with the widespread disapproval of Rauf Denktaş's tough stance in negotiations, evident in the mass demonstrations in northern Nicosia during the winter of 2002-3.

With these important provisos in mind, let us turn to the negotiating positions of the leadership since 1974. This section focuses on the Turkish Cypriot reactions to the 1989 Greek Cypriot proposals and to the 1992 Ghali Ideas. Over the course of the 1990s Turkish Cypriot positions changed, in particular with the rejection of a federal settlement in favour of a confederal solution in 1998. But in so far as these changes were linked to the ongoing EU accession process, discussed in the next Chapters, this section presents the negotiating positions before the accession process began.

Beginning with the constitution, the Turkish Cypriots called for separate sovereignty as a means to ensure their political equality. Objecting to the legitimacy of the RoC, the Turkish Cypriot leadership held that a solution should emerge from the 'present

realities' on the island. This meant that the federation would be a new state established by two existing sovereign states. The new state with single international personality would emerge from a transitional government operating under the joint supervision of the two communal leaders, which would then consolidate into a 'new' state through the 'aggregation' of the Greek and Turkish Cypriot separate states.

The Turkish Cypriots called for a loosely federalised Cyprus, in which the federal government would enjoy select sovereign competences to the extent to which these were accorded to it by the sovereign cantons. In other words, the sovereignty of the federal state would emanate from that of the two cantons. Within the federal level, the political equality between the two communities would be institutionalised through the greatest possible numerical equality, rotation and unanimity in decisionmaking. Hence, the President and the Vice-President as well as the Foreign Minister, the Governor of the Central Bank and the Minister of Finance would rotate between Greek and Turkish Cypriots. There would be equal numbers of Greek and Turkish Cypriots in the Council of Ministers. The President and Vice-President would have veto powers and the Council would operate on the basis of consensus. Elections would be carried out through separate communal lists. The two federated states would have extensive competences and would be responsible for the implementation of specific federal competences as well. The federated states could also conclude independent international treaties and agreements with third states, as long as these would not contradict the general foreign policy orientation of the federation.

Turning to territory, the leadership accepted the notion of territorial readjustments but objected to the map presented by Boutros Ghali in the 'Set of Ideas'. Denktaş stated he was only willing to consider a map entitling the Turkish Cypriot canton to 29+% of the island's territory. The Ghali map was rejected on the grounds that it would displace approximately 37,500 Turkish Cypriots. Denktaş also opposed the idea that Morphou would be returned to the south, on the grounds that the Morphou plains provided the Turkish Cypriots with their main agricultural land and water aquifer.

On questions of rights and freedoms, the leadership agreed on the freedom of movement throughout the island, but objected to the full liberalisation of the freedoms of property and settlement. 10 It argued that security imperatives called for at least temporary restrictions to the inter-mixing of the two communities. As put by Denktaş: 'we are not saying that no Greek Cypriot can come and live among us. In time that should be possible...this is a security precaution and a measure to prevent us from becoming a minority once again'. 11 The leadership therefore demanded that for those Greek Cypriots who wished to settle and acquire property in the north, there should be a 'moratorium' of time after which their applications would be considered. Following the moratorium, there would be a 'ceiling' of Greek Cypriots allowed to settle in the north. Return would also be regulated by specific provisions. For example, individuals would not be allowed to return to their properties if these properties were occupied by homeless or displaced persons, if they had been altered or converted to public use, if they were occupied by 'war veterans', or if they were located in potential 'hotspots'. Property claims from 1963 to 1974 would then be settled on the basis of global communal exchange between the two cantons and compensation for refugees based on the current value of their lost properties.

The leadership supported a retention of the 1959 Treaties of Guarantee and Alliance. It viewed with scepticism Greek Cypriot proposals for demilitarisation, and insisted on the retention of Turkish forces in Cyprus. It also emphasised the need for an external balance between Greece and Turkey. As such, it opposed membership of nternational organisations unless both Greece and Turkey also participated.

Connected to this, the leadership was highly sceptical of Cyprus' accession. Both the President and the two nationalist parties, reasoning according to a strictly realist ogic, accepted EU membership as an objective in theory, but only following a settlement which would define the status of the Turkish Cypriots, and following Turkey's own membership which would retain the external balance of power. The opposition parties, the business community and a large section of the population held lifferent views. Both TKP and CTP actively campaigned for EU membership before Turkey if necessary but after a settlement. Only the marginal YKP supported EU

membership irrespective of a settlement.<sup>12</sup> Dominant civil society groups also supported EU membership after a solution, including both unions (such as the confederation of employee unions TURK-SEN and teachers' union KTOS and KTOES) and the business community (KKTC IŞAD). Opinion polls also revealed a high, qualified support for EU membership. A 1997 poll showed that 94.5% of Turkish Cypriot supported membership. However an overwhelming majority of these supporters only preferred accession either after a solution (42%), or together with Turkey (42%).<sup>13</sup> These results changed dramatically in 2003, when 77.4% supported membership after a solution, but only 18.7% supported membership together with Turkey.<sup>14</sup>

## 3) Turkey: players and positions

Other than supporting the Turkish Cypriots, Turkey has specific security concerns which go beyond the welfare of the Turkish Cypriot community. Turkey supports the political equality of the Turkish Cypriots, it calls for a balance between the roles of Greece and Turkey in the Eastern Mediterranean, and demands a role in Cyprus' security arrangements.

Lying behind Turkey's views on Cyprus is the 'Sevres syndrome' still prevalent in Turkey's political and security culture. Unrealistic as it may seem, the large majority of Turkish policy-makers are suspicious that European powers, in the legacy of the Sevres Treaty after World War I, are inclined to dismember Turkey by collaborating with hostile neighbours, such as Greece. As such, preventing Cyprus from falling into Greek hands, and thus becoming the 'dagger' pointing at the Turkish mainland is considered an utmost priority. Cyprus is described as a natural 'aircraft carrier' or 'control tower' protecting Turkey against hostile Greek designs.<sup>15</sup>

While the Turkish establishment unanimously views Cyprus as key to Turkish security, the same unanimity of opinion does not exist when it comes to the European Union and EU membership. Again, this lack of unanimity is linked to the existence of the 'Sevres syndrome' and the underlying mistrust of European countries and their

intentions. To the extent that Turkish policy-makers view the Union as being inherently hostile to Turkey, Cyprus' full membership before Turkey is considered as 'losing Cyprus'.<sup>16</sup>

Regarding Turkey's own EU membership, views are even more complex. Prior to the effective launch of Turkey's accession process in 1999, all Turkish officials could easily pay lip-service to the goal of membership. Since then, Ankara has been called to prove that it is equally committed to EU membership as it is to the fulfilment of the Copenhagen criteria. Indeed, as European demands for reform rose, so did resistance against change in Ankara. Effective opposition to EU membership, or rather the reforms necessary to attain it, was high amongst the nationalist right and the nationalist left, and existed in both the civilian and the military establishments. Some right wing nationalists preferred to establish closer links to Turkic Eurasia than see Turkey's full integration with Western Europe. Others, such as National Security Council (MGK) Secretary General Tuncer Kilinç hinted at alternatives such as Russia and Iran.<sup>17</sup> Traditional Kemalists in the political and military establishments objected to the erosion of sovereignty entailed in the renunciation of important competences to 'Brussels'. Others were more inclined to pursue Turkey's Western orientations through closer ties with the US, that unlike the EU, was far readier to recognise Turkey's strategic importance and place less emphasis on domestic reforms. For example, MHP leader Devlet Bahceli argued that 'we need to have a just and honourable relationship with the EU. We strongly oppose the notion that we should fulfil every demand of the EU to become a member or we have to enter the EU at any cost'. 18 National pride was used a major weapon, as Eurosceptics accused Europhiles of displaying a 'lack of confidence in the nation, the Republic, the institutions, ... everything called Turkish'. 19

Determining the relative strength of these underlying anti-EU forces in Turkey is beyond the scope of this Chapter. It remains unclear whether pro or anti-EU forces in Turkey will gain the upper hand, and the way in which their relative strengths will fluctuate over time. Nevertheless, suffice it to say that anti-EU forces in Turkey exist and overlap with the most intransigent voices on the Cyprus conflict. To these actors,

Turkey's EU accession process has been viewed as a threat to Turkey's Cyprus policy. Furthermore, an intransigent position on Cyprus has added another obstacle in Turkey's EU path, dampening the momentum for what some viewed as threatening domestic reforms. In other words, a non-solution in Cyprus has been viewed perversely more as an externally given opportunity to cool down Turkey-EU relations, than as a threat to Turkey's foreign policy goals. Hence, Brewin's remark: 'the nationalist and fundamentalist opponents of Turkey's EU candidature and of coexistence with Greece are bound to focus on the Cyprus issue as a means of stirring populist discontent against Turkey's alignment with Europe and against neighbourly relations with Greece'.<sup>20</sup>

#### 4) Greece: players and positions

Greece's position in the Cyprus-Greece-Turkey-EU quadrangle is highly complex, due to its double role as principal party to the conflict, and a member state of the EU, influencing EU policies towards Cyprus and Turkey.

From 1974 to 1981, following the restoration of democracy in Greece, Prime Minister Constantine Karamanlis (New Democracy) took a low profile on Cyprus and concentrated on Greece's accession to the EC. The post-1974 New Democracy doctrine was 'Cyprus decides, Greece supports'. <sup>21</sup> Cyprus was no longer considered a direct Greek foreign policy problem. All ambitions of *enosis* evaporated with the collapse of the Greek junta. Furthermore, the government believed that the partition of the island was *de facto* irreversible, both due to the skewed military balance between Greece and Turkey, and because of the unwillingness of Western powers to actively promote a reversal of the status quo. As such the Greek government simply supported the inter-communal talks on the island. At the same time, the Greek government pursued vigorously its EC accession between 1975 and 1981. In doing so, its logic was primarily security driven. Following the war of 1974 and the collapse of the military junta, Karamanlis was determined to protect Greek security interests both by consolidating the nascent democracy and by enveloping it into the

western security system. The reactivation of Greece's NATO membership and Greece's entry in the EC were the means to achieve these aims.<sup>22</sup>

With the election of Andreas Papandreou's socialist PASOK in November 1981 both logics were seriously questioned. In 1981 PASOK represented an extreme form of populist catch-all party thriving on a nationalist, anti-western, anti-capitalist and anti-imperialist rhetoric. Its foreign policy language was highly ideological, and as such not amenable to negotiation and compromise. In terms of its Cyprus policy, the government pursued an aggressive internationalisation strategy as a means to restore the status quo ante on the island. Internationalisation was pursued primarily within the framework of the UN, where Papandreou sought the international denunciation of Turkish policies and the Turkish Cypriot 'illegal pseudo state'. The government also pressed for the EC's condemnation of Turkey and used its relative advantage as EC member state to block financial aid to Turkey.

PASOK exploited the EC framework to advance its national interests and expected solidarity from the Community. Yet the Greek socialists felt no need to show solidarity towards it. Its problems within the EC were of two different orders. First, PASOK was ideologically sceptical of European integration, viewing it as a western capitalist project subjugated to American imperialism. Second, its strong ideological language contrasted sharply with the mode of EC decision-making, based on intricate bargaining, alliance-building and compromise.<sup>23</sup>

In the 1977 election campaign, Papandreou openly opposed EC membership. In the 1981 campaign, PASOK's tone remained highly polemical, as Papandreou proposed a referendum on the renegotiation of Greece's terms of accession. Although Greeks never voted in a referendum, Papandreou's antagonistic attitude towards the EC persisted. In February 1982, the government sent a memorandum to the Commission demanding a review of the terms of reference for Greece's EC membership. In addition, PASOK openly diverged with the other member states over key foreign policy questions, ranging from the Arab-Israeli conflict to relations with the Soviet Union to, naturally, relations with Turkey. Up until the mid-1980s, Greece made

almost indiscriminate use of its veto power to block consensus in European Political Cooperation (EPC). The most problematic instances of the Greek veto were over the 1981 EC sanctions on Poland and the August 1983 Soviet shooting of the South Korean airliner. PASOK portrayed to the Greek public its intransigent positions as the courageous defence of Greek national interests against the will of the powerful member states. Success was judged by the degree of distinctiveness from others (and subsequent isolation), rather than by the effectiveness of policies. These attitudes led to the poor results of the first Greek Presidency in January-June 1983.<sup>24</sup>

Largely due to economic factors, by 1985-86 PASOK had undergone a significant Uturn in its attitudes towards the EC. By the mid-1980s, Greece was facing acute economic problems with the devaluation of the drachma and quantitative trade restrictions. The economic rescue was coming neither from the Soviet Union nor from the Arab world, but rather from the Community. Following the submission of the Greek memorandum, the Commission disbursed substantial financial assistance in February 1983. In March 1985 with the adoption of the IMF stabilisation programme, Greece received over €2 billion in financial assistance from the Commission through the Integrated Mediterranean Programmes. Moreover, with the southern enlargement of the 1980s, the Community moved towards a greater emphasis on social cohesion in the framework of the 1986 Single European Act. Structural funds and cohesion policy led to a significant net rise in EC financial assistance to Greece, from Ecus 0.6 billion in 1982 to Ecus 2.5 billion in 1992. Consequently, public opinion support for EC membership rose from 38% in 1981 to 73% in 1991. Consequently, public opinion support for EC membership rose from 38% in 1981 to

Political and security considerations also affected PASOK's positions. The rise to power of socialist administrations in southern Europe (i.e., Bettino Craxi in Italy, Francois Mitterand in France, Philipe Gonzalez in Spain and Manuel Soares in Portugal) allowed PASOK to find its place more comfortably in the European family and forge coalitions with member states sharing similar political views and national interests. Furthermore, the weakening of the USSR by the mid 1980s decreased the appeal of the Soviet bloc as a credible alternative to west European integration.

Finally, the rising European attention to security questions, with the 1984 reactivation of the WEU, came at a propitious moment for Greece, given the heightened tensions with Turkey over the Aegean in 1987. Indeed, Greece's ratification of the Maastricht Treaty was made conditional on the WEU's acceptance of its full membership. By the mid-1980s, the vision of the EC as a security community, capable of protecting Greece through political and economic rather than sheer military power, started seeping into PASOK's ideology. Greek vetoes were used more selectively and reserved primarily to EC-Turkey relations.

In the late 1980s, the PASOK government also actively encouraged the accession of Cyprus to the Community. It argued that the accession process should be pursued and completed irrespective of a political settlement. Accession was viewed as the most effective means of internationalising the problem, and thus seeking a more active international and more specifically European involvement in conflict resolution.

PASOK's return to power in 1993, and most critically the replacement of late Andreas Papandreou with moderate Costas Simitis in 1996, marked a fundamental shift in the Greek government's positions with respect to the EU, to Turkey and to EU-Turkey relations. First, the Simitis governments have been outspokenly pro-European, integrationist and multilateralist. Domestically, PASOK was countered by an equally pro-European opposition, led by Costas Karamanlis since March 1997.<sup>27</sup> Second, in 1999 and particularly after the replacement of Theodoros Pangalos with George Papandreou as Foreign Minister, the government's attitudes towards Turkey and EU-Turkey relations radically transformed. Since the summer-autumn of 1999 Greek Foreign Minister Papandreou spearheaded a rapprochement with Turkey, that whilst cautious, is comparable to that of the 1920s between Mustafa Kemal Atatürk and Eleftherios Venizelos. In its attitudes towards Turkey's EU membership, the Greek government also shifted from advocating 'conditional' sticks to pressing for 'conditional' carrots. The days of outright Greek obstructionism in the early 1980s gave way to a complete reversal of Greek attitudes, as Greece became Turkey's principal spokesman in the Union. In August 1999, George Papandreou stated that:

'Greece not only wants to see Turkey in the EU, it wants to be pulling the cart of a European Turkey'.<sup>28</sup> As the following Chapters will argue, by September 2002 this was becoming increasingly the case.

Greece's socialisation into the EU's ethos and mode of operation (or 'europeanisation') was certainly a crucial factor explaining this turnaround in the government's positions. A related explanation suggested by George Papandreou himself was Greece's growing sense of security within the Union. Since 1981, EC/EU membership gradually imbued the Greek state and society with a sense of security which increasingly enabled policy-makers to rationally assess the country's security interests. Greece's interests have always been to engage in gradual rapprochement with its considerably larger and militarily stronger neighbour, and to encourage Turkey's transformation into a country that would no longer pose a threat to Greece. As put by Papandreou 'contrary to popular belief, it is in Greece's interests to see Turkey, at some point, in the EU, fulfilling European standards, rather than having it in continual conflict and tension with the bloc'. But only with the growing maturity of Greek democracy and the sense of reassurance within the European 'security community', was the government able to rationally assess Greek interests and act accordingly.

#### 5) The UK: role and positions

As former colonial power, the role of the UK is intricately linked to developments in Cyprus since the emergence of the conflict in the early 20<sup>th</sup> century. Following the establishment of the Republic of Cyprus, the UK remained involved in the affairs of the island due to its two sovereign military bases of Dhekelia and Akrotiri, its role as guarantor power, and its permanent seat in the UN Security Council. In addition, since the eruption of violence on the island in 1963-4, and particularly in the aftermath of the 1974 partition, the UK has become host to an increasing number of Greek and Turkish Cypriot immigrants.

Since its accession to the EC in 1973, the UK, contrary to Greece, has been of the view that the EC/EU should keep out of the conflict and conflict resolution efforts. The UN Secretariat alone should be responsible for mediation. Notwithstanding, the UK has supported Cyprus' EU membership, particularly since the mid-1990s. Its positions were driven by a set of overlapping considerations. The UK Foreign Office appreciated the problems involved in the direct involvement of the EU in mediation, without seeing tangible benefits of such involvement, beyond the incentives that accession could bring to bear upon the principal parties.

On the one hand, British governments were concerned that strategic Ally Turkey would reject the EU's involvement in the conflict, in view of Greece's status as a member state and Turkey's non-membership. Turkey's rejection would have complicated unnecessarily the UN Secretary General's efforts to encourage the reunification of the island. On the other hand, the Community's direct involvement was unlikely to add positive momentum to the peace process. The actors involved in seeking a solution already did so outside the confines of the Union. Both the UK and the US as permanent members of the UN Security Council conducted their bilateral foreign policies towards the conflict in collaboration with each other and the UN Secretary General. Indeed, the close contact between the UK Foreign Office and the UN Secretariat was evident in 1999-2003, when UK Special Representative Lord Hannay worked closely with the UN team led by Alvaro de Soto.

The UK's strong preference for the UN rather than the EU in mediation did not entail its rejection of Cyprus' EU accession. On the contrary, since the mid-1990s, Britain actively supported Cyprus' full membership. While encouraging the participation of Turkish Cypriots in accession negotiations (in 1998) and stating its preference for a settlement before membership (up until 2004), the UK never voiced serious objections to the ongoing accession process. Its support for Cyprus' membership was due to its belief that the accession process would add new incentives to the principal parties. The UK also supported accession in view of the Greek Cypriot government's support for membership and its acceptance that this would not jeopardise the status

of the British sovereign bases. Indeed, while in 2004 Cyprus will enter the Union, the two military bases will remain extra-EU territory.

# 6) The other member states and the Commission: positions towards Cyprus and Turkey

Excluding Greece and the UK, the member states did not have strong specific interests in the conflict. The member states were generally supportive of the UN's efforts to reach a settlement. A solution would increase stability in the neighbouring Eastern Mediterranean region and would encourage peace between strategic Ally Turkey and member state Greece. Some member states were marginally more concerned with the conflict than others. France, as permanent UNSC member, and Germany, in view of its strong ties to Turkey, paid occasional attention to the conflict. However, like the UK, when France or Germany turned to the conflict, they did so outside the confines of the EU. With the exception of Greece, no member state was keen to see an active EU involvement in conflict resolution. Neither did the member states have sufficiently strong interests to play an active role, nor did they wish to jeopardise their delicate relations with Turkey by doing so.

As such, despite the development of a structured relationship between Cyprus and EC in 1972 through an Association Agreement, the member states explicitly avoided any interference in the conflict. Since 1974, the member states considered the conflict an internal dispute between the two communities, which only called for the independent involvement of member states Greece and Britain. After 1974, the member states downgraded the conflict from the EPC agenda. The Community no longer considered itself an 'intermediary', but rather an 'advisor' engaged in 'friendly action' towards the problem in support of the UNSG's efforts. A Council Working Group dealing with Cyprus was established, but the problem was never subject of high level political discussions. In 1970-1987, the member states made twelve EPC declarations on Cyprus, out of a total of 299 declarations.<sup>31</sup> Each declaration merely stated the Community's commitment to the independence, sovereignty and territorial integrity of the island and called for reunification in

accordance with UN guidelines. In 1983, EC Foreign Ministers condemned the TRNC's unilateral declaration of independence (UDI), again in line with UN resolutions.

Throughout the accession process, the member states persisted in paying sporadic attention to Cyprus. None, apart from Greece, had a consistent well-thought-out strategy to settle the conflict through EU accession. The member states were keen to see a settlement prior to accession, given their reluctance to import a bitter ethnopolitical conflict within the Union. Furthermore, a settlement would have strengthened the EU's image as a community of peace and reconciliation. EU actors also had an interest in preventing a clear-cut two-state solution, that would have complicated the task of absorbing the island into the Union. However, this did not entail an increased willingness to actively promote an agreement. The same reasons of the 1970s and 1980s were cited for justifying European neglect. The member states were aware that Turkey would not accept an active European role in conflict mediation. Furthermore, the UN's involvement justified the EU's non-involvement. The member states claimed that there was a 'division of labour' between the Commission and the UN. While the former institution dealt with accession, the latter attempted to mediate a settlement.<sup>32</sup> Indeed, the Council did not mandate the Commission to deal with the conflict, but only to negotiate accession with Cyprus. Until the late 1990s, there was minimal contact between Commission officials and UN mediators. Contact increased over the course of the 2002-3 negotiations, when Commission officials actively informed the UN Secretariat on how to reconcile a settlement with EU membership.<sup>33</sup> The assumption behind this approach was that accession and conflict settlement were separate and independent issues. As the next Chapters will argue, the member states neglected how the accession process fundamentally affected the conflict and the parties' perceptions of the Union.

Member state attitudes and positions towards Turkey were far more complex. European countries had several interlinked interests in strong relations with Turkey. Turkey's geo-strategic position, its key role in NATO, its strong relationship with the US and its large and growing market called for strong ties with Ankara. The presence

of large Turkish immigrant communities in Germany, Holland and Belgium was cause for concern, which at the same time reinforced the imperative not to alienate Turkey. In addition, the US constantly exerted pressure on EU member states to take due account of Turkey's importance. This pressure was felt particularly by those member states (Britain, Italy, Denmark and Holland and since the late 1990s, Spain) that attributed utmost importance to strong transatlantic relations.

This did not entail that the member states had a concerted strategy concerning the future development of the Union's relations with Turkey. Up until 1999, the member states had effectively not addressed the issue of Turkey's full EU membership. To date, despite the fact that in December 1999 the European Council defined Turkey as a candidate to EU accession, there is not yet a consensus within EU-15 concerning the question of Turkey's full membership.

The official reasons for such scepticism were the serious flaws in Turkey's partial democracy and economic system. The Commission's successive Progress Reports since 1998 clearly indicated Turkey's diminishing yet still fundamental political and economic problems. Turkey's torture cases, constrained freedoms of expression and association, repression of cultural and religious diversity, skewed military-civilian balance, capital punishment, border disputes, economic inequalities and volatile monetary system, seriously and negatively affected European views of Turkey's full membership prospects. The member states and the Commission convincingly argued that the Copenhagen criteria had to be met before Turkey could become a full member state and that the political criteria should be fulfilled in order for Turkey to begin accession negotiations. If the Union were to accept Turkey as a full member in its current state, its own credibility would be impaired, as it would be grossly failing to respect its own standards.

Yet other unspoken factors also explained the deep reluctance of both EU governments and societies to accept the idea of Turkey's full EU membership. These factors have weighed in particularly heavily when conservative or Christian Democratic parties have been in power. Turkey's demographic growth would entail

that it would soon represent the largest EU member state, with evident implications on voting rights and representation in EU institutions. Therefore, member states such as France, with a strong preference for a tightly knit and deeply integrated Union, have been concerned about the prospect of Turkey's membership. The country's size and location would entail that the largest member state would fall beyond the geographical borders of the European continent and would result in a Union bordering the volatile Middle East (Syria, Iran and Iraq) and Caucasus (Georgia, Armenia and Azerbaijan).<sup>34</sup> Turkey's low level of economic development would entail significant redistribution of EU funds towards Anatolia and away from the current recipients and the future CEEC members. It would also mean that until economic disparities persisted, Turkey's EU membership would induce accelerated Turkish immigration to wealthier member states, such as Germany, Belgium or the Netherlands, which already host sizeable Turkish minorities. Other groups, and most vociferously members of Christian Democratic/Conservative parties in the European Parliament have been openly sceptical of Turkey's membership due to its 'different' culture and religion.

## 7) UN peacekeeping and mediation

The UN has been involved in Cyprus since 1964, when following the outbreak of inter-communal violence, the first UN peacekeepers (UNFICYP) were sent to the island. UNFICYP remains in Cyprus to this day, with its mandate being renewed on a six-monthly basis. Due to the need to deal with inter-communal violence in 1964, the UN continued to recognise the RoC as the only legitimate government of the island, despite the absence of Turkish Cypriots from its structures. By doing so, it set the precedent thereafter followed by the entire international community. In 1983, UN Security Council resolution 541 condemned the Turkish Cypriot UDI.

Since 1964 the UN Secretary General has also provided good offices for negotiations between the principal parties. The Secretary General's Assistants have acted as the official mediators between the parties and on several occasions have brought forward bridging proposals to settle the conflict. Since UNSC resolution 367 (1975), UN

proposals have been made within the framework of solution based on an independent, sovereign, bi-communal and bi-zonal federation. Efforts in this direction were particularly intense both between the late 1980s and the early 1990s and in 2002-3.

The UNSG's bridging proposals since the late 1980s essentially sought a compromise by splitting the differences between the positions of the two communities. The new Constitution would establish a single bi-zonal and bi-communal federation, and would be approved by separate referenda by the two communities. The proposals outlined a rough division of competences between the two levels of government, allowing for largely self-governing federated states. At the federal level, the numerically smaller Turkish Cypriot community would be sufficiently represented, so as to embody the political equality of the two communities at the centre. The questions of refugee return and the 'three freedoms' would be resolved through a mixture of return principally through territorial adjustment, compensation and exchange. Modified versions of the Treaties of Guarantee and Alliance would remain in force.

## 8) The US: role and positions

The US's role in the Cyprus conflict has been the product of its status as global superpower with key interests in the Eastern Mediterranean and Middle Eastern regions, and as a permanent member of the UN Security Council. The US has been always a strong supporter of Turkey's integration into Europe. A 'European Turkey' was historically considered the strongest guarantee that the vital NATO Ally would remain firmly anchored to the 'west' and would not drift into dangerous alliances with the 'east'. This reasoning remained equally relevant both during and after the Cold War. Subsequent American administrations have pressed EU member states to be more conciliatory towards Turkey, attempting to impress upon them Turkey's geostrategic significance. In doing so, they downplayed the relevance of a strict adherence to the Copenhagen political and economic criteria.

America's positions on Cyprus throughout the 1990s tended to be a function of its assessments of Turkey's geopolitical importance and its interests in stability in the Eastern Mediterranean, a region at the periphery of the strategic Middle East. In practice, this entailed supporting Cyprus' EU accession and encouraging efforts for a settlement under the aegis of the UN. However since 1974, the US has paid decreasing attention to the substance of a settlement and has rather played a supporting role to the work of the UN Secretariat and the more active involvement of the British Foreign Office. More than other European actors, US administrations raised awareness about the need to avert crisis in the region in the event of accession prior to a settlement. Again, their proposed solution was to encourage closer EU-Turkey ties.

#### 9) Conclusion

This Chapter introduced the main actors of this study, outlining the main features of these players, as well as their changing positions towards the principal questions affecting the conflict. In particular positions towards a settlement of the conflict, the European Union, and the EU accession of both Cyprus and Turkey are key to the underlying questions of this thesis. What this Chapter has not done is to assess the dynamic interactions between these actors and their positions. These interactions will be analysed in detail over the course of the following Chapters, as they are key to understanding the overall outcomes.

The discussion above also introduced the complex role of the European Union as an actor, by discerning the principal players within the Union that determined EU policies towards Cyprus and Turkey. By so doing, it has touched on the key problems of the 'EU' as a foreign policy actor due to the Union's non-monolithic nature, a key question explored over the course of this study. In this respect the Cyprus case study provides a critical example of how EU external action, while often being viewed externally as the product of an integrated and coherent decision-making process, is rather the result of the interaction of disparate internal actors with differing agendas and positions.

<sup>&</sup>lt;sup>1</sup> See Caesar Mavratsas (1997); Yannis Papadakis (1998) and Zenon Stavrinides (2001)

<sup>&</sup>lt;sup>2</sup> Statements by current RoC President (then opposition leader) Tassos Papadopoulous in a debate in College, Nicosia, 11/03/02.

The argument is also made by Zenon Stavrinides (2001) p.18

<sup>&</sup>lt;sup>4</sup> Caesar Mavratsas (1997) p.728

<sup>&</sup>lt;sup>5</sup> Interview with UN official, New York, April 2003

<sup>&</sup>lt;sup>6</sup> Interviews with Greek Cypriot officials and politicians, Nicosia, March 2002

Republic of Cyprus (1989)

<sup>&</sup>lt;sup>8</sup> Interview with Greek Cypriot journalist, Nicosia, March 2002

<sup>&</sup>lt;sup>9</sup> Interviews with Turkish Cypriot opposition leaders, Nicosia, February and March 2002, Brussels, September 2002, and Nicosia, January 2003. See also Ayla Gurel (2002)

<sup>10</sup> See Turkish Cypriot comments in UN Secretary General (1992b)

Jeannie Mathew 'No Stopping no delays: EU spells it out for Cyprus Mail 08/03/02

<sup>&</sup>lt;sup>12</sup> For an in depth discussion of political parties in the TRNC and their attitudes to EU membership see Giles Bertrand (1999) and Semin Suvarierol (2001)

<sup>&</sup>lt;sup>13</sup> COMAR Poll conducted in northern Cyprus on 23/11/1997. Results published in Kibris 21/10/98

<sup>&</sup>lt;sup>14</sup> Contribution by Mustafa Akinci in *Cyprus' EU Accession and the Greek-Turkish Rivalry* Conference organised by Yale University, 4-6 April 2003

<sup>15</sup> Interviews with Turkish officials and politicians, Ankara and Istanbul. February and May 2002

<sup>&</sup>lt;sup>16</sup> Correspondence with Turkish businessman and civil society activist, 10/12/02. In an editorial, journalist Ilnur Cevik stated: 'If Turks really believed that they would be a member of the Union in a not too distant future, then both the Cyprus problem and the problems with Greece could be solved. But no one believes that will ever happen and thus everyone looks at the issue as 'our interests and our security' and not 'the interests and security of the whole Union' (Ilnur Cevik 'Denktas emerges as peace maker' Turkish Daily News 23/11/01)

The comments were made during a speech on 06/03/02, in view of the debate on EU driven constitutional reforms at the time.

<sup>&</sup>lt;sup>18</sup> Devlet Bahceli quoted in 'Bahceli toughens on EU and its domestic supporters' Turkish Daily News

<sup>&</sup>lt;sup>19</sup> Gunduz Aktan 'New Consensus' Turkish Daily News 04/03/02

<sup>&</sup>lt;sup>20</sup> Christopher Brewin (2000) p.192

<sup>&</sup>lt;sup>21</sup> Charambolos Tsardanidis and Yannis Nicolau 'Cyprus Foreign and Security Policy: Options and Challenges' in Stelios Stavridis, Theodore Couloumbis, Thanos Veremis and Neville Waites (1999) pp.171-194

Yannis Valinakis 'Security Policy' in Panos Kazakos and P.C. Ioakimides (1994) pp.199-214

<sup>&</sup>lt;sup>23</sup> Panagiotis Ioakimidis 'The model of foreign-policy making in Greece: personalities vs. institutions' in Stelios Stavridis, Theodore Couloumbis, Thanos Veremis and Neville Waites (eds.) (1999) pp.140-170

<sup>&</sup>lt;sup>24</sup> Panos Tsakaloyannis 'Greece: the limits to convergence' in Chris Hill (ed.) (1996) pp. 186-207 and Panos Tsakaloyannis in Colm O'Nuallain (ed.) (1985)

<sup>&</sup>lt;sup>25</sup> Panos Kazakos 'Greece and the EC: historical review' in Panos Kazakos and P.C. Ioakimides (1994) pp.1-10 <sup>26</sup> Panos Tsakalogiannis 'Greece: the limits to convergence' in Chris Hill (ed.) (1996) pp. 186-207

<sup>&</sup>lt;sup>27</sup> Related to Constantine Karamanlis, founder of New Democracy

<sup>&</sup>lt;sup>28</sup> The Guardian 13/09/99

<sup>&</sup>lt;sup>29</sup> George Papandreou at a speech in Vouliagmeni, Athens, on 08/09/02. The same argument was made in interviews with Greek Foreign Ministry officials, Athens, March 2002

<sup>&</sup>lt;sup>30</sup> The Guardian 13/09/99

<sup>&</sup>lt;sup>31</sup> Alfred Pijpers (1990) p.184

<sup>32</sup> Interview with Commission official, London, May 2002

<sup>&</sup>lt;sup>33</sup> Interview with Commission official, London, February 2002

<sup>&</sup>lt;sup>34</sup> For example see remarks by Bavarian contender to the September 2002 German elections Stoiber that the Union could not end at the Turkish-Iraqi frontier, Quentin Peel, 'Stoiber warns against continual EU enlargement' Financial Times 16/05/02

## Chapter 3

## The emergence and persistence of the Cyprus conflict: 1931-1988

'Cyprus is small', he said, 'and we are all friends, though very different'.

This Chapter argues that since the emergence of the conflict, all of the internal and external parties manifested a persistent reluctance to create, operate or re-establish a unified independent Cyprus where Greek and Turkish Cypriots would peacefully coexist on the basis of a shared understanding of the relationship between the two communities. The parties held mutually incompatible views on the means by which they could satisfy their fundamental needs. Such means concentrated on absolutist notions of statehood and sovereignty, military power and balance. This argument is elaborated by reviewing the history of the island between the emergence of the conflict in the 1930s and the 1988 initiation of a political dialogue between the Republic of Cyprus and the European Community, i.e., the date from which the main analysis of this study begins.

### 1) The ancient history of the island

The first significant evidence of civilisation in Cyprus can be traced back to the Myceneans during the 14<sup>th</sup> century BC.<sup>2</sup> Since then the strategically positioned Eastern Mediterranean island was subject to successive raids, invasions and occupations. The Assyrians, the Egyptians, the Persians, the Romans, the Arabs, the English Crusaders, the French Lusignans and the Venetian traders all controlled Cyprus throughout the centuries of its ancient history. However invaders principally used the island as a trading or military base. They rarely encouraged immigration and settlement in Cyprus. Nor did they attempt to assimilate the local population into their cultures. Up until the 16<sup>th</sup> century, Cyprus remained almost exclusively inhabited by local Greek-speaking Orthodox Christians.

The Venetians controlled Cyprus from 1489 to 1571. In the latter days of their rule, they fought numerous battles against the Ottomans and ultimately lost the island to the Empire with the fall of Famagusta in 1571. With the Ottoman conquest of Cyprus, the island witnessed a limited inflow of Muslim immigrants. However, due to the system of tribute payment, which varied according to religion, many Christians converted to Islam during Ottoman rule. Given the *millet* system of communal subdivision according to religion, many of the converted Orthodox Christians fully assimilated into the Turkish-speaking population. By 1878 the population of Cyprus consisted of 180,000 Greek Cypriots and 46,000 Turkish Cypriots.

Inter-communal conflict during Ottoman rule was contained. The high tributes paid by the Christian population generated some resentment towards their Muslim neighbours as well as their rulers. Tensions between religious communities further increased following the Greek wars of independence in 1821-27 and the development of the Greek *Megali Idea* on the mainland, intended to unify all Ottoman territories inhabited by Greeks. However, inter-communal relations were predominantly characterised by indifference rather than animosity. Due to the Ottoman *millet* system of separation in areas such as culture, education and religion, the Christian and Muslim communities of Cyprus by and large conducted separate lives, in parallel neighbourhoods of towns and villages.<sup>3</sup>

Almost six centuries after the departure of Richard the Lionheart, the British returned to Cyprus when they signed the Convention of Defensive Alliance with Sultan Abdul Hamid II in 1878. Under the terms of the Treaty, the Ottoman Empire loaned Cyprus to Britain in return for the latter's protection against a possible Russian aggression. In 1925, following the fall of the Ottoman Empire and the 1923 Treaty of Lausanne in which the new Turkish Republic renounced its claims to formerly Ottoman possessions beyond its borders, Cyprus officially became a Crown Colony.

In the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, the *millet* system of communal separation was retained. The *millet* system encouraged both separate private and social lives as well as separate political lives, with the different religious leaders, i.e., the *mufti*,

acquiring political roles. Separation was further encouraged when the British introduced communal voting for separate councils in municipal elections. The British retained and developed the Ottoman system of separation, since it accorded them the role of umpire on the island and thus facilitated colonial rule.

## 2) The struggle for independence: 1931-1959

The potential for inter-communal conflict in Cyprus dates back to the period of Ottoman rule and the emergence of separate communities. However, the seeds of the dispute were effectively sown during the years of British colonial rule in the 20<sup>th</sup> century and the years of anti-colonial struggle in the 1930s-1950s. The Greek Cypriot anti-colonial struggle in the form of *enosis* supported by Greece, and the British tactic to counter-mobilise Turkey and the Turkish Cypriots to support its colonial rule, set the scene for one of the most intractable conflicts of the 20<sup>th</sup> century. This section reviews the critical years between the emergence of the Greek Cypriot drive for *enosis* in 1931 to the eve of independence in 1958-9. The analysis recounts the aims and actions of the major actors on the scene: the Greek Cypriots and Greece, the Turkish Cypriots and Turkey as well as the actions and policies of Great Britain.

#### a) The Greek and Greek Cypriot anti-colonial struggle for enosis

In the 1920s, the Greek Cypriot majority became increasingly dissatisfied with British rule in Cyprus. However, unlike other 20<sup>th</sup> century decolonisation movements, desire for freedom did not result in a demand for independence. Viewing themselves as one people with mainland Greeks, the Greek Cypriots expressed their desire for freedom through *enosis*, or union with Greece, an idea which had already emerged in the 1880s as a development of the *Megali Idea*. The particular history of Greek nationalism, centred around the annexation of Christian Orthodox territories in the region, made *enosis* rather than independence the natural aim of the decolonisation struggle. Any alternative to *enosis*, including self-government, was not regarded as an appropriate expression of self-determination.

The Greek Orthodox Church played a key role in the struggle, in so far as it personified and promoted the Greco-Byzantine tradition. Indeed the *enosis* struggle actively began on 21 October 1931 when the bishop of Kition officially demanded union with Greece and by doing so triggered violent riots in Nicosia.

Greece became actively involved in the Cyprus question a decade later. Greece had declared Cyprus an inalienable part of its national aspirations in the early 1920s. But due to its catastrophic expedition in Anatolia in 1922 and the ensuing Treaty of Friendship between Mustafa Kemal Atatürk and Eleftherios Venizelos, Athens put at rest its irredentist ambitions during the 1920s and 30s. Its active involvement in Cyprus did not start until the early 1940s. It initially took the form of diplomatic pressure on Britain. Both during and immediately after the Second World War, the Greek government demanded a transfer of Cyprus from Britain to Greece offering in return military bases on Greek soil. The British responses were non-committal.

While Greece supported the cause for *enosis* through bilateral relations with Britain, the Greek Cypriots, riding on the tide of decolonisation trends, reactivated their struggle in the late 1940s and 1950s. In 1948 the Orthodox Church rejected the British Constitutional Plan proposing limited self-government through a Consultative Assembly, and in 1950, backed by the communist party AKEL, it called a plebiscite on the question of *enosis*. 96% of the exclusively Greek Cypriot turnout voted in favour. In the light of the plebiscite the Greek Cypriot leadership stepped up its pressure on Greece to support its cause. With the failure of bilateral Anglo-Greek diplomacy as a means to settle the issue, Greece brought the case of Cypriot self-determination to the UN in August 1954. However, the Greek draft resolution was never put to the vote. General Assembly resolution 814 (IX) effectively postponed a decision on the issue.<sup>6</sup>

With the failure of Greek diplomacy, the Greek Cypriot movement resorted to armed struggle. The EOKA (Ethniki Organosis Kypriou Agoniston) fighters led by Georgios Grivas began a guerrilla struggle against the colonial regime. The first EOKA bombs exploded in April 1955. In 1956 EOKA violence intensified after the

failure of talks between the Alan Lennox-Boyd and Archbishop Makarios III, and the ensuing deportation of the Archbishop and the bishop of Kyrenia to the Seychelles.

By the time of the 1955 London Conference, Greece and the Greek Cypriots were no longer ready to discuss limited self-government. In 1955 Greece rejected Britain's proposal for a more liberal Cypriot government. In 1956 both Greece and the Greek Cypriots turned down the Radcliffe Plan which foresaw a Greek dominated Assembly and guaranteed safeguards for the Turkish community. In the aftermath of Makarios' deportation, a more accommodating British position had become insufficient. Nothing short of *enosis* was acceptable to the Greek Cypriots and Greece.

#### b) The British reaction to the *enosis* struggle

Up until the mid-1950s, the British reacted to demands for *enosis* through force and repression. The 1931 riots in Nicosia were crushed by force, with the aid of additional British troops based in Egypt. With the restoration of order, Britain dealt with Greek Cypriot demands through political repression. They suspended the 1882 Constitution, banned local political parties, banished several bishops and politicians and jailed over 2,000 Greek Cypriot activists. It was not until 1946, that Labour Colonial Secretary, Arthur Creech Jones, finally repealed the illiberal measures of 1931 in favour of a programme of constitutional reform and economic development. However, the 1948 Draft Constitution provided only a limited degree of self-government, through a (Greek) Cypriot majority in the legislative assembly and a British-led executive. Force and repression remained the predominant British tactics until the Tripartite Conference of 1955, when the first, albeit late, accommodating signs were given.

The British did not confront the Greek/Greek Cypriot struggle alone. Their opposition to *enosis* also prevented the expulsion of the Turks/Muslims from Cyprus, as had been the case in former predominantly Orthodox areas of the Ottoman Empire annexed to Greece.<sup>7</sup> The mutual ethnic cleansing which had automatically 'resolved'

the question of inter-religious coexistence in the disintegrating former Ottoman areas in the Eastern Mediterranean was not implemented in Cyprus, due to British presence and British opposition to *enosis*. Yet the British not only allowed the Turkish Cypriots to remain on the island. They actively played the Turkish and Turkish Cypriot cards in their favour. Internally, the British supported and worked together with the Turkish Cypriot anti-*enosis* struggle. Aware of the potential danger of *enosis* to the Turkish Cypriots, the British encouraged the community's countermobilisation to serve its own colonial aims. Externally, Britain highlighted Turkey's strategic interests in Cyprus and its aversion to *enosis*. It emphasised Turkey's role in international forums, such as the August 1955 Tripartite Conference in London. This took place within a context of closer Turco-British relations, with Turkey's membership of the Baghdad Pact.

Britain was keen to retain control of Cyprus in the light of its rapidly disappearing colonial possessions in the Middle East. Particularly following the British withdrawals from Palestine (1948) and Suez (1954), the value of Cyprus to the UK greatly increased. Yet in the post-war era, colonial ambitions were no longer considered ethically acceptable. Hence, Britain downplayed the spontaneous Greek Cypriot demand for freedom through *enosis*. In fact it did not invite any Cypriots to the 1955 Tripartite Conference to discuss the future status of the island. Instead, the British highlighted the international strategic dimension of the problem. It also emphasised the potential for escalating violence and instability in the event of its departure. British withdrawal would leave a vacuum to be filled by a fierce struggle for the control of the island between Greece and Turkey. So the US, fearing a major rift within its sphere of influence in the emerging Cold War configuration, tacitly supported the British position. Particularly after the outbreak of the Korean War, the US, while abstaining from making joint statements with the UK against *enosis*, actively prevented a decisive UN involvement in Cyprus.

#### c) The Turkish and Turkish Cypriot counter-mobilisation

Until the mid-1940s, Turkey and the Turkish Cypriots remained largely oblivious to Greek and Greek Cypriot objectives. Up until the mid-20<sup>th</sup> century the Turkish Cypriot community was rural, undeveloped and unpoliticised, and it lacked a strong middle class. The population was divided between a small and British-educated elite that cooperated with the colonial rulers in the administration, and a large apolitical peasant class. Turkey instead was still in its early days of nation-state building. Preoccupied with the momentous task of transforming a heterogeneous, undeveloped and Islamic population into a homogeneous, westernised and secular organic nation, the Turkish Republic was initially unconcerned with Cyprus. Furthermore, until after the 2<sup>nd</sup> World War there was minimal interaction between Turkey and Turkish Cypriots. Having embarked upon the Kemalist revolution, the modernising Republic snubbed the backward and religious Turks in Cyprus as well as the considerably smaller minority in western Thrace.

Spurred by the British, Turkish Cypriot concerns about *enosis* grew in the 1940s and particularly after the 1950 plebiscite. Both the Turkish Cypriot elite and the population were still relatively content with British rule. However, well aware of the discriminatory treatment of the Turks/Muslims in former Ottoman areas annexed to Greece, the Turkish Cypriots fiercely rejected *enosis*. 'What was "freedom" for the Greek Cypriots was "enslavement" for the Turkish Cypriots. "Freedom" to the Greek Cypriots was synonymous with *enosis*, whereas this, to the Turkish Cypriots meant neo-colonization and forced exodus from Cyprus'. The persisting British rule and the considerably larger Turkish minority in Cyprus compared to the few thousand Turks in other former Ottoman possessions already annexed to Greece such as Crete or Thrace, created a qualitatively different situation for the Cypriot Turks. If the British were to leave Cyprus, the island should be returned to Turkey and should under no circumstance be annexed to Greece.

This spontaneous rejection nurtured by the British led to a British-Turkish Cypriot front against EOKA in the mid-1950s. In 1956 the Turkish Cypriots began countering EOKA through VOLKAN and then in 1957 the TMT (Turk Mukavemet Teşkilati). These groups cooperated with British forces in resisting *enosis*. As a

consequence, the Turkish Cypriots were automatically transformed into the enemies of the Greek Cypriot cause.

Active Turkish political interest in Cyprus only began in 1955. This was partly a response to external events, namely EOKA violence and the UN debate on Cyprus. But domestic factors also encouraged Turkey's attention. By the mid-1950s, Democrat leader Adnan Menderes was beginning to face serious domestic economic problems, with a significant slowdown in growth, rising internal and external imbalances and inflationary pressures. Tactically aiming to distract public attention from internal problems, Menderes turned to the external realm. The government stepped up its nationalist rhetoric on Cyprus. Initially, in the early and mid-1950s Turkey supported a retention of British rule. However, by 1957 Turkey formulated its own counter-position to *enosis: taksim* or partition of the island into Greek and Turkish Cypriot zones.

# 3) The birth of the Republic of Cyprus and the years of intercommunal violence: 1959-1974

By 1957 the principal parties were at loggerheads with each other. The Greek Cypriots and Greece pushed for *enosis*, the Turkish Cypriots and Turkey responded with demands for *taksim*. The British were determined to retain full sovereignty on the island. The path for compromise was cleared with a shift in the British position in late 1957. On advice of the Chief of Staff, the British government was encouraged to abandon the idea of full control over Cyprus and opted for the retention of military bases on the island. The EOKA struggle, the intensifying Greek-Turkish conflict and the changing power configuration in the Middle East spurred Britain to alter its position. <sup>14</sup> This shift gave rise to a third option, first formalised in the 1958 Macmillan Plan. The compromise solution between the extremes of *enosis* and *taksim* was independence.

The framework agreement was designed in Zurich on 11 February 1959 between the Greek and Turkish Prime Ministers Constantine Karamanlis and Adnan Menderes.

The premiers then headed for London, where they joined Selwyn Lloyd and Alan Lennox-Boyd representing the UK and Archbishop Makarios and Dr Fazil Küçük representing the Greek and Turkish Cypriot communities respectively. The parties agreed on a basic structure of the new independent Republic of Cyprus, which explicitly ruled out both *enosis* and *taksim* (article 22). The agreements reserved British sovereignty over the military bases of Dhekelia and Akrotiri (article 1).

The parties also signed a Treaty of Guarantee and of Alliance. The Treaty of Guarantee intended to 'ensure the independence, territorial integrity and security' of the Republic of Cyprus and to prevent its 'political or economic union with any state whatsoever' (article 1). In support of this aim the Treaty gave Britain, Greece and Turkey 'the right to take action with the sole aim of re-establishing the state of affairs established by the Treaty' (article 4). The three guarantors could intervene in the internal affairs of the island, either jointly or independently to ensure the respect of the Treaty and prevent the actualisation *enosis* or *taksim*. The Treaty of Alliance was a defence pact to safeguard the independence and territorial integrity of the RoC (articles 1 and 2). In its additional protocol, the Treaty allowed Greece and Turkey to station 950 and 650 troops respectively on Cyprus. It also entitled extensive British rights in its use of the ninety-nine square miles under its sovereignty. Through the Treaties of Guarantee and Alliance the guarantors would retain therefore a permanent say in the internal evolution of the new state.

The basic structure of the Constitution established a bi-communal partnership Republic. Bi-communality was ensured through a detailed and complex arrangement providing for community representation and power-sharing. The executive was governed by a presidential system, with a Greek Cypriot President and a Turkish Cypriot Vice-President elected by the separate communities. The executive would also consist of a cabinet of ten members. Seven members would be Greek Cypriot and appointed by the President, while the remaining three would be Turkish Cypriot and appointed by the Vice-President. The legislative would consist of a fifty-member House of Representatives elected through separate electoral lists. Communal representation would be determined by a 70:30 ratio. There would be the same ethnic

quota in the civil service and the police force. The 2,000 men-strong armed forces would be governed instead by a 60:40 ratio. The judicial system would consist of a Supreme Constitutional Court, a High Court of Justice and lower courts. The Supreme Court dealing with bi-communal constitutional disputes would be composed of one Greek Cypriot one Turkish Cypriot and one foreign judge. The High Court dealing with offences against the state included two Greek Cypriots, one Turkish Cypriot and one foreign judge. The composition of lower courts depended on the community of origin of the disputants. Separate communal chambers would be set up to deal with educational, religious, cultural and personal status matters. The communal chambers were entitled to levy taxes and establish separate courts to administer these competences, and receive direct subsidies from their respective motherlands. Finally, in each of the five largest towns of the island there would be separate municipalities for the two communities.

Several constitutional provisions designed to safeguard the bi-communal nature of the state encouraged inter-communal tension. The Constitution recognised the inhabitants of the island as either Greeks or Turks and spelt out the constitutional provisions to reflect this division. These provisions relied upon the bona fide cooperation of the two communities, but did little to encourage it. On the contrary, several rigidly formulated constitutional provisions created the potential for inter-communal conflict and deadlock. For example both the President and the Vice-President were accorded veto rights on questions relating to foreign affairs, defence and security. Under article 182, the basic articles of the Constitution could not be modified. The rest could be modified with separate two-thirds majorities of Greek and Turkish Cypriot legislators. Finally, separate simple majorities were required for legislation concerning municipalities and taxation.

Indeed by 1963 several issues of contention had emerged. First, deadlock occurred in the field of fiscal policy, which required separate simple majorities in Parliament (article 78.2). The Greek Cypriots resented the disproportionate subsidisation received by the Turkish Cypriots. By 1960, the Greek Cypriots represented 82% of the island, while the Turkish Cypriots constituted 18% of the population. <sup>16</sup> Given the

lower economic standards of the latter, they demanded a higher proportion of state expenditure relative to their demographic size. Decision-making was blocked when the Turkish Cypriot parliamentarians refused to vote on tax legislation, which they viewed as imposing unaffordable taxes on the poorer community. As of March 1961, the RoC was left without tax legislation and the two communities proceeded by levying taxes through the communal chambers.

Second, defence policy and the use of the presidential vetoes (article 50) created inter-communal problems. The Greek Cypriots insisted on a joint army with mixed composition down to the smallest units. Vice President Fazil Küçük and Defence Minister Osman Örek instead, while accepting a joint army and mixed battalions, insisted on separation at the company level given different cultural and religious habits of the soldiers. Küçük used his veto, and the joint Cypriot army never materialised. In its place separate communal armed groups reformed.

Third, the establishment of separate municipalities and the need for separate legislative majorities led to conflict and stalemate. Under article 173 of the Constitution separate municipalities had to be set up in the five largest towns. The Greek Cypriots resented this provision and in 1962 Greek Cypriot Speaker of Parliament Glafcos Clerides proposed the unification of all municipalities, which would be staffed according to population ratios in the respective towns. The Turkish Cypriots rejected the proposal and insisted on the implementation of article 173. With the absence of the required double majority the decision on the establishment of separate municipalities was indefinitely postponed.

Some constitutional provisions hindered decision-making in the new Republic. But the workability of the Constitution was never fully tested in practice. The RoC as it was foreseen in 1959, ceased to exist by 1963. The following sections recount the events between 1960 and the 1974 Turkish military intervention by assessing the different aims, actions and viewpoints of the Greek Cypriots, Greece, the Turkish Cypriots, Turkey, the US and the European Community. The underlying message of

these interconnected narratives was the lack of political commitment of all parties to the effective functioning of the Republic.

#### a) Greek Cypriot resentment and the abrogation of the Constitution

Almost at the outset, many Greek Cypriots expressed their dissatisfaction with the 1959 agreements, regarding them as a betrayal of the *enosis* cause. In an interview in Nicosia Georgios Grivas described the agreements as 'harmful attempts to enslave the Cypriot people'. Others, including the first President of the RoC, Archbishop Makarios viewed the agreements as the best possible tactical move under the given circumstances. Makarios felt the agreements had been imposed externally on the Greek Cypriots, given the pressures from Greece and the UK. Having failed to rally support for *enosis* at the UN, Greece began to favour an independent Cyprus, while the UK was bound by its strong ties with Turkey. Hence, the 1958 Macmillan Plan, which the Greek Cypriots viewed as tantamount to partition. Fearing implementation of the Macmillan proposals, Makarios reluctantly accepted the Zurich deal as a necessary tactic under the given constraints. As reported by the British Colonial Office: 'it seems that Makarios was so alarmed over the possibilities of a partition that he attempted to convey his idea of an independent Cyprus even before October 1 1958, the date when the Macmillan Plan was to go into effect'. 18

The Greek Cypriots also contested the legitimacy of the agreements. They argued that the Treaty of Guarantee, which granted the guarantors unilateral rights of intervention, violated the independence of the Republic. The Treaty of Alliance violated the sovereignty of Cyprus, allowing for the stationing of foreign troops on the island. The 1960 Constitution instead violated the self-determination of the Cypriots because it was never ratified by referendum or by Parliament.

Makarios also doubted the workability of the Constitution. The costly duplication of positions and functions in the legislature and the executive generated inefficiency. Separate legislative majorities and the presidential veto powers instead led to unworkability and deadlock in decision-making. The Greek Cypriots also claimed

that Turkish Cypriot officials used the constitution to purposely jeopardise the workings of the new state, which would in turn encourage Turkey's involvement. The deadlocks over taxation, defence and municipalities were often cited as evidence of the unworkability of the arrangements.

But most important, the Greek-Cypriots contested what they believed to be the overgenerous concessions granted to the Turkish Cypriot community relative to their size. According to them, the Turkish Cypriots that represented 18% of the island's population should have been granted minority rights rather than an almost equal share in government arrangements. In particular, the Greek Cypriots refuted the 70-30 ratio in the executive and the civil service (article 123). They viewed the ratio as being unfair and implying that under-qualified Turkish Cypriots would enter official positions on the grounds of ethnicity. They felt the constitutional provisions were undemocratic and discriminatory, reflecting international power politics rather than the demographic realities on the island: 'the constitutional disequilibrium in Cyprus reflected the power configuration of Greece and Turkey within NATO and not the bicommunal structure of Cyprus'. <sup>19</sup>

Hence, on 3 November 1963 President Makarios presented Vice-President Küçük a thirteen-point proposal for the amendment of the Constitution. The amendments proposed the abolition of several critical constitutional provisions. These included: the presidential vetoes, the separate legislative majorities, the separate municipalities and the distinctions based on ethnicity made in trials of Greeks and Turks. The package also proposed the re-scaling of ethnic ratios in the civil service, the police and the military according to population ratios. Irrespective of the 'efficiency' gains entailed in the amendments, the package undeniably reduced significantly the political equality guarantees of the Turkish Cypriots. The proposal paved the way to a unitary state in which Turkish Cypriots enjoyed individual rights and minority communal rights.

The proposal was officially made on the grounds of the unworkability of the Constitution. The package was entitled 'Suggested Measures for the Removal of

Causes of Friction between the Two Communities'. But after only three years of the Republic's existence, Makarios' evaluation of the Constitution's unworkability and his ensuing actions were, as put by former President Glafcos Clerides, 'premature'. In reality the amendments were motivated by the deep resentment of the Greek Cypriots against the 1960 Constitution. An extract from Clerides' memoirs is worth quoting in full:

'An honest evaluation of the situation during the period 1960-63 divorced from propaganda tendencies would lead to the conclusion that, with the exception of the provisions for separate majorities in voting tax legislation, there was no need to press for constitutional amendments, and that such a move was premature, that it was made before bridges of confidence were built between the two communities, and that it was prompted by the resentment the Greek Cypriots felt over the excessive rights granted to a minority and the need felt by Makarios to vindicate himself against the constant accusations made by his opponents of capitulation both on the issue of enosis and on that of minority rights'.<sup>22</sup>

Resentment did not emerge in 1962/3. It existed back in 1959/60 when the documents were signed. Makarios had never fully endorsed his enforced role as a statesman of a bi-communal republic. As an Archbishop coming from a region whose history (i.e., the *millet* system) was one in which religious figures also acted as political leaders, Makarios remained the national leader of his community. The aims of Greek Cypriot nationalism and of its leader Makarios remained *enosis*. As Makarios himself put it: 'Cyprus is Greek. Cyprus was Greek since the dawn of history and will remain Greek. Greek and undivided we have taken it over. Greek and undivided we shall preserve it. Greek and undivided we shall deliver it to Greece'. The British House of Commons Select Committee on Foreign Affairs also shared this reading of the Greek Cypriot position. Its report on 2 July 1987 stated that: 'both before and after the events of 1963, the Makarios government continued to advocate the cause of *enosis* and actively pursued the amendment of the Constitution and the related Treaties to facilitate this ultimate objective'. According to Clerides, the signature of the agreements had been a 'tactical retreat'. *Enosis* 

would be achieved more easily through Cypriot independence than as a British colony. After three years of 'retreat', the Archbishop was ready to make the next move in pursuit of his unchanged objectives.

The next move implied the creation of a unitary and centralised state with minority rights for the Turkish Cypriots. Hence, the thirteen-point proposal. This position was widely shared by the Greek Cypriot population.<sup>27</sup> The proposals would be implemented with or without Turkish and Turkish Cypriot approval. In fact, the predictable constitutional crisis, resulting from the Turkish/Turkish Cypriot rejection and the ensuing departure of all Turkish Cypriot officials from public institutions, led the way to a centralised state in which Greek Cypriots governed alone.

The 'Akritas Plan' is also worth mentioning. The Plan was formulated in 1963 and first revealed in 1966 in the Greek newspaper *Patris*. Its aim was to attain *enosis* either through constitutional means as an independent state or through unilateral action accompanied by the forceful suppression of Turkish Cypriot resistance if necessary. The government never officially adopted the Plan. However the Plan was known to the Archbishop. Moreover, the head of the operation was the Greek Cypriot Minister of the Interior Polycarpos Georgadis.

With the constitutional crisis, fighting broke out on 21 December 1963 and Greek Cypriot fighters attacked the Omorphita suburb of Nicosia. Finally, Makarios allowed Major General Young to supervise a cease-fire and create a British patrolled buffer zone through Nicosia, which became known as the 'green line' dividing the city. Violence burst out again with the heavy Greek Cypriot attacks in Limassol and Ktima in early 1964. By June 1964, the Greek Karamanlis government sent troops on the island and Grivas returned to organise and lead the Greek Cypriot National Guard. Its operations began with the task of eliminating the Turkish Cypriot enclaves of Kokkina and Mansoura. The operations against Turkish Cypriot villages and enclaves continued throughout that period. In 1967 Grivas launched a severe attack against the Turkish Cypriot villages of Kophinou and Ayios Theodoros.

With the outbreak of violence in late 1963, most Turkish Cypriots gathered into enclaves, which the RoC government blockaded in the summer of 1964. The leadership regarded the Turkish Cypriot flight to enclaves both as a tactic to gather forces and retaliate, and as a means to create a 'state within the state'. Hence, the blockade of strategic military material and the limited delivery of mail and food. Their inhabitants received no salaries or state revenues and were excluded from public employment. The strict implementation of the blockade lasted during the summer of 1964, but the blockade policy persisted thereafter. Hence, as of 1964, apart from some exceptions (e.g. the Turkish Cypriot community in Limassol), bicommunal contact almost ceased to exist.

By the time of the first set of negotiations in 1964-1968, the Greek Cypriot leadership had hardened its position. The thirteen amendments were no longer sufficient. Archbishop Makarios sought to establish a Republic built on new foundations. The RoC was to be a truly independent, unitary and centralised state.<sup>29</sup> In 1964 Makarios unilaterally revoked the Treaties of Guarantee and Alliance. During negotiations the Greek Cypriots pushed for a unitary state, with Turkish Cypriot minority rights in matters of culture, education, religion and personal status. They rejected the concept of power-sharing and called for a single electoral list in legislative elections, an executive headed by a single President and a unified Judiciary. Internally the Greek Cypriot government passed important constitutional amendments and invited Turkish Cypriot officials to return within the Republic's institutional fold provided they accepted the amended constitution.

The Greek Cypriot position marginally softened during the 1968-1971 and 1972-74 negotiations. Although remaining firmly committed to a unitary and centralised state, Makarios accepted the concept of local government. In 1964-68 the Greek Cypriots only accepted a conventional form of local government based on administrative or economic criteria. In 1968-71 they accepted an ethnic basis for the sub-division of districts; and by 1973 they had accepted two central organs for the administration of local competences. However they remained firmly opposed to a bi-communal

partnership state, and to any form of federalism, which would lead in their eyes to the creation of a state within the state.<sup>30</sup>

The role and position of Greece in 1960-1974 was also critical. When in 1963 Makarios decided to present the thirteen amendments, the Karamanlis government strongly advised the President not to proceed. The Greek government endorsed the content of the proposals, but objected to the timing of the initiative. Given Greece's acute domestic economic problems and dependence on the US, Karamanlis deliberately kept a low profile on Cyprus.

The situation changed following the advent of military dictatorship in Greece headed by Colonel Papadopoulos in April 1967. After 1967 relations between Makarios and the Greek regime began to sour. Following the narrow escape from war between Greece and Turkey in 1967, the new Greek junta was adamant to avert military confrontation with Turkey and was willing to resolve the question bilaterally within the NATO framework. In fact during the 1971 NATO Ministerial Conference, Greece and Turkey reached an understanding based on a partnership state in Cyprus with extensive Turkish Cypriot autonomy. Yet in order to enact this solution Athens needed to ensure Greek Cypriot compliance and thus curb Makarios' power. It thus sponsored an anti-Makarios campaign on the island. Yet, contrary to the junta's alleged objectives, opposition to Makarios was transformed into a revitalised violent movement for *enosis* by 1971, with the formation of EOKA-B led by General Grivas.

The situation worsened in November 1973 when General Papadopoulos was ousted by Brigadier Ioannides. This second junta embraced openly the goal of *enosis* and more overtly supported EOKA-B. It opposed vehemently Makarios' strategy of gradual constitutional change and preferred the route of overt military struggle. By 1973, with the change in the Greek regime, the intensification of the EOKA-B struggle and the subsequent hardening of the Turkish position, the ongoing intercommunal talks, by this stage close to an agreement on local government, were stalled.

This intra and inter state conflict culminated when on 15 July 1974 the Greek National Guard staged the 'Apollo coup'. The coup was carried out under the leadership of Brigadier Ioannides, and former EOKA fighter Nicos Sampson. The trigger for the intervention was Makarios' letter on 6 July to Greek President Phaedon Gizikis demanding greater distance between the regime and the internal affairs of the island and the withdrawal of six-hundred Greek officers training the Greek Cypriot National Guard. Shortly afterwards Makarios reduced the length of the military service to fourteen months. At this point Greece intervened, ousting Makarios. It effectively extended its dictatorship to Cyprus by sending around two-hundred Greek civilians and soldiers to the island. In four days the regime had killed over two-thousand supporters of the Archbishop. The Greek military was on its way to consolidating what had been the long-sought dream of *enosis*.

## b) The Turkish Cypriot and Turkish reactions

In 1959-60 the Turkish Cypriots and Turkey did not view the agreements as temporary arrangements. The Turkish Cypriots rejected the idea of a Cypriot nation and believed that the island was composed of two equal communities whose separate rights had to be safeguarded. They considered the constitutional arrangements and Treaties as adequate satisfiers.<sup>31</sup> This position lasted until the constitutional crisis and outbreak of violence in 1963-4. By 1964 Turkey became inclined once again towards its late 1950s aim of *taksim*. So by the time of the 1964-68 inter-communal talks, Turkish positions were also far from the 1959-60 understandings. Turkey's readiness to reach a peaceful settlement on the basis of a power-sharing formula was waning.

In 1963 Ankara followed by Vice-President Küçük immediately rejected Makarios' constitutional package. The proposals drastically altered the essence of the partnership, that very essence which had determined the Turkish and Turkish Cypriot consent to the agreements three years earlier. The amendments would have created a Greek Cypriot dominated Cyprus, freer to proceed to *enosis*. With the rejection of the Plan, tensions rose within all government institutions, until the Turkish Cypriots left all public positions.

With the departure of the Turkish Cypriots both sides accelerated paramilitary preparations. Particularly after the failure to agree on the structure of the Cypriot army, the Turkish Cypriots supported by Turkey had begun military preparations. However, they remained relatively unprepared compared to the Greek Cypriots. Hence, with the outbreak of violence, the rehabilitated TMT could not prevent the forced exodus of over 30,000 Turkish Cypriots from 103 mixed villages to enclaves. The enclaves were concentrated in the triangular area north of Nicosia's green line to the Hillarion path outside Kyrenia and Famagusta and amounted to less than 3% of the total area of the island. By the late 1960s approximately 60,000 Turkish Cypriots had left their homes and moved into enclaves.<sup>32</sup>

Although the Turkish Cypriots and Turkey had regarded the 1959-60 settlement as an acceptable permanent solution, following the events of 1963-4 their position changed. The failure of the agreements proved to the Turkish Cypriots their inadequacy. Given the persisting Greek Cypriot aim of *enosis*, territorial separation was necessary to protect Turkish Cypriot security and Turkey's strategic interests. As put by Fazil Küçük: 'The Turkish Cypriot community has reached the definite conclusion that physical separation of the two communities would be the only effective way of providing ironclad security of life and property for the Turks. Turkish Cypriots demanded the establishment of a federation. This entailed the creation of two cantons and the accompanying exchange of populations. The Turkish Cypriot leadership also pushed for stronger security guarantees. The idea of a federation was strongly resisted both by the Greek Cypriots and by UN mediator Galo Plaza in March 1965 on the grounds of the complex ethnic makeup of the island (see map 1).

Map 1. Greek and Turkish Cypriot villages before 1963



Source: Polyvios G. Polyviou (1976) p.413

In return for gains at the local level, the Turkish Cypriots were ready to make concessions in terms of bi-communality at the centre. During the 1968-71 negotiations they conceded on many of the points in the thirteen amendments including the abolition of the presidential vetoes and separate majorities, the reduction of Turkish quotas in the civil service, and the unification of the judiciary and of the police forces. However they insisted on the establishment of local government and local police forces based on the ethnic makeup of villages. This, in their view would have ensured Turkish Cypriot communal survival through positive local autonomy rather than negative veto power at the centre.

In parallel to these negotiations, the Turkish Cypriots established *de facto* ethnic based local government. By 1967, they set up the Provisional Turkish Cypriot Administration acting as the effective government of the enclaved community. TMT instead pressurised the Turkish Cypriot community forbidding all forms of public employment in the RoC, and barred any entry into the fortified enclaved territories.

Although the Turkish Cypriots did not necessarily seek secession, they strengthened their demands in negotiations by creating developments on the ground. <sup>34</sup>

Turkey supported the Turkish Cypriots from 1963 to 1974. With the outbreak of violence, Turkey expelled 6,000 and confiscated the property of 8,000 Greeks in Anatolia. Moreover, it twice planned military intervention to rescue the Turkish Cypriots. Twice it was deterred by American and British diplomacy. Turkey first planned to invade in 1964 with the first outbreak of inter-communal clashes. Britain immediately responded by appealing to the UN, which in turn passed Security Council Resolution 186 deploying 7,000 peacekeepers on the island (UNFICYP). The US directly stepped in to prevent a Turkish military intervention. The second threat of war, again deterred by the US, was in November 1967 following the Greek military coup and the renewed round of Greek Cypriot attacks on Turkish Cypriot enclaves.

However following the 15 July 1974 coup, Turkey intervened acting under the strong pressure from its military. It first attempted consultations with London, but Prime Minister Callaghan refused to discuss the issue. Hence, on the basis of article 4 of the Treaty of Guarantee, 40,000 Turkish troops landed near Kyrenia on 22 July 1974. The army initially took control of a narrow ten-mile strip of coastline around Kyrenia, which was then joined to the triangular enclaved land under Turkish Cypriot control. After the first attack, the parties met in Geneva in August. They agreed on an exchange of prisoners and UN protection of the Turkish Cypriot enclaves.

Under the given circumstances, the first military intervention could have been justified under the Treaty of Guarantee.<sup>35</sup> But Turkey deemed it insufficient. By the mid-1960s Turkey and the Turkish Cypriots were no longer content with he 1959-60 agreements and demanded the maximum physical separation of the two communities. At Geneva, they were in no mood for compromise. Turkish Foreign Minister Güneş proposed a cantonal federal system and Turkish Cypriot representative Rauf Denktaş suggested a bi-zonal federal system as take-it-or-leave-it

offers. Under both proposals, the Turkish Cypriot areas would amount to 34% of the island. When acting President Glafcos Clerides asked for an adjournment of 36-48 hours for consultations, Turkey decided to materialise its preferred solution by force. It attacked a second time and occupied 37% of the island's territory.

#### c) The position of the United States and the European Community

From the early years of the RoC, the US had mixed feelings about Cypriot independence. The Americans were deeply concerned with Archbishop Makarios' flirtations with the Soviet Union, as well as with the relative strength of the Greek Cypriot communist party AKEL. Hence, with the abrogation of the Treaties and the outbreak of inter-communal violence, the US stepped in proposing its own version of a solution. In the summer of 1964, Secretary of State Dean Acheson proposed an effective double enosis. The majority of Cyprus would be Greek Cypriot and could ultimately unite with Greece. In exchange Turkey would be allowed several military bases in the north as well as a number of autonomous Turkish enclaves including one in Nicosia. In addition Turkey would gain the island of Castellorizon (Meis), parts of Western Thrace and receive compensation for the Turkish Cypriots who emigrated to the mainland. The double *enosis* solution was in line with the conceptualisation of the problem as a 'double minority' one, a view that up until today is shared by many in Cyprus, Turkey and Greece. Internally, in view of their relative size, the Turkish Cypriots were the smaller and weaker party. This was counterbalanced externally given Turkey's greater size and military might compared to Greece. Given the volatile situation on the island, the implications for NATO's cohesion and the possibility of 'losing' Cyprus to the Soviet Union, the US was cautious in its support for an independent RoC. In American eyes, the region would be considerably safer if Cyprus became a province of Ally Greece together with adequate compensation for Turkey.

Between 1963 and 1967, the US did little to re-establish the 1960 arrangements and only intervened to prevent war between the two NATO members. The US intervened twice to deter a Turkish military intervention. In 1964 Turkey's invasion was

deterred by President Jonhnson's letter to Ankara warning that in the event of a Turkish attack and a Soviet response in defence of the Greek Cypriots, the US would not support Turkey. The Russian threat to Turkey was credible given Makarios' contacts with Moscow and so the planned intervention was cancelled. Turkey's second planned military intervention was in November 1967. This time war was deterred by the shuttle diplomacy of Cyrus Vance. Deputy Defence Secretary Vance succeeded in preventing a Turkish attack by ensuring that Grivas left the island and that Greece scaled down its military presence in Cyprus by 12,000 men, back to the limits set by the 1959 Treaty of Alliance. Both in 1964 and in 1967 the US successfully prevented war between its NATO allies. However, other than the 1964 Acheson initiative, neither did the US actively seek solution, nor did it work towards the reestablishment of the constitutional RoC.

Perhaps the most evident manifestation of US lack of engagement with Cyprus was in 1974. Evidence suggests that the US both accepted the 15 July coup and, preoccupied by Watergate domestically and China and Vietnam externally, tolerated the 22 July Turkish military intervention. Relations between the right-wing military establishment in Greece and the US were warming with the home porting of the American 6<sup>th</sup> fleet in Greece. At the same time, the Americans refrained from sending negative signals to Turkey concerning its planned attack. Kissinger's apparent indifference was read by Turkey as a tacit green light for intervention. <sup>36</sup> US passivity towards Turkey's intentions thus also contributed to the failure of the Geneva talks, the second Turkish attack and the ensuing partition of the island. In the summer of 1974, American Ambassador Davies was assassinated in Nicosia by Greek Cypriot activists in protest of the perceived American betrayal.

Turning to the EC, between 1972 and 1988 Cyprus and the EC conducted their relations exclusively through an Association Agreement. In 1962 following the UK's first EEC membership application, Cyprus applied to full membership on the basis of article 288 of the Treaty of Rome. Cyprus, heavily dependent on its exports to the UK feared that its access to the British markets would be threatened by Britain's EC membership and the ensuing dismantling of Commonwealth preferential treatment.

With de Gaulle's rejection of the British application, Cypriot interest in the Community evaporated and only re-emerged with the third British attempt to accede in the early 1970s. By then the Community had already signed association agreements with Greece in 1961 and Turkey in 1963. Finally, in December 1972 the RoC signed an Association Agreement in accordance with article 238 of the Treaty of Rome. Association with Cyprus envisaged two stages, which would ultimately lead to a full customs union. Unlike the agreements with Greece and Turkey, the Cyprus agreement did not consider the option of future full membership.<sup>37</sup>

Despite the existence of an Association Agreement since 1972, the Community deliberately kept out of the internal affairs of the island and never actively encouraged an agreement. In 1972 the Community did not question the legitimacy of the wholly Greek Cypriot government to sign the Association Agreement but simply followed the UN approach of recognising the Greek Cypriot Republic as the only legitimate government of the island.<sup>38</sup> In Brewin's words 'the EEC, as a Community of merchants did not object to accepting as an Associate a country where communal strife had for eight years necessitated the presence of 6,000 UN troops'.<sup>39</sup> In a similar fashion, in March 1986, the Commission (spurred by Greece) insisted on opening negotiations with the RoC for the second stage of the Association Agreement arguing that there were no sound economic reasons to justify its persistent postponement.

In 1974, the member states through European Political Cooperation did play a more active role. During and immediately after the first Turkish military intervention the French Presidency immediately convened a meeting of member state ambassadors, which led to EPC démarches in Athens and Ankara calling for ceasefire and supporting the British initiatives for negotiations in Geneva. EPC thus contributed to the first 23 July ceasefire. Internal European divisions however blocked EPC during and after the second invasion. Between the first and the second Turkish attacks, the Greek junta collapsed and the new premier Constantine Karamanlis immediately voiced the intention to apply for EC membership. The pro European regime in Athens and the Turkish occupation of over one third of the island in turn made member states such as France more supportive of the Greek Cypriot side. Other

member states like Germany and the UK instead preferred to retain an even-handed approach towards Greece and Turkey, and supported American and UN mediation. As a result, since 1974 the EC refrained from active collective involvement in conflict resolution efforts.

# 4) The years of partition and failed negotiations: 1974-1988

Following military intervention, the Turkish troops remained in Cyprus and the 1960 constitutional order was not restored as provided for under the 1959 Treaty of Guarantee. A radically different type of order emerged instead. The Turkish invasion resulted in the occupation of 37% of the island including 57% of the coastline (see map 2). The occupied territory included 70% of the island's economic potential<sup>40</sup> with over 50% of the industrial enterprises, 60% of natural resources, 65% of the total cultivated land and 73% of the tourist infrastructure.<sup>41</sup> The intervention and the ensuing Vienna accords on the exchange of populations in April/May 1975 created 140-160,000 Greek Cypriots refugees from the north and 60,000 Turkish Cypriots from the south. Both areas were almost ethnically cleansed. Only in the northern Karpass peninsula 13,000 Greek Cypriot remained. In addition, since partition Turkey encouraged mainland immigration to northern Cyprus. Today the number of Turkish immigrants ranges between 40,000 and 80,000.<sup>42</sup> Property formerly belonging to Greek Cypriots was nationalised and distributed to Turkish Cypriots through certificates of usufruct on the basis of lost property in the south.

Since 1974 Cyprus has been divided into two distinct zones. In the north the Turkish Cypriot community first declared the 'Turkish Federated State of Cyprus' in 1975 and in 1983 unilaterally declared the 'Turkish Republic of Northern Cyprus' (TRNC). The international community, excluding Turkey, condemned the unilateral declaration of independence (UDI) as a secessionist act against the spirit of conflict resolution. <sup>43</sup> In the south, the Greek Cypriots retained the title of the RoC, and despite the absence of Turkish Cypriots, the international community continued to view the RoC as the only legitimate authority on the island.

Map 2: The 1974 partition of Cyprus



Ensuing rounds of inter-communal negotiations amounted to a little more than a few superficial and inconsequential successes and a myriad of failures. The chances for a settlement were considerably higher in 1974 than they were in 1988. The only steps forward were made shortly after partition. The 1975 UNSC resolution 367 proposed a solution based on an independent, sovereign, bi-communal and bi-zonal federation. A federation would take into account the post-1974 realities, while respecting the single sovereignty of Cyprus advocated in UNSC resolutions 353, 361 and 362.

Resolution 367 prepared the ground for the high level agreements of 1977 between Rauf Denktaş and Archbishop Makarios and of 1979 between Denktaş and Spyros Kyprianou. The 1977 agreement established four main guidelines of a settlement. A settlement would be based on an independent, bi-communal and non-aligned federation. Territorial administration would depend on economic viability and land ownership. The 'three freedoms' of movement, settlement and property would be dealt with in the agreement. The federal government would ensure the unity of the country. The 1979 agreement elaborated ten further points. A settlement would be reached via inter-communal talks and would address human rights and freedoms on the island. It would also provide for the resettlement of 35,000 Greek Cypriot refugees in a demilitarised Varosha, the now uninhabited and formerly developed

tourist resort area bordering the town of Famagusta. No action would be taken which could jeopardise the peace process.

The international community continues to uphold the high-level agreements. However, their substance was so general that almost any negotiating position could be considered as compatible with them. Hence, since the late 1970s when the community leaderships began discussing the finer details of a settlement, the peace process went through an unending series of setbacks and failures; 'the agreement on principles did not signify a meeting of minds'.<sup>44</sup>

In November 1978 the US together with Britain and Canada proposed the 'ABC Plan' in favour of a bi-communal Republic with guaranteed freedoms. The Republic would have a federal parliament consisting of two chambers, one reflecting the demographic balance and the other, the cantonal and communal equality. The Plan also included the resettlement of Varosha. The Greek Cypriot authority rejected the Plan, reluctant to accept the political equality of the two communities at the federal level.

Between 1980 and 1983 it was the turn of UN Special Representative Hugo Gobbi to attempt mediation in Cyprus. The 250 sessions under Gobbi's chairmanship failed to deliver an agreement. They ultimately broke down when in May 1983 the RoC, supported by Greece (led by Andreas Papandreou) brought its case to the UN General Assembly securing resolution 37/253 in favour of the immediate withdrawal of Turkish forces. Frustrated by the Greek Cypriot advantages of recognised statehood, the Turkish Cypriots responded with the UDI in November. In response to the UDI, the Greek Cypriot team left the negotiations and rejected the UN Interim Agreement.

Talks resumed in Vienna in August 1984.<sup>45</sup> The UN drafted three agreements under Secretary General Javier Pérez de Cuéllar in 1984-1986 (the 1984 Working Points, the 1985 Integrated Documents and the 1986 Draft Framework Agreement). The proposals suggested that a federation would consist of two provinces and the Turkish

Cypriot province would amount to 23-30% of the island. The legislative would have two houses. The lower house would be governed either by proportional representation or by a 70:30 ratio. The executive would be a presidential system, which would either follow the 1960 Constitution and a 60:40 ratio in the cabinet, or would include a rotating presidency and a 70:30 ratio in the cabinet. The federal level would be responsible for foreign and security policies, federal finance, monetary policy, utility networks, infrastructure and social policy. The two provinces would have the residual competences. Talks also covered the 'three freedoms', the withdrawal of Turkish troops, the resettlement of Varosha and the reopening of the Nicosia airport.

The Turkish Cypriot side accepted the first and third draft agreements for a federal settlement. However, both Papandreou and Kyprianou rejected them on the basis of their unclear treatment of the 'three freedoms' and the Turkish/Turkish Cypriot reluctance to accept a withdrawal of Turkish troops. With the referendum on the TRNC's constitution, the talks were postponed. When they recommenced in 1987-1988 (with the UN 1987 Procedural Formula and the 1988 Overall Agreement), agreement again failed to materialise.

#### a) Greek and Turkish Cypriot positions on state and sovereignty

Both communities and the three guarantors accepted the concept of a bi-communal and bi-zonal federation. But their understanding of this vaguely defined arrangement was substantially different.<sup>46</sup> In order to legitimise their inflexibility, the parties relied on legalistic formulations grounded on the notion of absolute and monolithic sovereignty, that were inherently inimical to any shift towards compromise. In the words of current UNSG Kofi Annan: 'in the decades during which it has resisted efforts at settlement, the Cyprus problem has become overlain with legalistic abstractions and official labels, which are more and more difficult to disentangle and which appear increasingly removed from the actual needs of both communities'.<sup>47</sup>

Absolutist views of statehood and sovereignty led to contrasting positions over constitutional issues. The Turkish Cypriot vision of communal security and justice led to an emphasis on separate sovereignty. In practice, this entailed that a federal state would emerge with the aggregation of the Greek and Turkish Cypriot sovereign federated states. Hence, the 1975 declaration of the Turkish Federated State of Cyprus and the 1983 UDI. The sovereign and largely self-governing cantons would then delegate limited powers to an essentially subordinate central level, governed by maximum equality in communal representation and unanimity in decision-making. The Greek Cypriot leadership also accepted the concept of a bi-communal and bizonal federation, but emphasised the single and indivisible sovereignty of the Republic of Cyprus, which would disaggregate through constitutional change: 'constitutional change in future should take place within the existing constitutional framework of the Republic and not on the basis of a 'union' of two separate 'state entities' which in any event do not exist in law'. 48 The Greek Cypriot rhetoric also excluded compromises based on a mix of federal and confederal features. As put by Toumazos Tsielepis, Member of the Committee of the National Council: 'these are not labels. Federation means one state, confederation means two separate states...there is no compromise on this issue, no half way. There can be one state or two states...But it is not possible to have both things together or something between the two'.49

Both the Greek and Turkish Cypriot positions were motivated by historical and political arguments. In Turkish Cypriot eyes, recognising the RoC as the basis of a future settlement entailed a dismissal of the atrocities of 1963-74. The creation of a federation by dis-aggregation would imply the recognition of the RoC's legitimacy as the sole representative of the island. To the Turkish Cypriots, the legal RoC had ceased to exist in 1963 when the Turkish Cypriot officials had departed. A federation by dis-aggregation would also allow for renewed Greek Cypriot domination, in the event of a constitutional breakdown. A solution would thus require the creation of a new state. To the Greek Cypriots instead, accepting the prior existence of two sovereign states would imply a recognition of the legitimacy of the 1974 military intervention and partition, and thus the ultimate victory of the historical Turkish

cause of *taksim*. It would also create the basis for a future dissolution of the State and Turkish Cypriot secession.

Interpretations of political equality also differed considerably. The Turkish Cypriots held as sacrosanct the principle of political equality. The creation of a federation from the dis-aggregation of the Greek Cypriot RoC could not provide the adequate basis for equality in so far as Turkish Cypriot inclusion in the Greek Cypriot Republic would leave the latter in a position of inferiority. It would suggest that Cyprus was Greek and that Turks could be accommodated within its structures. In terms of the federal structure, the Turkish Cypriot leadership insisted that political equality should be reflected in all governing arrangements. This would entail equality between the two federated states, coordination and not subordination between the federated states and the federal level, and equality of the two communities within the federal level as well as widespread unanimity of decision-making.

To the Greek Cypriots, the principle of political equality predominantly entailed equality between the two federated states. The 1989 Greek Cypriot proposals rejected the equality of the federated states vis-à-vis the centre. It stated that the provinces would 'coordinate' with the central level, but in practice the text provided for a system of subordination. It only mentioned a limited set of regional competences and provided for extensive concurrent powers, whereby in virtue of the unequal strength between the levels of government the centre would enjoy the upper hand. Equality also would not be guaranteed within the centre, as proportionality and majority rule would be the guiding principles for federal participation and decision-making. Fair bi-communal participation was accepted but within the limits of efficiency and workability of the central institutions. As put by then opposition DIKO leader and current President Tassos Papadopoulous: 'political equality can only be achieved within the confines of one state, one sovereignty and one citizenship'. S1

The prism of absolute sovereignty also led to contrasting positions over territory, Turkish immigrants and the three freedoms. The Turkish Cypriot leadership demanded sufficient territory to be economically self-sufficient and thus sustain Turkish Cypriot sovereignty. This concept was rejected by the Greek Cypriot side, to whom territorial boundaries would not divide two sovereign entities but would trace the invisible line dividing the sovereign federation. That boundary should account for the demographic balance on the island. Effectively following the same demographic logic, the Turkish Cypriot leadership objected to the Greek Cypriot demand for the repatriation of Turkish immigrants. To the Greek Cypriots, the three freedoms should be liberalised because the Cypriots, as the ultimate repositories of the single sovereignty of the state, should enjoy equal rights throughout the island. The Turkish Cypriots rejected this position, insisting on their separate sovereign self-rule. Cyprus, in their view, was composed of two, not one, sovereign peoples.

Differing perceptions of security threats articulated within the prism of state sovereignty also led to contrasting positions over external guarantees. To the Turkish Cypriots, within a system of two sovereign entities, Turkey alone could protect the security of the smaller Turkish Cypriot state. However, Turkey's self-interested strategic calculations were precisely the reason for Greek Cypriot resistance against Turkey's interference in the affairs of the single sovereign state of Cyprus.

So long as the parties espoused absolute views of statehood and sovereignty, their positions could not converge.<sup>52</sup> Paradoxically their positions were based on a similar understanding of the options available to them. Either there would be one state with single sovereignty in which all individuals would enjoy the same rights throughout the island and no external power would interfere in the internal affairs of the island. Or there would be two states with separate sovereignty and external protection, in which individuals would enjoy equal rights within their states and the two communities would be equal to one another. Given this conceptual paradigm, the Greek Cypriots naturally opted for the first variant. Greek Cypriot basic needs could only be established through a single, sovereign and independent state of Cyprus, whose sovereignty could not be internally shared and independence could not be

compromised by external interference. Turkish Cypriots instead opted for separate sovereignty as the only means, in their view, to secure their separate identity and communal existence. In view of their smaller size, their separate sovereign existence would be secured also through external guarantees.

#### b) Greek and Turkish Cypriot reluctance to settle

Compounded to these polarised positions was the reluctance of the two leaderships to move from the status quo. In the language of negotiation theory, the leaderships of the principal parties perceived to have high BATNAs, and as such the bargaining range was extremely narrow. They were supported in their stances by Greece and Turkey respectively.

#### i) Greek Cypriot political and economic strength and Greek support

Since 1963 and more visibly since 1974, the Greek Cypriot authorities enjoyed greater political and economic strength compared to their Turkish Cypriot counterparts. Beginning in 1964 with UNSC resolution 186, the international community, while acknowledging the anomalies in the structure of the state, recognised the Greek Cypriot government as the RoC. Political expediency (i.e., the need for UN peacekeeping) led the UN to neglect the unconstitutional nature of the state and to deal with the RoC as the only legitimate authority on the island.

This fundamental Greek Cypriot political advantage rose after 1974. The international community viewed Turkey's military intervention particularly after its second attack, and its ensuing occupation, as a gross violation of international law. In November 1974 the UN General Assembly voted unanimously for 'the speedy withdrawal of all foreign armed forces' and for negotiations under the good offices of the UN (resolution 3212). The fact that the Turkish intervention had resulted in the forced displacement of around 40% of the total population of the island further enhanced the Greek Cypriot moral high-ground. The result was a condemnation of Turkey's actions (even the US suspended its military aid to Turkey until 1978) and

secessionist Turkish Cypriot moves. The by-product was the confirmed recognition of the RoC's legitimate authority over the whole island. This position was reinforced following the 1983 UDI of the TRNC. In resolution 541, the UNSC 'deplores the declaration of the Turkish Cypriot authorities of the purported secession of part of the Republic of Cyprus....considers the declaration...as legally invalid and calls for its withdrawal'. The longer the Turkish occupation persisted, the less international support it garnered. Particularly since the 1980s, the Greek Cypriots used their direct access to international forums to win further international support.

The Greek Cypriot political advantage was reinforced by Greece, particularly after the rise to power of Andreas Papandreou in 1981. The Greek socialist government, less wary of antagonising Europeans and Americans, began pursuing a consistent policy of internationalisation of the Cyprus question, presenting internationally the Greek Cypriot moral, political and legal case. This further reduced the Greek Cypriot willingness to compromise in negotiations. Perception of political, moral and legal superiority induced the Greek Cypriot leadership and public to assume that concessions should come predominantly from the other side.

Superior political standing was also linked to the superior economic performance of southern Cyprus compared to the north. The 1974 military intervention and the subsequent partition left both communities in a state of total economic disarray. However in the decades following partition, while the Greek Cypriot economy experienced significant economic prosperity, the Turkish Cypriot economy remained stagnant and undeveloped. The Greek Cypriot economic success was facilitated by the RoC's status as the only internationally recognised state on the island. Southern Cyprus hugely benefited from international trade and investment. Trade enabled the Greek Cypriots to develop two major comparative advantages, the light manufacturing industry and tourism. The RoC also successfully developed a lucrative offshore financial service sector. These three branches of economic activity contributed to an average growth rate of approximately 7% and an unemployment rate of 3% in the 1990s. The RoC also enjoyed well-managed public accounts and

stable money markets. In 1995-1999 average public deficits in southern Cyprus amounted to 3.8% GDP and inflation averaged 2.5%.<sup>56</sup>

Table 2: Comparison between the RoC and the TRNC economies: 1995-1999\*

	RoC	TRNC*
Annual average GNP growth	6.8%	3.8%
GDP per capita 1999	\$12,850	\$4,158
Employment in primary sector 1997	12%	23%
Employment in public sector 1997	3%	18%
Tourists per year 1994	2,069,000	361,692
Public deficit % GDP 1997	1.3%	14%
Annual inflation 1995-1999	2.5%	60%
Unemployment 1999	3.6%	25%

<sup>\*</sup>Real figures for northern Cyprus are higher in the light of the level of unrecorded economic activity.

Source: Planning Bureau, Republic of Cyprus 1996, 1997, 1998, 1999.

Northern Cyprus presented a starkly opposite picture (see Table 2). Since partition the productivity of the northern economy has amounted to just over one third of that of the south.<sup>57</sup> Economic stagnation was fuelled to a large extent by international non-recognition and dependence on Turkey. International isolation induced the under-exploitation of the country's economic potential. Trade was limited by serious international restrictions. Since 1974 the RoC and Greece imposed economic embargoes on the north, and since 1994 EU markets also refused Cypriot exports not bearing RoC certification. The embargo also included international sport and cultural activities. Investment was deterred by inflation and the uncertain legal status of the state. Tourism was minimal, given the absence of international air-links from destinations other than Turkey, the restricted access from the south to the north, the inability to travel to the RoC after having visited northern Cyprus via Turkey and the penalties imposed on foreign ships calling at Turkish Cypriot ports.<sup>58</sup> Northern Cyprus also developed a large and inefficient public sector and became increasingly dependent on and integrated with Turkey. Other than relying on Turkish trade and financial transfers, the TRNC recognised the Turkish lira as its legal tender and thus

imported Turkey's fiscal and monetary instability. Standing in sharp contrast to Greek Cypriot statistics, in the north inflation fluctuated around 60% and public deficits relied completely on Turkish transfers for rectification.

The Greek Cypriots would only accept a settlement which led to an improvement of the status quo. They are reluctant to give up their political status and would only accommodate Turkish Cypriots into governing arrangements by federalising the existing RoC and retaining effective control within it. In return they would demand a redefinition of territorial boundaries, the withdrawal of most Turkish troops, the return of Greek Cypriot refugees to the north, the liberalisation of the 'three freedoms' and a substantial emigration of Anatolian immigrants. Given the economic disparity between the two sides, reunification would entail also a significant economic cost to the Greek Cypriots, reducing further pressures for a federal solution. Aware of its political and economic strength, the Greek Cypriot side effectively pursued a policy of 'wait and see', expecting and inducing a Turkish Cypriot cave in. The Greek Cypriot negotiators attended meetings and accepted settlement principles. But in practice they felt no need to settle on terms other than their own.

## ii) Turkish Cypriot self-rule and Turkish support

The Turkish Cypriot authorities were also relatively content with their *de facto* situation post-1974, although this position was not shared by the centre-left opposition and a growing segment of the public particularly since the late 1990s. Despite international non-recognition, Turkish Cypriot authorities have governed northern Cyprus since 1974 and have been recognised as the legitimate government by the Turkish Cypriots and Turkish immigrants inhabiting the area. The TRNC is fully equipped with a government, a central bank, a judiciary and an administration and is effectively secured by Turkish troops in addition to the 4,500 Turkish Cypriot soldiers. Northern Cyprus suffered greatly from non-recognition, particularly in economic terms. However, by constantly articulating the primary importance of physical security and identity over material well-being, the authorities prevented (up

until 2002) mass pressure for change. They were thus unwilling to settle for a federation in which their *de facto* achievements would be negated through an unequal power-sharing arrangement with the larger and wealthier Greek Cypriot community.

Their position was supported diplomatically, economically and militarily by Turkey. Turkey was the only country which officially recognised the TRNC and used its own status to articulate the Turkish Cypriot cause in international forums. Economically Turkey supported the TRNC, with over 90% of the Turkish Cypriot deficit being financed by Turkey through loans or grants. Turkey also supported northern Cyprus militarily through the presence of 35-45,000 mainland troops in an area inhabited by approximately 200,000 Turkish Cypriots and Turks.

Turkish Cypriot relative reluctance to settle also had an important time dimension to it. The leadership hoped and assumed that with the passing of time there would be a *de jure* international recognition of the *de facto* realities. Hence, it hardened its positions over time and insisted on the need to recognise existing realities.<sup>61</sup> As Denktaş put it in 1989: 'the clock cannot be put back. The TRNC exists and will continue to exist. Any possible agreement with the Greek Cypriots must be based on the existence of this Republic'.<sup>62</sup>

#### 5) Conclusion

This review of the Cyprus conflict has sought to highlight the underlying absence of sufficient political commitment of all the parties to an independent Cyprus based upon a shared understanding of the relationship between its communities. Over the decades, lack of commitment expressed itself in different ways by different actors.

The conflict emerged between the 1930s and the 1950s when the Greek Cypriot community supported by Greece articulated its struggle for self-determination in terms of *enosis*. Unlike other former Ottoman possessions in the Eastern Mediterranean swept by the tide of ethnic nationalism and reciprocal ethnic

cleansing, the Greeks of Cyprus were faced with the additional obstacle of British colonial rule, adamantly opposed to *enosis*. Thereafter, the Turkish Cypriot community and Turkey, spurred by the British, mounted a reactive counter-*enosis* campaign, which by the late 1950s found form in the diametrically opposed position of *taksim*. In 1960 a compromise was found. Cyprus would become an independent bi-communal Republic. Yet, the Greek Cypriot leadership remained implicitly devoted to *enosis* and by 1963 the bi-communal Republic had collapsed. With its breakdown, both the Greek and the Turkish Cypriot leaderships lost their already limited commitment to the 1959-60 agreements. Other European governments neglected the problem, while the Americans became increasingly uncomfortable with an independent Cyprus led by Archbishop Makarios, also known as the 'red monk'. Little international effort was made to stop the 1974 Greek coup and the ensuing Turkish military intervention. With the 1974 partition, Greek and Turkish Cypriot positions moved further apart and showed little signs of compromise.

The decades that followed witnessed a series of failed negotiations and rejected proposals. Neither the Greek nor the Turkish Cypriot leaders supported by Greece and Turkey respectively were ready to abandon the status quo for the reestablishment of a unified state where both communities would coexist on the basis of a shared understanding of their political equality. The Greek Cypriot leadership was relatively content with the political and economic supremacy of the RoC, while the Turkish Cypriot leadership was unwilling to renounce its *de facto* independence. Both parties articulated their claims in the mutually exclusive language of absolute statehood and sovereignty. No third party, other than the UN, actively attempted to alter these perceptions. However, as the following Chapters will argue, while the Community remained passive, its effective role in the dynamics of the conflict changed by the late 1980s, following Turkey's application to join the EC in 1987 and the beginning of the political dialogue between the RoC and the Community in 1988.

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Lawrence Durrell (1958) p.74

<sup>&</sup>lt;sup>2</sup> Doros Alastos (1955) p.27

<sup>&</sup>lt;sup>3</sup> Wayne S. Vucinich (1965) and Anthony Dolphin Anderson (1956)

<sup>&</sup>lt;sup>4</sup> Lawrence Durrell (1958)

<sup>&</sup>lt;sup>5</sup> Stanley Kyriakides (1968) p.136

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<sup>6</sup> Ioannis D. Stefanidis (1999)
<sup>7</sup> Orthodox Christianity was key to Greek nationalism and the definition of the Greek nation. Until the
1990s religion was included in Greek passports
<sup>8</sup> Michael A. Attalides (1979); Nectai Munir Ertekün (1981) and Ioannis D. Stefanidis (1999)
<sup>9</sup> Robert Stephens (1966)
10 Nectai Munir Ertekün (1981) p.2
<sup>11</sup> Ioannis D. Stefanidis (1999) p.155
12 Interview with Rauf Denktaş (1999)
13 Interview with Rauf Denktas (1999)
14 Stanley Kyriakides (1968) p.140
<sup>15</sup> Treaty concerning the Establishment of the Republic of Cyprus (1959)
<sup>16</sup> According to the 1960 census there were 441,000 Greek Orthodox, 104,000 Turkish Muslims,
3,500 Armenians, 7,000 Maronites and 16,000 others. If Armenians, Maronites and others are
included in the Christian Greek Cypriot group, the ratio of Greek to Turkish Cypriot was 82:18. If the
other minorities are excluded, the ratio was 77:18. Republic of Cyprus (1963) p.22
<sup>17</sup> New York Times 30/07/1959
<sup>18</sup> British Colonial Office (1961) p.6
<sup>19</sup> Stanley Kyriakides (1968) p.143
<sup>20</sup> Glafcos Clerides (1989b) pp.175-176
<sup>21</sup> Glafcos Clerides (1989b) p.24
<sup>22</sup> Glafcos Clerides (1989a) p.130
<sup>23</sup> Stanley Kyriakides (1968) p.110
<sup>24</sup> Andrew Faulds (1988) p.5
<sup>25</sup> Republic of Turkey (1998) p.5
<sup>26</sup> Glafcos Clerides (1989a) p.328
<sup>27</sup> Stanley Kyriakides (1968) see results of survey. pp.122-134
<sup>28</sup> Polyvios G, Polyviou (1976) p.242
<sup>29</sup> Polyvios G, Polyviou (1976)
<sup>30</sup> Polyvios G, Polyviou (1976) pp.144-145
31 Fazil Kuçuk (1963) p.16-17
<sup>32</sup>Stanley Kyriakides (1968) p.112
<sup>33</sup> Interview of Dr Fazil Kuçuk with Mr Ulrich Kienzle of West German Television 8 June 1965,
reported in Stanley Kyriakides (1968) p.121
34 Stanley Kyriakides (1968) p.119
<sup>35</sup> Council of Europe (1974) Resolution 573
<sup>36</sup> Christopher Hitchens (1997)
<sup>37</sup> OJ L 133 21/5/1973
<sup>38</sup> UNSC Resolution 186 (1964)
<sup>39</sup> Christopher Brewin (2000) p.36
<sup>40</sup> Andrew Borowiec (2000) p.97 and John L Scherer (1997) pp.43-44
<sup>41</sup> P.N. Vanezis (1977)
<sup>42</sup> Andrew Borowiec (2000) p.151. Figures on the numbers of Turkish immigrants vary enormously,
with Greek Cypriot figures citing around 110.000 Turkish settlers and Turkish Cypriot figures arguing
that not more than 40,000 of the population was born in Turkey.
<sup>43</sup> UN General Assembly Resolution 5412 (1983). UN Security Council Resolutions 541 (1983) and
550 (1984) and Council of Europe Resolution 1056 (1987)
<sup>44</sup> A.J.R Groom 'The Process of Negotiation' in Clement Dodd (ed.) (1993) pp.16-45, p. 19
45 According to a Turkish minister at the time, the UDI was not intended as a permanent measure but
as a means to shift the balance in UN positions in favour of the political equality of the Turkish
Cypriot community, as indeed appeared to be the case in the 1984-6 negotiations and in the 1992 Set
of Ideas. Interview held in Istanbul, May 2002
<sup>46</sup> Tozun Bahceli (2000)
<sup>47</sup> Report of the UNSG to the Security Council on his good offices mission in Cyprus, S/1999/707, 22
June 1999, quoted in Costas Constantinou and Yiannis Papadakis (2001)
<sup>48</sup> Kypros Chrysostomides (2000) p.357
<sup>49</sup> Toumazos Tsielepis (2002)
<sup>50</sup> Republic of Cyprus (1989)
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 See also Oliver Richmond (1999)
 UNSC Resolution 541 (1983b)
 Interview with Turkish Cypriot opposition leader, Nicosia, February 2002
 International Financial Statistics (1999)
 Commission of the EC (2000a)
 Ergun Olgun 'Economic Overview' in Clement Dodd (ed.) (1993) pp.270-298, p.271
 Ercan airport in northern Cyprus is not accepted by the International Civil Aviation Organisation given its acceptance was not requested by the RoC
 Andreas Theophanous (1996)
 Interview with Turkish Cypriot civil servant, Nicosia, February 2002
 It is interesting to note that in other secessionist conflicts like Georgia-Abkhazia, the Turkish Cypriot 'wait and see' tactic is openly espoused by the Abhkaz leadership. Interview with Abkhaz official, Sukhumi, July 2000 official, Sukhumi, July 2000 <sup>62</sup> Andrew Borowiec (2000) p.133

<sup>51</sup> Debate between Nicos Anastasiades, Demetris Christofias and Tassos Papadopoulous, in Cyprus College, Nicosia, 11/03/02
<sup>52</sup> See also Oliver Richmond (1999)

# Chapter 4

## Cyprus' EU accession process and the evolution of the conflict

'Regrettably these peace efforts were not a success. We have reached the end of the road'

In April 2003, a decade after the Commission and the member states had expressed the belief that Cyprus' accession process would catalyse a settlement on the island, the divided Cyprus signed an Accession Treaty with the European Union. What effect did the accession process have on the evolution of the conflict? This Chapter analyses how the introduction of the 'EU' variable in the context of enlargement acted as an important new external determinant of the internal dynamics of the conflict, both between the two communities, between Greece and Turkey, as well as between the Greek and Turkish Cypriots and their respective 'motherlands'. It does so by pointing out the major turning points in the EU accession process and the parallel policy developments on the island, in Greece and in Turkey.

## 1) The introduction of the EU variable in the Cyprus conflict: 1988-1993

Until the late 1980s, despite the existence of an Association Agreement with Cyprus, neither the Commission nor the Council had played a significant role in the evolution of the Cyprus conflict. The conflict had been affected primarily by the direct and indirect parties to the problem: the two Cypriot communities, Greece, Turkey, the UN Secretariat, the UK, and to a lesser extent and on particular occasions the US. Since the launch of a political dialogue between the RoC and the EC in 1988, the 'EU', as a collective actor, gradually became an integral element of the dynamics of the conflict, and over the course of the decade, its major external determinant.

On 18 July 1988 the General Affairs Council (GAC) of the EC formally invited the RoC to initiate a political dialogue with EC member states, constituting periodic consultative meetings between the RoC Ministry of Foreign Affairs and the EC

Presidency. The initiative came from Andreas Papandreou's PASOK government in Greece, at the time holding the rotating EC Presidency, which spurred RoC President George Vassiliou to apply for full EC membership. At the time Vassiliou rejected the suggestion, also because his February 1988 victory had come with the support of the leftist Reformist Workers Party (AKEL). However, although the application was not submitted, the RoC initiated a political dialogue with the Community and with it, a public debate on the option of full membership.

During the same period, Turkey under the leadership of Turgut Özal, applied for EC membership.<sup>2</sup> Having overcome a period of military rule in 1980-1983 and embarked upon unprecedented economic liberalisation as well as the first small steps towards democratisation in the mid-1980s, Prime Minister Özal took the bold step to apply for EC membership on 12 April 1987. However, in the case of Turkey, the Commission was not forthcoming. While not 'questioning the eligibility to full membership of the Community', the Commission refused to recognise Turkey as a candidate for accession.<sup>3</sup> The economic and political system in Turkey was considered far too different from that of the EC member states for a fruitful accession process to begin. The 1989 Opinion also mentioned the 'negative effects of the disputes between Turkey and an EC member state including the situation in Cyprus'.<sup>4</sup>

The late 1980s and early 1990s also witnessed the most active UN effort to reach a settlement in Cyprus since the 1974 partition of the island. Following the failure of the 'Draft Framework Agreement' talks in 1986 between Kyprianou and Denktaş, talks resumed in Geneva on 24 August 1988 between Denktaş and the newly elected Greek Cypriot President Vassiliou under the aegis of the UN. The talks continued during the autumn of 1988 and the early months of 1989 in Nicosia and New York. In July 1989 Secretary General Pérez de Cuellar presented his ideas for a settlement. The ideas provided for a new 'common home' for the two communities, whose relation would not be one of majority and minority but of political equality. There would be a new Constitution, which would set up a single bi-zonal and bi-communal federal Cyprus. The new state would have a single international personality and

citizenship. But it would embody the political equality of the two communities. The single sovereignty of the federal state would in fact 'emanate equally' from the two communities. Negotiations on the basis of the Secretary General's ideas continued into 1990 and culminated in a summit on 2 March 1990. The summit failed when Denktaş demanded the right of separate Turkish Cypriot self-determination and was immediately turned down by Vassiliou. Nevertheless, on 12 March 1990 Security Council Resolution 649 called for an agreement negotiated on an equal footing by the two parties based on the Secretary General's ideas. It also called the parties to 'refrain from any action that could aggravate the situation'.

Notwithstanding the UN Security Council's appeal, the RoC applied for EC membership on 4 July 1990. Indeed, the application triggered a strong Turkish and Turkish Cypriot reaction. On 12 July 1990 the Turkish Cypriot government immediately closed the crossing point on the green line and sent a memorandum to Gianni de Michelis, Italian Prime Minister holding the EC Presidency, strongly condemning the application on behalf of the whole island. The Turkish Cypriot leadership and Turkey argued that the application was illegitimate because it was made by the Greek Cypriot government claiming to represent the Turkish Cypriots as well. It stated that the application was illegal because it violated both the 1960 Constitution (article 50) and the Treaty of Guarantee (articles 1a, 1b and 170). It also stated that the application ran contrary to the 1977 and 1979 high-level agreements, as well as to the request of the UN Security Council to refrain from unilateral actions that could hamper negotiations. Nevertheless in September 1990 the Council of Ministers called the Commission to express its Opinion on the application.

Despite the RoC's application for EC membership, the 1990-1993 period witnessed persisting and intense UN mediation efforts. UN ideas on the principles of a solution became increasingly clear. In October 1991, UN Security Council resolution 716 reaffirmed the principle of a single state of Cyprus based on the political equality of the two sides. Political equality would be reflected in the process of negotiations and in the framework of a future solution. In December 1991, the report of the Secretary

General stated that 'the framework of a settlement has become clear'. 'Sovereignty will be equally shared but indivisible'; the solution would be based on a 'new constitutional arrangement' which would be negotiated on an 'equal footing' and approved through 'separate referenda'.<sup>9</sup>

In early 1992, the new UNSG Boutros Boutros Ghali immediately picked up the Cyprus dossier from where his predecessor had left it. Vassiliou and Denktaş repeatedly met during January and February 1992 and the process culminated with a full-fledged UN proposal for a settlement, known as the 'Set of Ideas'. The 'Set of Ideas' fleshed out in greater detail previous UN ideas and proposals for a loose bizonal and bi-communal federation. The substance of the document is reviewed in depth in Chapter 7. The UN Security Council endorsed the document in resolution 750 of 10 April 1992 and the Secretary General actively mediated negotiations. In June-August and October-November 1992, the parties negotiated on the basis of the 'Set of Ideas'. While remaining far from an agreement, significant steps forward were made. The Greek Cypriot team accepted the entire document as a basis for negotiation, while the Turkish Cypriot side endorsed ninety-one out of the one hundred points of the document. Ultimately the talks ended in November 1992 with the Secretary General concluding that negotiations suffered from a 'deep crisis of confidence' between the parties.

The UN's appreciation of the 'deep crisis of confidence' induced it to focus on confidence building measures (CBM). The CBM package foresaw the Greek Cypriot re-settlement in the ghost town of Varosha under a UN administration and the establishment of an inter-communal tax-free trade area there, together with the re-opening of the Nicosia international airport, which would have eased the embargo on northern Cyprus. Discussions over the package took place in May-June 1993. Negotiations ultimately failed. Both sides had deep reservations on the package, which was finally rejected by the TRNC Assembly.

In the backdrop of these events, an EC consensus concerning Cyprus' application emerged over the course of 1992, and was then formalised in the Commission

Opinion published on 30 June 1993. The EC accepted the RoC application on behalf of 'Cyprus', while assuming that accession negotiations and ultimate membership would occur after a settlement. In other words, the accession process would be begin but with a strong form of conditionality.

The Opinion was clear in its acceptance of Cyprus' European credentials, and thus the country's eligibility for membership. 10 Furthermore, the Commission stated that it did not envisage major economic obstacles to the accession of the island. Although the economic situation in the north presented important challenges, these could be overcome particularly in view of the small size of the Cypriot economy. 11 However, the June 1992 European Council in Lisbon was explicit on its position over a settlement of the conflict, concluding that 'in the case of Cyprus, there is inevitably a link between the question of accession and the problem which results from the de facto separation of the island into two entities, between which there is no movement of goods, persons or services'. 12 Following this line, the Commission Opinion stated that while 'the Community considers Cyprus as eligible for membership', accession negotiations would only begin 'as soon as the prospect of settlement is surer'. 13 The Commission also stated that 'Cyprus' integration with the community implies a peaceful, balanced and lasting settlement of the Cyprus question'. 14 Given that accession negotiations would begin when the prospect of a settlement was 'surer', the fact that Cyprus' integration 'implied' a settlement, suggested that accession itself would occur after an agreement.

The motivating factor for this explicit form of conditionality was the *acquis* communautaire. A settlement was a sine qua non in order for Cyprus to 'participate normally in the decision-making process of the EC...' and ensure '...the correct application of Community law throughout the island'. The acquis was presented as the apolitical explanation for this fundamental precondition. It was the technical shield behind which hid the underlying political reservations of member states like France, Germany, Italy and Holland about the accession of a divided island.

However, the Opinion's articulation of conditionality retained a balance. Conditionality on the Greek Cypriots was designed not to induce greater Turkish Cypriot intransigence. The Commission feared that unqualified conditionality on the RoC would reduce Turkish Cypriot incentives to compromise. As Greeks and Greek Cypriots argued, Cyprus' EC membership would become hostage to Turkish and Turkish Cypriot inflexibility. The Opinion therefore stated that 'should this (a failure of negotiations) eventuality arise, the Commission feels that the situation should be reassessed in view of the positions adopted by each party in the talks and that the question of Cyprus' accession to the Community should be reconsidered in January 1995'. The message behind the Commission's Opinion, endorsed by the Council, could be read as follows. If the Greek Cypriots demonstrated goodwill and moderation and the ultimate failure to reach an agreement was due to Turkish Cypriot intransigence, accession negotiations without a settlement would be considered. Turkish Cypriot intransigence could open the way for the accession process with a divided Cyprus. Already in 1993, this prospect was not excluded.

In conclusion, the 1988-1993 period was characterised by two principal phases, in which the 1990 application for membership marked a clear turning point. Both phases witnessed an unprecedented UN mediation effort, particularly with the 1992 'Set of Ideas', endorsed by Security Council resolution 750. While these efforts failed to yield an agreement, they succeeded in making the principal parties tackle the core issues of the conflict within the framework of the same detailed document. Within this context, the Greek Cypriot government began seriously pursuing its integration in the EC first through political dialogue in 1988 and then through a full membership application. The 1990 application was condemned by the Turkish Cypriot leadership and the Turkish government, whose EU bid instead had been rejected in 1989. After three years the Commission responded with its Opinion. While recognising Cyprus' eligibility and without wholly excluding the accession process for the divided island, the Opinion hid behind the *acquis* to impose conditionality on the RoC.

## 2) The turning point in Cyprus' accession process: 1994-96

Up until and including the 1993 Opinion, the EC role in the Cyprus conflict remained marginal, beyond the effect it had on Greek Cypriot views on membership and Turkish Cypriot reactions to such views. By mid-1994 onwards, this situation had transformed; EU decisions, and particularly those taken in June 1994 and March 1995 became major external determinants of the evolution of the conflict. With the concrete prospect of accession negotiations with a divided Cyprus, what in 1993 had been presented as a hypothetical possibility, became an increasingly likely scenario by mid-1995. This in turn triggered negative Turkish and Turkish Cypriot reactions, which hampered the peace process.

In addition, EU actors did little to make the accession process conditional on internal developments in the RoC. As the EU moved towards a lifting of conditionality in 1994-1995, the pressure on the Greek Cypriot government to reach an agreement before accession negotiations declined. What by 1994 had consolidated into a strong Greek Cypriot desire to join the Union began to hinge less on progress in conflict resolution. The Commission and the member states also did nothing to halt the negative developments in Greek Cypriot policy that followed the internal government changes in Nicosia and Athens. In particular, EU actors failed to exert any form of meaningful influence on the RoC to deter the development of its defence capability. As Chapter 6 will analyse in greater detail, domestic changes in Greece critically affected EU decisions in those years. The two explanations are mutually reinforcing. While on the one hand, EU decisions did nothing to deter nationalistic Greek Cypriot policies, the return of Andreas Papandreou to power in Greece contributed to the turning points in EU policy both in June 1994 and in March 1995.

#### a) EU decisions

Immediately following the Opinion, EU institutions took concrete steps to further the integration of Cyprus in the Union. On 4 October 1993, at a meeting in Luxembourg, the Council endorsed the Commission Opinion and in December, despite strong British resistance, it appointed Serge Abou as the EC Representative in Cyprus.

Abou was mandated to monitor the development of the conflict and the intercommunal negotiations on CBM. In November, following the Council declaration, the Commission launched substantive talks with RoC officials on the familiarisation with the *acquis*.

A crucial decision was then taken at the Corfu European Council on 24 June 1994, under the Greek Presidency. The Corfu Council included Cyprus (and Malta) in the next round of enlargement. While the position regarding the need for a settlement as put in the Commission Opinion was not formally revised, in practice the clarity of conditionality as articulated in 1993 started to erode. The case of East Germany gradually became part of the political discourse both in official and academic circles as a model for the *de facto* (not *de jure*) sequential accession of the two sides of Cyprus with a single set of negotiations. This would entail the accession of a divided Cyprus, whereby the *acquis* would be implemented immediately in the RoC controlled areas, and extended to the rest of the island following a settlement.

The second and perhaps even more critical decision was taken on 6 March 1995, when the General Affairs Council under the French Presidency brokered what was to become the first 'historic compromise' in the EU-Cyprus-Turkey triangle. <sup>19</sup> The Council agreed to begin accession negotiations with Cyprus six months after the 1996 Intergovernmental Conference (IGC). <sup>20</sup> In return, Greece removed its veto on the pending Turkey-EU customs union, cast following the 35<sup>th</sup> EC-Turkey Association Council in December 1994. <sup>21</sup> The customs union covered all industrial products and processed agricultural goods. It called for the harmonisation of Turkey's legislation in taxation, intellectual property, state aids and competition policy. Turkey would have received the long-awaited accumulated funds from the 4<sup>th</sup> Financial Protocol, which amounted to \$1.2 billion in aid and EIB loans. <sup>22</sup> However, in terms of institutional structure and decision-making, the agreement fell far short of the extensive consultation that existed between EU and Central and Eastern European officials. <sup>23</sup>

## b) Greek and Greek Cypriot assertive nationalism

The period just before and immediately after the Commission Opinion was also marked by greater assertive nationalism in the policies of the RoC and Greece. These policy shifts were closely linked to domestic political changes in Nicosia and Athens.

In Nicosia, Glafcos Clerides from the centre right party DISY won over incumbent George Vassiliou in the February 1993 presidential elections. Clerides had run his presidential campaign on the basis of a nationalist agenda: i.e., that of 'purging' the Set of Ideas of their negative elements and upgrading Greek Cypriot defence policy. The ideas for thin central government, extensive power sharing and strong bizonality in the 'Set of Ideas' were anathema to Greek Cypriot nationalists. While Clerides himself was not considered an uncompromising nationalist, his hardline stance was taken in the context of the 1993 election campaign. Clerides had won the elections with the support of Spyros Kyprianou's nationalist centre-right DIKO and Vassos Lyssarides' nationalist socialist EDEK, which both opposed the 'Set of Ideas'. In addition Clerides needed to distinguish his position from that of his competitor, the liberal and moderate George Vassiliou (EDI).<sup>24</sup>

True to his electoral pledges, President Clerides moved away from the Ghali Ideas. Upon electoral victory he stated that 'the Set of Ideas in its present agreement form is worse than partition or the status quo and... constitute a danger for the existence of Hellenism'. Clerides also declared that the starting point of any future agreement would be the 1977 and 1979 guidelines, together with the UN Charter and the European Court of Human Rights principles. Yet the 1977 and 1979 guidelines were so general that a move back to them effectively eroded if not eliminated any further commitment made by the Greek Cypriot side in subsequent negotiations. Following the failure of the inter-communal talks in the first half of 1994, discussions on the CBMs were on the verge of resuming in October 1994. They were ultimately stalled by Clerides, who declared there was insufficient 'common ground' between the parties. This position persisted when in January 1995 Clerides rejected Denktaş's fourteen-point peace initiative foreseeing EU membership for a federal Cyprus along

the lines of the 1992 'Set of Ideas' and proposing to discuss the CBM package without preconditions. The RoC also upgraded significantly its defence capability. Immediately after the elections, Clerides announced an increase in defence spending to \$1 million per day, i.e., 7% of the RoC's GNP.<sup>26</sup>

Internal political changes in Nicosia dovetailed those in Athens, accentuating the move away from the years of increased moderation in 1989-1992. In October 1993, Andreas Papandreou's PASOK returned to power in Athens, taking over from the conservative Constantine Mitsokakis (New Democracy), known to be a moderate on the Cyprus conflict. Papandreou immediately strengthened the Greek government's ties with the RoC, most notably in the field of defence policy. This move was also strongly advanced by then Defence Minister Yerasimos Arsenis, who in view of Papandreou's illness at the time, aimed at the leadership of PASOK by advocating assertive nationalist defence policies.<sup>27</sup>

More specifically, in December 1993 the Greek and Greek Cypriot government signed a 'Joint Defence Doctrine', which placed the RoC under Greece's military umbrella. Greece and the RoC would coordinate military strategies and the acquisition of military assets, and their military forces would engage in joint exercises once a year. Plans were made for the construction of a new air base in Paphos intended to accommodate Greek F-16 planes. Greece also committed itself to intervene militarily in the event of a Turkish attack on Cyprus. The declared aims of the upgraded defence capability were to deter a Turkish aggression by raising the costs of declaring *casus belli*, to redirect international attention towards Cyprus, and to increase pressure on Turkey to review its foreign policies.<sup>28</sup>

Finally, the Greek Cypriot and Greek governments began to exert greater pressure in European legal forums for a condemnation of Turkish and Turkish Cypriot actions. The resulting court cases had a profound negative impact on the conflict and future peace efforts. The first critical case was that of Titina Loizidou, a Greek Cypriot who in March 1989 attempted to cross the 'green line' in order to reach her property in Kyrenia and was stopped by Turkish forces. In July 1989 Ms Loizidou independently

filed a complaint to the Commission of the European Court of Human Rights (ECHR).<sup>29</sup> Initially (July 1993) the ECHR Commission dismissed the case as unfounded. But in November 1993 the Loizidou case was reintroduced in the ECHR, this time with the full backing of the RoC government. The Court's rulings came in different stages. On 23 March 1995 the ECHR accepted the premise that in the light of the ongoing conflict and the presence of Turkish forces in northern Cyprus, Turkey's jurisdiction was considered to extend to the north. Turkey had in turn accepted the jurisdiction of the ECHR in January 1990. In its second ruling on 18 December 1996, the Court found Turkey guilty of violating article 1, protocol 1 of the European Convention for the Protection of Human Rights and Fundamental Freedoms guaranteeing Ms Loizidou's 'peaceful enjoyment of her possessions'. Finally on 28 July 1998, the ECHR requested a compensation of €800,000 from Turkey to Ms Loizidou for denying the enjoyment of her property in Kyrenia.

The aims of the Loizidou case were both to discredit further the TRNC and to increase pressure on Turkey. The case gave international support to the view that the conflict was driven by Turkey and that the TRNC was not a *de facto* state but a mere puppet in Ankara's hands. The ECHR ruling indeed described the TRNC as the subordinate local authority under Turkey's control, exacerbating the legal and political hierarchy between the Greek Cypriot and Turkish Cypriot authorities. The case also highlighted the human right violations committed by Turkey in northern Cyprus.

The Loizidou case was also intended to strengthen the Greek Cypriot negotiating position by altering fundamentally all future negotiations on the right of return. Prior to the Loizidou case, UN proposals (including the 'Set of Ideas') partially accounted for Turkish Cypriot concerns by advocating the partial exchange of property between Greek and Turkish Cypriot displaced persons, and stringent conditions regulating the freedoms of settlement and property. The Loizidou case was intended to transform the basis of future negotiations on these questions in favour of the Greek Cypriot side. Not only did international law provide unreserved support for the Greek Cypriot position. The Loizidou precedent also made the acceptance of Turkish

Cypriot proposals less feasible. Even if the two communities were to agree to property exchange and community ceilings in the two federated states, could the issue be considered settled if any Greek Cypriot individual deprived of his/her property could challenge the agreement by appealing to the ECHR? By 2002 there were over 110 individual Greek Cypriot cases filed against Turkey in the ECHR.<sup>31</sup>

The Loizidou case had a negative impact on the peace process not necessarily because of the actual ruling of the Court, but because it represented an attempt to settle one of the key issues of the conflict through arbitration rather than mediation and negotiation. As such it exacerbated Turkish Cypriot resentments against Greek Cypriot attempts to exploit their international recognition to strengthen their bargaining position. Perhaps most critically it also complicated future talks on the other items on the conflict settlement agenda, given the inextricable link between all of these items and their possible resolution through a comprehensive agreement.

The second critical court case was the Anastasiou case in the European Court of Justice (ECJ). Up until 1994, the EC traded with northern Cyprus despite the international non-recognition of the TRNC. Since 1976, the UK and Ireland in particular continued to import Turkish Cypriot goods under the Commonwealth preferential system. They did so by appealing to Article 5 of the 1972 EC-Cyprus Association Agreement, which stated that the Community would not discriminate between the nationals or companies of Cyprus.<sup>32</sup> Given that the Agreement had been signed almost a decade after the constitutional breakdown of 1963, Article 5 had been inserted to ensure the Community's even-handedness towards the two communities. However, with the 1994 Anastasiou case, the effective embargo of Greece and the RoC on northern Cyprus was extended to the rest of the  ${\rm EU.}^{33}$  On 5 July 1994 the ECJ ruled in favour of Anastasiou ltd (a Greek company which filed the case with the support of the Greek government) banning Cypriot fruit, vegetable and textile exports that did not bear RoC documentation. In paragraph 3 the ECJ concluded that 'no means of proof of the origins of products other than that expressly provided for in the 1977 Protocol may be unilaterally adopted by the Community'. At the time of the ECJ judgement 74% of Turkish Cypriot exports were directed to the EU and only 14% went to Turkey. In 1996 Turkish Cypriot exports to the EU fell to 35%, while exports to Turkey rose to 48%.<sup>34</sup> The ECJ ruling thus significantly tightened the economic grip on the north. It increased the TRNC's economic isolation and dependence on Turkey. Consequently, it reduced dramatically Turkish Cypriot living standards, effectively raising the costs of the status quo (and reducing the Turkish Cypriot BATNA).

## c) Turkish Cypriot and Turkish antagonising reactions

EU decisions directly triggered negative Turkish and Turkish Cypriot reactions. Immediately following the Anastasiou ruling, Rauf Denktaş for the first time explicitly threatened to integrate the TRNC with Turkey. In September 1994, Turkey and the TRNC signed the thirteenth joint economic protocol foreseeing the use of the Turkish lira as the sole national currency in northern Cyprus, the full inclusion of northern Cyprus in the Turkish telecommunications code and the switch to righthand driving in northern Cyprus as in Turkey. Denktas argued that in the light of the ECJ ruling, economic needs would force the TRNC to integrate fully with Turkey. The same ECJ case was also presented as the motivating factor behind the TRNC Assembly's revocation of all past commitments to a federal settlement on 29 August 1994.<sup>35</sup> In the summer of 1994, the Assembly revoked its commitments of 1984 and 1985 to a federal settlement agreed in the context of negotiations under Pérez de Cuellar, and demanded recognition of Turkish Cypriot sovereignty. In October 1994 following the Corfu European Council's decision, Denktaş declared that he would reject all Greek Cypriot offers of a cantonal federation if the RoC began accession negotiations prior to a political settlement. Whether EU decisions were an excuse to pursue more explicitly unchanged objectives or a genuine cause for the change of Turkish Cypriot positions is debatable, but also of lesser importance. What is of the essence is that the ruling triggered the Turkish Cypriot policy shift.

However, the 1994 ECJ judgement and the Corfu Council's decision were followed by harsher Turkish Cypriot reactions than the arguably more significant 6 March 1995 GAC decision. While the 1994 decision merely included Cyprus in a still

uncertain future wave of enlargement, the 1995 decision effectively set a date for the start of accession negotiations. However, the 1995 decision was brokered as a package deal. While both the Turkish and Greek governments adamantly denied the linkage, the package partially soothed Turkey, which in turn understated its opposition to the EU's Cyprus policy.<sup>36</sup> Although the Turkish Foreign Ministry immediately declared its disapproval of the Cyprus component of the package deal, both the Turkish and TRNC leaderships accepted the agreement and its implications.

Within Turkey and the TRNC, the customs union deal struck by True Path Party (DYP) leader Tansu Çiller and coalition partner Murat Karayalçin (SDP) was widely criticised. The deal was denounced by opposition parties such as the Islamist Welfare Party (RP), the liberal Motherland Party (ANAP) and the centre left Democratic Left Party (DSP). Critics argued that Turkey's acceptance of the customs union deal entailed its recognition of the RoC, given that in article 16 Turkey agreed to align itself to the EU's preferential treatment regime, which mentioned all EU candidates including Cyprus. Turkish Cypriot academic Hasan Biçak stated also that the customs union could force Turkey to follow the EU in its trade policy towards the TRNC. Given that in article 64 Turkey accepted that contrasting legal interpretations could be resolved by making reference to past ECJ rulings, Biçak argued that the Anastasiou case could force Turkey to join the EU in its embargo on the TRNC.<sup>37</sup>

However, despite the expression of concern by various actors in both Turkey and northern Cyprus, the 1995 decision did not cause an immediate reaction. The criticism of Turkish opposition politicians should be viewed in the context of their roles within the domestic political scene. Once in office, these parties (the Islamist Refah in 1996-7 and the DSP, MHP and ANAP in 1999-2002) never seriously raised their concerns over the customs union agreement. Unlike the ECJ case and the Corfu decision which triggered visible reactions, the 1995 package deal led neither to a softening nor to a meaningful hardening in Turkish and Turkish Cypriot positions.

## 3) The progressive deterioration of the conflict: 1996-1999

Between 1996 and late 1999, and with the launch of accession negotiations in particular, the prospect of Cyprus's EU membership irrespective of a settlement became progressively more likely. This triggered hostile Turkish and Turkish Cypriot reactions which in turn eliminated all chances of an immediate settlement. Furthermore, the Greek Cypriot side, unhindered by the Commission or the member states until late 1998, persisted in its assertive defence policies.

#### a) EU decisions

Immediately following the March 1995 decision, EU institutions took the necessary steps to prepare for accession negotiations with the RoC and the other candidates. The 16<sup>th</sup> EU-Cyprus Association Council meeting on 12 June 1995 decided to launch a structured dialogue for Cyprus' familiarisation with the *acquis*. The dialogue envisaged Cyprus' participation in the European Conference taking place alongside European Council meetings, six-monthly meetings at ministerial level for the discussion of Common Foreign and Security Policy (CFSP) and Justice and Home Affairs (JHA), annual ministerial and working groups meetings, and various other informal links. In addition the RoC was expected to align itself with CFSP statements and actions. The structured dialogue also envisaged Cyprus' participation in Community programmes in the fields of training, research and technology, culture, customs, youth and the audio-visual. The EU would provide €136 million in preaccession aid and would upgrade the role of its envoys. On 21 November 1995 Cyprus, together with the other candidates, began fifteen months of preliminary talks with the Commission followed by structured dialogue.

During the course of 1996, the Council of Ministers, the Commission and the European Council made no statements concerning conditionality on Cyprus. On the contrary, the possibility of membership prior to a settlement was no longer excluded. On 5 March 1996, Commissioner Hans Van der Broek declared during a Cyprus-EU Parliamentary Committee meeting that the accession of a divided Cyprus was 'possible although not preferable'.<sup>38</sup>

In 1997, two critical decisions affecting Cyprus-EU relations were taken. In July 1997 the Commission published its 'Agenda 2000'. The document reconfirmed the 6 March 1995 decision and stated that 'if progress towards a settlement is not made before the negotiations are due to begin, they should be opened with the government of the Republic of Cyprus, as the only authority recognised by international law'.<sup>39</sup> In other words, explicitly moving away from the position in the 1993 Opinion, and appealing to its review clause (paragraph 51), a settlement would not be a prerequisite for accession negotiations, although 'agreement on a political settlement would permit a faster conclusion of the accession negotiations'.<sup>40</sup>

The second significant decision was taken at the Luxembourg European Council on 12-13 December 1997. In the light of the conclusion of the IGC with the signing of the Amsterdam Treaty on 2 October 1997, the Luxembourg European Council set a firm date for the launch of accession negotiations with the candidate countries. Negotiations with Cyprus would begin on 30 March 1998 irrespective of a settlement. The Presidency conclusions did not state that accession itself could occur before reunification. However, by allowing accession negotiations to begin, the possibility of full membership before a settlement became more likely. If no agreement was reached, accession negotiations could not be upheld indefinitely. The Luxembourg European Council not only set a date for negotiations with Cyprus. It also denied Turkey 'EU candidate status'. Unlike the 1995 'historic compromise', which retained an element of balance in the EU's approach towards Turkey and Cyprus, the Luxembourg conclusions took a momentous step in Cyprus-EU relations without an accompanying step in Turkey-EU relations. Rather than candidacy, the European Council offered Turkey a 'European Strategy' of unclear content. He European Council offered Turkey a 'European Strategy' of unclear content.

On 26 March 1998 the Commission formally opened the screening process with the first wave accession candidates. It offered the candidates an enhanced pre-accession strategy, pre-accession aid and technical assistance. After the opening conference in March, the Commission launched the substantive analytical examination of the *acquis* (i.e., screening), followed by accession negotiations in November 1998. By

late 1998, while a settlement could have been considered still a pre-condition for actual accession, it was *de facto* no longer a pre-condition for accession negotiations.

The rejection of Turkey's candidacy in Luxembourg and the opening of accession negotiations with Cyprus in March 1998, induced the European Council under the British Presidency to substantiate its calls for a 'European Strategy' for Turkey. On 14-15 June 1998 in Cardiff, the European Council adopted the Commission's proposal for a 'European Strategy' of 4 March 1998. It also reiterated Turkey's eligibility for membership on the basis of article 28 of the 1963 Association Agreement.

#### b) International peace initiatives

Precisely because of key EU decisions, 1996-7 was rife with British, American and UN diplomatic initiatives to settle the Cyprus conflict so as to enable accession negotiations to be carried out with a reunified Cyprus in March 1998. Yet the very progress in Cyprus' accession path proved critically detrimental to all peace efforts. In view of the approaching EU deadline for accession negotiations, all peace initiatives in 1996-7 ended in total failure.

In May 1996, the UK appointed Sir David Hannay as the British Special Representative to Cyprus. In June 1996, the US launched a new initiative led by Richard Beattie. One year later in June 1997, the Clinton administration stepped up its involvement with the appointment of the Dayton Treaty architect, Richard Holbrooke, to work on the Cyprus impasse.

The UN Secretariat also deployed its resources to re-launch a dialogue, stalled after the failure of the CBM talks in October 1994. Under UN Special Representative Diego Cordovez direct talks were held on 9-13 July in Troutbeck, New York. In Troutbeck, the UN tabled a proposal, which like the 1992 'Set of Ideas', proposed a federal state with single sovereignty emanating equally from both communities, with single international personality and citizenship, and composed of two federated states

with identical powers. At the Troutbeck meeting, the Greek Cypriot team led by Clerides, who back in 1993 had openly voiced his reservations about the Ghali 'Set of Ideas', rejected the formulation of sovereignty 'emanating equally' from both communities. The talks were then reconvened on 11-15 August 1997 in Glion, Switzerland. They failed, this time due to the Turkish Cypriot position.

## c) Turkish and Turkish Cypriot antagonising reactions

The Turkish Cypriots were held predominantly responsible for the failure of these peace initiatives. Unlike the 1993-1995 period, where Turkish and Turkish Cypriot reactions to EU decisions were not primary determinants of the failure of peace efforts, by 1996-1997 these reactions became critical obstacles to a settlement. Turkey and the TRNC openly admitted the direct effect of EU decisions on their positions and the evolution of the conflict. Naturally they did not accept any blame for the failure of peace initiatives, but portrayed their policies as unavoidable reactions to one-sided EU decisions. Nonetheless, these very reactions (unavoidable or not) admittedly added new and critical obstacles to the peace process.

Between the end of 1995 and 1999, what had previously been vaguely articulated threats of integration between Turkey and the TRNC acquired more tangible significance. On 28 December 1995, Turkey and the TRNC published a Joint Declaration of intention to work towards the integration of the two entities. The Declaration was explicitly described as a reaction to EU decisions (the initiation of the structured dialogue between the EU and the RoC in November 1995) as well as to the ongoing Greek Cypriot rearmament policy. On 20 January 1997 Presidents Demirel and Denktaş signed the Joint Declaration, which stated that 'every structural cooperation and harmonisation measure to be initiated between the Greek Cypriot administration of Southern Cyprus and the EU will be similarly implemented between the TRNC and Turkey'. In other words, Turkey and northern Cyprus deliberately spelt out the parallelism between Turkey-TRNC integration (and its evident repercussions on the conflict) and what they deemed to be the threatening Greek Cypriot-EU initiatives.

The substance of Turkish and Turkish Cypriot integration was then elaborated. On 20 July 1997, four days following the publication of Agenda 2000 and on the occasion of the celebrations of the first Turkish military intervention of 1974, Bulent Ecevit and Rauf Denktaş agreed on partial integration talks in the fields of economy, finance, foreign affairs, security and defence. Following the EU Association model, Turkey and the TRNC established a joint Association Council. The first meeting of the Association Council ostentatiously took place on 1 April 1998, only a few days following the formal launch of the accession negotiations between the RoC and the Commission. In the summer of 1997, the Turkish and Turkish Cypriot governments also agreed to include the TRNC in Turkey's priority economic development plans and to focus on water cooperation. In August 1997, Turkey and the TRNC formalised these decisions through an Association Agreement.<sup>42</sup>

The Association Agreement provided the framework for the implementation of several specific measures. From 7 January 1998, Turkish Cypriot officials were included in Turkish Embassies and Delegations. In March 1998 and thus in parallel with the formal launching of accession negotiations, Turkey and the TRNC established a joint economic zone. This allowed northern Cyprus to receive Turkish agricultural bank credits on the same terms as Turkish applicants and to benefit from the same preferential treatment as Turkish provinces. In July 1998, Turkey and the TRNC declared their plans to transport water from Turkey to northern Cyprus. In 2001 the system would be replaced by an under-sea water pipeline. In the course of 1998, northern Cyprus received TL 41,800 million from Turkey, i.e., almost half the TRNC's total budget of TL 93,600 million.

Moves towards integration between Turkey and northern Cyprus were discarded by Commission and British officials as irrelevant, in so far as they were considered legally void given the illegal premises on which they were grounded, as well as practically meaningless given the high degree of *de facto* integration between Turkey and northern Cyprus already in place.<sup>43</sup> Nonetheless, the political significance of these developments is noteworthy. Turkish-Turkish Cypriot integration illustrated

Ankara and Lefkoşa's antagonising attitudes towards the EU as well as their reduced readiness to settle the conflict. The more Turkey and the TRNC proceeded along the path of integration, the more distant became the prospect of a Cyprus settlement, based on the reunification of the island within the EU.

Turkish Cypriot reactions also contributed directly to the failure of the peace efforts. On 11-15 August 1997, shortly after the publication of Agenda 2000, the two community leaders participated in a second round of talks in Glion, Switzerland. The talks failed to deliver any progress and UN officials deemed Rauf Denktas responsible for the outcome. Denktaş rejected the UN's principles for a settlement on the grounds that these entailed a shift towards the Greek Cypriot side. The substance of the Glion papers was not disclosed. It is thus impossible to ascertain whether the Turkish Cypriot reactions were actually a response to the substance of the UN's ideas, or whether they were triggered by Agenda 2000. Yet it must be noted that Denktaş demanded an immediate freeze in the procedures to launch accession negotiations with the RoC (as well as the annulment of the Greek Cypriot order of S-300 missiles) as a precondition for future talks. On his departure Denktaş declared that he would not meet Clerides again until the EU clarified its position on the question of Cyprus' future accession. Hence, whether or not the substance of the UN's ideas contributed to the negative Turkish Cypriot reaction, the ensuing Turkish Cypriot demands and declarations suggested that Denktaş's main source of suspicion in Glion (and/or excuse to stall negotiations) were the decisions of Agenda 2000.

Matters deteriorated following the 1997 Luxembourg European Council. Turkey perceived the European Council's decisions as evidence of clear discrimination and viewed itself as being unjustly de-coupled from the enlargement process, which included countries with significantly less developed economies and ties with the Union. It therefore froze its political dialogue with the Union, both by refusing to attend the European Conferences that would take place alongside European Council meetings and by suspending the Turkey-EU Association Council. Frozen relations set the scene for harder Turkish Cypriot reactions, this time directed at grass-root activities. On 26 December 1997 Denktas announced the end of all EU information

campaigns in northern Cyprus and ended all informal contacts between TRNC and Commission officials. He also banned all bi-communal activities.

With the opening of accession negotiations with the RoC in March 1998, the Turkish and Turkish Cypriot authorities hardened their position further. On 23 April 1998 the Turkish and Turkish Cypriot governments jointly declared that 'the EU has disregarded international law and the 1959-60 agreements on Cyprus by deciding to open accession negotiations with the Greek Cypriot administration of Southern Cyprus, and has dealt a blow to the efforts for a solution. Currently any negotiating process aimed at finding a solution to the Cyprus question can have a chance of success only if it is conducted between two sovereign equals'. In other words, the initiation of accession negotiations induced the TRNC and Turkey to add one further and crucial precondition: the acceptance that negotiations would be carried out between two sovereign states rather than between two communities. This precondition created a significant barrier to the peace process, given the Greek Cypriot outright rejection of any form of recognition of the TRNC.

Following this line, on 31 August 1998 Denktaş tabled a new proposal. Having rejected the concept of federation as a basis of an agreement in 1994, the Turkish Cypriot leader now proclaimed that a future settlement had to be based on a confederation between two sovereign states. The confederation proposal was a logical consequence of the previous request to conduct negotiations on a state-to-state basis. Some analysts argued that the change in the Turkish Cypriot negotiating position was cosmetic and not substantive. Long before the official confederation position was adopted, the Turkish Cypriot leadership had been calling for the creation of a federation 'by aggregation', which implied the prior existence of two states that pooled their sovereignties into one internationally recognised state. A confederation thus could be viewed as the first step in the creation of a federation. Nonetheless, the change in the Turkish Cypriot position signalled the leadership's reduced willingness to negotiate and settle. The confederation proposal increased the gap between the two parties' formal negotiating positions and the legal implications of these positions. Indeed, precisely because the confederation proposal did not entail

a fundamental change in the substance of Turkish Cypriot demands, it could be viewed within the logic of reduced Turkish Cypriot willingness to settle the conflict within the Union.

Finally, it is interesting to note the more muted Turkish and Turkish Cypriot attitudes in November 1998, when the actual accession negotiations with Cyprus began. Increased EU attention to Turkey at the Cardiff European Council was insufficient to alter Turkey's attitude towards the Union. Ankara still refused to re-launch its political dialogue with the Union and to participate in European Conferences. Nonetheless, in the light of the European Council's opening in Cardiff, the beginning of substantive accession negotiations with Cyprus did not cause more than verbal Turkish and Turkish Cypriot accusations. The argument could be made that following the pattern of March 1995, and as we shall see below December 1999 and December 2002, the Cardiff European Council's opening towards Turkey contributed to a more silent Turkish reaction to the opening of accession negotiations with Cyprus.

#### d) Greek Cypriot defence policies

The 1995-1999 period saw an exacerbation of nationalistic Greek Cypriot defence policies. Up until 1998, EU actors did little to dissuade Greek Cypriot decision-makers from their planned defence policy. And yet, as the events of late 1998 and 1999 demonstrated, international actors and EU actors in particular had the necessary leverage to influence Greek Cypriot decision-making. And this very defence policy harmed conflict resolution efforts by raising Turkish Cypriot suspicions, which in turn spurred Turkey-TRNC integration and nourished inflexible Turkish Cypriot negotiating positions.

Within the framework of the upgraded Greek Cypriot defence policy and the Joint Defence Doctrine, on 10 January 1997 President Clerides announced the forthcoming acquisition of S-300 missiles from Russia. These missiles would have been capable of attacking Turkish warplanes flying from the Turkish mainland. The announcement

immediately raised tensions in the eastern Mediterranean. In reaction, Turkey declared that the deployment of the missiles could be considered a *casus belli*.

The Greek Cypriot defence policy and the decision to buy the S-300 missiles attracted widespread support in southern Cyprus. This support illustrated a heightened level of suspicion across the Greek Cypriot political spectrum, which inter-locked with similar dynamics on the Turkish and Turkish Cypriot sides. Most political parties supported the decision to deploy the missiles. The socialist EDEK, the centre-right DISY, and although not initially, also the communist AKEL, were favourable to the deployment. Only Spyros Kyprianou's DIKO voiced its concerns against the policy in view of its opposition to DISY in the 1998 presidential elections (in which DIKO-AKEL backed candidate George Iacovou ran against DISY incumbent Clerides).

In December 1998, the Greek and Greek Cypriot governments agreed to deploy the missiles in Crete rather than Cyprus. In the light of increased tensions in the region and in Cyprus, considerable British, French and German pressure, in addition to American influence, proved instrumental in shifting the Greek Cypriot position. The role of the Greek government, that since June 1996 had been led by the moderate Costas Simitis, was also particularly important in persuading the RoC not to accept the missiles. At the time member state Greece was struggling to enter the eurozone and gain favourable deals over agricultural subsidies and structural funds. The deployment of the S-300s complicated Greece's attempts to concomitantly push for eurozone entry and Cyprus' accession negotiations. The Simitis government thus persuaded the Greek Cypriot government that its membership bid would suffer as a consequence of the deployment.<sup>47</sup> The high priority goal of EU membership triggered the Greek Cypriot retreat, despite the outcry this caused in southern Cyprus, including the resignation of two EDEK ministers. The role of the EU in this decision was explicitly recognised by the Greek Cypriot government. As put by then Foreign Minister Cassoulides: 'without the prospect of Cyprus' entry to the Union, the missiles would be on the island'.<sup>48</sup>

However, although the S-300 time-bomb was ultimately diffused, it contributed to two years (January 1997-December 1998) of increased tensions, suspicions and Turkish and Turkish Cypriot counter-reactions, which severely harmed all peace efforts in those years. Precisely because European and American pressure did have sufficient leverage to prevent the Greek Cypriot deployment of the missiles, why was that leverage not used before?

#### e) Greek-Turkish brinkmanship

Other than the developments in EU-Turkey and EU-Cyprus relations, incidents in bilateral Greek-Turkish and inter-communal relations contributed to rising tensions and the failure of peace efforts in those years. Most importantly, in January 1996 tensions between Greece and Turkey rose due to disagreements over the sovereignty of the tiny uninhabited islets of Imia/Kardak. The crisis was ultimately diffused through the mediation of US envoy Richard Holbrooke. Europe, as Holbrooke himself put it, was 'asleep' while the US intervened to prevent a possible war between Greece and Turkey.<sup>49</sup> In response to Turkey's moves over the islets on 29 January 1996, the PASOK government in Greece recast its veto over the €375 million due to Turkey as part of the financial protocol of the customs union. The disbursement of the aid required unanimous consent in the Council according to article 235 of the EU Treaty. Brinkmanship between Greece and Turkey rose again in the summer of 1998, when in mid-June four Greek F-16 planes landed in the newly constructed air base in Paphos, provoking Turkey, which in turn sent six fighter jets to northern Cyprus. Within Cyprus instead tensions increased in the summer of 1996, when clashes along the green line provoked the death of two Greek Cypriots.

Incidents in Greek-Turkish and inter-communal relations were profoundly interconnected to the wider context of EU-Turkey and EU-Cyprus relations. In 1996-1998 Greek-Turkish tensions rose to their highest levels since 1974. This reduced Greek willingness within the Council of Ministers and the European Council to agree to forthcoming steps towards Turkey (for example at the 1997 Luxembourg and 1998).

Cardiff Council meetings). It also encouraged the Greek government to push ahead both with the Cyprus dossier within the EU and with its cooperative defence policies with the RoC. Yet EU decisions concerning Cyprus and Turkey in 1996-98 raised the climate of distrust between the conflicting parties, which in turn fuelled the hardening Turkish and Turkish Cypriot positions. Closing the circle, these Turkish/Turkish Cypriot reactions raised Greek Cypriot support for the deployment of the S-300 missiles. In short, the complex interactions in the EU-Greece-Turkey-Cyprus quadrangle interlocked in a vicious circle of escalation, antagonism and intransigence in 1996-98. Against all hopes and expectations that 1997 would be 'the year of Cyprus', <sup>50</sup> the 1996-98 period witnessed the lowest level of confidence and reconciliation between the two communities since the partition of the island.

#### 4) The short-lived thaw: 1999-2001

The first half of 1999 was characterised by stalemate in inter-communal negotiations and fast progress in Cyprus' accession negotiations. Yet during the summer of 1999, an inter-locking set of factors led to an apparent contextual change in the EU-Greece-Turkey-Cyprus quadrangle. This change led to the launch of proximity talks in December 1999. However, the thaw was both short-lived and effectively inconsequential. The apparent change in context had not brought about a fundamental and underlying transformation of the structural features in the inter-communal and inter-state relations of the region.

#### a) EU decisions

Building on the tentative opening of the Cardiff European Council and spurred by Turkish reactions and strong American pressure, the EU's Turkey policy began to change by mid-1999. This culminated in the decision of extending EU candidacy to Turkey at the Helsinki European Council on 10-11 December 1999. The Helsinki Council explicitly shifted away from the 1997 Luxembourg position. Turkey was not only 'eligible' to EU candidacy, but was recognised as a candidate country: 'Turkey is a candidate state destined to join the Union on the basis of the same criteria as

applied to other candidate states'.<sup>51</sup> Turkey's formal inclusion in the fifth enlargement process entailed benefiting from a single framework for financial assistance and an Accession Partnership, as well as from inclusion in several Community programmes and agencies. In addition, the Helsinki decision foresaw an extension of the customs union to services and public procurement and the receipt of financial transfers due to Turkey under the customs union agreement (€177 million per year). Indeed in 2000 Turkey received €209 million in financial transfers as well as €30 million in emergency assistance and €575 million in EIB projects.

However, the Helsinki decision retained a gap between Turkey and the other candidates, including Cyprus. As well as granting Turkey candidacy, the Helsinki Council also removed the distinction between the screening and negotiation stages in the enlargement process. Hence, twelve candidates were formally put in the same category, i.e., they were all included in the negotiations stage. EU decisions on each of the twelve would be assessed exclusively in terms of their individual progress in the adoption of the *acquis*. Turkey instead was left in a formal category of its own. On the grounds that Turkey still did not comply with the Copenhagen criteria, accession negotiations were not opened. The Commission argued that while the fulfilment of the criteria by all other candidates was imperfect but satisfactory, in the case of Turkey this was not yet the case.<sup>52</sup>

Furthermore, although it gained the formal title of 'EU candidate' in practice its integration with the Union was not immediately enhanced. The Luxembourg European Council decided that Turkey would also receive the Commission's Regular Reports, it provided for enhanced cooperation with Turkey through an extension of the customs union, technical assistance and inclusion in Community programmes and agencies. In June 1998, the Cardiff European Council endorsed a 'European Strategy for Turkey' which included the extension of the customs union to agriculture and services and increased cooperation in a whole set of areas. The decision formally to include Turkey in the accession process in 1999 was thus initially mainly a symbolic, albeit important, gesture.

The Helsinki European Council also took a crucial decision concerning Cyprus. The Presidency conclusions stated that 'if no settlement has been reached by the completion of the accession negotiations, the Council's decision on accession will be made without the above being a precondition. In this the Council will take into account all relevant factors'. In other words, conditionality on the RoC regarding conflict settlement was removed. While the 1994-1998 period was characterised by the gradual abandonment of the pre-condition of a settlement for the initiation of accession negotiations, the Helsinki Council for the first time explicitly stated that a settlement was not even a pre-condition for the eventual membership of Cyprus. However, the European Council was adamant not to give the impression that a full removal of conditionality entailed Cyprus' automatic accession. 'All relevant factors' could have been interpreted as meaning that accession could have been stalled if the absence of a solution was due to an intransigent Greek Cypriot attitude. Yet neither was this interpretation spelt out, nor did the European Council call for any change in Greek Cypriot positions.

Since the Helsinki European Council, EU actors took several key decisions concerning Turkey. The Helsinki decision initiated Turkey's slow progress towards full membership. On 11 April 2000 at the first meeting of the resumed Turkey-EU Association Council, eight sub-committees were set up to prepare for the screening of the *acquis*. On 26 July 2000, the Commission proposed a single financial framework for the Accession Partnership with Turkey (amounting to €177 million in 2000). Although the aid to Turkey was still not comparable to that received per capita by other candidates, it represented a significant rise from the 1996-99 period where the annual average EU aid to Turkey had been €90 million. On 8 March 2001 the Council agreed on an Accession Partnership with Turkey. The purpose of the document was to set out the reform priorities aiming at Turkey's fulfilment of the Copenhagen criteria, and the conditional financial means to assist these reforms.

However, despite the initiation of the accession process, the Helsinki euphoria in EU-Turkey relations was short-lived as new problems surfaced on the political agenda. First was the reference to the Armenian genocide in a European Parliament

Report on Turkey in October 2000, followed by the recognition of the genocide in the French Parliament in January 2001. Turkey reacted strongly, freezing its relations with France and introducing visa restrictions on Armenians travelling to Turkey. Tensions rose further with the Commission's first publication of the Accession Partnership Document in November 2000. Turkey objected to a reference to Cyprus under the list of short-term conditions. The issue was resolved with a rewording of the clause in the final document adopted by the Council in March 2001.<sup>57</sup> Even more acute was the dispute over Turkey's role in ESDP in 2000-2002. The Turkish civilian-military establishment demanded the same role in ESDP as it enjoyed within the WEU.<sup>58</sup> They claimed that this had been promised to them at the 1999 NATO Washington Summit.<sup>59</sup> But thereafter, the European Council, insisting on the EU's right to autonomous decision-making capacity, denied the same role to the non-EU, WEU associate members. Turkey was offered full participation in decision-shaping and operational planning, but not participation in EU decision-making. In response, Turkey threatened to veto within NATO the EU's assured access to NATO planning and capability resources, crucial for the development of an operational Rapid Reaction Force (RRF). This dispute persisted until December 2002.

With regards to Cyprus, over the course of 2000 and 2001, EU statements made it increasingly clear, *ceteris paribus*, the Helsinki decision almost assured Cyprus' membership in 2004. In the light of the continuing stalemate on the island, the fast progress in accession negotiations with Cyprus, and Greece's threat not to ratify an enlargement which excluded Cyprus, by late 2001 EU leaders recurrently mentioned the 'inevitability' of Cyprus' accession in 2004. On 22 October 2001, Enlargement Commissioner Gunther Verheugen declared that enlargement was 'not conceivable' without Cyprus. <sup>60</sup> Shortly afterwards Commission President Romano Prodi declared that 'Cyprus will join the EU and will be among the first candidate countries to do so'. <sup>61</sup> Hence, by mid-2001 the formal abandonment of conditionality as put in Helsinki had become a substantive accepted reality in Brussels.

The Helsinki Council was the second 'historic compromise' taken by the EU in its policies towards Cyprus and Turkey. While the most important obstacle to Cyprus'

membership was formally and explicitly removed, Turkey was given the important, albeit still uncertain carrot of candidacy. In the course of 2000-2001, the effect of the Helsinki deal was diluted, as on the one hand, new problems re-emerged in Turkey-EU relations, and on the other hand, the lifting of conditionality on the Greek Cypriot government became increasingly accepted by Commission and member state officials. The short-lived Helsinki honeymoon had critical effects on the development of the Cyprus conflict.

## b) The proximity talks

In the light of progress in Cyprus' accession path, by mid-1999 the US and the UK in particular felt that a new initiative was necessary to re-launch the Cyprus talks, deadlocked since August 1997. Their first move was made at the G-8 meeting in Cologne on 21 June 1999. The G-8 invited the parties to resume negotiations without preconditions. This initiative was immediately followed up by these two governments in the UN Security Council. On 26 June 1999 UNSC resolution 1250 called for negotiations on the basis of: no preconditions for negotiations, all questions would be up for discussion, nothing would be agreed until everything was agreed, there would be goodwill on all sides to find a solution, and account would be taken of the 1960 Constitution, Treaties and UN resolutions.

On 29 June, UN Secretary General Kofi Annan invited the parties to re-launch the talks in the autumn on the basis of UNSC resolution 1250. The obstacle that needed to be circumvented was the question of recognition, given Denktaş's demand for negotiations on a state-to-state basis. The etiquette row was resolved on 15 November 1999 by opting for proximity rather than direct talks between the two leaders. Turkish Cypriot sensitivities were also appeared by statements of President Clinton and US Special Envoy Moses in October 1999 declaring that Greek Cypriot authorities did not represent the Turkish Cypriots.

Between December 1999 and November 2000, the UN held five rounds of proximity talks. Little information was disclosed concerning the substance of discussions.

However what became clear, round after round, was that proximity talks were making little progress towards opening direct talks, let alone towards a settlement. Indeed the Secretary General later defined the process as one of 'procedural wrangling', 'verbal gymnastics' and 'shadow boxing'.<sup>62</sup> The UN Special Representative Alvaro de Soto engaged in shuttle diplomacy between the two sides and worked on a set of bridging proposals. These began to take shape over the summer of 2000. The substance of these proposals was finally disclosed in the form of 'oral remarks' during the fifth round of proximity talks in November 2000. On 16 December 2000 the Turkish Cypriot side declared its unilateral withdrawal from the process. The peace process was once again plunged in deadlock.

Particularly during the summer of 2001, the UN, the US, the European Commission and the UK exerted considerable pressure on Turkey and the Turkish Cypriots to return to proximity talks. In late August optimism increased as Denktaş accepted to meet both Commissioner Verheugen and UNSG Annan on consecutive days in Salzburg. But all efforts failed as the Turkish Cypriot leader declared on 5 September 2001 that he would not return to the talks, due to insufficient 'common ground' between the parties.<sup>63</sup>

The positions and attitudes of the principal parties were responsible for the outcome of the talks. But to what extent did EU decisions concerning both Turkey and Cyprus impinge on the parties' positions and attitudes. Evidence suggests that the decisions taken in Helsinki and thereafter were major determinants of Greek and Turkish Cypriot positions, which led both to the initiation of the proximity talks and to their ultimate failure.

## c) Turkish and Turkish Cypriot positions

Domestic changes in Turkey set the stage for the Turkish Cypriot re-engagement in the peace process. The Turkish governing coalition in power since April 1999, comprising the centre-left DSP, the liberal ANAP and the nationalist right-wing MHP, was keen to portray itself as a reformist and pro-European administration. The

new government and in particular Foreign Minister Ismail Cem was also willing to embark on a Greek-Turkish rapprochement, initiated by the reciprocal aid between the two countries in response to the earthquakes of August-September 1999. There were also moderate, pro-settlement (albeit minority) forces within the Turkish Cypriot government, given the inclusion of the centre-left TKP as the junior partner in the coalition government, formed after the December 1998 legislative elections.

Domestic changes in Turkey (and northern Cyprus) and the nascent Greek-Turkish rapprochement contributed to greater optimism in Turkey-EU relations and a positive build-up to the Helsinki European Council. This was a key determinant of the Turkish Cypriot acceptance to participate in proximity talks. Following UN Security Council resolution 1250, the Turkish Cypriots were faced with a choice. They either refused the UN's invitation in which case EU resistance to membership of a divided Cyprus would inevitably reduce; or they accepted it, in which case European support for Turkey's EU candidacy would rise. From a Turkish Cypriot standpoint, accepting participation in the proximity talks also entailed low costs. The talks implied that the parties would not be forced into substantive negotiations immediately. In addition the wording of resolution 1250 concerning previous UN resolutions was looser than in the past: all issues were on the table and a settlement only had to 'take into account' (rather than be based on) past UN resolutions in favour of the single sovereignty and international personality of Cyprus. Hence, even if the Turkish Cypriot side was unwilling to make meaningful concessions, simply participating in the talks involved low costs, while adding significant momentum in favour of a positive EU decision towards Turkey.

The Helsinki decision to extend candidacy to Turkey was well-received by the Turkish government. This had a positive effect on Turkish and Turkish Cypriot positions in the conflict. Despite the fact that the European Council had taken an important decision against Turkish Cypriot interests (i.e., concerning Cyprus' unconditional accession), Rauf Denktaş's tone post-Helsinki was conciliatory. On 18 December 1999 (one week after the European Council), he declared that together with a Turkish guarantee on the state and territory, there could be a reunification on

the island within the EU. 'Call it a federation or a confederation...the name is not important'.<sup>64</sup>

However, during the proximity talks, Turkish and Turkish Cypriot authorities showed minimal signs of moderation. The Turkish Cypriot leadership's repression of the anti-establishment, pro-European and pro-settlement forces intensified. The opposition newspaper *Avrupa* (Europe) came under increasing harassment throughout 2000 and 2001, with the seizure of its property (May 2000) and the arrest of several of its journalists (July 2000). On 2 July 2000, the UN reported the movement of Turkish troops three hundred metres into the demilitarised buffer zone in the area of Strovilia. On 30 June 2000, the Turkish Cypriot government imposed restrictions on the movement of UNFICYP in northern Cyprus. Finally in the summer of 2001, the UBP-TKP governing coalition fell with the open clash between the moderate TKP and the Turkish military due to the former's call for greater independence from Turkey and a return to negotiations.

The Turkish Cypriot withdrawal from the talks also cast doubt on their willingness to reach an early settlement. The official reason for the withdrawal was the content of the November 2000 UN 'oral remarks' presented at the fifth round of proximity talks. The Turkish Cypriot side argued that the remarks called for a unitary Cyprus with diluted political equality compared to the 1960 Constitution, given the references to the *acquis communautaire* and the ECHR court cases. Hence, following a meeting with the Turkish National Security Council (MGK) on 24 November, on 16 December the TRNC Assembly declared that in view of the 'oral remarks 'the process of proximity talks has lost its meaning'. Rauf Denktaş in turn moved back to his pre-Helsinki position stating that Cyprus' EU membership would only be possible following Turkey's entry.

However, it is debatable whether the substance of the oral remarks was the cause of the Turkish Cypriot withdrawal from the talks. The oral remarks did not mark a significant shift in the UN's positions. They called for a common state composed of two largely self-governing constituent states, which primarily through territorial readjustments would allow many refugees to return to their homes.<sup>69</sup> Furthermore, the oral remarks were not proposals necessitating a response. Had the substance of the remarks been the main source of Turkish Cypriot discontent, the leadership could have objected to them while persisting in proximity talks. The withdrawal from the talks suggested a far more deep-rooted reluctance to reach a settlement within the EU.

Turkish Cypriot reluctance to conclude a settlement was also highlighted by the renewed Turkish-Turkish Cypriot efforts to advance integration amongst themselves. In early January 2001, shortly after the Turkish Cypriot decision to withdraw from the talks, the Turkey-TRNC Association Council signed two cooperation agreements. The Economic and Financial Cooperation Protocol envisaged a financial transfer package of \$350 million to be disbursed over the course of three years. Although the agreement entailed a drop in annual aid to the TRNC (aid in 2000 had amounted to \$200 million), the agreement should be viewed in the context of Turkey's mounting financial crisis which began in November 2000. To In the second agreement the parties agreed to simplify bureaucratic procedures, subsidise private investment in northern Cyprus, harmonise trade laws, develop energy cables, include northern Cyprus in Turkey's 'tourist regions', facilitate the conversion of TRNC into Turkish citizenship and allow reciprocal rights of property acquisition.

Finally, over the summer/autumn of 2001, Turkish and Turkish Cypriot threats became more frequent. On 31 May 2001 Prime Minister Ecevit proposed a velvet divorce à la Czechoslovakia for Cyprus and hinted at a possible annexation of northern Cyprus by Turkey.<sup>71</sup> On 3 November Turkish Foreign Minister Cem declared that 'definite decisions' and 'drastic measures' would have to be taken by Turkey in the event of Cyprus' entry in the EU.<sup>72</sup> Asked to clarify Cem's statement, Ecevit stated that Turkey could annex the TRNC following Cyprus' EU membership.<sup>73</sup> Denktaş went further, arguing that the EU's admission of a divided Cyprus could trigger a Greek-Turkish war.<sup>74</sup>

What lies behind the hardening of Turkish and Turkish Cypriot positions over the course of 2000 ad 2001? The questionable depth of the pro-reform nature of the Turkish government and of the Greek-Turkish rapprochement, within the wider context of problematic EU-Turkey relations in the post Helsinki period, had a negative impact on the proximity talks. An underlying Turkish/Turkish Cypriot reluctance to reach a settlement in the EU may have been present back in December 1999, when the proximity talks were launched. However in late 1999 the optimism in Turkey-EU relations set the scene for the proximity talks. Furthermore, the talks did not entail immediate pressure to make concessions. After five rounds of UN shuttle diplomacy the context had altered. On the one hand, the passing of time created a sense of urgency, which increased the potential costs of engaging in the process. Proximity talks were no longer sufficient. Third parties expected substantive direct talks leading the way to a final settlement. On the other hand, the euphoria in Turkey-EU relations subsided by the autumn of 2000 as new disputes emerged between the two. A change in context from the autumn of 1999 to that of 2000 thus led the Turkish Cypriot and Turkish sides to reveal their fundamental reluctance to engage in a process aiming at the parallel reunification and EU accession of the island. As in the case of the 1995 'historic compromise', the Helsinki de facto package was insufficient to create genuine and long-lasting Turkish and Turkish Cypriot will to seek a settlement within the EU. With the parallel developments in Cyprus-EU relations, Turkish and Turkish Cypriot decision-makers dug in their heels and opted for brinkmanship.

## d) Greek Cypriot positions

In 1999-2001, the Greek Cypriot position was not overtly uncompromising. However neither did the RoC display genuine willingness to reach an early settlement on the island prior to EU membership. The most evident illustration of this was the reaction of the Greek Cypriot side to the UN Secretary General's opening statement of the 4<sup>th</sup> round of proximity talks. On 12 September 2000, Kofi Annan referred to the 'political equality' of the two communities, to the principle that 'each leadership could only represent its own community' and to the aim of establishing a 'new

partnership' on the island.<sup>75</sup> The concept of political equality was not new and had been endorsed and defined by the UN since the late 1980s. Yet the Greek Cypriot leadership reacted strongly against the statement. Clerides postponed the talks for two days awaiting clarification. The UN did not alter its wording, and on 11 October 2000 the RoC House of Representatives defined the statement 'outside the letter and the spirit of the framework of the talks and the basis of a solution of the Cyprus problem as determined by UN principles, decisions and resolutions'. The resolution stated that the RoC 'will neither accept nor discuss a framework for the solution of the Cyprus problem containing confederal elements'.<sup>76</sup>

But unlike the Turkish Cypriot side, Greek Cypriot officials did not withdraw from the peace process. In fact, the blunt Turkish Cypriot withdrawal aided Greek Cypriot efforts to appear moderate. The proximity talks began tackling the more substantial elements of the conflict during the summer of 2000. By the autumn, in the light of the UN's push towards more substantive negotiations, inflexibilities on both sides became clearer. Greek Cypriot intransigence was highlighted on 12 September 2000. Turkish Cypriot unwillingness to compromise surfaced in November 2000. But with the Turkish Cypriot withdrawal from the talks, the Greek Cypriot task was significantly eased. The spotlight was on the other side. The Greek Cypriot side could not be held responsible for the failure of the talks. In addition, the absence of inter-communal negotiations allowed the Greek Cypriot authorities to present moderate positions to international audiences. As put by Foreign Minister Cassoulides in November 2001: 'neither the UNSG nor others who support his efforts are asking anything of us, either to make any moves or concessions to entice Denktaş to return to the talks' 'the ball is not in our court'.'

# 5) The approaching deadline of accession and the re-launch of direct talks: 2002-3

On 16 November 2001, in what appeared to be an unexpected turnaround in the Turkish Cypriot position, Rauf Denktaş invited Glafcos Clerides for a 'heart-to-heart' talk in northern Nicosia. Reciprocal dinner invitations set the stage for a restart

of direct talks, stalled since 1997. Talks, in the presence of UNSG Special Representative Alvaro de Soto, began on the 16 January 2002. They were intended to reach a comprehensive agreement by June 2002. The deadline would allow the December 2002 Copenhagen Council to invite the whole island to join the Union. Yet as the successive rounds of talks proceeded, a growing mood of pessimism pervaded negotiations. The June deadline was missed and the process appeared to be deadlocked by the summer of 2002. Denktaş's heart surgery in October complicated matters further, causing serious delays in the negotiation process. The distribution of a comprehensive UN Plan in November 2002 injected new life into the process. The aim was to reach an agreement by or at the Copenhagen Council on 12-13 December 2002. Yet despite the publication of the 'Annan Plan' the parties failed to reach an agreement on the successive deadlines of 13 December 2002, 28 February 2003 and 11 March 2003. After having been invited to join the EU by the European Council in Copenhagen, the divided Cyprus signed an Accession Treaty with the EU on 16 April 2003 in Athens.

## a) EU decisions and actions

With the complete stalemate in negotiations in 2001, the Commission, the EU High Representative and the UK as well as the US and the UN Secretariat increasingly criticised Turkey for the Cyprus impasse. EU actors unequivocally blamed the Turkish Cypriot side as the intransigent party in the conflict. In Turkey's March 2001 Accession Partnership Document, the EU demanded that Turkey 'strongly support in the context of the political dialogue the UNSG's efforts to bring the process of finding a comprehensive settlement of the Cyprus problem to a successful conclusion'. The Commission's November 2000 Progress Report assessing the RoC's compliance with its own Accession Partnership instead stated that Cyprus fulfilled its short-term priorities given that 'important efforts have been made in the search for a political settlement in line with the Accession Partnership'. Denktaş's decision not to re-launch talks in September 2001, exacerbated the situation. The approaching deadline of EU accession was finally beginning to raise concerns both within the EU and in the US about the implications of the accession of a divided

Cyprus. At the Copenhagen Council in December 2002, Cyprus, divided or not, would be invited to join the Union together with nine other candidate countries. Hence, the pressure to unlock the impasse.

With the re-launch of the direct talks, the Commission and the member states continued to play a relatively passive role, leaving all mediation activity to the UN. Other than the visits of Enlargement Commissioner Verheugen and EP President Pat Cox to the island in April and May 2002, there was virtually no visible high-level EU involvement in the peace process. The UN Secretariat was the main third party in the direct talks.

However, there was a marked increase in the communication between Commission officials negotiating accession and UN officials mediating the direct talks. Commission officials informed the UN team about the ways in which the terms of a settlement could be accommodated within the EU.<sup>80</sup> In turn the UN persuaded the Commission and the member states to be more forthcoming in the accommodation of the terms of an agreement. In August 2001, Commissioner Verheugen, followed by several Commission officials, declared that the EU would accommodate the terms of a political settlement. This occurred following the insistence of the UN Secretary General in addition to the regular contacts of Commission officials with Alvaro de Soto. On 14 May 2001, at a EU Foreign Ministers meeting in Brussels, SG Kofi Annan, while acknowledging the specificity of each candidate country, urged the member states and the Commission to account for the critical need to accept special arrangements in the case of Cyprus.<sup>81</sup>

In 2002, key EU decisions affecting Turkey and Cyprus were taken on the 12-13 December at the European Council in Copenhagen. In Copenhagen, the European Council decided that if the December 2004 European Council deemed that Turkey fulfilled the Copenhagen criteria, then accession negotiations 'will start' 'without delay'. 82 As far as Cyprus was concerned, in view of the failure to reach an agreement at the margins of the Copenhagen meeting, the European Council invited 'Cyprus' (not the 'Republic of Cyprus') to join the Union. The Council's

conclusions called for a continuation of negotiations until 28 February 2003. This would be the last attempt to secure the accession of a reunified island. It would have allowed a reunification/accession referendum to take place in Cyprus on 30 March, followed by the signature of the Accession Treaty.

Finally, under the Greek Presidency, Cyprus and nine other candidates signed the Accession Treaty in Athens on 16 April 2003. The Accession Treaty was signed between the Republic of Cyprus and the Union. The Treaty included a Protocol (no.10) which provided for a suspension of the application of the *acquis* in 'those areas of the Republic of Cyprus in which the government of the Republic of Cyprus does not exercise effective control' (article 1.1).

#### b) UN mediation and the 'Annan Plan'

Between 16 January 2002 and 11 March 2003, the role of the UN Secretariat and in particular of the small team under UNSG Special Assistant Alvaro de Soto was critical in the conduct of the negotiations. The UN team worked in close contact with the British FCO representative Lord Hannay and to a lesser extent the American equivalent Tom Weston. The most critical contribution of the UN team was the publication of a comprehensive settlement proposal in November 2002, when it became evident that the principal parties would not reach an agreement alone. The 192 page 'Annan Plan' with its 6,000 pages of draft laws represented the most detailed and only comprehensive attempt by the international community to advance a settlement since the inter-communal fighting in 1963.

The Plan was first published on 11 November 2002. The UN Secretary General requested reactions by the parties and their approval to negotiate on the basis of the Plan. Following initial reactions, the Secretary General published a second version of the Plan. The UN team failed to mediate an agreement at the margins of the Copenhagen European Council. The direct talks under UN auspices then resumed in January but again failed to reach a settlement by 28 February 2003, despite the publication of a third and final version of the 'Annan Plan'. This was followed by a

last failure to reach an agreement on 10 March in The Hague. In The Hague, the Secretary General expected a response to his request to submit the Plan to referendum on 30 March, despite a lack of agreement between the leaders. Negotiations continued throughout the night and on 11 March, after nineteen hours of talks, Kofi Annan announced 'regrettably these peace efforts were not a success. We have reached the end of the road'. <sup>83</sup> The SG also announced that the office of UN team in Nicosia would be closed down.

## c) Turkish Cypriot positions and the role of Turkey

The direct talks were re-launched following a turnaround in the Turkish Cypriot position. Rauf Denktaş's U-turn was supported by the Turkish government and Grand National Assembly, which convened a closed meeting on Cyprus on 22 November 2001. On 2 December 2001, Turkey also reached an understanding with the US and the UK on the use of NATO assets and capabilities by the ESDP.

Apart from the re-launch of the peace process, there was a new tone of moderation in Turkish Cypriot statements. Rauf Denktaş's 12 November 2001 letter to the UNSG, elaborated in his 4 December opening statements, made no reference to the establishment of a confederation. Denktaş advocated two politically equal partner states that together would form a new partnership. The partnership would have single international personality and would be competent in matters assigned to it by the partner states. The citizens of the partner states would also be citizens of the partnership. Most critically, Denktaş accepted that the partnership would join the EU as a single fully functioning member state before Turkey, as long as this was approved by separate referenda in the two partner states and the agreement retained the balance between Greece and Turkey. <sup>85</sup>

During negotiations there were further signs of moderation in the Turkish Cypriot positions, as shown by the 29 April 2002 proposals and subsequent speeches.<sup>86</sup> The Turkish Cypriots warmed to the concept of a partnership state 'constitutional agreement' (or Basic Law) rather than a treaty between the partner states, as would

be normally the case in a confederation. They endorsed the concept of a constitutional review mechanism which would, every five years, allow for greater integration in Cyprus as the communities learnt to trust each other and live together. Contrary to their January 2002 positions, the April proposals foresaw a common state equipped with permanent legislative, executive and judicial organs dealing with a limited set of common state functions. The partnership state would also coordinate partner state policies in a wide set of competence areas.

Between June and September 2002, the Turkish Cypriot team had shifted further. While in its 29 April 2002 proposals taxation was an exclusive partner state competence, in their 11 Sept 2002 proposals ten central ministries were foreseen including a finance ministry, partly responsible for levying taxes. <sup>87</sup> In June-July 2002 the Turkish Cypriots were keen to discuss aspects of the Belgian model, which while extremely decentralised, remains a federal constitution. <sup>88</sup> Related to this, their September 2002 paper and ensuing remarks endorsed the concept of 'triple sovereignty': 'while the co-founder states will retain a layer of sovereignty in the form of residual powers, one layer of sovereignty will be assigned to the Partnership state and another layer transferred to Brussels as a result of accession to the EU'. <sup>89</sup>

But by the summer of 2002, the political situation in Turkey had dramatically altered. With Prime Minister Ecevit's illness in May-June 2002, internal tensions mounted and culminated with the departure of Ismail Cem, Husamettin Özkan and sixty-three MPs from the DSP to form the New Turkey Party (YTP). With an effective minority government, the country moved towards early elections scheduled for November 2002. The political crisis in Turkey had critical effects both on the Cyprus negotiations and on EU-Turkey relations.

The political crisis led to the replacement of Foreign Minister Ismail Cem by hawkish Sina Şukru Gurel and created the necessary political vacuum which favoured a retention of the status quo in Cyprus. In parallel, the June target for a settlement, initially proposed by Denktaş, was then rejected by the Turkish Cypriot leader himself. In June 2002, Denktaş argued that there was no need for 'a race

against time'. 90 While the leadership was willing to negotiate, it refused to be subject to deadlines dictated by the Greek Cypriot EU accession process. In response to the question of EU-set deadlines, a negotiator responded that 'its their (the EU's) problem, not ours'. 91 On several aspects of the substance of a settlement, the Turkish Cypriot side refused to move from its initial negotiating positions. It insisted on full numerical equality in the executive, the legislature and the judiciary, for rotation in the presidency, and for consensus or concurrent majorities in decision-making. It rejected the concept of direct elections for the legislature. It called for global exchange and/or compensation as the only mechanism for addressing refugee claims. Perhaps most problematic of all, was the Turkish Cypriot side's refusal to discuss territorial concessions before having secured their 'sovereign equality'. Contrary to the letter and spirit of the Union which the leadership professed it wanted to join, the Turkish Cypriot negotiators proposed border entry points between the two partner states. Despite initial progress on the security dossier, following consultations with Ankara in June 2002, Denktaş withdrew his earlier commitments.

By late August 2002, Denktaş publicly announced the possibility of a failure of negotiations: 'if talks do not work by the end of the year, and if the EU makes the mistake of saying they will accept Cyprus now as it is, then we have to look for new alternatives for our future'. <sup>92</sup> Indeed Ankara and Lefkoşa discussed a protocol merging foreign affairs, defence and monetary policies. In September 2002 Turkey and the TRNC signed three cooperation agreements on air and sea transport and announced they would accelerate integration in Justice and Home Affairs and establish a joint parliamentary council. Rauf Denktaş also delayed by three months the initiation of the work of technical committees for the definition of common state laws and treaties, despite a commitment to the UNSG in October 2002.

There appeared to be new hope for a breakthrough following the 3 November 2002 general elections in Turkey, which brought to power the Justice and Development Party (AKP), the progressive offshoot of the banned Fazilet Partisi led by former Istanbul mayor Tayyip Erdoğan. The AKP won a landslide victory with 34% of votes, gaining 363 seats in the 550 seat Assembly. The only other party to pass the

10% threshold and enter parliament was the centre left and pro-EU CHP, with 19% of the vote. The elections led to the first single party government in fifteen years. With the AKP's electoral victory and the publication of the UN Plan, pressure on the Turkish Cypriot leadership both within northern Cyprus and from Ankara mounted. The declared aim was to reach a settlement at the European Council in Copenhagen.

The political crisis in Turkey and the ensuing elections also affected critically EU-Turkey relations. Despite the political turmoil, on 3<sup>rd</sup> August 2002 the Turkish Grand National Assembly succeeded in passing the most extensive constitutional reform package of recent decades. The fourteen article package included lifting the death penalty in peace time, legalising Kurdish radio, broadcasting and private education, widening the freedom of expression and of association, extending the rights of non-Muslim minorities to acquire property for public use, and recognising the right to be re-trialed in case of convictions found contrary to the ECHR. With the passing of the reforms, Turkish pressure on EU capitals for a 'date' to begin accession negotiations mounted. Turkish demands for a 'date' sprung in early 2002. Yet prior to the 3<sup>rd</sup> August, the government had little to show by way of reforms in support of its bid. In the autumn of 2002 the question of a 'date' became the principal topic in the EU-Turkey debate.

However, the style and substance of Turkish demands to the member states changed after the general elections. The former DSP-MHP-ANAP government had raised expectations too high arguing that either 'the EU sets a date for accession talks or it declines to do so. There is no third way. The EU setting forth any other conditions to begin accession negotiations is unacceptable'. The AKP government instead, while disappointed for not having obtained a firm date to start accession negotiations before May 2004, reacted positively to the conclusions of the Copenhagen Council. As put by Erdoğan: 'EU-Turkey relations have become clearer and on the right track...the reason why the decision did not fully satisfy our expectation is that we raised the bar too high'. 94

Yet while the Turkish government reacted positively to the Copenhagen Council's decision, it refused to sign the 'Annan Plan'. In Copenhagen the Turkish government endorsed the positions of Denktaş, who from his hospital in Ankara declared: 'we are not in a position to sign a document... there cannot be a forced marriage...give us time to negotiate with the Greek Cypriots. We are not running away from negotiations'. But whether more time was the real issue was doubtful. On 10-11 March 2003 the Turkish Cypriot leadership not only refused to sign the Plan but also refused to submit it to referendum. In The Hague, Turkey also refused to commit itself to the security arrangements proposed in the Plan.

## d) Greek Cypriot positions and the role of Greece

The Greek Cypriot leadership immediately accepted the Turkish Cypriot proposal for a resumption of direct talks in December 2002. However like the Turkish Cypriot side, the Greek Cypriot team was initially reluctant to engage in a serious give-andtake process. While their own proposals differed marginally from those of the past, their replies to Turkish Cypriot proposals were scathing as they were defined as simple rehashes of old two-state ideas.<sup>96</sup> The Greek Cypriots initially displayed little flexibility on the questions of sovereignty and state succession. On sovereignty, the Greek Cypriot side categorically rejected the concept of shared or layered sovereignty. It also dismissed the idea of TRNC recognition, even for a split second, as well as the establishment of a new state. When Lord Hannay explicitly mentioned the establishment of 'a new state, a new flag and a new anthem', Foreign Minister Cassoulides described the comments 'entirely unacceptable' and the British High Commissioner was summoned to the Presidential Palace for clarifications.<sup>97</sup> Perhaps most problematic, the Greek Cypriot leadership did little to prepare the population for the compromises entailed in a settlement. As such, the public was deluded into thinking that a settlement would lead to a reinstatement of the status quo ante. Hence, the wide public opposition to the 'Annan Plan' in the winter of 2002. 98

However, as negotiations proceeded, evidence pointed towards a genuine engagement of the Greek Cypriot team. Marking a clear shift from earlier positions,

the Greek Cypriot team accepted the notion of a continuing presence (albeit in significantly reduced numbers) of Turkish forces and a retention of the Treaties of Guarantee and Alliance. The team accepted exploratory talks on the possible endorsement of the highly federalised 'Belgian model'. So long as the Turkish Cypriots were flexible on territorial adjustments, they accepted the notion of property exchange, in cases where refugee property was being used for public or religious use, or had been substantially improved. They were also open to discuss the citizenship and residence of Turkish immigrants. They ultimately also displaced flexibility on the thorny question of state succession.

When the UN Plan was presented, both the Greek government and Glafcos Clerides' team reacted positively within one week to the Secretary General's proposal to negotiate on the basis of the Plan. Upon publication, both Prime Minister Costas Simitis and Foreign Minister George Papandreou spoke in favour of negotiations based on the UN Plan, while reiterating their government's support for the RoC, irrespective of its decisions. At the Copenhagen European Council, the Greek government's support for the Plan bolstered the position of Glafcos Clerides, vis-à-vis his domestic opposition. Simitis' words of praise for the Greek Cypriot team's approach to the Plan silenced Greek Cypriot opposition, that accused the negotiating team of wanting to 'sell Cyprus off'. 100

Evidence suggests that the Greek Cypriot side under Clerides considered signing an early agreement. The extent of genuine commitment to sign the UN Plan in Copenhagen cannot be known given the Turkish Cypriot side's rejection of the proposals. However some of Clerides' remarks suggest that this hypothesis cannot be wholly discounted. Furthermore following the Copenhagen Council, Clerides indicated to Denktas that if they were unable to reach an agreement by the end of February, he was ready to accept the Plan as it stood. Eighty-three year-old Clerides' last minute decision in early January 2003 to stand for re-election in February 2003 with a fourteen-month mandate to conclude negotiations also pointed to his willingness to seal a deal.

Yet Clerides lost the elections on the first round to DIKO-AKEL backed candidate Tassos Papadopoulous on 16 February 2003. Although Papadopoulous toned down his rhetoric during the election campaign, he was known as a Greek Cypriot nationalist. On his electoral victory night he stated that he would 'fight for the right of all displaced persons to return in conditions of safety'. Prior to the publication of the third and final UN Plan, the new President called for radical changes to the Plan including the elimination of derogations and restrictions to the full implementation of the three freedoms. 104

In The Hague on 10-11 March 2003, the extent of genuine Greek Cypriot willingness to refer the Plan to popular referenda was unclear. Given the Turkish Cypriot outright rejection of the Secretary General's request, it is difficult to assess the extent to which the new Greek Cypriot government was sincere in its conditional acceptance of the Secretary General's request. Furthermore, when citing the reasons for failure, other than the outright Turkish Cypriot rejection, Kofi Annan also cited Papadopoulous' preconditions and most notably his demand for two extra months to prepare for a referendum; a precondition that would have made a reunification prior to the 16 April 2003 impossible.<sup>105</sup>

## 6) Conclusion

This Chapter has sought to outline the major developments between 1988 and April 2003 in EU-Cyprus and EU-Turkey relations on the one hand and the evolution of the Cyprus conflict on the other. What emerges from the account is that up until November 2001, EU policies towards Cyprus and Turkey developed in parallel with the negative evolution of the conflict. Tracing back the major developments in the EU-Cyprus-Greece-Turkey quadrangle between 1988 and late 2001, what emerges is that EU decisions triggered a hardening of the Turkish and Turkish Cypriot positions, while not deterring antagonising Greek Cypriot policies. The policies of the principal parties were intricately related to developments in both the domestic and international realms. However, accounting for these developments does not detract from the conclusion that the EU in its relations with both Cyprus and Turkey

represented the major external structural determinant of the conflict and its deterioration over the course of the decade.

The 2002-3 negotiations appeared to mark a change in the negative dynamics of earlier years. The approaching deadline of Cyprus' accession seemed to create a window of opportunity for a settlement prior to EU membership. However, the intense efforts between January 2002 and March 2003 failed to deliver an agreement. On 16 April the Greek Cypriot government signed a Treaty of Accession, leaving behind the Turkish Cypriots on the other side of the green line.

Attempting to demonstrate a link in political science, the researcher is constantly plagued with the methodological problem of the absence of a counterfactual 'control' situation. One may legitimately ask what would have happened in Cyprus had the EU factor not come into play. Would the conflict have developed differently? While no conclusive answer can be provided, what may be tentatively concluded is that excluding the EU factor, there is no evidence to suggest that other structural determinants both within the island, the region or the international system significantly exacerbated the conflict. At most, in the absence of the EU factor, the stalemate on the island would have persisted. But as this Chapter has shown, developments between the late 1980s and 1993 suggested that some progress was being made in the context of the UN to find a settlement to the drawn-out conflict on the island. This progress was overturned by 1994 in the context of the EU's entry onto the scene. The next serious attempts at conflict resolution were not made until January 2002.

Reading in between the lines of this account it is possible to detect why EU decisions (undeliberately) triggered the deterioration of the conflict. The next Chapter will delve deeper into this question, attempting to uncover the reasons why EU policies in the framework of accession failed to catalyse a settlement in Cyprus.

## **Chronology: 1987-2003**

- 1987 April Turkish government under Turgut Özal applies for EC membership
- 1988 January Greek PM Andreas Papandreou meets Turgut Özal in Davos
- 1988 February George Vassiliou replaces Spyros Kyprianou as RoC President
- 1988 July Cyprus launches a political dialogue with the EC
- 1988 August Inter-communal talks between George Vassiliou and Rauf Denktas
- 1989 July Ms Loizidou files a case in the ECHR
- 1989 July UNSG Perez De Cuellar presents his proposals for a settlement
- 1989 December The Commission rejects Turkey's application for membership
- 1990 March Negotiations on the basis of UNSG's proposals fail
- 1990 April ND under Constantine Mitsokakis wins elections in Greece
- 1990 May Rauf Denktaş is re-elected President of the TRNC
- 1990 July Cyprus applies for full membership
- 1990 July TRNC condemns the application and closes entry points in Nicosia
- 1991 October UNSC Resolution 716 sets the principles of a settlement
- 1992 January Inter-communal talks continue under UNSG Boutros Ghali
- 1992 April UNSC Resolution 750 endorses the Ghali 'Set of Ideas'
- 1992 November Negotiations over the 'Set of Ideas' are suspended
- 1993 February Glafcos Clerides replaces George Vassiliou as RoC President
- 1993 May-June Inter-communal talks on confidence-building measures fail
- 1993 June Commission Opinion accepts Cyprus' application for membership
- 1993 October PASOK (Andreas Papandreou) returns to power
- 1993 November The Loizidou case is reintroduced with the support of the RoC
- 1993 December Greece and the RoC declare the Joint Defence Doctrine
- 1994 February-June Talks on the CBM resume but fail to reach agreement
- 1994 June The Corfu European Council includes Cyprus in the fifth enlargement
- 1994 July The ECJ accepts the Anastasiou case, banning exports from the TRNC
- 1994 July Denktaş threatens integration with Turkey if the RoC enters the EU
- 1994 August TRNC Assembly revokes all commitments to a federal solution
- 1994 September Turkey signs the 13<sup>th</sup> joint economic protocol with the TRNC

- 1995 March The Council accepts the Turkey-EU customs union and accession negotiations with Cyprus 6 months after the end of the 1996 IGC
- 1996 January The Turkey-EU customs union is launched
- 1996 January Kardak/Imia crisis
- 1996 June Costas Simitis replaces late Andreas Papandreou
- 1996 June-August Clashes along the green line
- 1996 November Greece threatens not to ratify enlargement without Cyprus
- 1997 January Clerides declares the intention to buy S-300 missiles from Russia
- 1997 January Turkey and the TRNC sign a declaration on partial integration
- 1997 July Inter-communal talks under UN auspices in Troutbeck
- 1997 July Agenda 2000 states that accession negotiations with Cyprus can take place prior to a settlement
- 1997 July Turkey and the TRNC pursue partial integration talks
- 1997 August Inter-communal talks in Glion fail to reach an agreement
- 1997 August TRNC and Turkey sign an association agreement
- 1997 December The Luxembourg European Council sets a date for accession negotiations with Cyprus (and the CEECs) and denies candidacy to Turkey
- 1997 December Denktaş ends bi-communal contacts and EU information campaigns in the north
- 1998 February Clerides is re-elected President. DISY-EDI coalition government
- 1998 March Clerides invites Turkish Cypriots to participate in accession talks
- 1998 March Accession negotiations are launched
- 1998 March-April Turkey and the TRNC establish a joint economic zone and declare that the peace process must resume on the basis of two-sovereign equals
- 1998 May US Envoy Richard Holbrooke fails to re-launch the peace process
- 1998 June Cardiff European Council adopts a European Strategy for Turkey
- 1998 June Rising brinkmanship between Greece and Turkey
- 1998 July Final ruling on the Loizidou case, fining Turkey €800,000
- 1998 August Denktaş calls for a confederation
- 1998 December The S-300 missiles are deployed in Crete
- 1999 February Abdulah Öcalan is captured in the Greek embassy in Kenya

- 1999 April Elections in Turkey lead to DSP-ANAP-MHP coalition government
- 1999 June UNSC resolution 1250 calls for a re-start of the peace process
- 1999 September 'Earthquake diplomacy' between Greece and Turkey
- 1999 December Proximity talks are launched
- 1999 December Helsinki European Council grants Turkey candidacy and states that a settlement is not a condition for Cyprus' membership
- 2000 April PASOK under the leadership of Costas Simitis is re-elected
- 2000 April Denktaş is re-elected President of the TRNC
- 2000 November The Turkish Cypriot side abandons the proximity talks
- 2001 March The Council adopts an Accession Partnership for Turkey
- **2001 March** Turkey adopts a National Programme for reform
- 2001 October Turkey passes a first constitutional reform package
- 2001 September-November Turkey threatens to annex northern Cyprus
- 2001 December Denktaş invites Clerides for dinner in northern Cyprus
- 2002 January Direct talks are launched in Cyprus
- 2002 February A second constitutional reform package is passed in Turkey
- 2002 May-July Political crisis in Turkey. The country moves to early elections
- 2002 June The first deadline to reach an agreement is missed
- 2002 August A third constitutional reform package is passed in Turkey
- 2002 November Elections in Turkey lead to the landslide victory of the AKP
- 2002 November UNSG Kofi Annan publishes his Plan for a Cyprus settlement
- 2002 November Negotiations begin on the basis of the 'Annan Plan'
- 2002 December-January Turkish Cypriot demonstrations in favour of the Plan
- 2002 December Copenhagen European Council admits the ten candidates (including Cyprus) and extends a conditional date for accession negotiations with Turkey. Talks fail to secure a Cyprus settlement
- 2003 January Direct talks are re-launched to reach an agreement by 28 February
- 2003 February DIKO-AKEL candidate Papadopoulous is elected RoC President
- 2003 March The parties fail to reach an agreement in The Hague
- 2003 April A divided Cyprus signs the EU Accession Treaty in Athens

- <sup>1</sup> UN Secretary General Kofi Annan, The Hague, 11 March 2003 'Cyprus talks collapse casts EU cloud' Turkish Daily News 12/03/03
- <sup>2</sup> Article 28 of the Turkey-EC Association Agreement specifies that 'as soon as the operation of the Agreement has advanced far enough to justify envisaging full acceptance by Turkey of the obligations arising out of the Treaty establishing the Community, the Contracting Parties shall examine the possibility of the accession of Turkey to the Community'
- Commission of the EC (1989)
- <sup>4</sup> Commission of the EC (1989)
- <sup>5</sup> Interview with Greek Cypriot negotiator in 1989, Nicosia, March 2002
- <sup>6</sup> UNSC Resolution 649/1990, article 5
- <sup>7</sup> Maurice Mendelson Q.C. (2001)
- <sup>8</sup> UN Security Council resolution 716 (S/23121 08/10/91) paragraphs 4 and 6
- <sup>9</sup> Report of the Secretary General to the UN Security Council (S/23300 19/12/91) paragraph 6
- 10 Commission of the EC (1993) paragraph 44
- 11 Commission of the EC (1993) paragraphs 35-38
- <sup>12</sup> European Council (1992) paragraph 30
- <sup>13</sup> Commission of the EC (1993) paragraph 48
- <sup>14</sup> Commission of the EC (1993) paragraph 47 (my italics)
- <sup>15</sup> Commission of the EC (1993) paragraph 47
- <sup>16</sup> Interviews with Greek Cypriot academic, Nicosia, March 2002
- <sup>17</sup> Commission of the EC (1993) paragraph 51
- This argument is cited in Tozun Bahceli 'Turkish Cypriots, the EU option and resolving ethnic conflict in Cyprus' in Andreas Theophanous, Nicos Peristianis and Andreas Ioannou (eds.) (1999) pp.107-124, p.112
- Christopher Brewin (2000) pp. 16-31
- <sup>20</sup> Council of Ministers (1995)
- <sup>21</sup> Christopher Brewin (2000) p.89
- <sup>22</sup> Official Journal of the European Communities OJL 35 13/02/1996
- The customs union agreement foresaw annual summits of heads of state, six-monthly meetings of foreign and internal markets ministers and consultation with CFSP working groups.
- <sup>24</sup> Interview with Greek Cypriot academic, Nicosia, March 2002
- <sup>25</sup> Fileleftheros 12/03/93
- <sup>26</sup> Tozun Bahceli and Nicholas Rizopoulos (1996)
- <sup>27</sup> Interviews with Greek academics and Greek official, Athens, March 2002. It is also interesting to note that following the publication of the 2002 UN Plan for the reunification of Cyprus, Arsenis attended as key-note speaker an anti-Plan rally in southern Cyprus.
- <sup>28</sup> Interviews with Greek academics and Greek ND MP, Athens, March 2002 and Greek Cypriot official, Nicosia, March 2002
- <sup>29</sup> ECHR court case no.15318/89
- <sup>30</sup> Interview with UN officials, Brussels, November 2001
- <sup>31</sup> Commission (2002a) p.28
- <sup>32</sup> See Christopher Brewin (2000) pp. 196-199 and Hasan Ali Biçak (1997)
- 33 Case C-432/92, ECR3087
- <sup>34</sup> Christopher Brewin (2000) p.198
- 35 Interviews with Turkish Cypriot officials and opposition leaders, Lefkoşa, February 2002
- <sup>36</sup> Christopher Brewin (2000) pp. 16-31
- 37 Hasan Ali Biçak (1997)
- <sup>38</sup> Agence Europe n.6681 06/03/96
- <sup>39</sup> Commission of the EC (1997)
- <sup>40</sup> Commission of the EC (1997)
- <sup>41</sup> This included vague statements of intent regarding the development of possibilities under the 1963 Turkey-EEC Association agreement, intensification of the customs union, financial cooperation, approximation of laws and participation in some Community programmes and agencies.
- Cyprus News (1997) No.96.2
- <sup>43</sup> Interview with FCO official, London, July 2001
- 44 Anadolu Agency 24/04/98
- <sup>45</sup> Clement Dodd (1999a)

- <sup>46</sup> 86% of the Greek Cypriot public was in favour of the deployment of the missiles, see Madeleine Demetriou (1998) p.43
- 47 'Cyprus under pressure over missile deployment' Financial Times 27/11/98
- 48 Agence Europe n.7397 4/02/98
- <sup>49</sup> Quoted in Andreas Theophanous 'Cyprus, Greece, Turkey and the EU' in Fulvio Attina and Stelios Stavridis (eds.) (2001) pp.227-247, p.240
- <sup>50</sup> Reuter Briefing Commission Press Release speech 97/45
- <sup>51</sup> European Council (1999) paragraph 12
- 52 Interview Commission official, Brussels, October 2001
- <sup>53</sup> European Council (1999) paragraph 9b
- 54 Decision n.3/2000 OJ L 138 9/6/2000 p.28
- 55 Bertrand Buchwalter (2001)
- <sup>56</sup> Decision n.2001/235/EC OJ L 85,24/3/201 p.13
- <sup>57</sup> Council of Ministers (2001) p.13
- 58 The right to 'take part on the same basis as full members in WEU military operations to which they commit forces.... The right to speak brings with it the possibility to present proposals. Full participation will include participation in caucuses subject to the same rules as for participation in the meetings of the WEU Council and other bodies.' WEU (1992)
  59 The Summit concluded that 'the utmost importance to ensuring the fullest possible involvement of
- <sup>39</sup> The Summit concluded that 'the utmost importance to ensuring the fullest possible involvement of non-EU European allies in EU-led crisis response operations, building on existing consultation arrangements within the WEU' NATO (1999b)
- <sup>60</sup> Commissioner Verheugen's interview in the Frankfurt Allemeigne Zeitung on 22/10/01, quoted in 'EU enlargement with Cyprus or not at all' *Kathimerini* 25/10/01
- <sup>61</sup> Commission President Romano Prodi quoted in 'Cyprus will join' Cyprus Weekly 30/10/01
- <sup>62</sup> UN Secretary General (2003) paragraph 23
- 63 Rauf Denktaş's letter to the UN Secretary General dated 10 September 2001
- 64 'Denktaş suggests a Cyprus settlement in the EU' Turkish Daily News 18/12/99
- 65 Interview with Turkish Cypriot journalist, Nicosia, February 2002
- <sup>66</sup> They did so on the grounds that Security Council resolution 1303 of 14 June 1999 renewing the mandate of UNFICYP withdrew its reference to TRNC authorities
- <sup>67</sup> Interview with Turkish Cypriot opposition leader, Nicosia, February 2002
- 68 Kibris Vol. 8 No.12 December 2000, p.1
- <sup>69</sup> Interview with UN official, Brussels, November 2001
- <sup>70</sup> Interview with Commission official, Brussels, May 2000
- <sup>71</sup> Nicole Pope 'Le durcissement turc sur la question chypriote risque de devenir un casse-tête pour les Quinze' *Le Monde* 31/05/01. It should be noted that Ecevit, who had been prime minister at the time of the 1974 military intervention, was a long time supporter of full partition. Upon returning to power in May 1999 Ecevit declared: 'the Cyprus conflict no longer exists, it has been solved' (TRNC Press and Information Office, 3 May 1999, reference 23/99)
- <sup>72</sup> Yusuf Kanli 'Moment of truth draws closer for Cyprus' Turkish Daily News 06/11/01
- 73 'Turkey threatens to annex northern Cyprus' Cyprus News 07/11/01
- 74 'Turks threaten war' Cyprus Weekly 16/11/01
- <sup>75</sup> Press Release SG/SM/7546 'Secretary General stresses equal status of the parties in Cyprus proximity talks' 12/09/00
- <sup>76</sup> Republic of Cyrus (2000)
- <sup>77</sup> Jean Christou 'Cassoulides warns window of opportunity will close soon' Cyprus Mail 14/11/01
- <sup>78</sup> Council of Ministers (2001) section 4.1
- <sup>79</sup> Commission of the EC (2000a) p.93
- <sup>80</sup> Interview with Commission official, London, February 2002
- 81 Interview with UN official, Brussels, November 2001
- 82 European Council (2002c)
- 83 'Cyprus talks collapse casts EU cloud' Turkish Daily News 12/03/03
- 84 'Closed session over Cyprus' Turkish Daily News 22/11/01
- 85 TRNC President's Office (2002e) paragraph 11
- <sup>86</sup> TRNC President's Office (2002a) and TRNC President's Office (2002c)
- <sup>87</sup> TRNC President's Office (2002c) paragraph 38
- 88 TRNC President's Office (2002d)

89 TRNC President's Office (2002c)

<sup>90</sup> Yusuf Kanli 'Denktaş Tells EU: Stop encouraging Greek Cypriot intransigence' *Turkish Daily News* 23/04/02

<sup>91</sup> Interview with Turkish Cypriot negotiator, Kyrenia, February 2002

<sup>92</sup> Gokhan Tezgor 'Denktaş warns of deeper integration if divided Cyprus joins EU' *Cyprus Mail* 28/08/02

93 Sina Şukru Gurel quoted in enews@anatolia.com 25/10/02

94 'Turkey happy with bright side of the EU decision' Turkish Daily News 16/12/02

95 George Psyllides 'Crunch time in Copenhagen' Cyprus Mail 12/12/02

<sup>96</sup> Republic of Cyprus (2002)

97 Lord Hannay's interview with Mehmet Ali Birand, CNN Turk 12/06/02

The Greek Cypriot daily *Politis* reported that in late November 2002 opposition to the Plan in southern Cyprus stood at 64%. The results were quoted in 'Greek Cypriot opposition to UN plan grows' *Cyprus Weekly* 29/11/2002

grows' Cyprus Weekly 29/11/2002

99 This position was hinted by Glafcos Clerides in an interview with Mehmet Ali Birand on CNN Turk

05/11/01, prior to the re-launch of direct talks

100 'America welcomes Cyprus' accession' Cyprus Weekly 20/12/02

<sup>101</sup> Clerides' statement that: 'if I listen to some fools then I should not sign a settlement. If I listen to others and who think rationally, then I must think about it seriously' also suggests that serious consideration was given to the possibility of a settlement'. Quoted in George Psyllides 'Crunch time in Copenhagen' *Cyprus Mail* 12/12/02

<sup>102</sup> UN Secretary General (2003)

- 103 Jean Christou 'What chance of a solution now?' Cyprus Mail 18/02/03
- Andreas Hadjipapas 'Greek Cypriots call for radical changes to Annan Plan on rights and freedoms' Cyprus Weekly 11/02/03

105 UN Secretary General (2003) paragraph 56

## Chapter 5

## Incentives and disincentives in the EU 'catalytic' effect

'What satisfies their fears is what increases our fears, and so we have this paradoxical situation that unless we can find a way in which the fears of both communities are put at rest, it would be extremely difficult to find a solution to the Cyprus problem'

Why did the accession process proceed in parallel with the deterioration of the conflict between 1994-5 and late 2001? What explains the return to negotiations in 2002 and their ultimate failure? The quote above by former President Clerides goes far in explaining the negative developments in the conflict during the accession process. This Chapter attempts to flesh out its implications. It explores how EU decisions affected the underlying incentive structure of the conflict by interlocking with the principal parties' interests and perceptions.

## 1) The EU's expected catalytic effect

Since 1993, EU institutions and member states agreed in assuming that the process of EU accession and the prospect of final membership would catalyse a settlement of the decades-old conflict on the island. In doing so they essentially shared a similar reading of the conflict and its resolution of the Greek and Greek Cypriot sides.

Why did EU rhetoric claim that Cyprus' accession would act as a catalyst for a resolution of the conflict? EU institutions and member states did not expect to bring about an agreement through an active involvement in mediation, replacing the role of the UN. Despite progress in Cyprus' accession process, EU actors never intended to play a direct role in the conflict. Commission officials repeatedly stated they would not interfere in the UN peace process. Nor would they put forward any proposals for a settlement. The Commission would only advise the parties on the compatibility of these arrangements with the *acquis*.<sup>2</sup>

Having embarked on a specific policy course, EU actors found a rationale to justify their decisions and actions. This rationale was not the strategic basis for the policy adopted. The policy was driven by other predominantly intra-EU factors, namely the interaction between the strongly-held Greek views and the relative indifference of the other member states within the EU institutional setting (see Chapter 6). The 'catalyst' logic was a rationale to explain the desirability of the adopted policy. It was however the basis driving the positions of member state Greece. Accepting the Greek and Greek Cypriot narrative, the Commission and the member states expected the accession process to bring about a settlement by altering the incentives of the principal parties. Although neither the Commission nor the Council ever spelt out an official argument, an implicit reasoning underpinned these expectations. Turkish Cypriot intransigence, either fuelled or supported by Ankara, was held responsible for the persisting stalemate on the island. The accession process would raise the incentives of these two intransigent actors to reach an agreement, because it entailed appetising carrots that were made conditional on progress or settlement of the conflict. In addition by lifting conditionality on the RoC, the EU both created a deadline for an agreement and presented Turkey with a conditional cost (i.e., the accession of a divided Cyprus). The deadline and the stick would encourage further Turkey and the Turkish Cypriot leadership to reach an early settlement. As argued by the Greek Ministry of Foreign Affairs: 'European and US officials should make clear to Turkey that she is not in a position to obstruct the future accession of Cyprus to the EU. It is only then that the Turkish and Turkish Cypriot leadership may decide to cooperate for a settlement so that all Cypriot citizens, including Turkish Cypriots, may benefit from accession'.3

The 'catalyst' rationale rested on a realist logic of conflict settlement. The rational Turkish and Turkish Cypriot desire to reap the conditional benefits of membership and the high costs entailed in the absence of an agreement before accession, would create the 'ripe' conditions for a settlement by generating Turkish and Turkish Cypriot incentives to change their positions. In other words, a conditional stick both to Turkey and the TRNC would raise the costs of the status quo (and thus reduce

their BATNA). In addition, a carrot catalyst would encourage the parties to move towards a re-unified Cyprus within the EU. As put by Emiliou: 'the choice is clear. If Turkey insists on the policy of no solution to the Cyprus problem then it will condemn the Turkish Cypriots to non-participation in the benefits deriving from accession. If it really wishes the Turkish Cypriots to share these benefits then Turkey will have to show goodwill and cooperate towards achieving a satisfactory solution. Thus the prospect of membership may act as a catalyst in this direction'.

## a) Conditional carrots to the Turkish Cypriots

The 'catalyst' logic rested on the assumption that conditional gains to the Turkish Cypriots would induce a shift in the leadership's position. This would occur either directly (i.e., the prospect of gains would alter the government's position) or indirectly through the pressure generated within the Turkish Cypriot community. Indeed, on several occasions EU decisions focussed on the need to articulate the gains from EU membership to the Turkish Cypriots. The 6 March 1995 GAC decision stated that 'this (Turkish Cypriot) community must perceive the advantages of EU membership more clearly and its concerns at the prospect must be allayed. The Council calls upon the Commission to organise the requisite contacts to this end with the absence of a solution was the product of '(in)sufficient incentives for the two communities to reach an agreement'. 6 It focussed on the need to increase Turkish Cypriot incentives by calling EU actors to intensify their efforts to inform the Turkish Cypriots about the gains of EU membership. This decision was followed by the opening an EU information centre in the Turkish Cypriot Chamber of Commerce. Through the Chamber of Commerce, the Commission also organised lectures and seminars on the EU.

For the Turkish Cypriots, the carrot of EU membership was automatically conditional on a settlement. No member state recognised the TRNC. Following the approach of the UN since 1964, the EU recognised the RoC as the only legitimate government on the island and condemned the Turkish Cypriot UDI in 1983.<sup>7</sup> Given

that only states can enter the European Union, northern Cyprus could only *de facto* enter the EU following a settlement on the island. Such a settlement would entail Cyprus' single membership of the Union. In principle, single EU membership could be compatible with a wide range of solutions including both federal and confederal variants. However, it would not be compatible either with the separate EU membership of the TRNC, or with the TRNC's entry together with Turkey. Both the Commission and the European Parliament explicitly stated that the EU would refute the latter option in so far as it could imply recognition of a future Turkish annexation of northern Cyprus.<sup>8</sup> Turkish Cypriot gains from EU membership thus hinged on a settlement based on some form of reunification.

What were the gains being offered to the Turkish Cypriots? At times the Commission and the member states referred to the protection of Turkish Cypriot rights within the Union. EU accession would strengthen liberal democracy in northern Cyprus and it would protect Turkish Cypriot rights in the wider context of the Union's principles of liberty, human rights, the rule of law and multiculturalism. Turkish Cypriots would be able to use EU Treaties as a point of reference for the resolution of disputes and they would be able to present petitions to the European Parliament and Ombudsman. Turkish Cypriots would have access to EU institutions and shape decisions affecting the future of the continent. They would also acquire EU citizenship, which would allow them to move, settle and buy property freely throughout the Union. EU citizenship would also provide Turkish Cypriots with the assistance and protection of any EU member state embassy in third countries.

However, the conditional gains offered to the Turkish Cypriots were predominantly economic. <sup>9</sup> The EU could offer important economic benefits to a small, poverty-stricken and potentially trade dependent area like northern Cyprus. Economic gains would include an end of its twenty-nine year economic isolation. Northern Cyprus would be included in the EU customs union with Turkey as well as in the EU single market, comprising 370 million citizens at EU-15. European investment would boom and the potentially profitable tourism sector would prosper. Northern Cyprus would share the generalised growth of the EU economy. With this, its infrastructure and

services would also improve greatly. With the adoption of the euro, Turkish Cypriots would no longer suffer from monetary instability, linked to the use of the Turkish lira. The north would gain from low inflation and interest rates, the abolition of exchange rate risk and the reduction of transaction costs. Turkish Cypriot citizens would also be able to freely access the education opportunities and labour markets in other EU states.

Finally, EU membership would include a considerable transfer of EU funds to the undeveloped northern Cypriot economy. Northern Cyprus would gain access to EIB facilities and loans at the lowest interest rates. Moreover, the region would benefit from considerable EU financial assistance in the form of structural funds (European Regional Development Fund, European Social Fund, European Agricultural Guidance and Guarantee Fund, Financial Instrument for Fisheries Guidance and the Cohesion Fund). Given the considerable economic disparity between the two sides, only northern Cyprus would be classified as an 'objective 1' area under the structural fund classification and thereby receive all of the transfers earmarked for Cyprus. The EU could also offer special funds to northern Cyprus to encourage its development in the context of an agreement. In the case of Northern Ireland, the EU provided €100 million to accompany the peace process. 10 Indeed on 30 January 2002, the Commission published its proposals for the financing of enlargement. A special section devoted to Cyprus stated that northern Cyprus could receive €206 million (€39 million in 2004, €67 million in 2005 and €100 million in 2006) under a reunification scenario.11

Commission and Greek Cypriot officials believed that the value of economic incentives would rise following EU membership. The stagnant northern Cypriot economy would contrast even more sharply with the ever more flourishing economy in the south, post-EU membership. So in the event of Cyprus' accession as a divided island, strong economic incentives would persist, persuading the Turkish Cypriots to reunify with the south in order to end to their economic isolation. The East German magnetic attraction to the West would also set in motion in the Eastern Mediterranean. As put by former RoC President and Chief Negotiator for accession

negotiations George Vassiliou: 'after Cyprus joins, the benefits and pressures of Cyprus being part of the Union will greatly play into the hands of those willing a solution'.<sup>12</sup> Therefore, as argued by Foreign Minister Yannis Cassoulides: 'if the accession process is to play an effective catalytic role, it should remain free of any conditions or restrictions and proceed unhindered'.<sup>13</sup>

## b) Conditional sticks and carrots to Turkey

The consensus within the EU viewed Ankara at a very least as providing the indispensable support for Denktaş's positions, if not actually being the motor behind Turkish Cypriot polices. A policy change in Ankara was thus seen as critical to a settlement. The Commission and the member states believed that Cyprus' accession process would catalyse such a change. This was due to Turkey's own aspirations to join the Union; aspirations that were made official in its 1987 application for membership. In Brussels it was widely believed that Ankara valued far more its ties to the EU than to Cyprus. In the words of Eberhard Rhein, a former Commission official: 'Turkey will not want to sacrifice its perspective for membership for the sake of maintaining a puppet regime in northern Cyprus. It will therefore prevail on the Turkish Cypriot leader Rauf Denktaş to accept a deal for the whole island to join the EU by 2004'. 14

On the one hand, European and American officials thought that Turkish strategic military interests in Cyprus had decreased. The relative size of the Turkish army and the significant development of military technology since the 1970s drastically reduced the likelihood of a Greek attack on the Turkish mainland. On the other hand, EU policy-makers believed that the value attached by Turkey to its EU membership ambitions was extremely high. Turkey always valued highly its relations with Europe. Since the foundation of the Kemalist Republic, Turkey sought to associate itself with the West. Although with the end of the Cold War, Turkey's ties with the Caucasus and Central Asia increased, the dominant position in Ankara never advocated a turnaround in Turkey's foreign policy. <sup>15</sup> On the contrary, Turkey presented its strategic importance to Europe precisely in view of its bridging role to

the Middle East, the Caucasus and Central Asia. President Demirel's call for a 'Stability Pact for the Caucasus' at the 1999 OSCE Istanbul Summit or Foreign Minister Ismail Cem's initiative for a joint EU-OIC summit in the aftermath of the 11 September 2001 attacks illustrated this point. Turkey's European orientation remained a cornerstone of Turkish foreign policy, and its EU membership application lay at the heart of this policy.

Following the December 1999 Helsinki European Council, Turkey's long cherished goal of EU membership appeared more achievable. Although the prospect of full membership remained distant, the December 1999 decision formally placed Turkey on the future EU map. This strengthened the expectation in the Commission and the member states that Ankara would pursue its EU goals more actively and concretely. This entailed embarking on a process of wide-ranging internal reform as well as actively encouraging a settlement in Cyprus and in the Aegean disputes with Greece. The Union's expectation was captured in a statement by Enlargement Commissioner Gunther Verheugen: 'in Helsinki we made a tremendous offer to Turkey, when we granted her the candidacy status'... 'this is the best means we have for actively and positively finding a solution to the Cyprus question'. 17

Up until 2003, although a settlement in Cyprus was never presented as an explicit condition for Turkey's entry in the EU, all EU institutions made frequent references to the conflict as well as to bilateral disputes with Greece. In the 1987 Costé-Floret report, the European Parliament explicitly called Turkey to encourage a rectification of the 'situation in Cyprus' in view of its objectives to join the Community. In the 1989 Opinion on Turkey, the Commission mentioned the 'negative effects' of the Cyprus conflict and of bilateral Greek-Turkish disputes on EC-Turkey relations. At the 26 June 1990 European Council in Dublin, the member states concluded that the Cyprus conflict inevitably affected Turkey-EU relations. Since 1990, most European Parliament resolutions on Turkey called Ankara to show the necessary will to settle the conflict. Since 1998, all Commission Reports on Turkey's Progress towards Accession referred to the importance of a Cyprus settlement.

Turkey's Accession Partnership adopted by the Council on 8 March 2001 also referred to the conflict. It stated that Turkey should '...strongly support the UN Secretary General's efforts to bring to a successful conclusion the process of finding a comprehensive settlement of the Cyprus problem, as referred to in point 9(a) of the Helsinki Conclusions'. 23 This condition was open to interpretation, and its significance depended on the substance of UN proposals as well as on the general Turkish Cypriot attitude in inter-communal talks. The Turkish government responded to the Accession Partnership in its National Programme on 19 March 2001. It stated that it 'will continue to support the efforts of the UNSG...with a view to establishing a new partnership in Cyprus based on the sovereign equality of the two parties and the realities of the island'.24 However, in the November 2001 Progress Report on Turkey, the Commission claimed that its recommendations had not been fulfilled yet. The Commission demanded that 'the support that Turkey has expressed in the political dialogue for the UNSG's efforts to find a comprehensive solution to the Cyprus problem should now be followed by concrete steps by Turkey to facilitate a solution'. 25

But the most important reason why Commission and member state officials expected Ankara to work towards a settlement was because of the accession of Cyprus. While the 1993 Opinion only allowed for the hypothetical possibility of accession negotiations with Cyprus prior to a settlement, between 1994 and 1998 this became an increasingly feasible prospect, until it materialised in March 1998. Between 1997 and 1999, the EU was deliberately ambiguous on whether conflict settlement was a condition for the ultimate membership of the island. Finally, the 1999 Helsinki Council eliminated this precondition for the final accession of Cyprus. Although a narrow margin for manoeuvre was retained in the Helsinki formulation (i.e., taking into account 'all relevant factors'), conditionality with respect to a settlement had been removed. Also Cyprus' Accession Partnership requested that in the short-run the government should 'maximise its efforts to support a settlement under the UN auspices'. <sup>26</sup> But the Commission deemed that the RoC had fulfilled this condition. In 2000 it stated that Cyprus 'continues to maximise its efforts to support a settlement under the auspices of the UN', as required by its March 2000 Accession Partnership

Document.<sup>27</sup> In 2001 the Commission declared that 'the Cypriot government participated in the fifth round of the proximity talks in November 2000 and therefore continued to maximise its efforts to support a settlement under the auspices of the UN. In the period under consideration no further rounds took place following the withdrawal of the Turkish Cypriot Community from the talks'.<sup>28</sup>

Moreover, Greece's threat to veto the entire fifth enlargement unless Cyprus was included in it also raised the likelihood of Cyprus' accession irrespective of a settlement. In November 1996 then Greek Foreign Minister Theodoros Pangalos declared that 'if Cyprus is not admitted, then there will be no enlargement of the Community, and if there is no enlargement there will be no end to the negotiations now going on for the revision of the Treaties, and the Community will thus enter into an unprecedented crisis'.<sup>29</sup> On 13 November 2001 the current Foreign Minister George Papandreou delivered the same message in a different form, when he asserted that the Greek Parliament would not ratify the forthcoming enlargement without Cyprus.<sup>30</sup> Given the historic importance of the fifth enlargement, it was highly unlikely that any member state would veto the accession of a divided Cyprus, despite the potentially negative consequences this could entail. As put by Commission President Romano Prodi, Cyprus would join the Union because 'there can be no question of delaying an historic process in which the security, stability and well-being of Europe as a whole is involved'.<sup>31</sup>

If a divided Cyprus entered the EU, Turkey's interests would be severely harmed. The Greek-Turkish conflict over Cyprus would become an EU-Turkish conflict. As such it would severely hamper Turkey-EU relations and Turkey's ambitions to join the Union. With the entry of a divided Cyprus, Turkey, an EU candidate, would be viewed as an illegal occupier of EU territory. In March 2003, Commissioner Verheugen made this explicit stating that if in 2004 the conflict remained unsolved 'it appears difficult ...to envisage the start of accession negotiations with Turkey' in so far as Turkey would be considered as occupying part of an EU member state, and that member state would not be recognised by candidate Turkey.<sup>32</sup> Furthermore, the likelihood of Greece and Cyprus demanding a settlement before consenting to

Turkey's accession, would be very high.<sup>33</sup> As put by term President Costas Simitis in January 2003: 'to move forward in its EU membership bid, Turkey must first resolve the island's problems'...'the green line in Nicosia... separates Ankara from Brussels'.<sup>34</sup> Moreover, if the EU entry of a divided Cyprus were to trigger aggressive Turkish reactions, Turkey's own accession process could be formally abandoned. Indeed a July 2001 EP report stated that: 'if Turkey were to carry out its threat of annexing the north of Cyprus in response to Cypriot accession of the EU and to proclaim the northern part as its 82<sup>nd</sup> province in clear breach of international law, it would put an end to its own ambitions of EU membership'.<sup>35</sup> Because of these costs and because of Turkey's more realistic prospects of membership since December 1999, EU actors expected Turkey to engage more actively in the search for a settlement prior to Cyprus' accession.

Finally, EU actors believed that the accession of a reunited Cyprus would be highly beneficial to Turkey. Through the Turkish Cypriot community, Cyprus' membership could encourage Turkey's own accession and Turkish would become an official EU language. A settlement would also allow for a phasing out of Turkish financial transfers to northern Cyprus, and as such eliminate a considerable economic burden on the Turkish economy. Turkish transfers to northern Cyprus amounted to approximately \$150-200 million per year, not a negligible sum for an economy with chronic public deficit problems, which sunk into economic crisis in 2001.

## 2) The flaws in the EU 'catalytic' effect

Having observed in Chapter 4 the entrenchment of the conflict, let us analyse why EU policies failed in their intent. Why did EU policies fail to 'catalyse' a solution prior to accession and on the contrary trigger (or fail to deter) the deterioration of the conflict until late 2001? What explains the ultimate failure of the 2002-3 negotiations? The interaction between EU policies towards Cyprus and Turkey and the interests of the Greek Cypriots, the Turkish Cypriots and Turkey sheds considerable light on the failure of the EU's expected 'catalytic effect'.

## a) Greek Cypriot interests and EU policies

By the late 1980s, the Greek Cypriot leadership was frustrated with the UN's approach to the conflict and viewed with scepticism several of its proposals. It initiated the accession process in order to add the EU dimension to conflict settlement efforts in a manner that would ultimately encourage a settlement in line with its perceived interests. This logic was presented by then President Vassiliou at the margins of the 1988 Rhodes European Council, when he stated that if the negotiations under the UN failed to yield a settlement, the RoC would apply for EC membership. With the exception of Greece, the member states were unaware at the Rhodes European Council and throughout the 1990s of the specific motivations driving the Greek Cypriot application. Nor were they aware of the precise assumptions behind Greek Cypriot policies, and the way the government used the EU framework and EU law to gain political advantages.

Political and security interests, specifically related to the conflict led the RoC to engage in the accession process. These gains were not related to an expectation that the Union would foster the emergence of a post-nationalist Cyprus in which ethnic rivalries would subsume. The attraction was on the contrary that of strengthening the Greek Cypriot national cause against its local enemies. In the words of Kevin Featherstone: 'some regard the Greek Cypriots as endeavouring to use the EU to pour new wine in an old bottle. The definition of the game remains the same, but any new opportunity like the EU is latched on to as a matter of attrition, in order to gain relative advantage'. 37 As the receipt of EU-related benefits became free from progress in conflict settlement, the accession process reduced the incentives to seek an early agreement of those Greek Cypriot nationalists who sought considerable changes in UN guidelines, and those who, sceptical of any agreement, concentrated on alternative options to ensure the security and prosperity of the Greek Cypriot community. However, while during the mid and late 1990s nationalist positions were on the rise in southern Cyprus, by the turn of the century the tide seemed to reverse. In the last years of his Presidency, Glafcos Clerides appeared to be more willing to move towards a settlement prior to accession.

## i) Greek Cypriot frustration with the UN's mediation approach and support for EU membership

Since 1964 the Greek Cypriot side accepted the UN's involvement in the conflict given its recognition of the RoC as the only legitimate government on the island (UNSC resolution 186), and its condemnation of Turkish Cypriot secessionist moves (UN resolutions 540 and 541). As such the UN was viewed as the shield protecting the Greek Cypriots against Turkish Cypriot secession.<sup>38</sup> The UN provided the RoC with a forum to present its cause to the international community, a strategy that traditionally lay at the heart of the Greek Cypriot approach towards the conflict.<sup>39</sup>

Yet between the mid 1980s and early 1990s, Greek Cypriot governments under Presidents Kyprianou, Vassiliou and Clerides became progressively more disenchanted with the UN's own approach to the conflict.<sup>40</sup> In particular, as the UN progressed in fleshing out proposals in 1985-86 and then culminating in the 1992 'Set of Ideas', the Greek Cypriot side became increasingly uncomfortable with several UN ideas. On some occasions these were rejected (as in the case of the first and third Draft Framework Agreements in January 1985 and March 1986). On other occasions, the proposals received general support on paper, yet in practice the Greek Cypriot side adopted a 'wait and see' approach (as in the case of the 1992 Set of Ideas, which received lukewarm support from President Vassiliou and effective rejection from his successor Clerides). In particular the Greek Cypriot side objected to the UN's definition of political equality (in UNSC resolution 689), to its vagueness on the issue of state succession (i.e., whether a solution would entail a new state or a continuation of the RoC), to the retention of some Turkish troops and settlers, and to the restrictions on the three freedoms. Throughout the 1990s, the Greek Cypriot side continued to view with scepticism several UN positions. For example, the UN attempted to lure the Turkish Cypriots by speaking of the 'parties' rather than 'communities' in the conflict. Greek Cypriots denounced the shift, fearing it would open the way to the recognition of the TRNC.<sup>41</sup>

It is in this context that that 1990 application for membership was made. Frustration with the UN's approach by the late 1980s and its perceived shift towards the Turkish Cypriots induced the Greek Cypriot government, spurred by Greece, to turn to the EU. The UN, by simply representing the international system, was unable to induce Turkey and the Turkish Cypriots to do what they were unwilling to do alone. On the contrary, many believed that UNFICYP contributed to the tolerability of the nopeace-no-war status quo. 42 The EU instead was considered as having sufficient leverage to generate the necessary change on the Turkish and Turkish Cypriot sides.<sup>43</sup> Moreover, Greek Cypriot leaders believed that EU membership would provide the ideal framework for a desirable settlement. It would automatically purge the undesirable elements in the UN's ideas and thus contribute to an agreement along Greek Cypriot lines. 44 Hence, the statement by then Foreign Minister Michaelides: 'The main axis of our foreign policy is what we call our European orientation. By this we do not only mean the promotion of our application for accession to the EU and the harmonisation of the structures existing in Cyprus with those of Europe, in order to become a full member of the EU. But also the activation of the European factor in the efforts to find a solution to the Cyprus problem'. 45

But why exactly did Greek Cypriot governments believe that accession would favour a settlement in line with their interests? First, enhanced relations with the EU would bolster the RoC's status as the only legitimate government on the island, it would discredit further the TRNC and it would provide the RoC with an additional forum in which to present its cause. The RoC applied for EU membership on behalf of the whole island. EU institutions conducted the accession process on the grounds that the Republic represented all Cypriots. This further increased the perceived hierarchy between the two communities to the advantage of the Greek Cypriot side. In addition, exclusive relations with the Greek Cypriots exposed EU officials predominantly to the Greek Cypriot perspective, inevitably making them more sympathetic towards it. If the conflict persisted, the actual membership of a divided Cyprus would have enhanced these gains further.

Second, Cyprus' accession process would increase Greek Cypriot leverage on Turkey and thereby redress the balance in the 'double minority' situation characterising the conflict. Following a realist approach to the conflict and its settlement, the principal parties viewed the stalemate on the island as a product of its 'double minority' nature, in which the weaker internal Turkish element in Cyprus was counterbalanced by a weaker external Greek element. The introduction of the EU variable would shift the Greek Cypriot-Greek vs. Turkish Cypriot-Turkish context into a wider EU framework. As such it would alter the balance of power, unlocking the situation in favour of Greek Cypriot interests. As the Union became progressively more involved in the conflict in the context of enlargement, it was expected to exert greater pressure on Turkey to reunify the island. Turkey would no longer be able to use Cyprus as a bargaining chip to further its own accession process. Furthermore, Greek Cypriot leverage on Ankara would rise with the RoC's acquired veto rights, as an EU member state, over Turkey's future accession.

Third, EU membership entailed critical security gains to the Greek Cypriot community. Since the emergence of the conflict, Turkey embodied the primary security threat to the Greek Cypriots. EU membership would alleviate considerably this perceived threat, given the unlikelihood of a Turkish attack on an EU member state. Particularly in view of its own EU objectives, any Turkish military initiatives in Cyprus would entail extremely high political costs to Turkey. As such, even without a solution, EU membership would increase Greek Cypriot security. EU membership would encourage also a security agreement that was more favourable to the Greek Cypriot side. The retention of a high number of Turkish troops in northern Cyprus and the continuation of an operational article 4 of the Treaty of Guarantee allowing for unilateral rights of intervention by the guarantors would be unlikely. A settlement within the EU could include a formal continuation of the 1959 Treaties. But while the de jure guarantor rights would remain, in practice Turkey's unilateral rights of intervention would become inoperative. 50 Hence, President Clerides' remarks in 1994: 'if Turkey has any expansionist visions on Cyprus, and it has, it will be forced to abandon them from the moment we will be part of Europe'.<sup>51</sup>

Finally, Cyprus' membership would create a framework for the liberalisation of the freedoms of movement, property and settlement with the implementation of the acquis communautaire. In principle the acquis liberalises the movement of goods, services, persons and capital. These freedoms also comprise the freedoms of movement, settlement and property called for by the Greek Cypriots, adamant to settle (and re-settle) and acquire property (and reclaim property) in northern Cyprus. Therefore shifting the conflict into an EU framework would contribute to the Greek Cypriot cause. The Greek Cypriot side could appeal to the acquis when rejecting restrictions to the three freedoms, either proposed by the Turkish Cypriot side or by the UN. In 1992, one of Clerides' oft repeated reasons for opposing the 'Set of Ideas' during his presidential election campaign, was on the grounds that these would 'block Cyprus' path to Europe' given its provisions limiting the three freedoms. In October 2000, the RoC House of Representatives rejected UNSG Annan's opening statement on 12 September 2000 also on the grounds that 'it is a basic and fundamental principle of the talks that any proposals or ideas should be fully in line with the acquis communautaire'.<sup>52</sup>

Up until late 2001, the Commission, the European Parliament and the European Council also insisted on the full compliance with the *acquis*. Only in late 2001 did the Commission and the member states acknowledge openly the possibility of transition periods and derogations in the implementation of the *acquis*. The Greek Cypriots reacted with concern and scepticism towards this policy shift.<sup>53</sup> However, restrictions on the four freedoms had to be requested by the candidate country, and so long as the Greek Cypriots alone were engaged in accession negotiations, candidate Cyprus would not request restrictions to the three freedoms. Requesting them would have jeopardised the unanimous support for EU membership in the south.

The choice of applying for EU membership was also based on other factors. Globalisation and European integration and enlargement raised the opportunity cost of exclusion, particularly for small and peripheral states, such as Cyprus. However, EU membership would also entail economic costs to southern Cyprus with the abolition of all trade and non-trade barriers, and the reform of banking legislation

that would inhibit the growth of the island's offshore financial services. As Table 3 shows, throughout the 1990s the economy of the south performed remarkably well, primarily because of the share and growth of the services sector (i.e., tourism and offshore financial services). Indeed back in 1988, when the Greek Presidency attempted to persuade the RoC to apply to full membership, President Vassiliou was sceptical of the initiative. His scepticism, was in part due to the possible economic costs of full membership. Yet economic considerations were secondary to the application for membership. This contrasted sharply with the economic rationale behind the 1972 Association Agreement.

Table 3: Performance of the RoC economy: 1994-2000

	1994	1995	1996	1997	1998	1999	2000
GDP per capita €	9,900	10,500	10,800	11,500	12,300	13,000	14,200
Agriculture as % of	5.2	5.3	4.8	4.3	4.4	1.2	3.8
Total Gross Value						:	
Added						! :	
Services as % of Total	69.8	70.7	71.6	73.1	73.8	75	76.3
Gross Value Added						; ;	
Inflation CPI %	4.6	2.6	3	3.3	2.3	1.1	4.9
Unemployment rate %	2.7	2.6	3.1	3.4	3.4	3.6	3.4

Source: Commission Report on Cyprus' Progress towards Accession (1999) and (2000), Statistical Annexes

By the early 1990s, a near consensus across the Greek Cypriot political spectrum and public opinion had emerged concerning the desirability of Cyprus' integration in the EU. EU membership received full support not only from the initiators of the accession process, namely Spyros Kyprianou's Democrat party (DIKO), George Vassiliou's United Democrats (KED now EDI) and Glafcos Clerides' Democratic Rally (DISY). EU membership was also supported by Vassos Lyssarides' Socialist Party (EDEK now KISOS) and after an initial period of reluctance also by Demetris Christofias' Reformist Workers' Party (AKEL). By 1990 AKEL supported accession

particularly in view of the implications it had on the 'three freedoms'. Despite being considered a moderate party, AKEL was historically an adamant supporter of maximum intermixing between the communities. Christofias ran the May 2001 parliamentary election campaign on the slogan that 'a settlement will pass through the gates of Kyrenia', referring to the return of all Greek Cypriot refugees to their properties. The EU with its *acquis* and the leverage it could bring to bear upon Turkey contributed to the fulfilment of this aim.

#### ii) The EU accession process and Greek Cypriot nationalism

But the important political gains of EU accession not only led to overwhelming support for the EU in southern Cyprus. The increasingly unconditional gains from EU membership interlocked with the rising trend of Greek Cypriot nationalism in the mid-1990s, reducing the incentives of the least compromising forces in southern Cyprus to make early compromises. The accession process both encouraged the hardening of positions on the Greek Cypriot side, and was drawn into the Cyprus equation as a consequence of the rise of Greek and Greek Cypriot nationalism.

Between the mid-1980s and the late 1990s, southern Cyprus witnessed a reemergence of a redefined form of Greek Cypriot nationalism, which while no longer advocating *enosis*, emphasised the 'Greekness' of Cyprus and called for strong relations with motherland Greece. This was encouraged by the election of Andreas Papandreou in Greece in November 1981 and his historic visit to southern Cyprus in 1982, in which the conflict was re-defined as a Greek national cause. Greek Cypriot nationalism gained new strength after 1993, with the return to power of Papandreou in Greece and the election of Glafcos Clerides in Cyprus.

EU policies failed to discourage the surge in Greek Cypriot nationalism in the 1990s. This was because of the gains accruing to the Greek Cypriot side from EU membership, together with the fact that by the mid/late 1990s these gains were no longer conditional on a settlement. Some Greek Cypriots viewed EU membership and the ensuing adoption of the *acquis* as a critical supplement to the general

principles advanced by the UN to ensure a more favourable agreement.<sup>54</sup> In line with this logic, in 1999 Cyprus' chief negotiator George Vassiliou declared that 'EU membership is the only way to secure the future of Hellenism'. 55 To others, unconditional EU accession was a means to improve the status quo and thus raise the Greek Cypriot BATNA. A higher BATNA meant greater Greek Cypriot bargaining strength post-membership. It implied also that more people viewed EU membership as an alternative to a settlement. In the words of a Greek Cypriot interlocutor 'it is better to be in the EU without a settlement than to accept a bad settlement'.56 According to Theophanous, quoting an opinion poll survey, 33.7% of Greek Cypriot respondents felt that 'if talks do not produce a genuine federation, the Greek Cypriots should concentrate on other objectives such as EU membership, economic growth and relations with other regions'. 57 The significance of this result hinged on what a 'genuine federation' entailed. To the extent that Greek Cypriots considered that a 'genuine federation' excluded a highly decentralised system of governance, EU membership was viewed as alternative to a 'bad' solution.<sup>58</sup> In 1993, Clerides clearly did not consider the Ghali 'Set of Ideas' to lead to a 'genuine federation', and so concentrated on EU accession instead.<sup>59</sup>

Hence, one narrative could be that since 1993, a more nationalist Greek Cypriot leadership engaged tactically in inter-communal talks without real willingness to compromise, because it assessed that if it could secure EU membership, it could then negotiate a more favourable agreement. This did not entail a refusal to participate in the talks in the 1990s. On the one hand, engagement in the peace process had low political costs. The Commission, the Council and EP's recurrent references to a settlement in line with the *acquis* supported the Greek Cypriot position. The Commission also warned against an excessively loose constitutional system. As put by Enlargement Commissioner Verheugen in 2002: 'it is not enough to have a decision-making procedure that would allow Cyprus to speak with one voice in the European institutions, but there must be a central authority that has the structures, the powers and the competencies to carry it out'. On the other hand, refusal to participate in negotiations was too costly. This was particularly true before the 1999 formal removal of conditionality on Cyprus. In this context it is interesting to note

that prior to the July 1997 Troutbeck negotiations, Clerides declared that he would attend the talks as 'a cosmetic move in order not to appear as the negative side and so harm the Republic's prospect of accession to the EU'. Since the 1999 Helsinki European Council, although a settlement was no longer considered a condition of membership and the exclusion of Cyprus from the fifth enlargement was extremely unlikely, the Greek Cypriot government did not perceive accession as automatic. Prior to the re-launch of the talks in January 2002, Clerides stated: 'the behaviour of the Greek Cypriot side will have to be such as to actually prove that we fervently desire the finding of a solution'. As late as November 2002, DISY leader Nicos Anastasiades reiterated: 'whether we like it or not the island's accession is linked to the settlement of the Cyprus problem'.

The relative balance between purely tactical considerations and more genuine willingness to seek a solution prior to accession, appeared to change with the turn of the century. In the 2002-3 negotiations, the Greek Cypriot team appeared to engage genuinely in the peace process. In assessing why this change may have happened, it is important to bear in mind the change in Clerides' leadership over the decade of his two presidencies (1993-2003). Two key reasons appear to lie behind this change. First is the contrast between the 1993 and the 1998 Presidential elections. In 1993, Clerides (DISY) ran his election campaign on a hard-line nationalist agenda, supported by nationalist DIKO, against moderate incumbent Vassiliou (EDI) supported by moderate AKEL. In 1998, the situation was far more blurred, as Clerides, with the support of moderate EDI and nationalist EDEK, won the elections against George Iacovou, backed by AKEL and DIKO. A second crucial factor was the changing role of Greece. Being a Greek Cypriot nationalist in 2003 had a profoundly different meaning from what it did in 1993. And this was due to the transformation of Greece over the course of the decade. In particular, the Simitis government marked a historic turn in official Greek attitudes towards Turkey, advocating a policy of European inclusion rather than exclusion. Given the government's commitment to rapprochement with Turkey and closer EU-Turkey relations, it genuinely pushed for an early settlement in 2002-3. A settlement would have eliminated all chances of a serious rift in EU-Turkey relations, and most important it would have consolidated the nascent Greek-Turkish rapprochement.

To the extent that by 2002, the Greek Cypriot government was genuinely willing to reach a settlement, the accession deadline may have raised their incentives for an early deal. Before the November 2002 Turkish elections, there were good reasons to believe that the Turkish Cypriot side would have ended negotiations if the Copenhagen European Council admitted a divided Cyprus. While Greek Cypriot officials gave little importance to Turkish threats of annexation, they did appreciate that the international and domestic momentum generated in 2002 would have evaporated in 2003. As such, despite the greater Greek Cypriot bargaining strength post-membership, this strength could remain latent given the absence of intercommunal talks (at least until Turkey's uncertain accession prospects became surer). As such, EU 'deadlines' may have raised genuine Greek Cypriot intentions to settle the conflict. This point was made by Lord Hannay: 'Mr Clerides does recognise that it is very important to go the extra mile in reaching a settlement this year. He too analyses the situation as one in which if it is not done this year, it won't be done in the foreseeable future'. 655

Both tactical and strategic considerations played into Greek Cypriot official thinking and ensuing action in 2002-3. Had the Turkish Cypriot side not rejected the UN Secretary General's proposals in March 2003, a good test of the relative balance between different considerations would have been the readiness to sign an agreement after the Copenhagen Council and before the signature of the Accession Treaty. <sup>66</sup> The question of delaying a settlement until after accession was discussed in southern Cyprus. To the extent that the 2002 talks were carried out for predominantly tactical reasons to secure EU membership, Greek Cypriot goodwill in pursuing negotiations should have faltered. According to this logic, the Greek Cypriot government, while committed to a settlement, preferred an agreement that met more closely its demands. The Greek Cypriot proponents of delaying an agreement argued that post-accession Greek Cypriot bargaining strength would rise. In addition, the derogations provided for under the UN Plan would no longer be feasible, given they would not be

incorporated in the Treaty of Accession. The objectors of this course of action appreciated that time could work against the Greek Cypriots and that a missed opportunity could entail a delay in a settlement until Turkey's uncertain accession.<sup>67</sup> By then, most Turkish Cypriots may well have left the island, being replaced by Turkish immigrants.

#### b) Turkish Cypriot interests and EU policies

Insufficiently attractive gains presented by the EU to the Turkish Cypriot community and the heavy costs that EU membership could entail for the Turkish Cypriots, together with the general climate of mistrust in northern Cyprus (and, as we shall examine below, in Turkey as well) of EU intentions, reduced the Turkish Cypriot leadership's incentives to broker a settlement. In the words of Rauf Denktaş: 'the EU is a carrot offered to us in order to make us fall into this trap and to end up being a minority with no state, no status and no sovereignty'. Furthermore, the fact that full membership of a divided Cyprus could foster permanent partition or the full integration of northern Cyprus into Turkey was viewed as a desirable outcome by the most nationalist forces in northern Cyprus and Turkey. Hence, the leadership's tougher positions. By 2002-3, the Turkish Cypriot government came under increasing pressure from the public, which instead was more persuaded about the desirability of a settlement within the EU (particularly following the publication of the 'Annan Plan'). However, such pressure failed to yield a shift in the leadership's stance prior to the signature of the Accession Treaty between Cyprus and the Union.

The Commission attempted to lure the Turkish Cypriots into an agreement mainly by offering conditional economic carrots. Yet the prospect of economic gains was an insufficiently strong incentive to shift the Turkish Cypriot negotiating positions. This was particularly true until the late 1990s, when living standards in the north were rising, particularly if the revenues from the large black economy (approximately 60% of GNP) are taken into account. Decades of economic isolation and subsidisation by Turkey had passed without mass pressure to reunite with the south, despite the considerably higher living standards there. Additional economic carrots alone were

unlikely to fundamentally alter the Turkish Cypriot position. The Turkish Cypriot leadership preferred the options of international recognition followed by EU membership or economic integration with Turkey, to EU membership with the Greek Cypriots as a subordinate community in a unified state.

Moreover, economic carrots in a context of international isolation stemming from embargoes and trade restrictions had perverse effects. The lure of economic incentives was branded as a 'bribe' and an 'insult' by several Turkish Cypriot and Turkish officials. They argued that the total aid on offer only approximated the annual transfers from Turkey (around \$160-200 per year). They also argued that if Europeans had been genuinely concerned about the welfare of the Turkish Cypriots they would not have restricted trade since 1994. The 1994 ECJ ruling was interpreted in northern Cyprus as a deliberate and unethical attempt of the 'EU' to strangle the northern economy and bend the Turkish Cypriots into compliance with Greek Cypriot demands. The EU traded with Taiwan despite its non-recognition of Taiwan's independence. Why, other than the sheer attempt to exert pressure on the Turkish Cypriot side, did the 'EU' impose a trade embargo on the Turkish Cypriots?

The Turkish Cypriot leadership also did not view human and minority rights protection within the EU as a sufficiently attractive prospect. First and foremost, the consensus in the north was that the Turkish Cypriots were not a political minority in Cyprus, and had to be treated as an equal community to the Greek Cypriots, as they had been equal partners in the establishment of the 1960 Republic. Second, the Turkish Cypriots were sceptical of the EU's willingness to prevent Greek Cypriot discrimination and prevarication against them, given their perception of the Union's structural bias against them. Although in principle Turkish Cypriot rights would be upheld within the Union, the membership of Greece, the non-membership of Turkey and a power-sharing system with the larger Greek Cypriot community, made the Turkish Cypriots fear discrimination in practice. They frequently cited the example of discrimination against the Turks of Western Thrace, notwithstanding their EU citizenship. Hence, Denktaş's assertion: 'if the EU accepts the TRNC as a minority, we will have no place in the EU'.

Moreover, given the depth of mistrust between the two communities, the Turkish Cypriot leadership was automatically suspicious of anything that Greek Cypriots sought. The perceived zero-sum nature of Greek Cypriot gains from EU membership automatically made the Turkish Cypriot side view EU accession as a threat. Enhancement of the RoC's status, increased leverage on Turkey, the adoption of the acquis and the reduced ability of Turkey to intervene in Cyprus' security affairs were viewed as heavy costs. As such, the accession process reduced the leadership's incentives to reach a settlement.

The Turkish Cypriot leadership believed that Cyprus' EU membership with Turkey being left outside for an indeterminate future entailed a considerable security risk. Following the same realist 'double minority' characterisation of the conflict, the TRNC establishment felt that Cyprus' accession prior to Turkey's would disrupt unfavourably the balance of power in the region.<sup>75</sup> More specifically, the leadership argued that in the event of a new constitutional breakdown and inter-ethnic violence, unless Turkey was an EU member together with Cyprus, Turkish Cypriot security would be at risk. This would be so even with a continuation of the Treaty of Guarantee, given that in practice Turkey would be impotent vis-à-vis internal Cypriot affairs, while the Union could choose to step aside. Connected to this, the leadership viewed with suspicion Greek Cypriot proposals for demilitarisation. In the context of EU membership, would demilitarisation entail the elimination of Greek and Turkish Cypriot forces as well as Greek and Turkish forces and their replacement with EU peacekeepers including Greeks and Greek Cypriots but not Turks? As argued by Denktaş: 'Turkish Cypriots want Turkish and not EU security guarantees because they alone are willing to die for the Turkish Cypriots...'. Turkish and Turkish Cypriot officials repeatedly stressed their exclusive trust in Turkey's protection and their mistrust of the EU's 'imaginary security'.<sup>77</sup>

The Turkish Cypriot side also felt threatened by the liberalisation of the 'three freedoms' within the EU internal market. The EU's *acquis* threatened the Turkish Cypriot concept of bi-zonality in a federal settlement. Turkish Cypriots feared that

within the EU and under the jurisdiction of the ECJ, any agreement concerning the retention of a predominantly Turkish Cypriot population in the north could be challenged and become obsolete in practice. Bi-zonality in Cyprus could be eroded not only by the inter-mixing of Greek and Turkish Cypriots. It could occur also with the freedom of settlement, property acquisition and investment of Greeks in Cyprus. Cyprus' EU membership prior to Turkey's would entail that Greek EU citizens would enjoy the full rights and freedoms in Cyprus, but Turkish citizens, outside the Union, would not.

The hardening of the leadership's position in mid-1998, when a 'federal' solution was discarded in favour of a confederal one, was explicitly presented as a reaction to the opening of accession negotiations between Cyprus and the EU. A confederation was considered the only acceptable agreement in the light of the ongoing EU accession process. According to the Turkish Cypriot proposal, the Greek and Turkish Cypriot recognised states would negotiate a treaty delegating a few competences to the confederal authorities. The two states would retain independent 'special' relationships with Greece and Turkey and the Treaty of Guarantee would remain in force. Only on these grounds would the confederation join the EU, provided also that Turkey enjoyed 'the full rights and obligations of an EU member vis-à-vis the Cyprus confederation' up until its own membership. The leadership, misinterpreting the implications of EC law, claimed that Cyprus would remain bi-zonal only through a confederation. The accession process also generated greater Turkish Cypriot mistrust of Greek Cypriot overtures in favour of a bi-zonal federal settlement, such as Clerides' acceptance of the 'Set of Ideas' principles in 1997. The Turkish Cypriot leadership feared that these gestures were made only because the acquis would have eliminated all safeguards for the Turkish Cypriots.<sup>78</sup>

EU decisions also led to a hardening of Turkish Cypriot positions by raising the perceived importance of statehood and sovereignty as a means to ensure political equality. As such, the Turkish Cypriot leadership felt legitimised to explicitly demand recognition.<sup>79</sup> This was primarily due to the non-involvement of EU institutions in conflict resolution efforts. While the UN also recognised the sole

legitimacy of the RoC, it historically attempted to downplay the inevitable hierarchy between the two sides by addressing the conflict through inter-communal negotiations, i.e., by stressing the equality between the two communities. In negotiations, the RoC leadership spoke for the Greek Cypriot community and not for the entire island. Other state actors like the UK and the US also enjoyed direct relations with Turkish Cypriot officials in the context of their conflict resolution efforts. However, given the non-involvement of EU institutions in mediation and their exclusive relations with the RoC in the context of enlargement, the EU was unable and unwilling to adopt the UN's approach. Yet by conducting its relations with Cyprus on this basis, the EU further enhanced the perceived importance of statehood in Turkish Cypriot eyes. Paradoxically, the theoretically post-nation-state EU enhanced the importance of being a fully-fledged state in Cyprus. The UN instead, symbol of the international state system, attempted to mitigate the importance of independent separate statehood.

The ways in which EU actions and attitudes enhanced the importance of statehood in Cyprus can be illustrated by two concrete examples. First, the 1994 ECJ ruling concerning exports from northern Cyprus. The 4 July 1994 Anastasiou case ended the practice of exporting Turkish Cypriot goods not bearing RoC documentation. In doing so the ECJ ruling demonstrated in a very concrete way the critical importance of recognised statehood for the economic development of the Turkish Cypriot economy. It was no coincidence that on the 29 August that same year, the Turkish Cypriot Assembly withdrew its commitments to a federal settlement as agreed to in the 1985-6 negotiations. In Turkish Cypriot eyes, the ECJ case reconfirmed the importance of separate recognised sovereignty to the economic survival of the north.

Second, given the non-recognition of the TRNC, relations between the EU and Turkish Cypriot officials were conducted 'through' the RoC, raising the perceived hierarchy between the two communities. This confirmed to the Turkish Cypriots that political equality hinged on the prior recognition of the TRNC. So for example in the 6 March 1995 Council decision, the EU emphasised the need to present the gains from EU membership to the Turkish Cypriot community and as such establish

contact with them. Yet it stated that contacts would be established 'in consultation with the government of Cyprus'. 80 Perceived hierarchy between the parties was reinforced when in 1998 the European Council, keen to include the Turkish Cypriots in accession negotiations, pressurised the Greek Cypriot government to extend an invitation to the Turkish Cypriot authorities. However, the request called for Turkish Cypriot officials to be invited to participate in negotiations 'under the government of the Republic of Cyprus'. 81 So when Clerides publicly invited the Turkish Cypriots to join the Cypriot negotiating team, he did not offer concrete guarantees that their positions would be considered as 'politically equal' to those of the Greek Cypriots. Clerides stated that 'should the Turkish Cypriot community respond favourably to this proposal they may rest assured that the points of view and opinions of their representatives will be discussed freely, seriously and in good faith, and that the conclusions reached will constitute an important element in formulating the negotiating positions of the Cypriot team'. 82 The Turkish Cypriot leadership categorically rejected this proposal, deeming it a deliberate attempt to diminish its status. In its eyes, acceptance would have further reduced the TRNC's standing visà-vis the RoC. Participation without veto rights would have entailed a Turkish Cypriot acceptance both of the 1990 application on behalf of the whole island and of a subordinate status in accession negotiations and within a future settlement.

Due to these concerns, throughout the 1990s, Turkish Cypriots and the TRNC establishment only supported EU membership after a settlement and/or after Turkey's accession. Membership after a settlement would mitigate the potential threats from EU accession, while membership together with Turkey would provide additional security guarantees. The accession process therefore reduced the incentives to reach an early agreement of those who supported EU membership only after Turkey's entry.<sup>83</sup> To the most nationalist forces in northern Cyprus, the accession of a divided island was seen as potentially beneficial. Several high-ranking officials argued that the accession of a divided Cyprus could settle the conflict on the basis of partition. As put by Denktaş: 'EU membership of the South will only underline the separate existence of the Northern Republic', thus allowing the conflict to be solved on the basis of two separate states.<sup>84</sup> Short of recognised independence,

some officials were content with the progressive integration with Turkey, facilitated by a cooling down of EU-Turkey relations in the aftermath of the accession of a divided island. Re-evoking the language of the 1950s and 1960s, some viewed the EU a means to settle the conflict though 'double *enosis*' (i.e., Greek Cypriot integration with Greece through the EU and Turkish Cypriot integration with Turkey). They viewed Cyprus' accession as an externally given opportunity to pursue integration with Turkey. Hence, the most nationalist forces in the north perceived a higher BATNA post-membership. This in turn reduced their incentives to seek reunification. This suggests that whether the leadership hardened its position as a consequence of genuine concerns deriving from the introduction of the EU dimension in the conflict, or whether the EU dimension provided an excuse to justify greater inflexibility remains an open question. Both considerations were present in northern Cyprus, with different actors following different logics. However, the relevance of these dynamics is that whether genuine or tactical, the EU factor led to tougher Turkish Cypriot positions.

The situation in northern Cyprus appeared to change in 2002-3. However, as opposed to the south, in the north the momentum in favour of an early settlement, came from the people rather than the ruling establishment. It came in the form of civil society initiatives in cooperation with the centre-left opposition parties. Following the July 2000 bankruptcies and the public's concerns about the increasing subordination of Turkish Cypriot institutions to the Turkish military, forty-one NGOs organised themselves and demonstrated under the banner 'this country is ours'. At the 30 June 2002 municipal elections, opposition CTP gained a significant share of the vote, winning the three largest cities of Lefkoşa, Famagusta and Girne. With the publication of the UN Plan, which the majority of the public appeared to support, opposition to Denktaş rose to unprecedented levels. On 1 December 2002, 10,000 Turkish Cypriots organised under the NGO umbrella group 'common vision' demonstrated in favour of the Plan and against Denktas. Their numbers increased to 30,000 in a mass demonstration on 26 December 2002. They rose to unprecedented levels on 14 January 2003, when between 45.000-70,000 Turkish Cypriots demonstrated in favour of a solution and Denktaş's resignation. While anti-UN Plan movements also existed (e.g. on 11 December 2002, 10,000 people demonstrated against the Plan) the pressure by the public to alter the status quo was undeniably mounting. This also entailed rising social tensions between pro and anti-solution forces in the north.<sup>85</sup>

The mounting pressure on Denktaş in 2002-2003 suggested that EU economic carrots did generate incentives amongst the Turkish Cypriot public. While the government continued to snub economic incentives as a cheap bribe to turn the people against their government, the lure of EU membership appeared to have increasing hold amongst the public. This was because since the late 1990s, the economic situation in the north steadily deteriorated. The 1999-2000 IMF disinflation programme in Turkey led to a decline in the northern Cypriot economy. Real growth in output fell from 7.4% in 1999 to 0.8% in 2000 and as a consequence of the falling interest rates, eight major Turkish Cypriot banks were closed in 1999-2000. <sup>86</sup> In addition the agriculture sector suffered enormously that year as a result of a severe drought. The situation worsened further following the Turkish economic crisis in February 2001, which led to a serious devaluation of the Turkish lira and a subsequent rise in inflation, interest rates and unemployment. Between February 2001 and November 2001, seventy-six companies in northern Cyprus declared bankruptcy. <sup>87</sup>

However, what appeared to lie at the heart of the public's concern was not simply the fear of poverty accentuated by the allure of EU-prosperity. It was rather the fear that economic ills and isolation would lead to their disappearance as a self-governing and well-defined community in northern Cyprus. The Turkish Cypriots would disappear through emigration. It is estimated that since 1993, 16,000 Turkish Cypriots left the island. These trends would exacerbate following Cyprus' EU membership, given the Greek Cypriot government would make EU passports available to all Cypriots. Another consequence of isolation was the rising dependence on Turkey. This led to a growing sense amongst the public that in fact the Turkish Cypriots were not governing themselves, but were being controlled by Ankara. In other words, the Turkish Cypriot public increasingly understood poverty and isolation not simply as 'economic' factors but also as security/identity related factors. Their struggle for

self-determination and communal security was increasingly viewed as dependent on a solution and EU membership. Their position was further bolstered by the publication of the 'Annan Plan', which showed in detail how a solution and EU membership could satisfy Turkish Cypriot basic needs. The pro-solution camp however failed to exert sufficient pressure on the leadership to accept an early solution on the basis of the 'Annan Plan'. This was in no small measure due to the fact that on the Turkish Cypriot side, accepting reunification within the EU hinged on the consent of Turkey.

#### c) Turkish interests and EU policies

Another important element of the EU's expected catalytic effect concerned Turkey. Turkey's more realistic prospect of full membership, the problems posed by the accession of a divided Cyprus, and the opportunities created by the entry of a united island, led the member states and the Commission to believe that Ankara would encourage an early settlement. Yet as put by a Turkish interlocutor, 'there are many Ankaras', and the incentives to reach a settlement for one face of the establishment acted as disincentives to the other.89 The expected catalytic effect failed to materialise because EU policy failed to present the relevant incentives to the relevant actors. More specifically, Commission and member state officials overlooked the importance of Cyprus in Turkish politics, the lack of genuine unanimous support for the goal of EU membership in Turkey and the lack of credibility of the EU's policies towards Turkey. Turkey instead failed to appreciate until late 2001 that Cyprus could indeed be accepted as a divided island if necessary, despite the clear signals sent by Commission and member state officials since December 1999. As a result, EU incentives were insufficiently strong to trigger a change in Turkey's Cyprus policy by allowing the more progressive forces in the country to gain the upper hand. Following the Turkish elections in November 2002, it appeared that a change was possible. Yet on balance the conservatives retained the upper hand, and the presumed EU catalytic effect failed to materialise before the Accession Treaty was signed.

### i) EU and Turkish miscalculations

Commission and member state officials appeared oblivious to the attitudes of Turkish decision-makers towards Cyprus. External observers rightly pointed out that Turkish strategic military interests in Cyprus had decreased. However, Turkey's strategic energy interests in Cyprus had increased given the importance of Cyprus in controlling the oil traffic from the Bay of Iskenderun, both with the resumption of oil flows from Iraq or with the construction of the Baku-Ceyhan pipeline. The strategic importance of the island would rise further if a (rather fantastic) scheme for a water pipeline from Turkey to northern Cyprus on to Israel was built. But most important, EU actors failed to view Turkey's perceived interests in Cyprus through the prism of Turkey's specific security culture, discussed in Chapter 2.90 Although Turkey's military power and technological development reduced the objective importance of controlling Cyprus, the perceived need to prevent Cyprus from becoming a Greek controlled island remained an utmost priority.

This is not to say that the EU did not affect Turkish attitudes towards Cyprus. After the perceived rejection at the 1997 Luxembourg Council, Turkey felt freer to support the hardened Turkish Cypriot positions, while after the 1995, 1999 and 2002 'historic compromises' Turkish and Turkish Cypriot reactions to Cyprus-EU relations were more moderate. However, Turkey maintained its support for the TRNC following the Greek-Turkish rapprochement and the Helsinki and Copenhagen European Councils in 1999 and 2002. No Turkish politician could afford to explicitly accept a solution in Cyprus with the slightest element of perceived treachery in it for the sake of EU membership. More so, given that the Turkish public and establishment viewed as profoundly unjust the gradual strengthening of conditionality on Turkey together with the elimination of conditionality on the Greek Cypriots. A poll conducted in Turkey in November 2001 supported this view: 62% of the respondents believed that Turkey should choose Cyprus, if it had to make a choice between a solution on Cyprus or full EU membership. Only 32% believed that EU membership was more important than Cyprus.

Furthermore until late 2001, most Turkish policy-makers did not believe that the Union would proceed to integrate Cyprus as a divided island as stipulated in the Helsinki conclusions. Their disbelief in the Helsinki provisions was due to their failure to understand why the EU would accept such a problematic island and extend its frontiers to a tense no-man's land monitored by UN forces. Turkey relied on member states such as France, Italy and The Netherlands to block the ratification of the Accession Treaty with Cyprus, given the reservations expressed by these member states back in 1996-8. Turkish elites were also firmly convinced, until late 2001, that the EU would never 'give up' Turkey for Cyprus. 93 Just like EU actors failed to understand the role of Cyprus in Turkish politics, Turkish policy-makers failed to understand why, given the Turkey's economic potential and strategic importance, EU member states would opt for Cyprus' accession at the cost of EU-Turkey relations. In former Turkish President Suleiman Demirel's words: 'Turkey's value and the value of Cyprus should not be put on the same scale....Europe should not display an attitude that it is closing the door on Turkey because of Cyprus. This is a miscalculation'.94 Many in Ankara failed to appreciate that by 1999, the European choice was not between Turkey and Cyprus, but rather between Turkey and the fifth enlargement. The member states would have never accepted a delay in the historic enlargement to the CEECs for the sake of Cyprus or Turkey, more so if a nonsolution was perceived to be a product of Turkish intransigence. The Turkish government, imbued with a sense of self-importance was reluctant to believe EU threats, failing to understand the dynamics at work within the Union.

By the autumn of 2001, with the intensification of statements by European leaders in support of the Helsinki formulation on Cyprus, Greek determination not to ratify the fifth enlargement without Cyprus, and the general European impatience with Turkey's Cyprus policy, the Turkish establishment understood that Cyprus' EU accession was inevitable with or without its consent. Both the government and the military understood that a policy shift was necessary given that the stalemate in Cyprus was harming both the Turkish Cypriot cause and Turkey's EU accession process, as evidenced by the reprimands in the 2001 Commission Progress Report or in successive EP reports.

The 'stick' of Cyprus' forthcoming accession induced a change by the autumn of 2001. But whether a real change was in the making, generating real incentives to reach an agreement was far less certain. Turkish officials assessed that a peace process (although not necessarily an agreement) would improve Turkey's international reputation. During the summer and autumn of 2001 Turkey was under intense diplomatic pressure from European as well as American officials regarding the abandonment of proximity talks. In the midst of an acute economic crisis, international discussions focussed on the Cyprus stalemate harmed Turkish interests. Moreover, the re-launch of the direct talks reverberated positively in EU-Turkey relations. The 14-15 December 2001 Laeken Council concluded that recent developments had 'brought forward the prospect of opening accession negotiations with Turkey'. 97 The June 2002 Seville European Council went further: 'new decisions could be taken in Copenhagen on the next stage of Turkey's candidature in the light of developments in the situation between the Seville and Copenhagen European Councils'. 98 Turkey was reaping the benefits of the re-launched peace process, without having to make substantive commitments on a settlement. The Turkish establishment may have also hoped that the re-launch of negotiations would have delayed the island's accession. This logic was foreseen by Clerides in July 2001, when he argued that 'Turkey will try to prolong the stalemate as much as possible and will return to talks when it realises Cyprus is at the point of joining the EU. It will then show a shift in its intransigent positions in order to demand that Cyprus' accession be put off and so try to frustrate the whole procedure'.99 Behind this logic lay the understanding that Cyprus could have joined the EU without a settlement, but also the unawareness that by 2002 Cyprus' accession was inseparable from the eastern enlargement.

## ii) Turkey's ambivalence towards EU membership

But some of those in Turkey who did appreciate the salience of EU deadlines may not have been motivated to find a settlement because of their attitudes towards the Union. The EU factor failed to generate sufficient political will in Turkey to support a settlement also because of the lack of unanimous genuine support for EU membership within Turkish decision-making circles. The EU's positive catalytic effect was grounded on the assumption that *inter alia* Ankara viewed EU membership as a desirable goal. Yet, while almost all political actors in Turkey paid lip service to the aspiration of EU membership, not all were necessarily genuinely committed to this goal.

The effective divide in Turkey over questions of reform and EU membership came to the fore in February-August 2002. Prior to the Helsinki Council decision, EU membership was presented and discussed in Turkey in prevalently symbolic terms, relating to Turkey's national identity and general foreign policy orientation. Only after the acceptance of Turkey's candidacy, did the Turkish establishment begin to appreciate the implications of the accession process. The first major change occurred when on 3 October 2001 Turkey succeeded in passing the first fundamental constitutional reform package, amending 34 articles in the restrictive 1982 Constitution. The reforms covered sensitive issues such as the death penalty, freedom of expression and freedom of association. The reform process was then stalled until February 2002, when the coalition government debated a second mini-constitutional reform package, intended to pursue the priorities in Turkey's National Programme. Coalition parties ANAP and MHP disagreed on the proposals. The nationalist and euro-sceptic MHP argued that amendments of articles 312 and 159 to marginally improve freedom of expression threatened the 'integrity of the state'. After a meeting in the National Security Council that failed to yield a consensus, the government allowed the Grand National Assembly to vote on the package. The package was approved because of the support of the opposition DYP. The incident triggered an intense debate between the liberal pro-reform, pro-EU circles and those unwilling to pay the 'price' of reform in order to enhance Turkey-EU ties. 100

With the election campaign heating up over the summer of 2002, the pro-EU camp, which had been weakened during the spring by the lack of a credible leadership, gained strength.<sup>101</sup> The 3<sup>rd</sup> August reforms indicated a possible changing balance within the party system. The amendment package effectively initiated an electoral

campaign focussed largely on attitudes towards reform and EU membership. Apart from the strong support of Mesut Yilmaz's ANAP as well as the more qualified support of Bulent Ecevit's DSP and Tansu Çiller's DYP, EU membership and reforms were strongly supported by three rising political parties, Ismail Cem's YTP, Deniz Baykal's CHP, and most important Tayyip Erdoğan's AKP.

The AKP's landslide victory at the 3<sup>rd</sup> November elections tilted the balance within the party political system in favour of the reformists. The electoral results were defined by several Turkish commentators as a popular coup, that was not intended to challenge the country's secular system, but was rather meant to express dissatisfaction with the establishment's handling of the economic crisis and its social costs, its corruption and incompetence. The AKP represented an alternative closer to the people and their traditional values, yet committed to economic and political reform. 102 The AKP's commitment to EU membership as well as the reform path necessary to attain it was particularly interesting. The AKP refused to define itself as a religious party but rather called for greater religious freedoms. In order to carry a consistent political message it advocated personal freedoms in other spheres as well, including cultural and linguistic freedoms. Its strong constituency in the predominantly Kurdish southeast gave further justification to this platform. Its support for EU membership therefore was not only viewed as an end in itself to be attained through painful reforms. In the AKP's rhetoric, the EU anchor was portrayed also a means to attain the objectives of reform, which were as important as membership itself. 103 But while the balance within the party political spectrum tilted dramatically in favour of the reformists (opposition party CHP also declared itself in strong support of reforms and EU membership), this was not necessarily the case within the wider establishment, which included the civilian administration, the Presidency, the intelligence community and most critically, the influential military.

## iii) The lack of credibility of the EU's Turkey policy

However, pro-reformers and pro-Europeans in Turkey were weakened internally by the lack of credibility of EU policies towards Turkey.<sup>104</sup> This was both due to the

long-term perspective of Turkey's EU membership and due to the underlying mistrust in EU-Turkey relations.

The prospect of membership can be a powerful incentive for domestic and foreign policy reform in Turkey. However, the expected delivery of the conditional benefits to Turkey remains in the distant future. The changes that Turkey would have to undergo in order to be ready for EU membership as well as the adjustments the EU itself would have to make in order to accommodate Turkey in its structures, imply a long time horizon for Turkey's EU membership. Timing affects the value of a promised benefit, and value is critical to ensure that a promised benefit acts as an incentive for immediate reform. Furthermore, a long time horizon adds to the uncertainty surrounding Turkey's future in the Union. What will the Union look like by the time Turkey will be ready to join it and what will be the attitudes of its member states? Even if one grants the unlikely assumption that EU-15 and its public opinion would accept Turkey's membership, there are no guarantees that future members would agree to a Turkish accession. Hence, even after the 1999 Helsinki and the 2002 Copenhagen European Council decisions, which brought closer the prospect of Turkey's full membership, the EU's policy of conditional incentives to Turkey suffered from a serious credibility problem.

But perhaps the most critical cause of the lack of credibility of the EU's Turkey policy was the underlying mistrust in Turkey of the intentions of EU actors. What fuelled Turkey's mistrust? First, Turkish mistrust rose when European positions reawakened the 'Sevres syndrome', i.e., the idea that western powers were inclined to challenge Turkey's territorial integrity. This occurred when member states, particularly those led by centre-left governments in the 1990s, displayed sympathetic attitudes towards separatist movements in Turkey such as the Kurdish PKK. Turkish officials criticised heavily The Netherlands' acceptance of the 'Kurdish Parliament in Exile' meeting in April 1995, Italy's refusal to extradite Abdullah Öcalan in 1998, and the European Council's neglect for Turkish deemed 'terrorist' organisations (such as KADEK, the successor of the PKK) in its own black-list of organisations in December 2001. In March 2002, in view of the rejection of the Turkish parliament of

the motion allowing 60,000 American troops to attack Iraq from Turkey, EU member states (and the US) strongly cautioned Turkey not to intervene in northern Iraq. Rightly or wrongly, these positions were interpreted by Turkish policy-makers and the media as evidence of the deliberate disregard for Turkey's legitimate security concerns. As such they triggered defensive and obstinate Turkish reactions, which further reduced trust in the relationship.

The 'Sevres syndrome' was also key to the 2000-2002 dispute over Turkey's participation in ESDP. Turkey's veto threat over ESDP's use of NATO assets and capabilities was not simply driven by what the civilian-military establishment deemed European broken promises. These simply served to create the legal context through which Turkey articulated its claims. What lay behind these claims was Turkey's fundamental mistrust of the Union, and its strong preference for NATO in which it was a full member. The ESDP's major theatres of operation were likely to be in problem areas in and around Europe. NATO's work on potential scenarios pointed to sixteen areas for the possible deployment of the EU Rapid Reaction Force. Turkish officials claimed that thirteen of these hotspots were around Turkey. 105 Turkey did not trust an independent European involvement in these areas. In particular, Turkey feared a European defence involvement in Cyprus. Both Turkish politicians and the media exaggerated this fear by portraying the nascent ESDP as a 'European army' designed to defend Greece and the Greek Cypriots against Turkey. 106 Indeed, the final decision taken in December 2002 excluded Cyprus (and Malta) as possible locations of ESDP operations, in view of these countries' nonparticipation in NATO's Partnership for Peace. The formula was proposed by Turkey in meeting with EU High Representative Javier Solana in Ankara in November 2002.

Second, Turkish mistrust rose when EU actors indicated their reluctance to accept Turkey as a full member irrespective of its compliance with the Copenhagen criteria. Religion, geography, demography, economic development as well as the legitimate concerns over democracy and human rights were cited as obstacles to Turkey's EU membership. Of the many expressions of European exclusionism, the most cited examples were the 1997 Belgian Christian Democrat declaration and the statements

of Convention President Valery Giscard d'Estaing in the run-up to the 2002 Copenhagen European Council. In March 1997, at a Christian Democrat Congress, the Belgian Wilfried Martens declared that 'the EU is in the process of building a civilisation in which Turkey has no place'. <sup>107</sup> In November 2002, Giscard d'Estaing stated that Turkey had a 'different culture, a different approach, a different way of life....its capital is not in Europe, 95% of its population lives outside Europe, it is not a European country...in my opinion it would be the end of the EU'. <sup>108</sup>

Until 1999 Turkey was not recognised as a candidate to membership. Although, on the basis of article 28 of the Association Agreement Turkey was considered eligible to full membership, between the 1987 Turkish application and the 1999 Helsinki European Council decision, most member governments expressed strong reluctance to embrace Turkey in the process of enlargement. The Commission's Agenda 2000 and the Luxembourg European Council's conclusions not to include Turkey in the list of candidates were defined by Turkish officials as a 'cold shower', which awakened Turkey to what it considered evidence of European racism and double standards. The 1999 Helsinki Council initially appeared to increase clarity concerning Turkey's future in Europe. However uncertainty in the relationship soon resurfaced. In December 2000 for example, when the Nice European Council set the guidelines for voting weights and representation in the enlarged Union, Turkey was excluded from all calculations. The French Presidency did not refer to EU-28 in any of its papers. While all other candidates had a roadmap for accession and clear indications of their future roles in EU institutions, Turkey had neither.

In December 2002, the Turkish government reluctantly accepted the decisions taken by the Copenhagen European Council. However, both the intense debate that took place between the member states prior to and at the European Council meeting, and the actual decision taken at the meeting fuelled further mistrust in Turkey. The member states both resisted a clear conditional signal to Turkey and refrained from taking a collective position until the eleventh hour in Copenhagen. Some of the criticisms raised by Turkish officials and analysts were justified. The reluctance of member states such as France, Germany and Austria to extend a conditional date to

Turkey, in the backdrop of the comments made by Convention President Giscard d'Estaing, raised Turkish suspicions. If Turkey's non-compliance with the Copenhagen criteria was the only cause of EU reluctance to start accession negotiations, why were these states reluctant to give Turkey a clear conditional date (i.e., conditional on Turkey's fulfilment of the criteria prior to the talks)? Other arguments raised by Turkish officials instead suggested an exaggerated sense of mistrust. Some considered the decision to review Turkey's compliance with the Copenhagen criteria in December 2004 rather than December 2003 (i.e., after rather than before the 1 May 2004 enlargement) as a deliberate European ploy to create new obstacles in Turkey's accession path. The delay of one year was viewed as a devious tactic to block Turkey's accession through the new member states, rather than as a logical decision of EU-15 to concentrate on the enlargement ratification process, without making new commitments in the absence of the future member states.

## iv) Implications for Turkey's Cyprus policy

Turkish and EU ambivalence about Turkey's EU membership, critically and negatively affected the Cyprus conflict. Those in Turkey who were sceptical of Turkey's EU membership, adamantly denied the link between a Cyprus settlement and Turkey's accession. Nationalists argued that Cyprus was national issue, which could not be compromised for the sake of the EU. As put by a former Ambassador 'if there are assumptions that for the sake of getting a date for the start of EU accession talks Turkey may compromise on Cyprus, that is fundamentally wrong'. According to many analysts, the nationalists and eurosceptics relied on Turkish Cypriot 'intransigence' to prevent a settlement in Cyprus, which would erect a further barrier in EU-Turkey relations. In turn this would reduce EU pressure on Turkey to embark on difficult reforms and it would provide an opportunity to annex northern Cyprus.

Those instead who genuinely favoured Turkey's full membership were far readier to accept the linkage between a settlement and EU-Turkey relations, and as such were

more willing to exert the necessary pressure on the Turkish Cypriot leadership since Turkey was accorded candidacy in December 1999. Hence, Mesut Yilmaz's call to Denktaş to show greater flexibility in May 2002 for example. The coming to power of the AKP in Turkey led to the clearest change in the rhetoric of Turkey's Cyprus policy. Former Prime Minister Gül explicitly distancing himself from his predecessor Ecevit stated: 'we do not consider a non-solution a solution'. Indeed, it was only after a visit of then Foreign Minister Yaşar Yakiş to Denktaş in his hospital in New York that the Turkish Cypriot leader decided to negotiate on the basis of the 'Annan Plan' in late November 2002. In sharp contrast to previous administrations, the AKP government was also willing to acknowledge the link between Turkey's accession process and a settlement. Gül explicitly broke the taboo in stating that 'if a concrete date is given to Turkey this will definitely create a positive environment which will also facilitate the settlement of the Cyprus issue'. Eğemen Bağis, the Turkish MP accompanying Tayyip Erdoğan in his tour of European capitals in November 2002, made the point even more explicitly: 'our offer is, Turkey is willing to accept the UN plan as a starting point for a Cyprus settlement in exchange for a date to start negotiating for membership in the EU'. 113 This position was also endorsed by the Turkish Cypriot opposition, which acknowledged that only a firm EU anchor would create the necessary incentives in Turkey to settle the Cyprus conflict. 114

Yet the lack of credibility of the EU's policies towards Turkey strengthened the arguments of nationalist and eurosceptic forces in Turkey and northern Cyprus, who argued against an early settlement within the EU. Moderates in Turkey accepted that because of Turkey's own shortcomings, Cyprus' EU membership would occur prior to Turkey's. However, they could not accept that because of allegedly unchangeable features of the Turkish state and society, Cyprus would mark the borders of a united Europe, keeping Cyprus and Turkey on opposite sides of the European divide. Hence, the more EU attitudes and decisions fed Turkish mistrust of the Union, and the less credible were the positions of Turkish moderates, and thus the less forthcoming was Turkey towards the resolution of the conflict. The same was true in northern Cyprus. It is interesting to note that in opinion polls in the north, support for the centre-left pro-EU parties declined when EU decisions were perceived as

harming Turkey's interests (such as the Luxembourg European Council decisions). The opposite was true when EU decisions were perceived as being more even-handed towards Turkey (such as the Helsinki or Copenhagen European Council decisions).<sup>115</sup>

Following this argument it is interesting to compare the logic behind Turkish decisions after the 1997 Luxembourg European Council and at and after the 2002 Copenhagen European Council. The Turkish interpretation of the 1997 Luxembourg decisions simplified Turkey's policy choices viz Cyprus. In so far as Turkey was determined not to 'lose' Cyprus, and the Luxembourg decision was interpreted as a European attempt to separate Turkey from Cyprus (by excluding Turkey from the Union), the overwhelming forces in Turkey and northern Cyprus weighed in favour of recognition of Turkish Cypriot statehood and integration with Turkey. 116 In Copenhagen, the argument was more subtle. The AKP government was willing to recognise the link between a Cyprus settlement and Turkey's accession process. If the Union was willing to give Turkey an acceptable 'date' to launch accession negotiations, the Turkish government declared itself willing to seal a settlement. Unless Turkey had a realistic prospect of beginning accession negotiations, the government felt that a Cyprus settlement within the EU would amount to 'losing Cyprus'. This logic was succinctly put by journalist Mehmet Ali Birand: 'Turkey wants this (date). The reason is that if a clear target is set this will help clear the uncertainties plaguing society'.117 However, EU policy-makers rejected the link between Cyprus and Turkey-EU relations as presented by the AKP government. As put by term President, Danish Prime Minister Rasmussen: 'it is not fair to establish a link between giving a date to Turkey and solving the Cyprus issue'. 118 To the member states and the Commission, a Turkish policy shift on Cyprus would positively contribute to EU-Turkey relations. Cyprus was only one, albeit important, condition affecting Turkey's accession process.

Judging by events, the Copenhagen offer was insufficient to induce Turkey and the Turkish Cypriots to sign an agreement on the 13 December 2002 and thereafter. This ultimate failure was not only caused by miscalculated Turkish bargaining tactics. It

was also fundamentally linked to Turkey's mistrust of Europe. Whether a deal would have been reached if Turkey had received an earlier and firmer 'date', or if EU-15 had formulated a more resolute and coherent policy towards Turkey before the European Council will remain unknown. But what was clear was that the Turkish government considered these conditions as the minimum assurance to hedge against their prevailing mistrust. Pressure alone was insufficient to clinch an agreement.

After the Copenhagen Council trends continued to oscillate as the product of an ongoing battle between elements pushing for or against a settlement. Different positions and logics were continuously aired. Those sceptical of Turkey's future in Europe, persisted in their effective opposition to Cyprus' EU membership, and consequently their opposition to the UN Plan. Those in favour of Turkey's EU membership, but unsatisfied with the Copenhagen decision, proposed a postponement of a settlement until Turkey's EU prospects were clearer. Other pro-Europeans instead pushed for an early settlement based on the UN Plan. They appreciated the difficulty of reaching an agreement following Cyprus' EU membership. They also understood that in future the international burden would be placed predominantly on Turkey's shoulders. The most evident manifestation of this flux of ideas was the effective rift between the new government in Ankara and the Turkish Cypriot leadership.

With the failure of The Hague negotiations, for which the Turkish Cypriots were primarily blamed, the conservatives in Turkey and northern Cyprus appeared to win the day. However, while The Hague meeting temporarily ended the direct talks, it did not entail the end of the debate in Turkey. And this is because the 'battle' in Ankara stretched way beyond Cyprus and dealt with questions of the essence, concerning the nature of the Turkish nation-state and its development path.

#### 3) Conclusion

Between 1993 and late 2001, the EU's expected catalytic effect failed because of the interaction between the interests of the principal parties and EU policies within the

framework of enlargement. The failure was caused by a flawed policy of conditionality. The Greek and Greek Cypriot governments, and increasingly the Commission and the rest of the member states believed that by offering conditional sticks and carrots to Turkey and the Turkish Cypriots, the accession process would catalyse a settlement on the island.

But the catalytic effect failed because the incentives offered to the Turkish Cypriots were conditional but not valuable enough for the leadership to moderate its negotiating positions. On the contrary, EU-Cyprus relations generated perverse incentives within the Turkish Cypriot establishment, strengthening the line of the least compromising elements within it. The incentives to Turkey failed because the Turkish government misread the dynamics at work within the Union, and EU actors underestimated the importance of Cyprus in Turkish politics and overemphasised Turkey's commitment to its own EU membership. Perversely, the effective opponents to EU membership in Ankara were ready to use Cyprus as an impediment to Turkey's own integration with Europe. The lack of credibility of the Union's Turkey policy exacerbated these dynamics. Those in Turkey who were genuinely committed to EU membership were weakened internally by the lack of a credible EU policy towards Turkey. Finally EU actors (with the singular exception of Greece) paid insufficient attention to the reasons behind the strong Greek Cypriot commitment to join the Union, and the effects that Cyprus-EU relations had on internal Greek Cypriot political dynamics and thus on Greek Cypriot incentives to reach an early agreement.

The introduction of the EU factor in the Cyprus conflict 'catalysed' a polarisation of positions rather than a settlement on the island between 1993 and 2001. As the next Chapter explores, this does not entail that EU actors deliberately or even knowingly encouraged these negative dynamics. By late 2002, key domestic changes created the prospect of a final breakthrough. The stronger and louder voices in favour of a settlement and EU membership amongst the Turkish Cypriot opposition and civil society, the apparent readiness of the Clerides government not to miss the opportunity to reach an early agreement, the support for a settlement by the Simitis

government in Greece and the new momentum injected with the rise to power of the AKP in Turkey offered hope for a fundamental change. The 'EU factor' certainly affected these positive developments, by inter-locking with domestic and regional changes, such as the deteriorating economy of northern Cyprus, last years of the Clerides Presidency, the Greek-Turkish rapprochement, the increased commitment of the AKP government to EU membership, and the mounting pace of international diplomatic activity to seal a settlement before accession. However, up until April 2003, negative dynamics outweighed positive ones, leading to the ultimate failure to reach an agreement in The Hague.

Glafcos Clerides quoted in Reed Coughlan (1992) p.93

<sup>&</sup>lt;sup>2</sup> European Commission (1997b)

<sup>&</sup>lt;sup>3</sup> Ministry of Foreign Affairs: Foreign Policy, Greece, Greek-Turkish relations, Cyprus Issue on www.mfa.gr (18/04/1996) p.3

<sup>&</sup>lt;sup>4</sup> Nicholas Emiliou 'Knocking on the Door of the EU: Cyprus' strategy for accession' in Heinz-Jurgen Axt and Hansjorg Brey (eds.) (1997) pp.125-136, p.131. <sup>5</sup> Council of Ministers (1995)

<sup>&</sup>lt;sup>6</sup> Commission of the EC (1997b)

<sup>&</sup>lt;sup>7</sup> Following UN Security Council Resolutions 541 of 18 November 1983 and 11 May 1984

<sup>&</sup>lt;sup>8</sup> European Parliament report (2001) point 3, affirmed its support for Commissioner Verheugen's remarks that there was no possibility for separate accession negotiations or separate accession of the TRNC or the accession of the north together with Turkey.

<sup>&</sup>lt;sup>9</sup> Council of Ministers (1995); Commission of the EC (1997a); Republic of Cyprus (1998a) and Commission of the EC (2001a)

10 European Parliament report (2000)

11 Commission of the EC (2002a)

<sup>&</sup>lt;sup>12</sup> Interview of George Vassiliou, Cyprus' Chief Negotiator for EU accession negotiations in the European Voice 19/9/01

<sup>&</sup>lt;sup>13</sup> Yannis Cassoulides speech at CEPS, Brussels, 12/12/01

<sup>&</sup>lt;sup>14</sup> Eberhard Rhein (2002)

<sup>15</sup> Philip Robins (1998)

<sup>&</sup>lt;sup>16</sup> Heinz Kramer (2000) Part 2, pp. 93-219

<sup>&</sup>lt;sup>17</sup> Interview in the Frankfurt Allemeigne Zeitung on 22/10/01 (quoted in 'EU enlargement with Cyprus or not at all' Kathimerini 25/10/01)

<sup>&</sup>lt;sup>18</sup> European Parliament report (1987)

<sup>&</sup>lt;sup>19</sup> Commission of the EC (1989)

<sup>&</sup>lt;sup>20</sup> Yannis Stivachtis 'Greece and the Eastern Mediterranean region: security considerations, the Cyprus imperative and the EU option' in Thomas Diez (ed.) (2002) pp. 34-53, p.51

See for example European Parliament resolutions of 15 March 1990, of 17 May 1991 and 20 January 1993

<sup>&</sup>lt;sup>22</sup> See for example the Commission of the EC (1999b) p.15; (2000b) p.20; (2001b) pp. 14-15 and pp.31-33 and (2002c) p.44 and p.138

Council of Ministers (2001) p.13

<sup>&</sup>lt;sup>24</sup> Republic of Turkey, Ministry of Foreign Affairs (2001) Introduction and Political Criteria section

<sup>&</sup>lt;sup>25</sup> Commission of the EC (2001b) p.33

<sup>&</sup>lt;sup>26</sup> Council of Ministers (2000) p.10

<sup>&</sup>lt;sup>27</sup> Commission of the EC (2001a) p.96

<sup>&</sup>lt;sup>28</sup> Commission of the EC (2001a) p.96

<sup>29</sup> Cyprus News, October 1996, No.87:3

30 'Papandreou: No enlargement without Cyprus' Cyprus Mail 13/11/2001

31 'Cyprus will join' Cyprus Weekly 30/10/01

- <sup>32</sup> Jean Christou 'Collapse of talks dashes Turkey's EU hopes' Cyprus Mail 12/03/03
- <sup>33</sup> On 19 July 2001 RoC Ambassador Theophilos Theophilou stated that Cyprus would veto Turkey's EU membership if a solution were not found (Judy Dempsey 'Divided Cyprus threatens to veto expansion of EU' Financial Times 19/07/01)
- <sup>34</sup> Costas Simitis quoted in Turkish Press.com 03/01/03 and 'Simitis: Cyprus settlement boosts Turkey's EU bid' Turkish Daily News 29/11/02 respectively

35 European Parliament report (2001) point 3

- <sup>36</sup> 'Cypriot government will seek EC membership if UN talks fail' Financial Times 05/12/88
- 37 Kevin Featherstone 'Cyprus and the onset of Europeanisation' in Kevin Featherstone and George Kazamias (eds.) (2001) pp.141-164, p.145-6
- 38 Statements by AKEL leader and House Speaker Demetris Christofias in a debate in Cyprus College, Nicosia, 11/03/02
- <sup>39</sup> On 28 February 1998 President Clerides stated during his speech following re-election that he would persist in the strategy of the past: 'the lynchpin of this strategy is well known namely: mobilising the international community, effectively exploiting the international factor and exerting intensive efforts to achieve a mutually acceptable solution through talks'. Quoted in Zenon Stavrinides 'Greek Cypriot perceptions' in Clement Dodd (ed.) (1999b) pp.54-96, p.56.
- Yannis A. Stivachtis (2000); interview with Greek academic, Athens, March 2002
- <sup>41</sup> Statements by AKEL leader and House Speaker Demetris Christofias in a debate in Cyprus College, Nicosia, 11/03/02
- <sup>42</sup> Oliver Richmond (1998) p.227
- <sup>43</sup> A.Angelides, Cyprus High Commissioner in London (1994) 'Cyprus and the EU' The Economist September 24-30, 1994, p.8; J. S. Joseph (2000)

  44 A.J.R Groom 'The Process of Negotiation' in Clement Dodd (ed.) (1993) pp.16-45
- 45 Quoted in Charambolos Tsardanidis and Yannis Nicolau 'Cyprus Foreign and Security Policy: Options and Challenges' in Stelios Stavridis, Theodore Couloumbis, Thanos Veremis and Neville Waites (1999) pp. 171-194, p.173
- <sup>46</sup> Clement Dodd 'New Perspectives' in Clement Dodd (ed.) (1999b) pp.287-312, p.301
- <sup>47</sup> European Parliament report (2001) point B states that 'the government of Cyprus is negotiating
- accession on behalf of ALL Cypriots'
  <sup>48</sup> Reference to the 'double minority' situation was made repeatedly in interviews with Greek, Greek Cypriot, Turkish and Turkish Cypriot academics and officials during interviews in the region in February-May 2002. See also Neil Nugent (1997)
- <sup>49</sup> Interview with Greek academic, Athens, March 2002
- 50 Interviews with UN and British officials, Brussels, November 2001 and London, May 2001
- <sup>51</sup> Interview with Glafcos Clerides (1994)
- <sup>52</sup> Republic of Cyprus (2000)
- 53 Statements by Demetris Christofias in a debate in Cyprus College, Nicosia, 11/03/02
- <sup>54</sup> Statements by AKEL leader and House Speaker Demetris Christofias in a debate in Cyprus College, Nicosia, 13/03/02
- 55 Quoted in 'Vassiliou on Cyprus EU accession course, Greece's EMU prospects' Athens News
- Agency 13/03/99 www.hri.org/news/greek/ana/1999/99-03-13.ana.html

  56 Interview with Greek Cypriot journalist, Nicosia, March 2002. The same arguments were raised by several other interlocutors, including politicians, academics and civil servants.
- <sup>57</sup> Andreas Theophanous (2000) p.221
- 58 Interviews with Greek officials, Athens, March 2002
- <sup>59</sup> Fileleftheros 12/03/93
- <sup>60</sup> Jeannie Mathew 'No Stopping no delays: EU spells it out for Cyprus' Cyprus Mail 09/03/02
- 61 Yannis A. Stivachtis (2000) p.21
- <sup>62</sup> Jean Christou 'New Year will be crucial for Cyprus' Cyprus Mail 02/01/02
- 63 'Parties back the Plan as basis for talks' Cyprus Weekly 22/11/02
- 64 William Wallace (2002)
- 65 Lord Hannay's interview with by Mehmet Ali Birand CNN Turk 12/06/02
- 66 What incentive is there now for talks?' Cyprus Mail 15/12/02

- <sup>67</sup> See Andreas Hadjipapas 'Greek Cypriots call for radical changes to Annan Plan on rights and freedoms' Cyprus Weekly 11/02/03
- 68 'Denktaş replies to Cassoulides' Kibris Vol.X, No.6, June 2002
- <sup>69</sup> Christopher Brewin (2000) p.197
- <sup>70</sup> Interviews with Turkish and Turkish Cypriot officials in Ankara and Nicosia, February and May 2002
- <sup>71</sup> Interview with Turkish Cypriot official, Nicosia, February 2002
- 72 Thomas Diez 'Last exit to paradise: The EU, the Cyprus conflict and the problematic catalytic effect' in Thomas Diez (ed.) (2002) pp.139-162, p.148
- <sup>73</sup> Interview with Turkish Cypriot politician and Turkish diplomat, Nicosia, February 2002 and Istanbul, May 2002
- 74 'KKTC President Denktas: Greek Cyprus uses EU as a gun against KKTC's freedom' Turkish Daily News 17/02/2001
- <sup>75</sup> Interviews with Turkish and Turkish Cypriot politicians and officials, Nicosia and Ankara, February
- <sup>76</sup> Quote from 'Chypre: un test serieux pour l'UE' in Le Monde 03/08/96
- <sup>77</sup> Interviews with Turkish and Turkish Cypriot politicians and officials, Nicosia and Ankara, February
- <sup>78</sup> Turkish Cypriot suspicions of Greek Cypriot overtures in the context of the accession process were also fuelled by the memory of Greek Cypriot rejection or reservations towards UN proposals in 1984-6 and in 1992. Interview with Turkish Cypriot negotiator, Nicosia, February 2002
- <sup>79</sup> Interview with Turkish Cypriot official, Nicosia, February 2002
- 80 Council of Ministers (1995)
- 81 EU-Cyprus Joint Parliamentary Committee (2000) (my italics)
- 82 Republic of Cyprus (1998b)
- 83 See interview of Rauf Denktas with Leyla Boulton Financial Times, Week-end edition 13-14 November 1999
- 84 'President Denktas stands firm' Kibris Vol.IX. No.3, March 2001
- 85 See Nese Duzel's interview with Serdar Denktas' in Radikal 'I am afraid of civil war in the TRNC'
- <sup>86</sup> Commission of the EC (2001a) p.22
- <sup>87</sup> Commission of the EC (2001a) p.22
- 88 Contribution by Mustafa Akinci in Cyprus' EU Accession and the Greek-Turkish Rivalry
- Conference organised by Yale University, 4-6 April 2003
- 89 Interview with Turkish official, Nicosia, February 2002
- 90 Kemal Kirişçi 'Turkey and the Mediterranean' in Stelios Stavridis, Theodore Couloumbis, Thanos Veremis and Neville Waites (1999) pp.250-294 and F.A. Vali (1971) p.242
- 91 Interview with Turkish politicians, Ankara, February 2002
- <sup>92</sup> ANAR public opinion poll (1,470 respondents throughout Turkey on 27-29/11/2001) results reported in Turks believe Cyprus is more important than EU membership. Turkish Daily News 03/12/2001
- 93 Interviews with Turkish diplomats, politicians and academics, Istanbul, Ankara, Brussels and London, 2001-2002
- 94 'Interview with Suleiman Demirel' *Turkish Daily News* 06/12/01
- 95 Interviews with Commission officials, Brussels, February 2002, British FCO official, London, June 2001, and Turkish AKP politician, Ankara, February 2002
- <sup>96</sup> European Parliament report (2000); European Parliament report (2001) and Commission of the EC (2001b)
- European Council (2001) paragraph 12
- 98 European Council (2002a) paragraph 25
- 99 Andreas Hadjipapas 'Turkey will prolong stalemate Clerides' Cyprus Weekly 14/07/01
- 100 The eurosceptics also used deplorable means to advance their case, including the leak in major newspapers of the email correspondence of Karen Fogg, Commission Head of Delegation in Ankara. See also Ziya Onis (2003) pp.18-19
- What weakened the liberal pro-EU camp was the lack of credibility of Mesut Yilmaz (ANAP), due to the corruption scandals he had been implicated in.
- 102 Soli Ozel, speech at CEPS, Brussels, 10/11/02

103 Interviews with AKP politician, Ankara, February 2002 and Brussels, October 2002

104 See Mehmet Uğur 'Europeanisation and Convergence via incomplete contracts? The case of Turkey' in Keyin Featherstone and George Kazamias (eds.) (2001) pp. 217-242 and Mehmet Ugur

(1999)

105 Interview with NATO and Turkish officials, Brussels, November-December 2000

106 Interview with NATO and Turkish officials, Brussels, November-December 2000

107 Interview be avaluded from EU army' Turkish Da <sup>106</sup> See for example see 'Will Greek Cypriots be excluded from EU army' Turkish Daily News 04/06/01. The same was also true (albeit to a lesser extent) of the Greek instinctive reaction against the initial deal reached by Turkey, the US and the UK in December 2001 on Turkey's participation in

<sup>107</sup> The Economist 15/03/97

- Giscard remarks cause uproar in Ankara, Brussels' Turkish Daily News 11/11/02
- 109 John Barham 'Turkey irked by EU talks with Cyprus' Financial Times 22/07/97

110 Gunduz Aktan 'End of the Road' Turkish Daily News 24/10/02

Interviews with Turkish Cypriot politician and Turkish journalists, Nicosia, Istanbul and Ankara, February 2002. Sina Şukru Gurel speech at TUGIAD conference, Ankara, 10/10/02; 'Gurel says Greek Cypriot EU accession will make partition on Cyprus permanent' Turkish Daily News 10/10/02

112 'Controversy brews over Cyprus plan' *Turkish Daily News* 15/11/02
113 'EU links Cyprus to date for Turkey' *Cyprus Weekly* 29/11/02 (my italics).
114 Interviews with Turkish Cypriot opposition leaders, Brussels and Nicosia, February and September

115 Interview with Turkish Cypriot opposition leaders, Nicosia, February 2002

- 116 Interview with Turkish and Turkish Cypriot officials, Nicosia and Istanbul, February and May
- 117 Mehmet Ali Birand 'A Major rendez-vous with the EU today' Turkish Daily News 16/04/02 118 'Fischer says EU overwhelmingly backs 2005 for entry talks with Turkey' Turkish Daily News
- 119 Such as Rauf Denktas and Mumtaz Soysal and high-ranking officials in the military and in the Ministry of Foreign Affairs. The CHP was also in favour of a rejection of the Plan.
- 120 Such as AKP Parliament Speaker Bulent Arinc, President Ahmet Necdet Sezer and possibly Chief of Staff Hilmi Özkok.
- 121 Including leaders of the AKP such as Abdullah Gül, Tayyip Erdoğan and Yasar Yakis and the liberal press.
- 122 In an explicit criticism of Denktaş's dismissal of Turkish Cypriot pro-settlement demonstrations Erdoğan replied: 'I am not in favour of following the Cyprus policy that has been followed for 30 or 40 years....this business is not Mr Denktaş's personal business, it's not Ahmet or Mehmet's or Tayyip Erdoğan's; it's the struggle of a nation for existence' (George Psyllides 'Erdoğan's warning to Denktaş: listen' Cyprus Mail 03/01/03)

<sup>123</sup> See for example the comments of Lord Hannay in Jean Christou 'Hannay: Denktaş rejected everything' Cyprus Mail 13/03/03 and UN Secretary General (2003) paragraph 129

## Chapter 6

# Explaining EU policies towards the Cyprus conflict

"The Union is a master when it comes to avoiding making choices"

Chapters 4 and 5, focussing on the external impact of EU policies on the Cyprus conflict, predominantly treated the EU as a monolithic entity. This is because the emphasis was on the perception of the EU by the principal parties and the effect this had on the conflict. This Chapter opens the 'EU' black box, attempting to discern the factors and their interaction which determined EU actions or inactions. Were these policies part of a planned and deliberate strategy which led to unintended and unexpected results? Or did the 'catalytic effect' fail simply because the question of how best contribute to the resolution of the conflict never made it to the top of the EU's political agenda?

## 1) The starting point: passivity and progressive imbalance

Given the importance of path dependency in the formation of EU policies, let us begin by recounting the EC/EU's involvement in the Cyprus conflict prior to the 1990s.<sup>2</sup> Between 1972 and 1990 Cyprus and the EC articulated their relations through an Association Agreement. Despite close commercial and financial relations entailed in association, the EC deliberately kept out of the conflict. Apart from a brief period in the summer of 1974, EPC kept a low profile on the Cyprus conflict and the member states simply supported UN positions and resolutions.

Several factors determined this stance. Internal divisions between member states together with the insufficiently developed EPC structure to deal with the conflict were important reasons behind inaction. While Gaullist and post Gaullist France together with Luxembourg and Ireland supported the Greek Cypriot line, Germany, Britain and The Netherlands were more sympathetic to Turkish concerns and

supported US mediation between NATO Allies Greece and Turkey. Coupled with this was the reluctance of both the UK, as guarantor power and UNSC member, as well as the US to see a more active European role. Most other member states in turn were content to leave the UN to deal with the problem. Indeed when in November 1990 the Italian Presidency proposed a more active European role in mediation, the proposal was immediately turned down by Belgium, Germany, Holland, Luxembourg and the UK.

The Community's passivity towards Cyprus was part of its wider neglect of the Mediterranean. The EC initially developed ties with several Mediterranean states in an ad hoc and bilateral fashion, through association agreements with strategically important countries like Greece and Turkey. It was not until 1972, that with a French/Commission initiative, the Community attempted to systematise its relations with the south through the Global Mediterranean Policy (GMP). The GMP was designed both to extend the network of Community relations to other Mediterranean countries and to establish a coherent framework within which these relations would be conducted. However, the GMP optimism was immediately dampened by the 1973-1979 oil crises, the 1973 Arab-Israeli war and the global recession of the 1970s, which instigated greater European protectionism both in trade (particularly in view of the southern enlargement) and immigration. A Mediterranean policy did not re-emerge until 1989 in the form of the Redirected Mediterranean Policy (RMP), which attempted to encourage economic reform, improve market access and encourage south-south cooperation. But the RMP did not mark a decisive shift in the focus of European external relations. A third attempt to refocus on the south was the 1995 Euro-Mediterranean Partnership, whose success, to date, is also questionable.<sup>3</sup>

Both the Commission and the Council were keen to retain an even-handed approach to the Cyprus conflict. The Association Agreement's article 5 explicitly stated that 'the rules governing trade between the contracting parties may not give rise to any discrimination between... nationals and companies of Cyprus'. This article was used to justify trade with northern Cyprus until 1994. The agreement also provided for the establishment of a joint Parliamentary Committee, which remained dead letter until

1992, given the Community's rejection of a wholly Greek Cypriot delegation. Also in terms of financial assistance to Cyprus, the EC was initially even-handed, allocating 20% of the aid to the Turkish Cypriot community in the first financial protocol (1977-1983), i.e., an amount proportionate to the demographic balance on the island.

The EC's even-handedness evaporated over time.<sup>5</sup> In sharp contrast with the first financial protocol, the second protocol (1984-1988) allocated a mere 3% to the Turkish Cypriots. In the third protocol (1989-93) the only aid filtering through to the Turkish Cypriot community was for the joint sewage project in Nicosia. In the fourth protocol (1995-98), the Commission set aside €12 million to promote a settlement. But given that the aid had to be disbursed through the RoC authorities, it had minimal impact on the Turkish Cypriots. The same was true of pre-accession aid (2000-2004) which set aside one third of the funds for bi-communal projects.

What explains the slide away from even-handedness? Turkish Cypriot refusal to accept European funds transferred to the RoC, the Turkish Cypriot UDI in 1983, Turkey's alienation from Europe during the years of political instability in the late 1970s and of military rule in the early 1980s, as well as Greece's membership of the Community since 1981 all explain the shift in the EC's position. But regardless of the reasons, the reality remained that the Community was increasingly perceived as biased in favour of the Greek Cypriots. Hence the commonly held view in Turkey and northern Cyprus: 'the EU is Greece. It has always been used by Greece to fight Turkey'.

## 2) The changing role of Greece

### a) The early days of Greek membership

While Greece was by no means the only driving force of EC/EU policies, its role was crucial in determining EU positions towards Turkey and Cyprus. Over the course of

the last decade, member state Greece was also critical in providing the dominant definition of the conflict and of the strategy for its resolution within the Union.

Before focusing on the 1990s, let us briefly review Greece's positions and their impact on EU policies in the early period of membership. In June 1975, with the restoration of democracy under the leadership of Constantine Karamanlis (ND) Greece applied for EC membership. Despite the Commission's negative Opinion, the Council overruled the decision in February 1976 and in January 1981 Greece entered the Community. Notwithstanding the fact that both the Commission's second Opinion in May 1979 and the Council's endorsement of it in June 1979 reassured Turkey that Greece's membership would not affect EC-Turkey relations, upon accession Greece began to use the EC as the primary platform from which to gain political advantage over Turkey. It should be recalled that by November 1981 Greece was led by nationalist Andreas Papandreou (PASOK). However until 1983, Greece was not the principal obstacle in EC-Turkey relations. Relations had been frozen as the unanimous Community response to the September 1980 military coup in Turkey together with the Turkish Cypriot UDI in November 1983. The Greek government's position was simply in alignment with the general EC stance.

With the restoration of partial democracy in Turkey in 1983 and the Community's desire to re-establish ties with Ankara after 1985, the Greek position became a fundamental obstacle to normalisation. The Greek government's obstructionism was further fuelled by the conflict in March 1987 over oil exploration rights in the Aegean. The government claimed the legal right to extend its territorial waters from six to twelve miles with the ensuing implications this would have on airspace control. Turkey objected to the extension, threatening that it would constitute a *casus belli*. Added to these disputes was Turkey's insistence that the Greek Aegean islands remained demilitarised in accordance with the 1923 Treaty of Lausanne, a demand which Greece considered an infringement of its sovereign rights. Until April 1988 the Greek government blocked the reactivation of the EC-Turkey Association Agreement. Only in the context of the short-lived Davos process of rapprochement in January 1988 between Prime Ministers Andreas Papandreou and Turgut Özal, did

Greece consent to a reactivation of EC-Turkey relations. It did so in return for a non-aggression pact, the easing of Turkish visa restrictions for Greek visitors and Turkey's rescinding of the 1964 decree that limited property rights of Greek citizens of Turkey.

However, despite the reactivation of the agreement, as of 1986 the Greek government started to block in the Council of Ministers the disbursement of the 4<sup>th</sup> financial protocol to Turkey amounting to €600 million. Greece argued that its consent hinged on the withdrawal of Turkish troops from Cyprus.<sup>7</sup> The Greek veto persisted throughout the 1990s, despite several attempts by other member states to circumvent it (such as the June 1990 Matutes package and the 1995 customs union deal). Other European funds earmarked for Turkey that were vetoed by the Greek government included MEDA funds (€365 million between 1983-1992) and EIB loans and funds in the context of the customs union agreement (€450 million). It is estimated that EU aid to Turkey in 1964-92 amounted to approximately 0.1% of Turkey's GDP.<sup>8</sup> Greek governments used the EC as a platform to pursue Greek national interests. By doing so they ensured that the path of EC-Turkey normalisation and integration passed through Athens.

## b) The encouragement of external Greek Cypriot demands

PASOK came to power under the leadership of Andreas Papandreou in 1981. Until the end of its first administration, PASOK was either entirely against EC membership or highly sceptical of it. By 1985-6 its positions had changed, as it became increasingly aware of the political, security and economic gains of membership. This change was pivotal in generating Greek Cypriot demands for membership. Indeed the idea of Cyprus' EC membership was initially a Greek initiative, which may not have materialised without Greece's insistence. As PASOK appreciated the security benefits of membership, it attempted to sway the RoC to apply for precisely those reasons. EC membership would strengthen the Greek Cypriot bargaining position given Turkey's aspirations to join the Community. This could ultimately lead to a settlement conducive to Greek Cypriot interests. Short of a

settlement, EC membership would safeguard Greek Cypriot security by raising the costs of Turkish expansionism. By championing the cause of Cyprus' membership, Greece felt it would help undo the harm caused to the Greek Cypriots in 1974, triggered in no small way by its own military dictatorship at the time.

During Greece's second EC Presidency in the second half of 1988, Foreign Minister Pangalos and most notably Yannos Kranidiotis, the Cyprus-born alternate Minister of Foreign Affairs, attempted to persuade President Vassiliou to apply for membership. In September 1988, Kranidiotis sent a letter to his Greek Cypriot counterpart George Iakovou attempting to persuade the latter to submit the application before the October 1988 Association Council. However the Greek Cypriot government refused to apply. At the time AKEL, in power with Vassiliou's EDI, opposed EC membership on ideological grounds. Most importantly, Vassiliou feared a blunt rejection from the Community. Helmut Kohl's Germany and Margaret Thatcher's UK had made it abundantly clear to Vassiliou, during his tour of European capitals in 1988 to test the proposition of membership, that they would reject both a Cypriot and a Turkish application. The last thing the Greek Cypriot government wanted was to be relegated by the EC to the same basket as Turkey. Hence, Greece in 1988 succeeded only in launching a political dialogue between the EC and Cyprus. The application for membership was not made until 1990.

## c) Domestic instability and the Macedonian interlude

Greece's role in determining EU policies towards Cyprus and Turkey is also highlighted by the stalemate in EU-Turkey-Cyprus relations in 1990-1993. In those years the Greek domestic scene was marked by political and economic instability and Greek foreign policy was dominated by the Balkans and Macedonia.

Between 1989 and 1993, Greece lived through a difficult period of domestic political and economic crisis. By 1988-89 PASOK's popularity was waning, as the party was implicated in a series of corruption scandals and its leadership vacillated with the first signs of Andreas Papandreou's illness. In addition the country suffered from a

severe economic downturn. The 1989 elections brought to an end PASOK's rule, only to be replaced by an unstable coalition between ND and the communist party. This 'historic compromise' collapsed in November 1989, giving way to a caretaker administration which also included PASOK. The April 1990 elections were won by ND, led by Constantine Mitsokakis. However in 1993 the government fell as Foreign Minister Antonio Samaras, seceded from the party by forming Political Spring (Politiki Anokisi), a breakaway nationalist movement.

In the early 1990s, Greek foreign policy focussed on the Balkans. Fearing Macedonian irredentism, Greek foreign policy openly diverged from the EU majority. Under this perceived threat, Greece acted a 'Balkan state', effectively siding with Serbia in the Balkan conflicts and adopting a position on Macedonia which contravened the EU consensus. The nadir of the crisis was the February 1994 Greek embargo on Macedonia. These positions led to a severe deterioration of Greece's relations with the rest of the EU, exemplified by the Commission's recourse against Greece to the ECJ over the embargo on Macedonia and the by Dutch refusal to ratify Greece's entry in the WEU.

Weakness in domestic politics, isolation in the EU, and the general inability of a small member state to push for more than one foreign policy dossier at a time, curtailed Greece's ability to influence EU policies towards Turkey and Cyprus. As a result the 1989-93 period was not marked by any decisive EU initiative or policy shift vis-à-vis these two neighbouring countries. With regards to Cyprus, political dialogue and economic ties under the Association Agreement continued. But the reluctant Commission took three years to issue its reply to the RoC's application. In EU-Turkey relations, following the Commission's rejection of Turkey's 1987 application, the Council of Ministers proposed a soft initiative aimed at retaining good relations with Ankara, i.e., the 1990 Matutes package. Despite its reluctance, the Greek government was unable to block the initiative. In 1992 Mitsokakis also accepted the release of Turkey's MEDA funds under the RMP.

The tide turned with the re-election of PASOK in October 1993. Despite the trade embargo on Macedonia in February 1994, Foreign Minister Theodore Pangalos soon appreciated that Greece's hard line stance was a lost cause. The embargo itself was a failure, as the Greek private sector found ways to circumvent it. It simply led to a deterioration of Greece's position in the Union, it triggered strong pressure from the US, it strengthened Turkey's relative position, and it led to an EU neglect of Cyprus. By 1995 Greece had regained its position within the European family, signing an interim agreement with FYROM in October 1995.

## d) Greece and inter-state bargaining: linkage politics

With PASOK's return to power and the winding down of the Macedonian debacle, Greek foreign policy re-focused on Cyprus and Turkey. On the one hand, the nationalist PASOK reinforced its ties with the RoC. Hence, the Joint Defence Doctrine discussed in earlier Chapters. On the other hand, Athens pushed the Cyprus dossier in Brussels. In the words of Yannis Kranidiotis, Alternate Minister for Foreign Affairs in 1993: 'The Greek government set two immediate goals. The first was to secure a firm political commitment as a full member state on the part of the EU for the accession of Cyprus and try to disassociate the accession process from the solution of the Cyprus problem. The second was to agree on a precise date for the commencement of accession negotiations.' 13

However, as a government party and as the gains of EC membership started filtering through the system, PASOK's ideology and mode of operation transformed. EC membership began legitimising the concept of negotiations, compromise and alliance-building as the principal diplomatic techniques of attaining objectives. Greek policy-makers slowly learned how to operate within the EU decision-making process, using it to their advantage. They realised that as a small and relatively weak member state, Greece could not determine independently Council positions towards both Turkey and Cyprus. Hence, unlike the early years of Greek membership, the government no longer simply blocked EU-Turkey relations or made relations conditional on the immediate settlement of all Greek-Turkish issues. The government

rather made its consent conditional on EU steps to further Cyprus' membership, or on increased EU pressure on Turkey to be more forthcoming on the Cyprus and Aegean conflicts.

## i) Linking Turkey's accession to a settlement in Cyprus

While Greece pushed for a removal of EU conditionality on Cyprus, it encouraged firmer EU pressure on Turkey regarding a settlement of the conflict, in addition to (or as an interpretation of) the Copenhagen criteria. For example on the eve of the EC-Turkey Association Council (frozen since the 1980 military coup) on 25<sup>th</sup> April 1988, the Greek government persuaded the German Presidency to insert a reference to the conflict in the context of the political *acquis*. Again at the December 1988 Rhodes European Council, the Greek Presidency added a sentence in the Conclusions stating that the Cyprus conflict affected EC-Turkey relations. As put by Constantine Mitsokakis in 1988: 'the Turks must be made to understand that it will be impossible to make progress in Greek-Turkish relations, as well as in Turkey's attachment to the European Community, if they do not solve the Cyprus issue first, and then address Greek-Turkish differences'. 14

Throughout the 1990s, Ankara complained that while conditionality (regarding conflict settlement) was gradually being lifted on the Greek Cypriots, the burden was placed increasingly on Turkey. The Turkish government reacted strongly against the Commission's Draft Accession Partnership in November 2000, which included a reference to Cyprus in the list of short term recommendations. In response to the question of conditionality, Rauf Denktaş replied sarcastically during a meeting in Istanbul: 'we are sorry if our demands (for equality and sovereignty) are an obstacle for your (Turkey's) membership'. <sup>15</sup>

## ii) Linking Turkey-EU relations to Cyprus' accession

The most effective means Greece used to encourage Cyprus' EU membership was by linking its consent to EU-Turkey initiatives to progress in Cyprus' accession. The

historic compromises of March 1995 and December 1999 can be interpreted in this light. On both occasions the Greek government was well aware of the growing consensus within the EU to develop relations with Turkey and that it could not reverse the tide. So it opted to influence decisions by linking its consent to progress in Cyprus' accession course.

However it should be noted that the Greek government officially rejected the linkage between the integration of the two countries. It argued that both should be treated exclusively according to their own merits. Explicitly admitting support for linkage, would have entailed an admission of Greece's own weakness within the EU, and would have cost PASOK dearly in terms of its domestic standing. Particularly since the rise to power of the moderate Costas Simitis in 1996, the opposition ND was always ready to accuse PASOK of not having obtained more concessions from the member states. This was true particularly in 1999, when ND criticised PASOK of not having bargained hard enough in return for Greece's consent to Turkey's candidacy. <sup>16</sup>

In 1995, following the Commission's negative Opinion on Turkey in 1989, the 1990 Matutes package, the Commission's positive opinion on Cyprus in 1993, and the 1994 Corfu European Council, a majority of member states felt that a step in EU-Turkey relations was necessary. The Greek government could not resist for long. At the December 1994 Essen Council, it stood alone in its opposition to the implementation of the final stage of the EU-Turkey customs union. So in March 1995 it consented to the customs union and the release of the 4<sup>th</sup> financial protocol funds. However its consent was linked to the Council's commitment to begin accession negotiations with Cyprus six months after the completion of the 1996 IGC. The Greek government insisted that the wording of the decision specified that accession negotiations 'will start' rather than 'can begin' after the IGC. In addition, Greece obtained €400 million in compensation for expected losses in its textile industry resulting from the customs union with Turkey. The Greek government's consent to the customs union also strengthened its position in demanding that the

member states accepted the acronym FYROM rather than the historic name of Macedonia.

A similar story can be told of the 1999 Helsinki Council. EU-Turkey relations were under severe strain in the aftermath of the December 1997 Luxembourg Council. Most member states were keen to re-establish political ties with Ankara. At the Cardiff Council in June 1998 the British Presidency, strongly encouraged by the US administration, proposed to re-shape the Luxembourg Council conclusions. Thirteen other member states were in favour. Most notably Germany had begun to alter its stance (a policy shift later consolidated with the election of Social Democrat Gerhard Schroeder in September 1998). Yet Greece remained staunchly opposed. At the time, Greek-Turkish relations were particularly strained over the S-300 missiles incident. Prime Minister Simitis therefore opposed any initiative and the Council failed to put forth a credible alternative to the Luxembourg position.

Yet the Cardiff Council showed that the member states were increasingly persuaded about the need to upgrade Turkey's status. The Greek government could not hold its opposition for long. Its efforts to enter the eurozone also meant that it could not afford to stand out against the rest. France and The Netherlands explicitly referred to Greece's stance on Turkey when discussing Greek demands for EMU accession. A Greek-Turkish rapprochement would entail a significant reduction of Greece's defence expenditure (approximately 7% GDP in 1999, by far the highest percentage in EU-15), facilitating Greece's fulfilment of the Maastricht criteria. The Greek-Turkish rapprochement in the aftermath of the August-September 1999 earthquakes and the ensuing proximity talks in Cyprus provided a propitious atmosphere for a policy shift. By December 1999 the Simitis government was willing to accept Turkey's EU candidacy. Nevertheless it strived to obtain significant concessions in return. The most important was the explicit removal of conditionality on the Greek Cypriots. In addition it obtained assurances concerning its own bilateral disputes with Turkey. If by 2004 candidate countries had not resolved their territorial disputes, these could be referred to the International Court of Justice.

The official Turkish line throughout the 1990s and up until the election of the AKP on 3<sup>rd</sup> November 2002 was to reject any linkage between EU-Cyprus relations and EU-Turkey relations, unless this meant the simultaneous accession of both countries. Hence, after both the 1995 and the 1999 historic compromises, Ankara reacted against the Cyprus component of the package deals. At the dinner on the 6<sup>th</sup> March 1995, Turkish Foreign Minister Murat Karayalçin protested that 'the Council's decision on the membership of Cyprus is an unfortunate step which could lead to the permanent division of the island'. <sup>18</sup> In the immediate aftermath of the December 1999 Helsinki Council, Turkey was inclined to reject the candidacy offer given the policy shift on Cyprus. However, despite the official rejection of the package deal approach, Turkey quietly accepted both the 1995 and 1999 decisions.

# iii) Linking Cyprus' accession to the ratification of enlargement

Another way in which Greek negotiators used their leverage to pursue Cyprus' accession was to link the Greek ratification of EU enlargement to progress in Cyprus' EU accession. This form of leverage was first exerted successfully at the 1994 Corfu European Council, when the Greek government persuaded the member states to include Cyprus in the fifth enlargement also by threatening not to ratify the accession of the Scandinavian countries and Austria. It was exerted strongly again in 1997-98, this time liking its consent to the fifth enlargement to Cyprus' inclusion in it.

In 1997 the dispute began when on 25 February 1997 several member states and most notably Germany, put forth a position paper demanding a settlement prior to accession negotiations in order to conduct negotiations on behalf of all Cypriots. The Greek government vetoed this formulation and accused member states Germany, France and the UK of 'behaving like lords'. <sup>19</sup> Athens argued that the position paper amounted to making Cyprus hostage to Turkey's whims and designs. In Deputy Foreign Minister George Papandreou's words: 'if Germany's objective is to offer a political gift to Turkey, it will have attained its goal today'. <sup>20</sup> Yet Greek opposition went further, taking the form of a threat. Greek Foreign Minister Pangalos

bombastically stated that 'it is Greece that will determine when Cyprus will join the EU', by threatening not to ratify both the Amsterdam Treaty and enlargement at a later date <sup>21</sup>

The dispute flared up again on the eve of substantive accession negotiations in the autumn of 1998. In October-November, France led the EU opposition to the accession of the divided island, insisting that despite accession negotiations, a settlement should be reached before Cyprus' actual membership. The Greek government branded these statements as 'immoral', 'logically baseless' and 'products of political and moral confusion'. Again the government threatened to block progress in all accession negotiations and finally the deadlock was resolved. In 1998-1999 many officials in the Commission and the member states doubted the likelihood of Cyprus' membership as a divided island. But given that the decision-making moment was still a long way away, they acquiesced to Greek threats. As put by a Commission official: 'will we say no to a divided island. Perhaps. But why say it now? If we do the Greeks will say that's it, and stop the accession negotiations'.

# e) Greece's support for a 'European Turkey' and the Greek-Turkish rapprochement

In analysing Greece's impact in the formulation of EU policies towards the Eastern Mediterranean, it is fundamental to understand the profound transformation (or europeanisation) that Greece itself underwent as an EU member state, and particularly PASOK as a governing party especially since the late 1990s. This had profound implications in shifting Greek attitudes towards Turkey, both in the context of bilateral relations and of EU-Turkey relations.

While being an ongoing process since 1981, PASOK's transformation accelerated with the replacement of late Andreas Papandreou by Costas Simitis in 1996. Since then, the government demoted the Macedonian question from the political agenda, normalised its relations with Albania and upgraded its ties with Bulgaria. During the 1999 Kosovo crisis the Greek government, while cautious in its approach towards the

Kosovars and the Albanians, eventually converged with the EU consensus. Subsequently it began to play a constructive role in the establishment of cooperative structures in the western Balkans.<sup>25</sup> With the 1996 Imia-Karak crisis, the government was driven back to the well-chartered waters of Greek-Turkish affairs. Yet the approach was no longer that of direct confrontation. Instead, the Greek government deftly transferred its tensions with Turkey from the bilateral Greek-Turkish domain to the multilateral EU-Turkey domain, and focussed on the desirability of Turkey's 'europeanisation'. The day before the Imia-Kardak crisis, Simitis declared: 'we acknowledge the necessity of Turkey's European orientation'.<sup>26</sup> Again in March 1997, in response to the Belgian Christian Democrats' rejection of Turkey's future in Europe, Foreign Minister Pangalos stated: 'Turkey of course belongs to Europe. If Turkey is not part of European history, then Greece is not part of European history'.<sup>27</sup>

In terms of the Greek government's position on EU-Turkey relations, the turning point came with the December 1999 Helsinki Council, in which Greece supported Turkey's EU candidacy. As put by Foreign Minister George Papandreou 'we want a candidacy for Turkey that is a real one... that means they have all the privileges of a candidate, and all the responsibilities'. 28 Other factors affected the Greek government's position in Helsinki. The determination both to ensure the lifting of conditionality on Cyprus and to secure Greek entry in the eurozone was also important. However Greece's new approach towards Turkey persisted in the months and years following the Helsinki Council, in spite of the fact that most European leaders increasingly echoed the Helsinki conclusions on Cyprus and that Greece formally qualified for entry in the eurozone at the Feira European Council in June 2001. In the run-up to the Nice European Council in December 2000, Greece insisted on including Turkey in the calculations of voting weights and representation in the enlarged Union. In the autumn of 2001, Greece lobbied for Turkey's participation in the Convention on the Future of Europe, arguing that the mistake made in Nice should not be repeated.<sup>29</sup>

The most striking example of this turnaround in the Greek government's Turkey policy was in the run up to the December 2002 Copenhagen Council. Since early 2002, Turkey had pressed adamantly for a 'date' to begin accession negotiations. Both the Commission and the large majority of EU member states were largely sceptical of Turkish demands up until the autumn of 2002. Yet by September of 2002 Costas Simitis and George Papandreou stood out as the sole vocal supporters of the Turkish request, attempting to articulate Turkey's case within EU circles. They were later joined by Italy, Spain and the UK. In the autumn of 2002, Greek diplomacy had turned 180 degrees from the early days of Greek membership, when Greece stood firm against pressure from other member states to advance EC-Turkey relations.

The transformation of Greece's attitudes towards EU-Turkey relations was also linked to the Greek-Turkish rapprochement since August-September 1999. The seeds of rapprochement were sown during the spring and summer of 1999. The PASOK government and Foreign Minister Papandreou in particular, increasingly felt the need to engage in constructive dialogue with arch enemy Turkey, following the period of rising brinkmanship in 1996-1999 over Imia-Kardak, followed by the S-300 incident, followed by the Kosovo war and the capture of Abdullah Öcalan in the Greek embassy in Kenya (holding a RoC passport). The earthquakes in Greece and Turkey in August-September 1999 and the reciprocal support between the two countries in the light of these humanitarian crises, provided the pretext or the trigger for a major policy shift, which George Papandreou, son of late Andreas Papandreou, succeeded in endorsing. The earthquake diplomacy led to the groundbreaking reciprocal visits of Foreign Ministers Ismail Cem and George Papandreou to each other's countries in January-February 2000.

Rapprochement steadily filtered through the system. By the autumn of 2002, Greece and Turkey had signed ten bilateral agreements on 'low politics' issues including crime control and soft security cooperation, energy, joint military exercises, environmental protection, tourism, humanitarian cooperation, trade and business cooperation. Joint Task Forces were established to explore how Greek know-how

could help Turkey's harmonisation with the *acquis*. By April 2003, Greece and Turkey had not resolved yet any of their long-standing disputes in the Aegean and Cyprus. However, on the Aegean, Greece and Turkey agreed to engage in preliminary talks on the continental shelf in March 2002. On Cyprus, intense talks between Papandreou and former Foreign Minister Yaşar Yakiş in late November 2002 contributed to the re-launch of inter-communal talks on the basis of the UN Plan. One crucial test of the deep-seatedness of the rapprochement, going beyond the personal relationship between the two Foreign Ministers in 1999, was its continuation following the resignation of Turkish Foreign Minister Cem and his replacement by the hawkish Sina Şukru Gurel in July 2002.

The Greek-Turkish rapprochement and Greece's policy shift on EU-Turkey relations are intricately linked. The rapprochement facilitated Greece's shift on EU-Turkey relations. By the autumn of 2002 the developing relationship with Turkey allowed the Greek government to act as the main supporter of Turkey's EU bid. In turn Greece's policy shift on EU-Turkey relations, while initially met by Turkish scepticism, gradually and increasingly became a major confidence building measure between the two countries.<sup>32</sup>

Greece has had considerable input in the determination of EC/EU policies towards Turkey and Cyprus. However this section has showed that Greece's role underwent a considerable transformation since 1981. The replacement of one position by another has been gradual as one approach merged into and gradually gave way to another. The seeds of moderation existed since the late 1980s. In 1987-88 Greece and Turkey embarked on a short-lived rapprochement. In July 1997 in Madrid, President Suleiman Demirel and Prime Minister Simitis ruled out the use of force against one another. At the same time, confrontational attitudes persisted throughout the years. During the 1994 Greek Presidency for example, EU-Turkey relations were almost completely neglected, triggering a visit by British and German Foreign Ministers Douglas Hurd and Klaus Kinkel to reassure Ankara that an EU initiative towards Turkey was on the way. Up until 1999, Greece continued to block the ratification of the 4<sup>th</sup> financial protocol. Since 1993, Greece engaged in a Joint Defence Doctrine

with the RoC. An effective Greek-Turkish dispute blocked the development of an ESDP until December 2002. Greece also continued to threaten to veto the entire fifth enlargement unless Cyprus was included in it.

However, a fundamental strategic shift did occur and is still in the making. To take this last example, it is interesting to note that while the Greek government continued to voice its possible veto over enlargement, its rhetoric changed considerably since the days of Foreign Minister Pangalos in 1997. In November 2001 Papandreou simply warned that the Greek parliament would not ratify an enlargement which excluded Cyprus; i.e., the veto was no longer presented as a government position, but as a probable position of the Greek parliament.<sup>33</sup> Following the logic of two-level games, the Simitis government simply reinforced its bargaining position by raising awareness in Brussels of its domestic constraints.

# 3) The other member states: the policy vacuum

Turkey and the Turkish Cypriots, externally viewing EU policies towards the Eastern Mediterranean, considered Greece as the only motor behind these policies. Indeed the (changing) role of Greece was pivotal in the EU policy-making process regarding Cyprus and Turkey. But why could Greece, as a small member state, play such a key role in both driving EU decisions on Cyprus and providing the dominant reading of the conflict and its resolution? Greece's role was determined by the interaction between the Greek government's positions and those of the other member governments. EU policies affecting the conflict were driven to a large extent by Greece *because* of the general neglect of the issue by the other member states. Neglect of the conflict and ambivalence towards Turkey created a policy vacuum which enabled Greek policy-makers to play a pivotal role in the Union's approach towards the conflict and Cyprus' EU accession. As Council positions converged on the median position (between the strongly-held Greek position and the weakly-held positions of the other member states), this entailed that Greece's views on Cyprus were strongly reflected in the EU's approach.<sup>34</sup>

## a) Positions on the accession of a divided Cyprus

When in 1990 the RoC applied for EU membership, eleven member states did not envisage the accession of Cyprus as a divided island. In April 2003 a divided Cyprus signed the EU Accession Treaty. How could one small member state (Greece) have pushed through its views over the course of the decade? An important part of the explanation lies in the effective neglect of the conflict by the rest. Interest in Cyprus was half-hearted and sporadic, and when it emerged it tended to be in the form of a Greek-demanded compensation for enhancing EU-Turkey relations. The following section reviews the key steps in the EU decision-making process leading to the removal of conditionality on Cyprus.

The first key decision concerning Cyprus' accession was the June 1993 Commission Opinion, endorsed by the Council in October. In the period leading to the Opinion, the member states were deeply divided about the application. On the one hand, the Commission and the member states (excluding Greece) were reluctant to actively enter into the dynamics of the intractable conflict by giving the green lights to the accession process. Arguments in favour of non-involvement were particularly compelling given that at the time the UN was engaged in an unprecedented effort to unblock the Cyprus impasse. The Commission and the member states also bore in mind the appeal of Security Council resolution 649, which called the parties to refrain from any actions that could disrupt the peace process. On the other hand, the RoC was an eligible candidate for accession and was already well placed to accede the Union, both in economic and political terms (excluding the existence of the conflict). The political and economic organisation and performance of the RoC was superior to that of the candidates from central and eastern Europe, let alone applicant Turkey. The economic situation in southern Cyprus was comparable with EC averages. The south also enjoyed stable and democratic institutions and a wellfunctioning judiciary. In addition, the Greek government strongly lobbied both the Commission and the member states to accept the Cypriot application.<sup>35</sup> The resulting Opinion endorsed by the Council reflected these contrasting forces. The largely disinterested member states gave in to Greek pressures, but ensured that the Commission Opinion included a fairly explicit form of conditionality on the Greek Cypriot Republic.

Following the Commission Opinion, the next key step was taken at the Corfu European Council in 1994, in which the member states unanimously agreed to include Cyprus in the fifth enlargement. In Corfu, the member governments made their bids. Germany and Belgium supported Poland, the Czech Republic, Slovakia and Hungary; the UK and Denmark supported the Baltic states; France supported Romania; Italy supported Malta and Slovenia. And Greece slipped Cyprus into the list of new candidates. In Corfu, there was not a coherent enlargement strategy or a full awareness of the wider strategic implications of EU actions or inactions. There was rather a problem-solving atmosphere in which the member states cast their bids and bargained over an overall package. Enlargement was still a long way away and the member states paid insufficient attention to the specificity of Cyprus to raise serious objections to the Corfu decision. Raising objections would have imperilled the entire bargain.

The next key decision regarding Cyprus was made in March 1995. In 1995 most member states, encouraged by the US, were interested in deepening relations with Turkey after years of impasse. The customs union covering industrial products was an ideal candidate for the next stage of integration. In order to gain Greece's consent, the member states had to make a move on Cyprus as well. Hence, the 6<sup>th</sup> March historic compromise. The French Presidency pushed for the compromise principally as a means to enhance EU-Turkey ties. Cyprus was the 'price' to pay for Greek consent.

Greece was only partially satisfied with the March compromise. The member states had consented to accession negotiations with Cyprus, but they had not committed themselves to its full membership. In fact member states such as France, Germany, Italy and The Netherlands did not hide their reservations. It was no coincidence that, upon French insistence, the 1995 wording referred to 'Cyprus' rather than the 'Republic of Cyprus'. Whether 'Cyprus' referred to a post-settlement island or not

was left unspecified. French Prime Minister Alain Juppé went further stating that 'ces resolutions prevoient la creation d'une Federation bizonale et bicommuautaire...'. Greece was aware of these reservations, but felt that the 1995 formulation was a sufficiently strong signal for the time being. At least such reservations were not explicitly stated in the Council's decision.

Following the 1995 decision, Cyprus effectively came off the EU agenda until January 1997, when supported by the majority of the member states, the Dutch Presidency stated that accession negotiations with Cyprus should also include Turkish Cypriot representatives.<sup>37</sup> Greece initially resisted these demands, until at an informal GAC in Apeldoorn on 24 March 1997, Greek Foreign Minister Pangalos accepted to persuade the Greek Cypriot government to extend an invitation for participation in accession negotiations to Turkish Cypriot officials. By September 1997 an agreement had been reached amongst the member states on the need for Turkish Cypriot participation. Yet little thought was given to what kind of participation this should be. Hence, the invitation was rejected by the Turkish Cypriots. Member state France hinted at the inadequate terms of the invitation. Yet confronted by Rauf Denktas's blunt rejection, French unease was easily set aside.

Cyprus resurfaced on the EU agenda only one year later, once again at the instigation of the French and under the British Presidency. Britain and France were concerned about the possibility of Cyprus' accession before a resolution of the conflict. At the 14 March 1998 Foreign Ministers Meeting in Edinburgh, held on the eve of the formal launch of accession negotiations, French Foreign Minister Hubert Vedrine made it abundantly clear that while the EU accepted accession negotiations with the RoC, it was not committed to the membership of the conflict-ridden island. Vedrine also added that negotiations could be stalled in the event of a continued stagnation of inter-communal talks in Cyprus. In August 1998 Italian Foreign Minister Lamberto Dini hinted at the existence of a *de facto* Turkish Cypriot state, but immediately retracted his remarks following virulent Greek and Greek Cypriot accusations.<sup>38</sup>

In the autumn of 1998, a few weeks before the launch of substantive negotiations, France again warned that Cyprus' accession was not automatic and questioned the legitimacy of accession negotiations without the Turkish Cypriots.<sup>39</sup> It claimed that most member states were proceeding with accession negotiations with Cyprus without appreciating its consequences. In the words of a French official at the time: 'our partners (the member states) are behaving like ostriches'.<sup>40</sup> France then tabled a declaration under the CFSP chapter of negotiations together with the Germans, the Dutch, and later supported by the Italians, stating that a settlement must be urgently found, not least because 'the process of negotiations will give rise to serious problems for the functioning and coherence of the CFSP'.<sup>41</sup> Implicit in the declaration was the concern of the four member states that Cyprus' accession negotiations would lead to severe strains in EU-Turkey relations.

But EU-Turkey concerns were set aside when the Greek government deftly linked its consent to the entire enlargement to Cyprus' membership. As soon as enlargement as a whole came into play, the Greeks created strong German incentives to settle the deadlock. Indeed on 30 October 1998, the German government unblocked the impasse. Insisting that 'under no circumstances is there an issue of blocking enlargement', the German government persuaded the French to lift their reservations, which were never particularly strong. In its place another sentence was added stating that although Turkish Cypriot officials had rejected participation in negotiations, President Clerides' invitation remained open.

Over the next two years, as negotiations proceeded with the candidate countries, the remaining reservations were swept aside. Indeed at the December 1999 Helsinki Council when, at the eleventh hour the Dutch Premier Will Kock objected to the lifting of conditionality on Cyprus, it was French President Jacques Chirac who stood firm in opposition to the Dutch. The Dutch government was concerned about Turkey's reaction to the European Council's conclusions on Cyprus, keeping in mind the presence of two million Turks in Holland and the strong business links with Turkey. France, which two years earlier had led the opposition to the accession of a

divided Cyprus, persuaded the Dutch to lift their objections, arguing that the entire package involving Turkey's candidacy would be at stake otherwise.

In the immediate aftermath of the Council, Turkey was tempted to reject the Helsinki offer, outraged by the decision taken on Cyprus. This triggered a lightning visit by EU High Representative Javier Solana to Ankara, to deliver and explain a letter from the Finnish Prime Minister Lipponen, which attempted to ease Turkish concerns by implying that account for 'all relevant factors' included an assessment of Greek Cypriot goodwill to reach a settlement. In other words, Cyprus' membership was not automatic. 45 However, in reality there was no consensus between the fifteen on the specific meaning of the Helsinki communiqué's wording.46 The clause was not inserted as a result of an EU strategy grounded on an appreciation of the need to exert pressure on both parties. Those familiar with the Cyprus conflict, including British Special Envoy Lord Hannay or UN mediator Alvaro de Soto referred to the need for Greek Cypriot as well Turkish Cypriot goodwill following the Helsinki Council.<sup>47</sup> Yet in reality many of the unspelt 'relevant factors' had nothing to do with the conflict. The clause was inserted to forge internal EU consensus. In July 2002 at the start of the Danish EU Presidency, Danish Ambassador to Turkev Christian Hoppe, when asked about the 'relevant factors' replied that 'the main factor is that nine other countries are at the doorstep of membership. We cannot ask them to wait until there is a solution in Cyprus... we have our own internal factors which might affect enlargement such as the Irish referendum, agricultural policy...'.48

Since December 1999 one last factor that reduced member states' concern over the accession of a divided Cyprus was the decision, proposed by the Commission, that member states would ratify enlargement as a package. While in the spring of 2003 the European Parliament would ratify each of the ten Accession Treaties separately, once these went through member states' legislatures, they would be accepted or rejected as a bloc. The decision was not taken exclusively or predominantly for Greece-Cyprus reasons. It was taken to have the greatest possible assurance that ratification of enlargement to the CEECs would proceed smoothly and rapidly.<sup>49</sup> The idea of resisting the accession of Cyprus thus became highly unlikely given that

member states' reservations on Cyprus were neither strong nor sustained. They were certainly not strong enough to put the entire fifth enlargement at stake.

# b) Positions towards Turkey

As discussed in earlier Chapters, the EU's impact on the Cyprus conflict was also closely connected to EU-Turkey relations. Setting aside Greece, all member states were keen to retain strong economic, diplomatic and security relations with Turkey, as a large, growing and strategically located NATO Ally. Yet most member states did not support Turkey's full membership. An appreciation of Turkey's strategic importance alone was and remains insufficient to persuade the member states to embrace Turkey as a full member of the EU.

This does not entail that the member states decided against Turkey's membership and merely used the Copenhagen criteria as a pretext to fend Turkey away. The debate within EU-15 on Turkey existed for years behind the scenes. However since the late 1990s, as Turkey slowly progressed along the path of reform and Greece no longer acted as the alibi for the hidden scepticism of other member states, the debate on Turkey's future in Europe was increasingly forced into the open.<sup>50</sup> In the build-up to the December 2002 Copenhagen Council, Valery Giscard d'Estaing, President of the Convention on the Future of Europe, declared that Turkey's EU membership would mark the 'end of the Union'. 51 A group a Christian Democrats in the PPE proposed an EP resolution suggesting that the Union should retract Turkey's candidacy and replace it with a 'special relationship' with Turkey. The debate in Europe is still ongoing. Giscard d'Estaing's remarks were harshly criticised by many European leaders, and the Christian Democrats' proposal did not gain a majority in the European Parliament. However, regardless of the relative strength of the different views in this debate, the fact that an unresolved debate existed explained the absence of a clear and consistent medium/long-term EU strategy towards Turkey.

In practice, this implied that EU-Turkey relations since the late 1980s developed in ebbs and flows. In 1987, Turgut Özal's Turkey, overconfident about the progress in

domestic political and economic reform and overenthusiastic about Turkey's strategic role in Turkic Eurasia in the post-Cold War era, applied for EC membership. The application was rejected two years later. By 1994, with the lack of progress in EU-Turkey relations, Turkey's reaction to Cyprus' accession process, and its apparent drift towards political Islam, the majority of member states felt a positive step towards Turkey was imperative. Germany, France, the UK, Italy, Spain and The Netherlands, strongly supported by the US, felt that a customs union, foreseen in the 1963 Association Agreement was the natural candidate for such a step. The customs union would embed Turkey more deeply within the European sphere, lessening its tendencies to drift to the east. At the same time, it would not entail full membership. Furthermore, the large and growing Turkish market of over sixty million people was an attractive prospect for European trade and investment.

Turkey was not content with the customs union, and persisted in seeking full integration in the EU. It received a cold shower in Luxembourg in 1997 when the European Council refused to include Turkey in the fifth enlargement process. The concept in Luxembourg was that in view Turkey's deficiencies, Greece's resistance, European public opinion and the further reservations of several member states (most critically Helmut Kohl's Germany), Turkey should be kept within the orbit of enlargement in principle, but in practice the member states should seek closer ties through other means.

This concept was bound to be met by considerable Turkish resistance. More so given that the Turkish government had been led to expect a more positive EU decision by the US administration. But what made matters worse was both the EU's mishandling of the situation and Turkey's over-reaction to the decision. The member states, principally preoccupied with the CEECs, failed to prepare the ground for the Luxembourg decision. The reasons behind the decision were not explained to Turkey before the meeting, and in turn Turkey felt deeply insulted seeing itself surpassed by countries that also failed to comply fully with the Copenhagen criteria, and that were not long standing NATO Allies with long-term structured relations with the Community. Immediately following the Luxembourg Council and Turkey's

(over)reaction to it, the President of the Council, the Luxembourg premier Jacques Poos failed to limit the damage by not engaging in dialogue with Ankara to explain the logic behind the decision.

Indeed it is interesting to compare the roles of Javier Solana in 1999 to that of Jacques Poos in 1997.<sup>52</sup> Also in the case of the Helsinki European Council, a consensus within the EU on whether to extend candidacy to Turkey was not taken until a few months before the meeting, under strong pressure from the United States. Also in the case of the Helsinki Council, the decisions taken (i.e., regarding Cyprus) created unease within the Turkish establishment. However, in sharp contrast to Poos' relative passivity in 1997, on 13 December 1999, EU High Representative Javier Solana immediately flew to Ankara and successfully eased Turkish concerns over the Helsinki package.

Under strong American pressure and in view of the change in Greece's position, the member states accepted Turkey's candidacy at the 1999 Helsinki European Council. However, again this did not entail a shared willingness of the member states to develop a consistent strategy towards Turkey, and to recognise the long-term implications of their immediate decisions. The debate that took place in the run-up to the 2002 Copenhagen Council, i.e., three years after the Helsinki decision was taken, illustrates this point. Much of this discussion was labelled as 'surreal' by Belgian Foreign Minister Louis Michel in so far as it pretended to ignore the decision that had been taken back in 1999.<sup>53</sup>

In the autumn of 2002, there was no consensus between the member states on the decision to be taken in Copenhagen concerning Turkey. The absence of a unified EU position was due to the apparent schism between the Franco-German axis supported by Austria and the Scandinavian countries on the one hand, and Greece, Italy, Spain and the UK on the other. The Franco-German axis resisted a clear conditional signal to Turkey, and preferred a rendezvous clause to decide the next steps in Turkey's EU accession path. The French and German governments were concerned that the Helsinki decision had been a mistake in so far as it had set the Union on what was

gradually crystallising into an irreversible path, despite the lack of public support in Europe, Turkey's violation of the Copenhagen criteria, and the wider scepticism of Turkey's membership due to its size, location, culture and level of economic development.<sup>54</sup> The Commission also appeared to share the same concerns. On the eve of the Copenhagen meeting, Commission President Prodi called for reflection on the future borders and identity of Europe, confirming the widespread doubts concerning Turkey's membership.<sup>55</sup> Member states Greece, Italy, Spain and the UK instead were more supportive of Turkish demands. Greece supported Turkey in the light of its policy of rapprochement, while Silvio Berlusconi's Italy, José-Maria Aznar's Spain and Tony Blair's UK focussed on the importance of EU-Turkey relations in the context of transatlantic relations and the looming war in Iraq. However these countries' support for Turkish demands was more vocal in public than in private.<sup>56</sup> Hence, the ultimate decision in Copenhagen converged on a variation of a Franco-German proposal advanced a few days earlier.<sup>57</sup> Once again the final decision taken indicated a process of drift and postponement of key decisions. The final outcome was once again the product of an interaction of different state interests and external pressures, rather than of a consistent strategy towards Turkey.

# 4) EU Institutions and decision-making

This section seeks to complement the analysis of member state attitudes and interactions with an examination of EU institutions. What effect did the structures and modes of operation of EU institutions have on the EU's default policies towards the conflict. Given the national positions analysed above, how did their articulation within the EU institutional setting affect EU decisions towards Cyprus and Turkey?

In analysing the impact of institutions on the Cyprus conflict, it is crucial to bear in mind at the outset that very few officials in the institutions dealt with the Cyprus conflict. This, together with the fact that EU institutions act in a remarkably autonomous and uncoordinated way, led to key decisions being taken without an overall strategy towards the conflict. Exacerbating the situation was the fact that this was not appreciated by the principal parties, and particularly by the Turkish and

Turkish Cypriot sides (which had far less contact with EU institutions than member state Greece as well as the Greek Cypriots involved in accession negotiations).

## a) The Council of Ministers, the European Council and the Presidency

Cyprus was rarely the focus of high-level discussions within the Council of Ministers or the European Council. Since 1974, the Cyprus conflict was seldom discussed beyond working group level in the Council, apart from when EPC statements supported UN resolutions, plans and positions. Even following the effective launch of the accession process in 1990, the conflict was not upgraded on the General Affairs Council's political agenda, less still in European Council discussions and communiqués. No member state, with the exception of Greece and to a lesser extent Britain, had a foreign policy towards Cyprus. Neither were the member states willing to exert sufficient effort to enable the GAC or the European Council to have a view on the matter. Since the establishment of the High Representative's post, no-one in Javier Solana's small policy planning unit dealt specifically with Cyprus or the EU-Greece-Turkey-Cyprus quadrangle. The Council simply left the matter to the Commission, without giving the latter either a mandate, or the resources, or the expertise to act outside the confines of the first pillar and propose an EU stance on the conflict.

The six-monthly Presidency made matters worse. With the exception of Greece, all Presidencies neglected Cyprus. On the one hand, the conflict was far too intractable and entrenched for any Presidency to expect a quick success over the course of six months. On the other hand, the conflict did not present an immediate threat or crisis calling for rapid European action. Despite the desirability of unification before accession and the Commission's attempt to raise awareness of a looming crisis, the member states did not consider the stalemate on the island as an immediate threat to peace and stability in the region. This approach persisted until the last weeks of the 2002 Danish Presidency, culminating in the historic Copenhagen Council in December, which admitted ten new candidates, including Cyprus, to the Union.

Despite good intentions at the start of each six months, time and time again the Cyprus 'hot potato' was passed on from one Presidency to the next.<sup>58</sup>

The opposite was true for Greece. Like many member states and small member states in particular, Greek governments viewed its Presidencies as opportunities to upgrade Greek national interests on the EU agenda.<sup>59</sup> Cyprus was on the top of the Greek political agenda in all its Presidencies.<sup>60</sup> The role of the Greek Presidency was crucial both in January-June 1988, when political dialogue with Cyprus was launched and at the 1994 Corfu Council. In 1994 the Greek Presidency succeeded in its bid to include Cyprus in the fifth enlargement. Ideally Greece would have preferred a clear date and timetable for the launch and conduct of negotiations with Cyprus. In a meeting in the EP before the Corfu Council, Alternate Foreign Minister Kranidiotis declared that: 'one of the central priorities of the Greek Presidency is to obtain the agreement of the Council for setting a date for the start of accession negotiations with Cyprus and Malta and a firm timetable for conducting these negotiations'.<sup>61</sup> Greece failed to fulfil its maximal aspirations, and indeed waited until the 6<sup>th</sup> March 1995 until it obtained a clearer prospect to start Cyprus' negotiations.

Yet it did succeed in embedding Cyprus in the enlargement process by framing its positions in the context of a wider European agenda. Increasingly aware of the importance of alliance-building within the Council, the third Greek Presidency proposed policies which attracted wider support than positions narrowly focussed on Greek national interests. Greece pushed for an inclusion of Cyprus in the enlargement process not by focussing exclusively on Cyprus, but by couching its demands within a wider approach to the Mediterranean. The Greek Presidency argued successfully that the eastern enlargement had to be coupled with an EU reengagement with the south. By concomitantly pushing for the inclusion of both Cyprus and Malta in the enlargement process, and by supporting the drive for the emerging EMP, the Greek Presidency won the support of Italy, Spain and France for its overall approach. In addition the Greek Presidency gained the support of the UK, keen to retain good relations with Cyprus not least because of its sovereign

bases on the island. Indeed the rebalancing of EU policies towards the Mediterranean was carried forward by subsequent German and Spanish Presidencies, strongly supported by the French and the Italians.

#### b) The Commission

Since 1993 the Commission dealt with Cyprus' accession. The GAC and the European Council while empowering the Commission to deal with enlargement, did not call upon it to actively promote a settlement in Cyprus in the context of accession. What effect did this have on the Commission's positions?

The Commission's technical role to manage accession negotiations explained its (initially) rigid approach towards the implementation of the *acquis*, which, as noted in previous Chapters, accentuated Turkish Cypriot suspicions of EU membership. Although towards the end of the accession negotiations the candidate countries secured temporary and on some occasions permanent exemptions to the *acquis*, in the early period of negotiations the Commission was keen to give the impression that the *acquis* was not up for negotiation and the Commission was simply there to give technical guidance and verify compliance with its progressive adoption. The Commission certainly did not consider it its role to offer exemptions to Cyprus driven by political considerations, which the Greek Cypriot team did not even demand. Such offers would have set a dangerous precedent in negotiations with the other candidates.<sup>63</sup>

The absence of an explicit mandate to deal with the conflict also entailed that the Commission was not called to substantiate in detail how the accession process was intended to catalyse a settlement. When it referred to the 'catalyst' effect, DG Enlargement overplayed the importance of economic incentives. It did so primarily because the Commission had an ideological bias towards economic incentives, in view of the fact that these were the instruments at its disposal. Aid, technical assistance, trade and association agreements, customs unions and accession negotiations, are the Commission's natural domain, which did have significant

impact on reforms in the CEECs.<sup>64</sup> But economic incentives of various forms have rarely if ever solved (alone) ethno-political conflicts, especially ones like the Cyprus conflict, centred on an entrenched political-security discourse. Throughout the 1990s, the Commission entirely failed to articulate the 'federal culture' of the Union, as one of the principal advantages of EU membership.<sup>65</sup>

The absence of a mandate to deal with the conflict also entailed a relative lack of knowledge of it. The Commission's exclusive focus on the accession of a small and relatively unproblematic candidate (once the political conflict is completely sidelined) implied that relatively few officials dealt with Cyprus in the Commission. Since accession negotiations were launched, the Cyprus Unit in the Commission included eight to ten people, most of whom also worked on 'horizontal issues' covering other candidate countries. While Commission officials dealing with Cyprus certainly informed themselves as best they could about the conflict and its history, their official dossiers kept them away from the issue. The Commission also lacked a professional diplomatic service and so its delegations in Nicosia, Athens and Ankara operated without specific training on the complexities of the conflict.

Relative lack of knowledge about the conflict (in the initial period of the accession process) in turn made officials unaware that many of their statements played into Turkish Cypriot stereotypes of the Union and accentuated Turkish Cypriot fears. For example in the 1998 Progress Report, when referring to the institutions of the RoC, the Commission stated that 'the fundamentals of these provisions still apply but without the power-sharing element'.<sup>67</sup> To Turkish Cypriots, the power-sharing element was the core of the 1960s arrangements. In their view, the absence of that 'element' was precisely what made the current RoC illegitimate and illegal. So if a reunified Cyprus were to accede the Union without Turkey, would the Commission brush aside in the same way a hypothetical renewed constitutional breakdown on the island? As the accession process proceeded, the knowledge gap narrowed, but another factor emerged which further complicated the Commission's role.

With the opening of accession negotiations in 1998, Commission officials increasingly accepted the Greek Cypriot discourse. With an exclusive mandate to deal with the accession process, the Commission had minimal contact with Turkish Cypriots and Turkish Cypriot officials in particular. Instead, contact with Greek Cypriots intensified considerably. This led to the Commission's increasing acceptance of the Greek Cypriot narrative of the conflict and of its resolution. The more the Commission heard the Greek Cypriot line, the more it became intertwined with its own thinking. These attitudes emerged visibly in the Commission's successive Progress Reports on Cyprus since 1998. The reports rightly criticised the state of democracy, violations of human rights and the large number and influence of Turkish troops in northern Cyprus. Yet they hardly mentioned evidence of Greek Cypriot intransigence. As the Commission accepted the view that the blame fell squarely on the Turkish Cypriots, it espoused the view that a settlement should not be a precondition of Cyprus' accession. On the contrary, pressure on Ankara and Denktaş was imperative, as well as luring the Turkish Cypriots with the prospect of EU prosperity. Commission officials therefore, while avoiding official contacts with Turkish Cypriot authorities (fearing these would constitute an act of recognition), sought contact with Turkish Cypriot businessmen and opposition leaders, presenting to them the bounties awaiting for them in Europe, provided they pressured their leadership to alter its stance.

The Commission thus rapidly proceeded with the accession process with the candidate countries including Cyprus. By doing so, it became increasingly adamant not to see the historic fifth enlargement stall due to the Cyprus impasse. Particularly in the last years of accession negotiations, Commission officials, from Commissioner Verheugen down the hierarchy of DG Enlargement, repeatedly warned Turkish and Turkish Cypriot officials that 110 million people in the CEECs would not await a settlement in Cyprus. Unless the Greek Cypriots simply walked out of the peace process, the Commission did not consider that 'all relevant factors' impaired Cyprus' accession.<sup>68</sup>

In addition, as the technical accession negotiations unfolded without attention paid to the persisting stalemate on the island, the accession process became increasingly irreversible. The more irreversible the process became, the less tenable were the weak objections of several member states to the accession of the divided island. Following the launch of accession negotiations in 1998, the Commission's inertial progress in the conduct of accession negotiations carved an increasingly entrenched path, to which the member states became gradually bound to.

# c) The European Parliament

If relative lack of knowledge and imbalance partly characterised the role of the Commission, the European Parliament was even more acutely marked by these distortions. While the role of the EP as far as Cyprus' accession and the Cyprus conflict were concerned was far less significant than that of either the Council or the Commission, it was nonetheless significant in accentuating Turkish and Turkish Cypriot perceptions of the Union's bias against them.

In the EP as in other EU institutions, there were very few MEPs concerned with the Cyprus conflict. Those who were tended to be highly committed to the Greek Cypriot cause. So in almost all its pronouncements concerning Cyprus and Turkey, the EP virulently denounced Turkish Cypriot intransigence, advocated the withdrawal of Turkish troops and supported Cyprus' rapid accession to the Union. Rarely if ever was there any mention of the partial responsibility of the Greek Cypriot side for a continuation of the status quo.<sup>69</sup> The EP President Nicole Fontaine in November 2001 echoed the position of Greece, stating that the EP would not ratify the eastern enlargement unless it included Cyprus as well.<sup>70</sup>

In several instances, EP pronouncements were so insensitive to Turkish Cypriot concerns that they were perceived as direct threats to the Turkish Cypriots. For example in a 2000 report on Cyprus, the Parliament stated that 'the Union is capable of making a vital contribution to the security of the Greek and Turkish Cypriot communities....the Union can help resolve the problem of the controlled return of

refugees and the repatriation of settlers'. While the statement was acclaimed by the Greek Cypriots, it was regarded as a direct threat by the Turkish Cypriot leadership, that completely dismissed both the complete return of refugees and the repatriation of settlers. In a 2001 report, the EP stated that 'the government of Cyprus is negotiating accession on behalf of *all* Cypriots', a statement which even the most moderate of Turkish Cypriot politicians rejected.

# d) The European Court of Justice

The ECJ had virtually no official role in the Cyprus conflict and therefore minimal knowledge of the situation. Yet this does not entail that the ECJ had no effect on the conflict and the perceived role of the EU in Cyprus.

The 1994 ECJ case banning Turkish Cypriot exports not bearing RoC certification is a classic instance of how an EU institution, with no official role in the conflict, was nonetheless induced to act in its sphere of competence, by a party with significant interests in the question, in a manner which seriously affected the conflict. The ECJ, taking a strictly legalistic approach in line with its very nature and mandate, ruled in favour of the Anastasiou plea, brought forward by member state Greece. As such it contributed to weakening the unrecognised TRNC. Yet by doing so it further reinforced Turkish and Turkish Cypriot perceptions of the EU's bias against them.

The ECJ judges may well have ignored the serious effects of their legal decision on Turkish Cypriot perceptions of the Union. But Turkish Cypriots did not delve deeply into the reasons behind the ECJ decision, but simply took it at face value, i.e., yet another step in the EU's progressive slide towards the Greek Cypriot position. The Turkish Cypriot leadership mistakenly saw the ECJ decision and Commission proposals for the economic development of northern Cyprus as being closely coordinated, and both part of a monolithic 'EU' structure. This raised further suspicions of the Union by legitimising a narrative whereby the 'EU' deliberated crippled the Turkish Cypriot economy and then offered economic carrots to force the Turkish Cypriots to comply with Greek Cypriot demands.

## 5) External factors

So far this Chapter has focussed on the internal factors affecting EU policies towards the conflict. As discussed extensively in Chapters 4 and 5, the result of these policies fundamentally affected developments in the region. However closing the circle, it is equally important to assess how external developments interacted with internal EU elements determining EU policies towards the region. What effect did the policies and positions of Greek and Turkish Cypriots, Turkey, the US and the UN have on EU decision-makers?

# a) Greek Cypriot diplomacy and preparation for membership

In the early and mid-1990s, the Commission and the member states were highly sceptical of the prospect of Cyprus' EU membership. Many felt that the presence of 'two Greeces' in the Union would have complicated the delicate EU-Turkey ties. However, as time elapsed, noting the RoC's preparation for membership and Greek Cypriot signs of goodwill in conflict settlement efforts, the Commission and the member states felt increasingly uncomfortable at the prospect excluding Cyprus from the fifth enlargement.

The RoC made rapid and remarkable progress in its preparation for membership. As soon as Cyprus applied for EC membership, the Greek Cypriot government launched an internal reform process to comply with the *acquis communautaire*. In 1990 it set up its first competition authority, in 1991 it adopted the European Energy Charter and in 1992 it introduced VAT taxation and anchored the Cypriot pound to the DM with a +/-1.25% fluctuation bound. Following the 1993 Commission Opinion, the Greek Cypriots pursued energetically their harmonisation with Community law. In late 1993, the Ministry of Foreign Affairs set up twenty sectoral working groups to harmonise legislation with the *acquis*. The government also set up training courses in EC law. Once accession negotiations began, Cyprus was consistently amongst the best performing candidates. In December 2002 it was the first candidate to formally

close all negotiation chapters. Greek Cypriot performance won the support and sympathy of many EU policy-makers. Setting the conflict aside, many officials felt uncomfortable at the prospect of excluding Cyprus. As put by MEP Mechtild Rothe: 'Cyprus is the best in the class of candidate countries and there is no reason why it should be left to wait'.<sup>73</sup>

Particularly since 1999, the Greek Cypriot government also succeeded in presenting itself as the most compromising party in the conflict. In November 2000, proximity talks had not ended out of Greek Cypriot will. In the year that elapsed before direct talks were launched, Greek Cypriot diplomacy successfully portrayed the Greek Cypriot side as the party seeking a solution. When in December 2001 Rauf Denktaş invited Glafcos Clerides for direct talks, the latter readily accepted the invitation and throughout 2002 the Greek Cypriot team never hinted at abandoning the negotiating table. Throughout the direct talks, Commission and member state officials noted the Greek Cypriot goodwill in negotiations. With the failure of the talks, the UNSG's Report praised the Greek Cypriot team for its constructive positions.

# b) Turkish and Turkish Cypriot 'intransigence' and the views of the UN

Particularly since the mid-1990s, the Turkish Cypriots were labelled as the 'intransigent' party by the UN, the official mediator in the conflict. As a result, the consensus within the Union on the apportionment of the blame for the status quo drifted closer to the positions of the Greek Cypriots. This in turn simplified the Greek and Greek Cypriot governments' task of garnering support for their views on conditionality towards Cyprus and Turkey. In an interview in September 2001 George Vassiliou declared that: 'it is my personal conviction that as long as Turkey ... excludes the possibility of a peaceful solution and reunification of the island, no member of the Union will want to reward Turkey for this behaviour.' Indeed, EU actors were gradually persuaded that conditionality on the RoC could hamper the search for a settlement, in so far as it would give Turkey the power to prevent both a settlement and Cyprus' EU membership. Furthermore, following the Greek Cypriot

line, it was considered unjust to make the Greek Cypriots 'hostage' to Turkish intransigence.

When negotiations in June-November 1992 over the 'Set of Ideas' failed to produce an agreement, UNSC resolution 789 called the Turkish Cypriot side to alter its stance, which it considered to be against the terms of the framework agreement. The reasons which led to this conclusion are manifold. These include UNSG Boutros Ghali's focus on territory and refugees in the June-August negotiations (where Turkish Cypriots were expected the make the major concessions), the UN's objection to confederal elements in a solution, or the UNSG's relative neglect of the Greek Cypriot resistance against its definition of political equality. Nevertheless, the Security Council's judgement weighed in against the Turkish Cypriot side.

Once again in 1994, with the failure of negotiations on the CBM package, the lion's share of the blame was on the Turkish Cypriot side. On 25 May 1994, the Security Council's report concluded that 'the Security Council finds itself faced with an already familiar scenario: absence of agreement was due essentially to a lack of political will by the Turkish Cypriot side'. The same judgement was made by EU Special Envoy Serge Abou in reporting back to the GAC in May 1994. When the Turkish Cypriot leadership was willing to discus the package in October 1994–January 1995, and its proposals were rejected by the Greek Cypriot side, the Commission and the member states appeared to be no longer interested in the issue.

Again, Rauf Denktaş was blamed for failure in Glion in August 1997. Denktaş's attitudes were closely linked to the Commission's positions in Agenda 2000. Yet this did not alter EU reactions to his stance. On the contrary, the Glion failure was considered an additional factor affecting the Luxembourg decision to begin accession negotiations with Cyprus while barring the way to Turkey.<sup>77</sup>

The perception of Turkish Cypriot intransigence was reinforced when Rauf Denktaş, supported by the Turkish establishment, abandoned proximity talks in November 2000. In the 2001 Progress Report on Turkey, the Commission unequivocally

condemned the Turkish decision asserting that 'the Turkish government expressed support for the efforts of the UNSG to achieve a comprehensive settlement of the Cyprus problem. But the expressions of support have not yet led to advance in the process. Indeed, the Government expressed understanding and support for the decision of the leader of the Turkish Cypriot community to withdraw from the proximity talks that were underway and to refuse an invitation from the UNSG to participate in talks in New York in September 2001<sup>78</sup>.

When talks restarted in January 2002 and the parties failed to meet the June 2002 deadline for an agreement, again the UN and subsequently the EU deemed the Turkish Cypriots predominantly responsible for the failure. On 9 July 2002, the UNSC stated that: 'the Turkish Cypriot side has been less constructive in its approach so far and has declined to support the goal of resolving the core issues by the end of June'. With the ultimate failure of the direct talks in March 2003, the UNSG's condemnation of the Turkish Cypriot leadership was unequivocal: 'in the case of the failure of this latest effort, I believe that Mr Denktaş, the Turkish Cypriot leader, bears prime responsibility.'<sup>79</sup>

Turkish Cypriot attitudes towards the Commission also accentuated the latter's inclinations towards the Greek Cypriots. The Commission, as a non-state actor responsible for Cyprus' accession negotiations, was the easiest target of Turkish Cypriot disapproval of the EU's approach. To the Turkish Cypriot leadership, the 'EU' in Cyprus was the Commission delegation in Nicosia, rather than the member state embassies. Hence, it was the delegation which was subject to the harshest criticism and measures of reprisal. The TRNC's decision to ban all EU information campaigns organised by the Commission in northern Cyprus in the immediate aftermath of the Luxembourg Council, or the TRNC request in 2001-2 that the Commission Head of Delegation obtained a TRNC visa when crossing the green line are both incidents that further affected Commission attitudes towards the principal parties.

## c) The limits of US pressure

A final external factor affecting EU attitudes towards Turkey and Cyprus was the role of the United States. The principal preoccupation of the US was that of anchoring Turkey to Europe. American administrations pressed EU member states to engage Turkey in the integration process and raised Turkish expectations of EU policy. Yet while the US encouraged the Europeans to be more forthcoming towards Turkey, it could not pressure the Union to accept Turkey as a member state. In pursuing its aims, US administrations displayed little understanding of the importance of fulfilling the Copenhagen criteria as a prerequisite of membership. It was one thing to push the member states to accept a customs union with Turkey, and quite another for the US to persuade the Europeans to accept Turkey as a member, in view of its political and economic shortcomings.

The US played a key role in affecting EU-Turkey relations in 1995, 1999 and 2002. In 1995, the Clinton administration successfully pressed EU member states to extend the customs union to Turkey. In 1997, it failed to persuade the member states to upgrade Turkey's status to that of EU candidate, and contributed to Turkey's overreaction to the Luxembourg European Council's decision by having raised hopes in Ankara prior to the Council. Thereafter, American officials pressed EU member governments to reverse their stance. The pressure mounted in 1998, when, relying on their closest European Ally, the Americans pressed the British Presidency to enhance EU-Turkey ties at the June 1998 Cardiff European Council. Due to Greek resistance, the Cardiff Council failed to mark a categorical turn in EU-Turkey relations. Greece remained firmly opposed despite heavy American pressure. However, by the autumn of 1999, US pressure was critical in securing the decision to extend candidacy to Turkey.

However, while pressure contributed to the 1999 decision to extend candidacy to Turkey, excessive pressure at times proved detrimental to Turkey-EU relations. The starkest example was in the run-up to the December 2002 Copenhagen Council, when The US was keenly interested in furthering Turkey's cause in view of its own

war plans in Iraq. In October 2002, White House Spokesman Richard Boucher criticised the Commission's Progress Report for failing to propose a 'date' to launch Turkey's accession negotiations.<sup>81</sup> The Danish Presidency responded by calling the US not to interfere in internal EU affairs. In November-December 2002 US Ambassador in Ankara incessantly argued that Turkey should be extended a date in so far as its 3<sup>rd</sup> August 2002 reforms meant that Turkey fulfilled the Copenhagen criteria, a position that was clearly not shared by the Commission and the member states. Finally, on the eve of the Copenhagen Council, US Secretary of State Colin Powell sent a letter to the Danish Presidency, again calling the Union to extend a close and firm 'date' to Turkey in order not to foster a 'clash of civilisations'. Particularly in view of US policies in the aftermath of '9/11', Powell's remarks were met by harsh criticism by several high-ranking European officials including External Relations Commissioner Chris Patten and German Foreign Minister Joshka Fischer. As widely reported in the news on the 13-14 December 2002, excessive American pressure and aggressive Turkish tactics proved counterproductive to Ankara's cause.82

Throughout the 1990s, American involvement in the Cyprus conflict was sporadic and largely a function of its interests in Turkey as well as in the stability of the island, not least because of the importance of the British bases. The US supported Cyprus' EU accession, while at the same time emphasising the link between progress in EU-Turkey relations and a settlement in Cyprus. In 1998 for example, US Special Envoy Richard Holbrooke strongly supported closer EU-Turkey relations as a measure to unblock the Cyprus impasse. Only in 1996-1997 was there a more visible US effort in conflict resolution, through Holbrooke's intervention both to ease tensions between Greece and Turkey (for example during the Imia-Kardak crisis) and to promote inter-communal negotiations in view of the EU's decision to launch accession negotiations with Cyprus (in Troutbeck and Glion).

These US attitudes were reinforced during George W Bush's Presidency since 2001 and most critically since the 11<sup>th</sup> September 2001 attacks. American appreciation of Turkey's importance rose up until the 2003 war in Iraq. However, this did not entail

greater American attention to Cyprus. There was no high-level American input in the 2002-3 mediation efforts. Indeed unlike his predecessor, W Bush did not send a highranking Presidential Envoy to Cyprus like Richard Holbrooke in 1996-1998 or Albert Moses in 1999-2000. In the run up to the war in Iraq, American attention to Cyprus reduced further, to the extent that some defined Cyprus as the first casualty of the war.84

#### 6) Conclusion

The EU failed to contribute positively to the search for peace in Cyprus in the 1990s because it was not a single and coherent actor. While the official rhetoric suggested that a well thought out policy towards Cyprus and Turkey was designed to catalyse and complement the UN mediation efforts, in practice, the EU's decisions were the result of an aggregation of internal and external actors and factors. Policy outcomes were based on the interaction between strong Greek national interests and the neglect of most other member states in an institutional context in which different institutions, paying limited or no attention to Cyprus, often took uncoordinated decisions. External factors in turn interacted with internal EU national interests and institutional predispositions. As the 1990s proceeded, these different forces crystallised into an increasingly irreversible 'default strategy'.

But could the EU have encouraged a settlement of the conflict? Bearing in mind the causes of the failed catalytic effect and the fundamental needs and interests of the conflicting parties, did the EU framework have the potential to offer strong incentives to the two Cypriot communities and to Turkey to settle the conflict?

<sup>&</sup>lt;sup>1</sup> Jan Zielonka (1998) p.1

<sup>&</sup>lt;sup>2</sup> Johan.P.Olson and J.G. March (1995)

<sup>&</sup>lt;sup>3</sup> Stelios Stavridis, Theodore Couloumbis, Thanos Veremis and Neville Waites (1999) and Panayiotis Ioakimidis in Richard Gillespie (1997)

<sup>&</sup>lt;sup>4</sup> Council of Ministers (1973)

<sup>&</sup>lt;sup>5</sup> See Christopher Brewin (2000) pp. 196-199 and Hasan Ali Biçak (1997)

<sup>&</sup>lt;sup>6</sup> Interview with Turkish ANAP parliamentarian, Ankara, February 2002.

<sup>&</sup>lt;sup>7</sup> Harris Georgiades 'Greece and the EU-Turkish relationship' in Achilleas Mitsos and Elias Mossialos (2000) pp.421-30, p.424 <sup>8</sup> David Phinnemore (1999) p.98

- <sup>9</sup> Interviews with Greek retired Ambassador, Greek academic and Greek government advisor, Athens, March 2002
- <sup>10</sup> With the end of PASOK's rule in 1989, Kranidiotis left Greece to become President Vassiliou's personal advisor on EU affairs.
- Interview with former RoC President, Nicosia, March 2002
- <sup>12</sup>Panayiotis Ioakimidis in Van Coufoudakis, Harry J. Psomiades and Andre Gerolymatos (eds.) (1999)
- <sup>13</sup> Yannis Kranidiotis speech at the Canon Newham Memorial lecture 18/12/95, Nicosia, p.6
- <sup>14</sup> Quoted in Peter Zervakis 'The Accession of Cyprus to the EU: The Greek Viewpoint' in Heinz-Jurgen Axt and Hansjorg Brey (1997) pp. 137-150, p.143

  15 'EU lobbyists anger Denktaş' *Turkish Daily News* 14/07/01

  16 Interview with Greek ND parliamentarian and Greek ND advisor, Athens, March 2002

- <sup>17</sup> Both the financial protocol and the MEDA funds were blocked again in the aftermath of the Imia/Kardak crisis in January 1996
- <sup>18</sup> Republic of Turkey (1997)
- 19 'Greek fury over Cyprus' Financial Times 26/02/97
- <sup>20</sup> Agence Europe n.6922 26/02/97
- <sup>21</sup> Edward Mortimer and Kerin Hope 'Greece in EU veto threat if entry of Cyprus blocked' Financial Times 27/07/97
- <sup>22</sup> 'FM blasts France, Italy' Kathimerini 12/09/98
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- <sup>24</sup> Quenteen Peel and Steven Wagstyl 'Journey into the unknown' Financial Times 09/11/98
- <sup>25</sup> Ted Couloumbis 'The impact of EC membership of Greece's foreign policy' in Panos Kazakos and Panayiotis Ioakimides (1994) pp.189-198
- <sup>26</sup> Athens News Agency 29/12/96
- <sup>27</sup> Chris Brewin 'Turkey, Greece and the EU' in Clement Dodd (ed.) (1999b) pp.148-173, p.151
- 28 Interview with Greek Foreign Ministry official, Athens, March 2002
- <sup>29</sup> Interview with Greek Foreign Ministry official, Athens, March 2002
- <sup>30</sup> Interview with Greek Foreign Ministry official, Brussels, September 2002; 'Greek surprise champion for Turkey EU drive' *Turkish Daily News* 11/10/02 <sup>31</sup> Interview with Greek academic, Athens, March 2002
- 32 Interview with retired Turkish ambassador, Brussels, September 2002
- 33 'Papandreou: No enlargement without Cyprus' Cyprus Mail 13/11/01
- <sup>34</sup> David Allen 'Conclusions: The European rescue of national foreign policy?' in Chris Hill (ed.) (1996) pp.288-304 and Simon Nuttall (1992)
- 35 Peter Zervakis 'The Accession of Cyprus to the EU: The Greek Viewpoint' in Heinz-Jurgen Axt and Hansjorg Brey (1997) pp. 137-150, p.144
- <sup>36</sup> Chris Brewin (2000) p.28
- <sup>37</sup> Chris Brewin (2000) p.128
- <sup>38</sup> Former Italian Foreign Minister Dini stated at a press conference that 'now it has to be recognised that there exist two republics in Cyprus' quoted in David Milne (2003) footnote 8
- <sup>39</sup> 'S-300s 'not the problem'' Kathemerini 03/12/98
- <sup>40</sup> 'A battle on all borders for EU funds' Kathimerini 11/11/98
- <sup>41</sup> Extracts available on 'Joint statement made by Italy, France, Germany and the Netherlands on the Greek Cypriot-EU membership process during the EU General Affairs Council- 9 November 1998' www.mfa.gov.tr/grupa/ad/add/doc19.htm
- <sup>42</sup> Interview with Commission official, Brussels, January 2002
- <sup>43</sup> German Foreign Minister Klaus Kinkel quoted in 'EU talks put on fast track' Kathimerini 6/10/98
- <sup>44</sup> Constantine Zoulas 'Cyprus leaps an EU hurdle' Kathimerini 30/10/98
- <sup>45</sup> Interview with Greek Foreign Ministry official, Brussels, January 2002
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- <sup>47</sup> Lord Hannay's interview with Mehmet Ali Birand, CNN Turk 12/06/02
- <sup>48</sup> Saadet Oruç 'Danish Ambassador Christian Hoppe: It takes two to Tango' Turkish Daily News 01/07/02
- <sup>49</sup> Interview with Commission official, Brussels, April 2002
- 50 Interview with Greek New Democracy parliamentarian, Athens, March 2002

- 51 'Giscard remarks cause uproar in Ankara, Brussels' Turkish Daily News 11/11/02
- 52 Interview with Greek Foreign Ministry official, Brussels, January 2002
- 53 Intra-Commission news 13/12/02
- <sup>54</sup> See results in Meltem Muftuler-Bac (2002)
- 55 Quoted in 'Fischer says EU overwhelmingly backs 2005 for entry talks with Turkey' Turkish Daily News 11/12/02
- <sup>56</sup> Judy Dempsey 'Tough talk by Ankara and Washington misfires' Financial Times 13/12/02 and Mehmet Ali Birand 'We have conceded a penalty goal in Cyprus' Turkish Daily News 17/12/02
- On 06/12/02 during a bilateral Foreign Ministers' meeting, France and Germany decided to support the initiation of accession negotiations in July 2005, if by December 2004 Turkey fulfilled the Copenhagen criteria.
- 58 Interview with Commission official, London, May 2002
- <sup>59</sup> David Allen 'Conclusions: The European rescue of national foreign policy?' in Chris Hill (ed.) (1996) pp.288-304, p.299

  60 Panayiotis Ioakimidis in Richard Gillepsie (1997) p.71
- <sup>61</sup> Panayiotis Ioakimidis in Richard Gillepsie (1997) p.72
- 62 Interview with Greek academic, Athens, March 2002
  63 Interview with Greek Foreign Ministry official, Athens, March 2002
- 64 Karen E. Smith (1999)
- 65 Interviews with Greek Foreign Ministry officials, Athens, March 2002
- 66 See europa.eu.int/comm/enlargement/contacts/Cyprus\_en.htm
- <sup>67</sup> Commission of the EC (1998a) p.8
- <sup>68</sup> Interview with Commission official, London, May 2002
- <sup>69</sup> European Parliament resolution of 15 March 1990; European Parliament resolution of 17 May 1991 and European Parliament resolution of 20 January 1993
- <sup>70</sup> Speech by Nicole Fontaine in the RoC's House of Representatives on 23/11 2001, Nicosia
- 71 European Parliament report (2000) point 7
- <sup>72</sup> European Parliament report (2001) point B
- 73 'Cyprus and the EU' Conference organised by the University of Kingston, 10/05/01
- <sup>74</sup> UN Secretary General (2003) see paragraphs 35 and 136
- 75 'Interview with George Vassiliou' European Voice 19/9/2001
- <sup>76</sup> Andreas Theophanous 'Cyprus, Greece, Turkey and the EU' in Fulvio Attina and Stelios Stavridis (eds.) (2001) pp.227-247, p.235.

  77 European Parliament report (1998)
- <sup>78</sup> Commission of the EC (2001b) pp.14-15
- <sup>79</sup> UN Secretary General (2003) paragraph 129

- 80 'Simitis tells Clinton 'No'' *Kathimerini* 17/06/98
  81 'US shows impatience with EU delay on Turkey' *Turkish Daily News* 11/10/02
  82 In reaction to American pressure, Trade Commissioner Pascal Lamy responded: 'the further the boundaries of Europe extend the better are US interests served.. can you imagine the reaction if we told them they had to enlarge into Mexico' (internal Commission e-news 13/12/02); see also George Psyllides 'Crunch time in Copenhagen' Cyprus Mail 12/12/02 and Judy Dempsey 'Tough talk by Ankara and Washington misfires' Financial Times 13/12/02
- 83 'US Fails to Unblock Cyprus talks' Kathimerini 05/05/98
- 84 Contribution by Christos Stylianides in Cyprus' EU Accession and the Greek-Turkish Rivalry Conference organised by Yale University, 4-6 April 2003

# Chapter 7

# The EU's potential to encourage a solution in Cyprus

'The EU factor in particular offered a framework of incentives to reach a settlement as well as the deadlines within which to reach it'

EU actors raised the expectation that the accession process would positively transform the incentive structure underlying the Cyprus conflict, primarily by raising the political will in Turkey and northern Cyprus to reach an agreement. But the accession process failed to increase the scope for an integrative bargain. This is not to say that the EU framework could not have offered the potential to contribute to conflict resolution efforts. The UN Secretariat, as the official mediator in the conflict, could only bring the parties together and seek convergence by presenting bridging proposals. It could not alone generate incentives to reach an agreement. Some scholars argued that the 'EU' was the only third party with the necessary resources and leverage to positively alter the incentive structure of the conflict.<sup>2</sup> The institutional framework and policies of the EU could have contributed to the search for an integrative agreement, opening the way for a transformation and resolution of the conflict.

The first aim of this Chapter is to explore the potential of the EU framework to transform the structure of the conflict, so as to facilitate its settlement and resolution. In order to do so, we will not take as a starting point the positions of the parties in 2002, given that these were inextricably linked to the EU's own policies during those years. Instead we will account for the fundamental needs of the principal parties and their negotiating positions in the early 1990s. Extensive use is made of the 1992 UN 'Set of Ideas', the most detailed set of proposals made by the UN (prior to the 2002 'Annan Plan') and the positions of the principal parties in relation to the document. Reference is made also to Greek and Turkish Cypriots proposals between the late 1980s and the early 1990s. In discussing the potential of the EU framework, this

section analyses also how the 2002 'Annan Plan' foresaw the simultaneous reunification and EU accession of Cyprus.

Second, if the EU *framework* had the potential to encourage an agreement, to what extent were the principal parties aware of it? Could changes in any of the EU's policies in 1993-2002 have affected the parties' perceptions of the EU, in particular reducing the mistrust of the Union amongst the Turkish and Turkish Cypriot elites? Could this have increased their incentives to reach an agreement?

# 1) The EU's potential to alter the framework of conflict resolution

Since 1974 different yet not necessarily incompatible security, identity and justice objectives (or basic needs) of the two communities were articulated through largely contrasting negotiating positions over constitution, territory, rights and freedoms, and security arrangements. The inherent incompatibility of these positions was primarily due to their elaboration within the prism of state independence, sovereignty and territorial integrity. Both parties believed that if they held absolute sovereignty they would fulfil their underlying aims. Neither party genuinely accepted the logic of federalism. Moreover, as the parties became locked into negotiations, statehood and sovereignty became ends in themselves, rather than the possible means to address their underlying aims.<sup>3</sup>

The UN, itself a product of the international system of sovereign states, also operated within the same logic. Its bridging federal proposals in 1992 essentially sought a compromise by splitting the differences between the positions of the two communities. They left both communities equally partially unsatisfied and as such failed to generate the necessary commitment to agree to a federal solution. Furthermore, several proposals were vaguely articulated precisely because of their attempt to meet halfway the inherently contradictory positions of the parties. For example, the UN agreed with the Greek Cypriot call for single and indivisible sovereignty. Yet sovereignty was also divided in so far as it 'emanated equally' from the two Cypriot communities. So would the original constituent power lie with the

two communities or with the Cypriot people as a whole? The UN also argued in favour of a new constitution and a new partnership, hinting at the idea of the establishment of a federation by aggregation. Yet it adamantly denied any recognition of the TRNC so as to put at rest Greek Cypriot fears. Finally, the UN argued in favour of a continuation of the Treaty of Guarantee but also made references to the UN Charter and Cyprus' independence, when referring to the amendment of the original Treaty.

To what extent could the EU framework provide an alternative context in which mutually compatible satisfiers could be sought? Much has been written about the role of European integration in securing peace in Western Europe in the post World War II era. Most of this literature focuses on the search for peace *between* member states through integration and the ensuing creation of dependable expectations that disputes would be settled in peaceful ways. There is also a growing body of literature that describes the European Union as a multi-level framework of governance, a three-level system in which the European, national and sub-national levels of government interact and as a whole embody the European system of governance. Multi-level-governance literature focuses to a large extent on federal EU member states (Belgium, Germany and Austria) and to a lesser extent on member states with autonomous communities such as Spain (e.g., the Basque Country and Catalonia) and Italy (special status regions). These studies elaborate an alternative framework of analysis to the traditional intergovernmentalist vs. functionalist debate in European integration studies.

In this section, multi-level governance literature and studies of federal systems in the EU are explored to argue that the Union, because of its structure and policies, represented an alternative framework that could have facilitated an agreement in Cyprus. While, many differences between the sides would have persisted irrespective of the EU dimension, the latter could have encouraged an agreement by mitigating some of the divergences on each of the key headings of the conflict settlement agenda. The argument developed below attempts to substantiate the theoretical conclusions of scholars like Diez, who argue that 'the encounter of the post-modern

polity of the EU and the modern conflict in Cyprus constitutes a chance to overcome these constitutional difficulties by providing a framework that would eventually subvert the modernist conceptions of identity and sovereignty at the base of the conflict.<sup>7</sup>

### a) The constitution

Since partition, the status and constitution of the future state/states in Cyprus has been the most contentious issue in inter-communal negotiations. As Chapter 3 analysed, absolutist and legalistic views of sovereignty and statehood prevented the parties from reaching common ground. Yet the EU could offer the prospect of an alternative framework within which to tackle these questions during the course of the 1990s. Within the EU the difference between monolithic and shared sovereignty becomes fundamentally blurred. Decision-making and implementation in a given policy domain is determined by a particular allocation and sharing of competences between levels of government. While different levels of government remain legally distinct, they become practically inter-related and mutually interdependent through different channels of communication and policy procedures. As such the notion of statehood and sovereignty is essentially transformed. A UN official shared this intuition in 2002 when stating that 'the vast gap that separates the positions of the two sides on the issue of sovereignty could be narrowed by applying EU norms, something that could give Annan a way out of this maze'.<sup>8</sup>

Although the Union is predominantly shaped and constituted by its member states, through its policies and its institutions it mitigates the black-and-white legalistic differences between single and divided sovereignty. The role of the second (state) level within the EU is fundamentally transformed. While remaining full-fledged 'states', EU member states delegate several competences to 'Brussels'. Predominantly in the economic domain and increasingly in the justice and home affairs sphere, the first (supra-national) level of government lies at the fore of policy-making. And at the EU level, decisions in most domains are taken collectively on the basis of majority rule. The EU framework also increases the scope for third (sub-

national) level roles in EU policy-making. As a result EU integration is developing into 'a complex multi-layered process, stretching beneath the state as well as above it'. 9

However, it would be incorrect to conclude that EU membership necessarily upgrades the role and status of the third tier of governance. It rather allows enhanced opportunities for the development of the third level. Whether these opportunities are taken depends on the internal structure of the member states, i.e., on the extent to which regions already have pronounced roles within their state. If and when regional levels of government play important roles within their member state, their position is more likely to be enhanced within the EU; 'the motivation to act in external matters is a function of, and proportionate to, the ability to act in internal matters'. <sup>10</sup> In other words, the emerging system of multi-level governance rather than developing into a homogenous system throughout the Union, is shaped by the internal features of each member state. A 'Europe with some regions' rather than 'of the regions' is in the making. <sup>11</sup>

This system of governance contrasts sharply with the rest of the international system which is more reluctant to accommodate the different institutional realities within nation-states. An interesting example of this is Belgium's membership of the World Organization for Tourism (WOT).<sup>12</sup> As a result of the 1993 constitutional review in Belgium which federalised foreign policy, in 1997 the Belgian federation left the WOT given that the federal level had no internal or external competence on tourism matters. In 1997 Flanders acceded to the WOT. However, in view of its non-state status, the WOT could only accept Flanders as an associated member, without the right to vote. In other words, because of the persisting state-centric nature of the international system, federalised member states find themselves unable to fully function within the mechanisms of global governance. According to some authors the opportunities open to sub-state levels of government in the EU are also far too circumscribed.<sup>13</sup> Nevertheless, as will be argued at length below, they are considerably more extensive than those within the international system at large. In

this respect, the EU could have offered a more propitious framework for a solution in Cyprus on the basis of a decentralised yet single EU member state.

# i) The participation of sub-state actors in the Council of Ministers 14

The case of Belgium illustrates the potential of the EU framework to facilitate an agreement on the future constitutional status of Cyprus. While the detailed provisions of a Cyprus settlement would probably differ from those in Belgium, Belgium shares important structural features with Cyprus. Like Cyprus, Belgium is a small-tomedium sized state with two main cultural communities. As Cyprus is striving to achieve, Belgium has restructured its political system in several stages from being a centralised unitary state to a very decentralised federal one, which displays confederal features as well.<sup>15</sup> Due to the rising tensions between the Flemish and Francophone communities, Belgium embarked on a slow process of federalisation in the 1960s. Belgium's federalisation includes three regions dealing with territorial matters (Flanders, Wallonia and Brussels-Capitale) and three communities dealing with matters affecting individual citizens (Flemish, Francophone Germanophone) (see Table 4). However, as in Cyprus there are two principal communities: the Flemish and the Francophone. Today Belgium is by far the most loosely federalised state in the EU. For this reason, the Belgian case should have been the most useful example for a Cyprus settlement within the EU.

Table 4: Multi-tier governance in a bi-ethnic EU member state: Belgian model

1.	EU level
2.	National EU member state level
3A.	Sub-national territorial entities (Flanders, Wallonia and Brussels)
3B.	Sub-national communities (Flemish, Francophone and Germanophone)
4.	Municipalities

Moreover, Belgium's federalism has adopted several principles and provisions resembling those which either have been agreed upon or have been discussed in Cyprus. Since the 1977 High Level Agreement, the principal parties accepted the

notion that a future state would be bi-zonal and bi-communal, with each region being administered by one community. <sup>16</sup> Belgian federalism also created two major regions of Flanders and Wallonia, administered by the Flemish and Francophone communities respectively (the Flemish regional and community institutions were actually merged). Belgium also includes the region of Bruxelles-Capitale. Yet this region was established because of the mixed population in the capital city (85% Francophone) which is located in Flanders.

Both Belgian federalism and Cyprus' inter-communal negotiations emphasized the importance of the lack of hierarchy (or political equality) between the communities and levels of government. In the 1992 'Set of Ideas', the UNSG stated that 'one community cannot claim sovereignty over the other community' and that 'the federal Government cannot encroach upon the powers and functions of the two federated states'. While formulated in a different way, the Belgian constitution also endorsed the concept of political equality. This was expressed in terms of the absence of legal hierarchy between the central and sub-national levels of government. In Belgium all levels of government have equal legal status. They effectively have sovereign powers in their areas of competence. Most competences are exclusive and in the few which are shared with other levels of government, decisions are taken on the basis of consensus.

Another interesting parallel, and one that is particularly relevant to the discussion below, is the idea of shared powers in foreign policy-making. The 1992 'Set of Ideas' stipulated that while foreign affairs would fall under the power of the centre, the federated states could enter into agreements with third parties in their areas of competence. Since 1993, the Belgian constitution endorsed the principle of *in foro interno*, *in foro externo*, i.e., the Constitution divides treaty-making powers between different levels of government according to the division of internal competences. Each level of government has limited international legal status to conclude and ratify treaties and agreements with other states or sub-state entities in areas of exclusive internal policy competence. For matters falling under shared competences, the constitution calls for inter-ministerial coordination followed by the separate

ratification of all the legislative bodies involved.<sup>19</sup> Regions are thus free to engage in external relations provided they adhere to general principles of Belgian foreign policy. An inter-ministerial conference is set up to ensure adherence.

The principle of *in foro interno, in foro externo* had extremely important implications on Belgium's participation in EU institutions. This is because it affected the manner in which Belgium abided to article 146 of the 1991 Treaty of the European Union. Article 146 reads: 'The Council shall consist of a representative of each Member State at ministerial level, authorised to commit the government of that Member State.' While this wording may appear banal, its significance is that it replaced a former legal ruling that only ministers or state secretaries of national governments could represent member states in EU Councils. The change in the new text was negotiated in 1991 at the insistence of federal Belgium and Germany, in order to permit their governments to be represented on occasions by ministers from subnational governments. These demands had resulted from the increasing tendency of the EU to legislate in policy domains that are mostly or exclusively sub-national government competences in federal member states.

When Belgium and Germany pressed for this provision the response of other member states was in the end to acquiesce. However, they accepted on condition that there could be only one representative who could speak and vote in the Council, and that he/she had to be authorised to commit the member state as a whole. The application of the article 146 mechanism became more interesting in Belgium than in Germany, both because of the greater degree of decentralisation in Belgium and because Belgium has essentially only two large sub-national entities, whereas Germany has seventeen Länder.<sup>20</sup>

Since under article 146 only one person can represent Belgium in the EU Council, and given the large decentralisation of competences and the legal equality of the national and sub-national levels, elaborate rules were developed on who should represent Belgium depending on the agenda of the Council.<sup>21</sup> They were formalized in the 1994 Cooperation Agreement. The decision on whether the leader of the

Belgian delegation should be from the federal or sub-national level of government would depend on which level has the main competence for the sector of policy of the particular Council in question. For this purpose four categories were established, as set out in Tables 5 and 6. Two categories identify the exclusive competences of federal and sub-national levels respectively, in which case only that level of government is represented. The two other categories concern shared competences. One case is where the federal government is deemed to have the main responsibility and the sub-national government a lesser involvement, and the other case is vice versa. Where the regions or communities are entitled to participate, only one of them will attend the Council meetings. This is determined by half-yearly rotation, coinciding with the rotation of the EU presidency. The same principle is respected in the management of the Presidency, as shown by the Belgian Presidency in the second half of 2001.

Table 5: Belgian model for representation in EU Councils

Type	Division of competences	Leader	Assisted by
I	Exclusively federal	Federal	None
II	Mainly federal, partly sub- national	Federal	Region or community
III	Mainly sub-national, partly federal	Region or community	Federal
IV	Exclusively sub-national	Region or community	None

As a result of its use of the opportunities under article 146, Belgium established an elaborate system of coordination between the levels of government. When the Commission issues a proposal, it is sent to the Belgian Permanent Representation, which sends it to all the levels of government. Each of these governments defines its position and expresses them at weekly meetings of a committee ('P.11 Committee') convened at the Ministry of Foreign Affairs. These meetings determine Belgium's position in the Council, and instructions are given to whoever represents Belgium there. There has to be unanimity on the part of the federal and regional governments, since there exists no legal hierarchy between the levels, i.e., the regional

governments have equal status to the federal government. There are approximately twenty P.11 meetings a month, many of which take place exclusively between community/regional levels of government.<sup>22</sup>

Table 6: Belgian model for representation in EU Councils - practice

Туре	Division of competences	Sector-specific	Representation
		Councils	
I	Exclusively federal	Foreign policy,	Federal
		Macroeconomic policy,	
		Budget (of EU),	
		Development aid	
		Telecommunications	
		Justice & home affairs	
II	Mainly federal, partly sub-	Internal market	Federal minister,
	national	Public health	assisted by (rotating)
		Energy	sub-national
			representative
III	Mainly sub-national, partly	Industry	One sub-national
	federal	Research	representative,
		Environment	assisted by a federal
		Transport	representative
IV	Exclusively sub-national	Agriculture*	One (rotating) sub-
		Fisheries**	national
		Culture	representative
		Education	
		Tourism	
		Land use planning	

<sup>\*</sup> Since 2002 agriculture was shifted from category II to category IV and Belgium no longer has a Ministry of Agriculture, but only a department for inter-regional coordination on agriculture in the Ministry of Foreign Affairs

If agreement is not possible the issue is referred to the Inter-Ministerial Conference for Foreign Policy in which the Ministers themselves are present. If they fail to agree, the issue is passed to the top level: the Concertation Committee of the Prime

<sup>\*\*</sup> Given its exclusive access to the sea, only Flanders is responsible for Belgium's representation in the Fisheries Council

Minister of Belgium and the Ministers-Presidents of the sub-state entities. If there is still a failure to reach agreement, then Belgium abstains from participating in the negotiations, and also abstains if a vote is taken. However there are strong incentives to avoid an abstention, given that an abstention never has a neutral effect.<sup>23</sup> When an abstention is cast in a context of qualified majority voting, it counts as a negative vote. The party/parties in Belgium advocating a positive vote therefore have strong incentives to reach a consensus in which their concerns are at least partly reflected. The opposite is true when decisions are taken on the basis of unanimity, i.e., an abstention counts as a positive vote. Indeed since 1994 Belgium only abstained five times from a Council vote.<sup>24</sup>

Once the Belgian position and representation within the Council are determined, there is then a division of labour between the 'leader' of the Belgian delegation and an 'assessor' who come from different levels of government in categories II and III. The leader represents the level of government with the larger share of responsibility for the competence discussed in the Council. The assessor assists the leader and takes the floor when the aspect under discussion falls under the competence of the level of government he/she represents. The assessor also has the task of keeping in contact with the non-participating governments at that particular Council meeting as negotiations proceed, thus arranging 'live coordination' by phone from the Council chamber.

The Belgian case demonstrates how within a highly decentralised EU member state, sub-state actors can play a direct role even in the most intergovernmental institution of the Union, the Council of Ministers. As such, Belgium illustrates how the notion of indivisible internal and external sovereignty is blurred within the EU. Concomitantly, the concept of legal and political equality is bolstered. The roles of second and third-level players in the case of Belgium's participation in EU decision-making have become far less distinct.<sup>25</sup> In a number of policy areas (i.e., categories III and IV) the sub-state level effectively enjoys second-level player status.

A federal agreement in Cyprus may differ considerably from the Belgian model. Nonetheless, the Belgian example in its EU context highlights how notions of sovereignty and statehood can acquire a different meaning within the EU, provided sub-state levels of government already play important roles within their member state. Given that sub-state entities in Cyprus would be accorded important roles in the context of a settlement, the Belgian example highlights how within the EU, the aims of the Turkish Cypriot community could be fulfilled more easily without recourse to a separate sovereign Turkish Cypriot state.

The concept behind Belgium's representation in EU institutions was included in the 2002 'Annan Plan' and was accepted by the principal parties. Having endorsed the principle of in foro interno in foro externo in the conduct of foreign policy, as far as relations with the EU were concerned, the Plan explicitly accepted the Belgian mode of representation allowed for under article 146 of the TEU. The Plan's preamble stated: 'constituent states shall participate in the formulation and implementation of policy in external and EU relations on matters within their sphere of competence in accordance with Cooperation agreements modeled on the Belgian example'. Article 17.3 added: 'Cyprus shall be represented in the EU by the common state government in its areas of competence or where a matter predominantly concerns an area of its competence. Where a matter falls predominantly or exclusively into an area of competence of the constituent states, Cyprus may be represented either by a common state or a constituent state representative, provided the latter is able to commit Cyprus'. As in the case of Belgium, the implementation of EU laws and regulations would also be shared according to the internal division of competences, unless the constituent state level defaulted on its EU obligations. If instead, the supranational level infringed on constituent state matters, the latter could request the common state to bring action to the ECJ on its behalf.

#### ii) Direct links between the sub-state and supra-state levels of government

The EU framework can also encourage the transformation of absolutist views of sovereignty in virtue of the direct links that exist between the sub-state and the EU

level of government. These direct links enhance the role of sub-state actors. As such, they could have eroded the perception amongst the Turkish Cypriot leadership that political equality necessitated separate Turkish Cypriot sovereignty.

The supra-national level has developed policy competences in several areas that affect or are domestically dealt with by the regions, even in states which are not internally federalised. These include environmental protection, technology and R&D, regional policy, social policy, education and culture. They also include financial instruments such as Community Support Frameworks, the European Social Fund, the Guidance Section of the Agriculture Guidance and Guarantee Fund, the Cohesion Fund, and other structural funds. The Commission also disburses funds (i.e., INTERREG), to support interregional associations and networks such as the Conference on Peripheral Maritime Regions, the Association of Regions of Traditional Industries, the Association of European Border Regions, the 'Four Motors', the Three Alpine Groups and the Council of European Municipalities and Regions.

These regional policy arenas in turn created the potential for direct links between the sub and supra-state levels of government. In so far as specific EU policies affected directly EU regions, the Commission established direct contacts with the third level. These links are greater and more extensive when a particular region already has significant autonomy within its member state. The greater the competences of the region and the more extensive are the links with EU institutions. Direct links between supra and sub-state levels can then enhance the role of the sub-state entities, given that their actions are no longer confined to their member state. To the extent that regional roles and opportunities are enhanced, the importance of enjoying separate sovereignty and statehood is reduced. But how are supra-sub-state relations institutionalised?

#### The Committee of the Regions

The Committee of the Regions (CoR) was founded in 1991. Its predecessor, i.e., the 1988 Consultative Council of Regional and Local Authorities was established by the

Commission to consult and coordinate with the sub-state level on regional affairs. The Committee acts as an advisory body that must be consulted by the Commission, the European Parliament and the Council of Ministers on all matters relevant to European regions. The areas of compulsory consultation include: economic and social cohesion, trans-European infrastructure networks, cross-border cooperation, health, education, culture, employment policy, social policy, environment, transport and vocational training. The Committee also has the right to issue its own opinions. However, its recommendations are not binding.

Since the 2000 Treaty of Nice, the members of the CoR must be elected representatives of European regions. They are appointed every four years by the member states. Under the provisions of the Nice Treaty, Cyprus is entitled to six seats in the CoR. In the context of a settlement these would be shared between the Greek and Turkish Cypriot regions.

The importance of the CoR should not be exaggerated, given the non-binding nature of its opinions. The Committee has not yet become the 'upper house' of a federal Europe. Nor has it spearheaded a significant development of the 'Europe of the Regions'. It is a highly heterogeneous body given the wide-variations in the characteristics of the regions it represents.<sup>27</sup>

Nonetheless, while in theory each EU region has the same *de jure* representation in the Committee, in practice the regions from member states with the most decentralised structures have acted as the motors of the institution. For example the amendments made in the Nice Treaty were spearheaded by a declaration of twenty constitutional regions of Europe in September 2000. The declaration called for greater legislative power for the CoR and the appointment of elected regional representatives.<sup>28</sup> In so far as a Cyprus settlement would entail a highly decentralised system, its regions could also be expected to play an important role in the Committee. The CoR thus represents an additional, albeit not principal means to enhance the role of EU regions particularly within decentralised states. As such it

could have helped to reduce the perceived importance of separate statehood and sovereignty in Cyprus.

### Sub-state representation in Brussels

Since the mid-1990s, there has been a rising number of regional offices in Brussels. These offices were established to lobby European institutions, to secure a greater portion of European funds, to acquire information on European policy-making as well as to provide EU decision-makers with information regarding regional positions.

Again, representation tends to be prominent amongst regions which already enjoy a relatively autonomous status within their member state.<sup>29</sup> Given their greater internal powers within the state, these regions are the ones with a higher stake in the European policy process and as such with greater incentives to establish regular contact with European institutions. Functional objectives are often also supplemented by political aims. Regions with greater policy competences tend to be those with a greater sense of distinctive identity. Representation in Brussels and thus the establishment of direct sub-supra state links is viewed by some regions as a route to enhance their status and by-pass the state. The same could be true in the event of a Cyprus settlement within the EU.

# iii) The growing sphere of EU competence

The EU could have increased the potential for a Cyprus settlement not only because of the nature and structure of its institutions and institutionalised relations, but also because of the growing number and importance of policies determined at the EU level. The transfer of sovereign competences from the national (as well as subnational) levels of government to the supra-state EU level could have eased the competition for the allocation of competences within Cyprus. Although the relative distribution of competences in Cyprus would have remained an issue of contention, the absolute reduction in the policy fields determined within member states could have diminished differences in inter-communal negotiations in the 1990s. The transfer of sovereign competences to 'Brussels' could have transformed and reduced

the salience of statehood and sovereignty in Cyprus and as such aided the search for an agreement on the island.

#### Monetary policy

Cyprus could join the euro zone two years after EU accession provided the country respected the Maastricht criteria. If so, the Central Bank of Cyprus would become part of the European System of Central Banks and its governor would become member of the Governing Council of the European Central Bank. Cyprus' monetary policy at the macroeconomic level – control of interest rates and money supply – would be set in its fundamental aspects 'in Frankfurt' rather than in Nicosia.

Monetary union would not automatically settle all divergences over monetary policy. During past negotiations, while the two community leaderships accepted the idea that monetary policy would be a competence of the centre, they had been at odds over questions of representation and institutional structure, with the Turkish Cypriot side insisting on the retention of two separate central banks.<sup>30</sup> These differences would not be automatically settled in view of the monetary union. What would also remain an open question would be whether northern Cyprus would retain in the short term the weaker Turkish lira, given the possible labour market disruptions resulting from an instant equalisation of wages.

However the prospect of monetary union would reduce the salience of discussions over Cyprus' monetary policy. Indeed the national central banks of the euro area now find themselves with spare staff resources given their reduced powers and functions. As such, the prospect of EMU could have eased discussions over representation and institutionalisation of monetary policy between the two communities in Cyprus.

# External trade policy

As in the case of monetary policy, the 'Set of Ideas' proposed that customs and international trade would be a competence of the centre. Yet differences remained concerning the precise functions of the centre in customs and trade, as the Turkish Cypriots insisted that the federal level should set rules and procedures which would

then be implemented regionally. Again, these divergences would not be removed automatically in view of EU accession.

However, the EU's own exclusive competences in external trade could have facilitated convergence in Cyprus. The determination of an EU common external trade policy could have diminished the scope for disagreement in Cyprus. The central level of government at most would be left with the management of the customs service and the transfer of all customs duties to the EU. This could have induced the Turkish Cypriot leadership to accept central control of the customs service. It could also have made the Greek Cypriot leadership readier to discuss coordination mechanisms between the national and sub-national levels, in order to determine the position of Cyprus in the Council of Trade Ministers.

The prospect of EU accession could have increased the palatability of a settlement for the Turkish and Turkish Cypriot leaderships also in view of the Turkey-EU customs union. The inclusion of both Turkey and northern Cyprus in the EU customs union would allow Turkey to retain its *de facto* external trade links with the Turkish Cypriots, which would not have been the case automatically in the event of a settlement outside the EU. These incentives would have risen together with the development of the Turkey-EU customs union, which has been in the process of extending to services and public procurement since 1998.

# EU norms and standard setting

In the context of the EU internal market, there is a predominant mass of EC law which Cyprus would adopt upon accession (and the RoC adopted during the 1990s). In most areas of the internal market, the EU would be responsible for norms and standard setting through laws and regulations. These would then be transposed into national or regional laws and implemented by member states according to their internal division of competences. The harmonisation of standards could have facilitated a settlement in Cyprus by reducing disagreements over the distribution of competences in several fields.<sup>31</sup>

The 'Set of Ideas' entrusted the central level of government with the powers to set standards on questions such as public health, environment, use and preservation of natural resources, and weights and measures. The centre would also be responsible for airports and ports, communications, patents and trademarks. All other residual areas such as transport, industry, R&D, tourism, agriculture, education and culture would be sub-state competences. The two community leaderships accepted these provisions in principle but with several important reservations. The Turkish Cypriot leadership insisted that the federal government would only set minimum standards and coordinate procedures in these areas of competence. The Greek Cypriot leadership called for central level policy-making and implementation in these areas as well as a uniform commercial and company law throughout the island.

The Union's own competences and harmonisation mechanisms could have facilitated agreement on these questions. In some areas such as agriculture the EU enjoys considerable powers. Hence, while the separate sub-state administrations in Cyprus would deal with these policy matters, they would be joined under the umbrella of the Common Agricultural Policy. In areas such as transport and energy there are laws and regulations providing for an EU-wide harmonisation of standards and practices. Regulatory policies for the liberalisation of competition in areas like civil aviation and energy are also increasingly the subject of EC law. EU competition policy would also affect sectors such as telecommunications, patents and trademarks. Similarly the field of environment, while not regarded as a single market policy, is also the subject of much EU norm setting and regulation in view of the EU's international environmental commitments.

These EU competences could have eased Greek Cypriot concerns about the harmonisation of standards throughout the island (in areas falling under the competences of the sub-state authorities). EU harmonisation mechanisms would have enhanced inter-regional harmonisation in Cyprus. These EU competences could have also increased Turkish Cypriot willingness to allow the central level to legislate in areas such as environment, telecommunications and energy, given the effective sharing of powers with the EU level on these questions.

#### Budgetary policy

The EU also sets standards in budgetary policy. All EU member states are required to harmonise their value-added tax base and cede a small fraction of these revenues to the EU budget. In addition according to the Growth and Stability Pact, membership of the euro zone requires that the general budget balance (the consolidated national and sub-national budgets) should aim to keep the budget deficit below 3% of GDP. Within the EU this is generally considered a national competence and the EU holds the national authorities responsible for seeing that the internal coordination arrangements with the sub-state levels are adequate.

Within the EU, federal states such as Belgium have developed internal mechanisms for coordination and verification. Belgium has a system of coordination, which works through the *Conseil superieur des finances*. The *Conseil* consists of the finance ministers of the federal, community, regional and local levels of government. Each year the *Conseil* operating through consensus, draws up an annual report, which allocates to all levels of government budget balance norms. In total these have to respect the norms of the EU Growth and Stability Pact.

A Cyprus settlement as envisaged by the 'Set of Ideas' would foresee central and sub-state level budgets. The two community leaderships accepted this provision in past negotiations. The Greek Cypriot leadership however called for federal powers and functions in the setting of Cyprus' overall economic and budget policy. The provisions for EU VAT harmonisation and most importantly the standards set by the Growth and Stability Pact could have helped to ease differences on this question. The EU would set requirements and standards which Cyprus as a whole would have to abide to. This could have eased Greek Cypriot concerns of wide differences in the budgetary policies of the two regions, and it could have increased also Turkish Cypriot willingness to accept island-wide coordination in these areas.

#### Movement of persons, immigration and citizenship

The 'Set of Ideas' classified citizenship and immigration as federal competences and both sides accepted this. But while the Turkish Cypriot side argued that the central level should only set rules and procedures on these questions which would then be implemented by the regions, the Greek Cypriot side insisted that implementation should also be carried out by federal authorities.

Since the establishment of the EU Justice and Home Affairs pillar, the Union has witnessed a growing body of EU law governing the movement and residence of persons in EU member states. With the foreseen agreement on an EU immigration policy by 2004, immigration questions would become a shared competence between the EU level and member state Cyprus. As such the Turkish Cypriot side could have been more willing to see a central level role in this field of competence, given the effective sharing of power with the supra-state level. Instead the Greek Cypriot side could have resisted less the idea of sub-state level implementation of policy, given the extra-level of EU powers and supervision in these areas. In addition there are the rules of the Schengen system, which are increasingly being integrated into EU law. Given that Schengen regulations are increasingly becoming part of the *acquis* and as such being subject to ECJ jurisdiction, the Greek Cypriot side could have viewed more favourably the idea of sub-state technical regulations and implementation in this field than it would have done without the prospect of accession.

Concerning citizenship, the additional layer of EU citizenship could have eased tensions between the two communities by contributing both to a de-ethnicisation of identity as well as to the acceptance of multiple identities in Cyprus. The major cause for disagreement over questions of citizenship (as well as immigration) was the fate of the Turkish immigrants and their possible repatriation (as well as the possible return of the large Cypriot Diaspora). Both sides implicitly or explicitly viewed identity and citizenship through strictly ethnic and highly politicised lenses, which in turn reduced the scope for agreement. The Greek Cypriots insisted on central level policy-making and implementation so as to ensure that individuals not satisfying citizenship criteria would not be granted such rights. The Turkish Cypriot leadership,

instead weary that the centre would force mainland Turks to leave, called for decentralised implementation.

EU citizenship would not eliminate these tensions. However, the acquisition of EU citizenship could have allowed a gradual transformation of the concept of citizenship in Cyprus. Within the EU, citizenship is acquiring a different meaning and is being increasingly associated with human, economic and social rights, rather than with exclusively national or community affiliations. The additional layer of EU citizenship could have eased also the debate on whether Cyprus should have single or divided citizenship. Citizenship could be viewed as having three rather than only one or two dimensions.

The 'Annan Plan' endorsed these ideas. Citizenship would have three layers. In addition to the common state citizenship, Cypriots would enjoy both EU citizenship and constituent state citizenship. Specific criteria would determine common state citizenship, effectively limiting Turkish immigrants in northern Cyprus.<sup>32</sup> In the third version of the Plan, voting rights at constituent state and local government levels would be determined by residency rights. However, common state representation would be determined by constituent state citizenship, thus easing Turkish Cypriot concerns that the return of Greek Cypriots would undermine the representation of Turkish Cypriots in the federal legislature.

# iv) The option of secession

Historically, the questions of secession (taksim) and annexation (enosis) touched the core of the Cyprus problem. Negotiating questions of status with the prospect of EU accession could have facilitated a settlement in Cyprus given the reduced significance of annexation or secession within the Union. If a reunified Cyprus were to accede to the Union, would secession be a realistic or desirable option for the Turkish Cypriots? In so far as the EU would not accept a second Cypriot state, the seceding Turkish Cypriots would exit the Union and be deprived of the advantages of membership. However, even if the EU hypothetically accepted a separate Turkish

Cypriot member state, Turkish Cypriot incentives to secede could be low. The secession and statehood debate in northern Cyprus has been articulated as a need for physical (as well as political) separation from the Greek Cypriot community. However, if the Turkish Cypriot state seceded while remaining in the EU, the same freedoms (and in fact even more extensive freedoms as will be argued below) would be granted to Greek Cypriots as fellow EU nationals. The Turkish Cypriots could no longer achieve separation through secession in an EU context. Furthermore, the new Turkish Cypriot state would have to renegotiate the terms of its accession to the Union, with all the costs and problems that this would involve.

This transformed meaning of secession within the EU could have led to greater openness in inter-communal negotiations. The Turkish Cypriot leadership could have displayed more flexibility on questions of status and state succession, given the greater costs and lower benefits of secession in the EU. The Greek Cypriot leadership instead, aware of the reduced Turkish Cypriot incentives to secede within an EU framework, could have been readier to accept some 'confederal' elements to a solution, rejected in the past on the grounds that these would have facilitated Turkish Cypriot secession.

#### b) Territory and economic development

A settlement would entail some territorial readjustments with a reduction of the Turkish Cypriot zone. Yet there remained substantial differences between the two sides, with the Turkish Cypriot leadership objecting to the return of the Morphou area given that this was the most agriculturally productive area in northern Cyprus.<sup>33</sup>

The prospect of EU membership would not ease significantly the debate on territory. However, the prospect of membership could have transformed the economic rationale informing the negotiating positions on territory. In the EU, the economic development of northern Cyprus would rely less on agriculture. Already in the more developed southern Cyprus, agriculture represented 3.8% of Gross Value Added and 9.2% of total employment in 2000.<sup>34</sup> A reunified island within the EU would have

allowed northern Cyprus to develop in a similar manner. The prospect of EU membership could have increased therefore Turkish Cypriot flexibility concerning the issue of territory given the rapid economic development expected within the EU.

In addition the Union pledged to assist the development of northern Cyprus through structural funds. The rules and criteria of the existing structural funds of the EU would have seen the whole of northern Cyprus recognised as 'Objective 1 Priority Region'. As a maximum, the EU adopted the guideline that aid to newly acceding states should not exceed 4% of the GDP of the new member state as a whole, which in the case of Cyprus would amount to about €250 million. If as a mechanical calculation it was supposed that an amount of this order of magnitude was granted 4/5 to northern Cyprus as the 'Objective 1 Priority Region', the amount would be approximately €200 million per year, i.e., 20% of the size of the TRNC's GDP. In addition the EIB normally contributes about half as much again in loans, making a rough total of €300 million per year, or 30% of GDP. Although constraints to the region's absorptive capacity could reduce these figures, investment ratios of up to 30% of GDP have been recorded in reconstruction and 'catch-up' contexts.<sup>35</sup>

As a minimum indication one may look at what the EU has been doing in its ultraperipheral islands, such as the Canary Islands and Madeira, which are comparable to Cyprus in size, climate, peripherality and in the importance of the tourism sector. In these cases about €3 billion in grants were made in the six year period 1994-1999, or €500 million per year, but for a total population of 3.5 million. Scaled back on a per capita basis (200,000 population instead of 3.5 million) northern Cyprus would receive only €30 million of grants per year.

Within this wide range of €30-200 million per year for Structural Fund grants, it may be argued that northern Cyprus could get a result closer to the higher than lower end both because of the absence of competition from other parts of Cyprus for intensive aid and because of the special costs of the post-conflict settlement, both for rehabilitation and compensation. The Commission published on 30 January 2002 indications of the likely scale of financial assistance to Cyprus. The total amounts

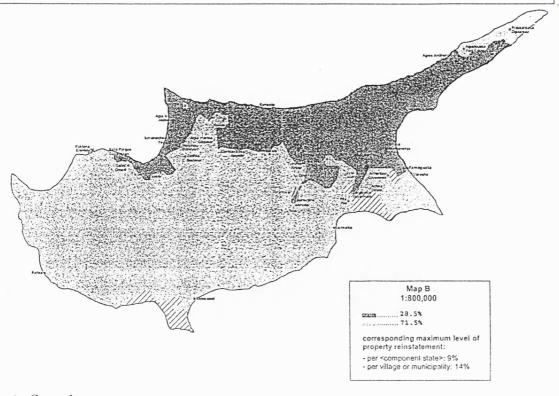
foreseen in commitments for northern Cyprus through structural funds and preaccession aid (which northern Cyprus did not benefit from during Cyprus' accession process) were €39 million in 2004, €67 million in 2005 and €100 million in 2006.

A large part of these funds could have been spent on investment in renewal of economic infrastructures specifically linked to issues of territorial readjustment. Special attention would have been paid to renewing transport and communications infrastructures between north and south across the green line. Following the experience of Portugal, the EU could have also made grants for investment in institutions of higher education and public health. Loan finance for private sector investment, as well as public infrastructure, could have also been available from the EIB (for the development of the tourism sector for example). This could have supported the scaling down of the public sector in northern Cyprus.

Non-economic considerations, namely the displacement of Turkish Cypriots resulting from territorial readjustments, were also at the fore of discussions. In this respect, EU membership could have eased the search for a solution given the transformed meaning of borders within the Union. A map of straight lines would have been even less necessary given the merely administrative nature of both intra and inter-state borders in the EU. The possibly greater acceptability of a non-linear border in turn would have facilitated an agreement on territorial adjustments, by minimising the number of displaced Turkish Cypriots while maximising the number of Greek Cypriot returnees.

Indeed the 'Annan Plan' did not provide for a linear border. Territorial readjustments provided for under the Plan reduced the northern zone to approximately 29% of the land (in the third version of the Plan this included the transfer of 50% of the British bases predominantly to the Greek Cypriot state). The non-linear nature of the border (see Map 3) would have allowed for the return of 86,000 Greek Cypriot refugees under Greek Cypriot administration,<sup>37</sup> while displacing the minimum number of Turkish Cypriots.

Map 3: Map B presented in the first version of the 2002 'Annan Plan'



# c) Security

On security, the main issue of divergence between the principal parties concerned the role and rights of Turkey in Cyprus. While discussions on the retention, amendment or abolition of the Treaty of Guarantee would have affected exclusively the principal parties and guarantor countries, the EU and its legal mechanisms could have added a positive new dimension to Cyprus' security system. In Chapter 5 we analysed the Greek Cypriot security gains from EU membership and the ensuing perceived threats to the Turkish Cypriot community. But could the EU's legal mechanisms have contributed to an increased sense of security of both communities and thus facilitated an integrative agreement in Cyprus?

The retention of a military guarantee and in particular article 4 of the 1959 Treaty of Guarantee would have been a matter for the principal parties to decide. However, in addition to hard military guarantees, EU membership would have provided also a non-military guarantee of the rights and constitutional order in Cyprus. Under the

Treaty of Amsterdam, mechanisms were established through which the voting rights of a member state could be suspended in the event of serious breaches of rights and constitutional provisions within that member state. In the event of a breach to the principles of 'liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law',<sup>38</sup> 'the Council, acting by a qualified majority, may decide to suspend certain rights deriving from the application of the Treaty' to a member state.<sup>39</sup> In other words, upon Cyprus' accession article 6 and 7 of the TEU could have acted as an automatic non-military guarantee both of the constitutional order and of the respect for EU principles in Cyprus.

The prospect of an EU non-military guarantee could have facilitated a settlement on security questions in two ways. First, it would have provided an extra element of security to the Turkish Cypriots against a hypothetical recurrence of the events of 1963-1974. Provided the EU non-military guarantee existed in addition to any other guarantee freely agreed upon by the parties, EU membership could have been viewed as an additional provider of security to the Turkish Cypriots, given the strong deterrent force of possible EU reprisals. Second, the inclusion of an EU non-military guarantee could have reassured the Greek Cypriot community and thus increased their flexibility in accepting Turkey's role in Cyprus' security. In the hypothetical situation of a constitutional breakdown or an infringement of rights caused by the Greek Cypriots, the Greek Cypriot authorities would be punished first by the EU and only upon last resort by military means. The disincentives on all parties to infringe the agreements would be sufficiently strong so as to effectively eliminate the prospect of a repeat of the 1963-1974 scenario.

### d) Freedom of settlement and property

Another major issue of contention was the freedom to settle and acquire property in Cyprus. The *acquis communautaire* became a major cause of Turkish Cypriot suspicion of the EU. However, the EU with its principles as well as its realities could have facilitated an agreement in Cyprus on these very questions.

While the EU *acquis*, in principle provides for the full liberalisation of the movement of goods, services, persons and capital, and as such was viewed favourably by the Greek Cypriots, in its implementation several types of exceptions already exist within the Union. These exceptions could have existed also in Cyprus upon accession, provided they were incorporated in the Treaty of Accession, an act of public international law which overrules EC law. As such, the practical implementation of the *acquis* could have met Turkish Cypriot concerns.

In the case of several EU candidates there was acute sensitivity over the risks that a sudden liberalisation, alongside big differences in wealth between communities living in close proximity (e.g. around the German-Polish frontier), might have led to the richer community 'buying up' the less rich. The Turkish Cypriot community also had similar concerns. In the last enlargement negotiations, the Commission distinguished between three types of property: agriculture land, second homes and investment. It proposed seven-year transitions for agricultural land, five years for the acquisition of second homes and none for other investment, given the need of foreign direct investment in the candidate states. However Poland, very concerned about the possibility of large-scale German acquisitions of agricultural land, requested a 12-year transition. The freedom of movement of labour and of residence rights was subject to a 10-15 year transition in the cases of the Greek, Portuguese and Spanish accessions.

The Commission viewed much more unfavourably the possibility of permanent derogations from the *acquis*. However, some permanent derogations have been accepted within the EU in exceptional cases. In Finland, the Aaland Islands represent an autonomous entity of Swedish speaking Finnish citizens, approximately 25,000 in number. The right to 'official domicile' on the islands is controlled by the Aaland Islands authorities and is restricted to Swedish speaking people. All Finnish and EU citizens have freedom of movement in and out of the islands. But without official domicile, the individual cannot participate in elections, stand for local office, own property or exercise trade or a profession without a license of the Aaland authorities.<sup>41</sup> These special arrangements existed prior to Finland's EU membership

and were retained upon Finnish accession to the EU through a Protocol annexed to the Treaty of Accession. In southern Denmark there are still permanent restrictions to the acquisition of second homes by German citizens.

In the current round of enlargement, Malta succeeded in negotiating permanent restrictions to the purchase of property by EU citizens not residing in Malta. Following EU membership only individuals who have been residing in Malta for more than five years could freely acquire property on the island. EU acceptance of the permanent derogation was facilitated by the fact that restrictions were not discriminatory against non-Maltese EU citizens, but affected also Maltese citizens not residing in Malta. In order to guarantee the permanent nature of these arrangements, a Protocol was annexed to Malta's Accession Treaty, which can only be altered with Malta's consent.

In Cyprus, the menu of conceivable possibilities within the framework of the *acquis* could have ranged from Polish style transition periods to Finnish/Danish/Maltese style derogations. This could have acted in the interests of the Turkish Cypriot community. Provided the two communities agreed to a set of restrictions, the EU could have accommodated these demands.

As such, the EU framework could have eased Turkish Cypriot suspicions and increased incentives to seek a settlement. It is particularly worth noting that the case of Malta showed that negotiating permanent derogations is facilitated if restrictions are not discriminatory against non-nationals of a particular member state. This is because restrictions on the freedom of residence violate Directive 90/364 if they are applied to nationals of other member states. The Turkish Cypriot community could have viewed this as particularly congenial to its case, given its desire to restrict these freedoms to Greek Cypriots as well as to other EU nationals. The general framework of liberalisation within the Union instead could have increased Greek Cypriot acceptance of any restrictions, whose gradual phasing out would be more plausible within an EU context than outside it. Indeed when EU officials began hinting at the acceptability of derogations in Cyprus, Greek Cypriots, while criticising these

comments, appeared readier to accept exemptions from the *acquis* provided these were agreed by the parties and they were both temporary and limited.<sup>43</sup>

Indeed the 'Annan Plan' provided for a wide range of derogations to the application of the acquis. Internally the right of return would be restricted if the properties of displaced persons were occupied by other displaced persons or had been significantly improved, or if their return would result in their community representing over 20% of the population of that village and over 10% of the residencies and land ownership of that constituent state. In terms of the 'three freedoms', while the freedom of movement would be immediately liberalised, there would be restrictions to the freedoms of settlement and property acquisition, that would be phased over time. In an initial moratorium period (of six years), there would be 0% of Greek Cypriots living in the north.<sup>44</sup> In years 7-10 this figure would rise to 7%, in years 10-14 to 14%, and in years 14-21 Greek Cypriots would not exceed 21% of the population of northern Cyprus. 45 In addition to the effective derogations to the acquis regarding intra-island freedom of property and residence, the Turkish Cypriot constituent state could take temporary economic 'safeguard measures' during the first three years of EU membership, if EU laws threatened the economic development of northern Cyprus.

# 2) Creating the incentives to settle: flaws in EU policies

While not eliminating the differences between the principal parties, the EU, with its institutions, policies and legal framework could have facilitated an agreement in the context of accession. Yet the EU accession process triggered a hardening of positions on all sides, particularly up until late 2001.

The following section addresses EU policies during the 1990s arguing that, up until late 2001, EU actors failed not only to convey the potential of the Union, but also to eliminate the misperceptions of the EU in Cyprus and Turkey. This, coupled with the Union's policy of conditionality towards Cyprus and Turkey, reduced rather than increased the incentives to settle the conflict prior to membership, not least by

exacerbating Turkish mistrust of the 'EU'. By late 2001, i.e., almost a decade after the initiation of the accession process, the Commission and the European Council attempted to allay Turkish Cypriot concerns. Most critically, the 'Annan Plan' showed in detail how many of the concerns about EU membership could be averted, and how the EU provided a conducive framework for conflict resolution.

### a) Presenting the gains of EU membership: the lack of adequate information

Between 1993 and 2001, the presentation of costs and benefits of EU membership in Cyprus was frequently based on misinformation about the EU or about existing practices within the EU. The gains to the Greek Cypriot community were presented as political and security losses to the Turkish Cypriot community, and as such reduced the incentives of both leaderships to reach an agreement before membership. Until late 2001, EU actors did little to avert these misperceptions in Cyprus. Not only did they fail to present how EU structures, laws and policies could help to satisfy the political, security and economic needs of both communities. Officials also did little to inform the Cypriots about the true nature of the EU and how anomalies within the Union already existed and were designed to satisfy the specific concerns of its member states. Particularly Turkish Cypriot civil servants and opposition leaders complained bitterly about the absence of adequate information from Commission officials, which led to the manipulation and misrepresentation of the accession process by those unwilling to see an agreement on the island.<sup>46</sup>

Confirming the relevance of this argument was the importance attributed by the Turkish Cypriot leadership to the signals finally given in 2001-2 by Commission officials concerning the EU's willingness to accommodate the terms of a negotiated agreement. The leadership's appreciation of these messages was in fact presented as a major reason for the return to negotiations in 2002. As put by Denktas in December 2001: we took note of the recent statements by EU officials that the EU will accommodate itself to the terms of a political settlement to be agreed by both parties. In this respect, we will support the membership of a Cyprus Partnership in the EU within the terms of a political settlement. The same point was reiterated by

negotiator Ergun Olgun: 'the assurance that the terms of the agreement between the two parties would be taken on board by the EU has helped to ease some of the concerns that the Turkish Cypriot party had'. For the first time the leadership interpreted EU statements as being genuinely willing to meet their concerns rather than simply forcing on them a settlement along Greek Cypriot lines through 'economic bribes' and 'blackmail on Turkey'. These changes in the Commission's positions also raised Turkish Cypriot public support for EU membership before Turkey. Finally, they provided valuable input in the UN's proposals.

# i) Myths concerning the status of Cyprus

A common argument in Cyprus was that EU membership would necessitate a strongly centralised constitutional system.<sup>51</sup> The state of Cyprus should be able to speak with one voice in the Council of Ministers and would be held accountable under the EC law. Therefore, it should be endowed with all the constitutional power necessary to ensure compliance with its EU obligations. 52 The incorrect conclusion that many Cypriots drew from this was that all policy areas in which the EU had some jurisdiction would have to fall under the competence of the central level in Cyprus. In view of the wide-ranging interference of the EU level in national policymaking, a settlement within the EU necessitated a strongly centralised federal system. Until 2002, the official rhetoric in both north and south appeared oblivious to the realities of federal states within the EU, in particular of Belgium. This flawed argument was manipulated by the least compromising political factions in Cyprus. Nationalist Greek Cypriots claimed that EU membership prevented the RoC from accepting any solution which provided for a high degree of decentralisation within a reunified state. Nationalists in northern Cyprus used the same arguments to the opposite effect. Precisely because EU membership entailed an unacceptable solution for the Turkish Cypriots, the leadership felt legitimised in defending a continuation of the status quo rather than a solution in the EU.

Until late 2001, EU officials did little to rectify these misperceptions. Rather than presenting the EU framework's considerable potential to blur the differences

between full-fledged statehood and highly autonomous federated entities, several EU decisions, such as the 1994 ECJ ruling on the Anastasiou case, paradoxically highlighted the significance of recognized statehood. It may be argued that those unwilling to reach a settlement in Cyprus may have known that their positions were based on misreadings of the Union. Yet, had the Commission or the member states engaged in systematic information campaigns on the possibilities of accommodating a settlement in the EU, they could have discredited more easily uncompromising factions that bolstered their positions through flawed reasoning.

Reinforcing this argument was the positive effect of Commission statements since the Denktaş-Verheugen meeting in Zurich on 28 August 2001, which began to deconstruct the myths concerning the constitutional status of a reunified Cyprus in the EU. For example, during his visit to southern Cyprus, Commission President Romano Prodi stated that 'the EU never seeks to determine the constitutional arrangements of its member states. Such matters are up to them. I am confident that the EU can accommodate whatever arrangements the parties themselves agree to in the context of a political settlement. As an EU Member State Cyprus will of course have to participate in the Council of Ministers with one voice'.53 In other words, the Commission clarified that EU membership, other than the thin requirement of being able to speak with one voice and commit the entire country to EU decisions, would accept any constitutional arrangement freely negotiated by the principal parties. The same position was endorsed by the 2001 Commission Progress Report, which stated that 'in the pursuit of a settlement it should be borne in mind that a member state is free to determine its own constitutional arrangements provided that it is able to speak with one voice in the EU decision-making process and to ensure the fulfilment of its EU obligations'.54 These statements were made almost a decade after the 1993 Commission Opinion on Cyprus. Had these statements been made earlier, they could have worked towards addressing the fundamental mistrust in Turkey and northern Cyprus about the 'EU' and its intentions.

In 2002, member state Belgium also played a positive role in the peace process, by informing Turkish Cypriot officials of the prospects open to federated states within

the EU. While refraining from advocating Belgium's constitutional structure, the Belgian Ministry of Foreign Affairs worked intensely with Turkish Cypriot negotiators to inform them about the workability of a loose federal structure within the EU.<sup>55</sup> Turkey and the Turkish Cypriots sympathised with the model, and the myth that EU membership necessitated a closely-knit federation was gradually dismantled. Immediately following electoral victory, Tayyip Erdoğan publicly announced his party's support for a Cyprus solution based on the 'Belgian model'.<sup>56</sup> The Turkish Cypriot leadership was more cautious in its assessment, only arguing in favour of particular aspects of the Belgian constitution. In particular Denktaş warmed to the mode of Belgian representation in EU institutions.<sup>57</sup>

The 'Annan Plan' was the ultimate confirmation that a settlement within the EU could entail a highly decentralised federal system. Constitutionally, the Plan endorsed several aspects of the Swiss and Belgian federal constitutions. While the state would enjoy single sovereignty and international personality, like in Switzerland, sovereignty would not lie exclusively in one level of government. Rather both the 'common state' and the 'constituent states' would 'sovereignly' exercise the powers attributed to them by the Constitution in a non-hierarchical fashion as in Belgium. Most powers would be devolved to the constituent states, which would coordinate policies on several matters. The common state level would instead deal with monetary policy, indirect taxation, external relations, relations with the EU, common state budget, natural resources, citizenship, communications, intellectual property and weights and measures. Many of these competences would be shared and coordinated with the constituent states.

Common state institutions would be marked by political equality between the parties. There would be a (seven month) rotating Presidency between the six members of a Presidential Council (of which two would be Turkish Cypriots), who would strive to reach decisions by consensus. In the common state parliament decisions would require the approval of both chambers by simple majority. The upper house would represent the two equal constituent states and a simple majority would require a quarter (or 2/5) of the votes from each state. The lower house would reflect the

demographic balance, so long as each community was attributed at least 25% of the seats. The Supreme Court would be represented by an equal number of Greek and Turkish Cypriots. Three foreign judges, appointed by the Supreme Court, would act as a dispute-resolving mechanism.<sup>58</sup>

### ii) Myths concerning the acquis communautaire

The EU's acquis was consistently referred to by the two Cypriot communities in a manner which reduced the scope for settlement in Cyprus. In the Republic, the acquis became the banner behind which uncompromising positions concerning the liberalisation of the 'three freedoms' were presented. In the TRNC the acquis became a principal reason for considerable scepticism about a settlement within the Union. Yet as the discussion above has highlighted the Union is rife with exemptions and qualified applications of EC law.

Yet up until mid-2001, EU statements and policies did nothing to alter the view that EU accession would set the guidelines for a settlement in favour of the Greek Cypriot side. In its 1993 Opinion, the Commission referring to the *acquis* stated that 'these freedoms and rights would have to be guaranteed as part of a comprehensive settlement restoring the constitutional arrangements covering the whole of the RoC'. <sup>59</sup> At the time of the Opinion, the *acquis* was presented as the reason explaining the need for a settlement prior to EU membership. However, as conditionality was gradually removed over the 1990s, the need for *acquis* compliance contributed to a shift in the discourse on the three freedoms in favour of the Greek Cypriots. As put by a EP report in 2001: 'a political solution has to be in accordance with the EU's *acquis* communautaire'. <sup>60</sup> Even more bluntly, a Commission official stated that 'there should be no transitional periods, no deviations for the date in which the *acquis* will be taken over'. <sup>61</sup> These statements bolstered the positions of hardliners in both northern and southern Cyprus.

Perhaps even more serious, Commission officials did nothing to discredit the view in northern Cyprus that because of the *acquis*, a bi-zonal settlement necessitated a

confederal agreement. This position was based on a misreading of the *acquis*. The Union effectively guarantees freedoms between member states. Hence, paradoxically EU membership would be more prone to guarantee the 'three freedoms' between member states than within a member state. So if hypothetically the two leaderships were to agree to restrictions only within Cyprus and accede to the EU as a single member state, strictly speaking this would not necessarily require derogations to the *acquis*. EC law allows for the discrimination against a state's own nationals so long as this does not violate secondary EC law or human rights law. Such restrictions could be considered an internal state matter and would only be a matter for the laws and constitution of Cyprus. Restrictions of this type apply within certain EU member states such as Austria, where there are inter-regional restrictions for the acquisition of second homes. If instead the Union were to accept the membership of two Cypriot states, which in turn requested restrictions to the freedoms within the island, the two states would have had to negotiate derogations to the application of the *acquis*.

Again only at the meeting between Denktaş and Verheugen in August 2001, did an EU official explicitly mention the possibility of exemptions to the *acquis*. The position was announced in public, when in Nicosia Romano Prodi declared that 'the EU, with its *acquis* will never be an obstacle to finding a solution in Cyprus'. <sup>64</sup> This position, mentioned also in the 2001 Commission Progress Report on Cyprus, was then elaborated during a Commission mission to northern Cyprus in February 2002. During the mission, Director Michael Leigh stated: 'the EU has already indicated very clearly that it could accommodate such arrangements (derogations), which may be agreed by the leaders themselves in the political process which is now underway...there is a general principle that such transitional periods should be limited in time and scope, but if you look at the history of the EU you should see that the EU is a flexible body that has always shown understanding for the needs and requirements of the member states'. <sup>65</sup>

The same position was espoused by the European Council. Elaborating on the Laeken Council's decisions, the Seville Council on 21-22 June 2002 concluded that the EU 'would accommodate the terms of ...a comprehensive settlement in the

Treaty of Accession in line with the principles on which the EU is founded; as a member state, Cyprus will need to speak with a single voice and ensure proper application of EU law. The EU would make a substantial financial contribution in support of the development of the northern part of the island'.<sup>66</sup>

#### iii) Myths and realities concerning Turkey's relations with Cyprus

One last area in which the debate in Cyprus and northern Cyprus in particular suffered from serious misinformation concerned the implications of membership on relations with Turkey.

A legal argument made against Cyprus' EU membership by the Turkish and Turkish Cypriot sides was that Cyprus' EU membership before Turkey's would contravene article 170(1) of the 1960 Constitution, which stated that 'the Republic shall, by agreement on appropriate terms, accord most-favoured-nation treatment to the Kingdom of Greece, the Republic of Turkey and the United Kingdom of Great Britain and Northern Ireland for all agreements whatever their nature might be'.<sup>67</sup> In response, Greek Cypriot and Commission legal experts responded that EC membership would not trigger general MFN obligations, under the GATT/WTO.<sup>68</sup> What was neglected was that the joint membership of Cyprus, Greece and Turkey in a customs union (as part of the Turkey-EU customs union) would automatically eliminate Turkish and Turkish Cypriot concerns that Cyprus' EU membership before Turkey's would grant Greece and not Turkey MFN treatment in Cyprus.

Another myth concerning Cyprus' membership prior to Turkey's was that the EU would make any future Turkish guarantee on Cyprus obsolete and that the Rapid Reaction Force could be mobilised to expel Turkish troops from northern Cyprus. Because of these concerns, Cyprus was presented as one of the factors determining the Turkish (op)position on the development of an ESDP. It was not until the November 2001 Progress Report that the Commission explicitly stated that EU membership would not impinge on the security arrangements freely agreed to by the Cypriots: 'member states of the EU are free to decide on their own security

arrangements. Therefore security arrangements agreed by the parties in the framework of a settlement of the Cyprus problem would not be affected by EU accession'. However, during the two years of controversy over ESDP, little was done to ease Turkey's misperceptions over what ESDP entailed. Turkish officials and the media presented the issue as one in which a 'European army' could hypothetically expel Turkish forces from the island. Yet the mandate of the Rapid Reaction Force was not foreseen to expand beyond the Petersberg tasks. The idea of a hypothetical EU military intervention in Cyprus against Turkey was a myth that EU officials for too long failed to invalidate.

One last area affecting Turkey's ties with Cyprus was the Schengen *acquis*. Unlike the arguments presented above, questions concerning the movement of persons could have been a potential cause of concern for Turkey and the Turkish Cypriots. EU membership of a reunified Cyprus could have strengthened the border between northern Cyprus and Turkey. Turkey is on the EU's list of countries for which visas are required to enter the Union. Introduction of visas for Turkish citizens who are not legally resident in Cyprus could have been an unfortunate consequence of reunification and EU accession given the large movement of persons between Turkey and northern Cyprus (including students and seasonal workers). This potential problem was rarely mentioned in debates on Cyprus' EU membership in northern Cyprus and Turkey.

While the Schengen *acquis* could have posed a real obstacle to Turkish-Turkish Cypriot relations, channels could have been found to mitigate the negative effects. One approach could have been to build upon existing precedents in the EU for territories separated from the continent by sea. These include not only Ireland and the United Kingdom, but also the Spanish provinces of Ceuta and Melilla enclaved in Morocco. Similarly, one could have considered a transitional provision to permit Cyprus to remain visa free for Turkish citizens, until Cyprus itself was accorded complete freedom of movement within the Schengen system, or until Turkey acceded to the EU's visa-free list. During the transitional period, Turkish citizens would still have had to obtain a Schengen visa to travel to the rest of the Schengen

area. Air and sea connections from Cyprus to the rest of the Schengen area would be subject to control of passport or identity cards upon arrival. Citizens of Cyprus would have full access and citizen rights in the EU, like Spanish citizens arriving from Ceuta or Melilla, or British and Irish citizens arriving on the continent. Ireland and the UK have these arrangements as non-Schengen member states, while Spain is a Schengen member state.<sup>70</sup> One could have envisaged a special protocol, under which Cyprus could have acceded to the Schengen Information System, and applied Schengen visa rules for all third countries, except for the special case of Turkey.

The 'Annan Plan' indeed went far in reassuring Turkey and the Turkish Cypriots that the external balance would be respected despite Greece and Cyprus' EU membership and Turkey's temporary exclusion. In the economic sphere, the agreement stipulated that Cyprus would apply the rules of the EU-Turkey customs union. In terms of security, there would be an equal number (6,000) of Greek and Turkish troops until a review in 2010. Upon Turkey's EU full membership, the island would be demilitarised. The Treaty of Guarantee would remain in force and the guarantors would defend the constitutional status and territorial integrity of both the common state and of the constituent states. Furthermore, Cyprus would not to put its territory at the disposal of international military operations (including ESDP operations) without the consent of Greece and Turkey or the consent of both constituent states. The Plan also attempted to retain a balance in the spheres of property acquisition, residence and movement of persons, by providing for the same rights of Greek and Turkish nationals to enter, reside and acquire property in Cyprus.<sup>71</sup> In what would have entailed another derogation to the acquis, the Plan restricted the rights of Greek (Turkish) nationals to reside in Cyprus, if their numbers reached 10% of the Greek Cypriot (Turkish Cypriot) constituent state.

# iv) The economic development of northern Cyprus: 'buying' Turkish Cypriot consent

The principal argument presented by the EU to convince the Turkish Cypriot community of the benefits of EU membership was that of economic development

through the EU. Undoubtedly economic gains were an important means to increase Turkish Cypriot incentives to reach a settlement, particularly in the light of the deteriorating economic situation in northern Cyprus. However, not only were economic incentives insufficient to generate sufficient attraction to the idea of EU membership within a reunified island. The way in which EU actors presented the Union's economic appeal created resentments particularly amongst the Turkish Cypriot leadership.

Economic incentives were rarely presented in a way that was intrinsically linked to the issues of the conflict. The EU never argued that through its economic input it could facilitate an agreement on questions such as territorial adjustments, reconstruction and compensation. Economic incentives and structural funds in particular were offered by the EU to the Turkish Cypriots essentially on condition that they altered their negotiating positions. They were offered when at the same time the 1994 ECJ judgement crippled further the Turkish Cypriot economy. This allowed the Turkish Cypriot leadership to argue that the 'EU' was attempting to 'buy them off' by 'bribing' them. Hence, their reaction arguing that security was their first priority that could not be bargained over for the sake of economic bonuses.

### b) Presenting the costs of non-agreement: EU policies of conditionality

Previous Chapters analysed EU policies of conditionality towards Turkey and Cyprus. During the 1990s conflict settlement was gradually abandoned as a condition for Cyprus' membership. With it conditionality towards Turkey was strengthened. The logic justifying this approach was that presenting conditional sticks and carrots to the Turkish and Turkish Cypriot sides depended on Cyprus' unconditional accession.

Turkish inflexibility (even prior to the 1990s) was certainly one of the causes of the absence of a settlement. But Greek Cypriot rigidity was also responsible for the failure of the talks in the 1990s. Therefore a successful EU policy of conditionality should have addressed intransigence on all sides, particularly given that a one-sided

approach obtained the opposite results by fuelling uncompromising attitudes on both sides of the green line.

Yet given the lag in the expected accession of Cyprus and Turkey, EU decision-makers were faced with a dilemma and the potential for imbalance. If a settlement was a condition for Cyprus' membership, then the burden of conditionality would have fallen predominantly on the Greek Cypriots given Turkey's longer path to membership. In other words, the principal stick presented to Turkey and the Turkish Cypriots was inextricably linked to the removal of the stick on the Greek Cypriot side (i.e., Cyprus' EU membership before a settlement if necessary). Could EU policy have put equal pressure on all parties? The only way to maintain some degree of pressure on all parties would have been to use the provisions in the 1993 Opinion and also in the Helsinki Council conclusions, i.e., that in taking its decisions, EU actors would assess the good will of all sides.

How could EU actors assess Greek and Turkish Cypriot 'goodwill' without adopting a relatively well-defined position concerning what the contours of a settlement should look like? EU institutions repeatedly stated their support for a settlement based on a 'bi-zonal a bi-communal federation and UN resolutions. But the institutions never went into further detail concerning what these vague outlines embracing virtually any solution, could consist of. However, support for and close coordination with the UN Secretariat's pure mediation could have been sufficient.<sup>72</sup> EU actors could have acted as principal mediators by supporting the more detailed proposals set forth by the UN particularly since the late 1980s. Most notably, the 1992 'Set of Ideas', which up until 2002 represented the most detailed set of proposals endorsed by the Security Council, defined vague terms such as 'new partnership', 'political equality' and 'federation'. EU actors could have simply embraced these positions more explicitly, at most elaborating what their implementation within the EU could have entailed. By doing so they could have adopted a more balanced policy of conditionality towards Cyprus and Turkey. This would have required a consistent EU strategy towards the conflict and close

collaboration between EU actors and UN mediators, which as reviewed in previous Chapters did not exist.

Finally, a particularly interesting aspect of the 'Annan Plan' (that existed only before a referendum on EU accession in Cyprus) was that it reintroduced an element of conditionality, which had been dropped by the European Council in December 1999. In framing the wording for a possible referendum in the two zones, the first and second drafts included four separate questions to which each individual could only provide one answer. The precise wording was as follows:

# Do you

- 1) approve the foundation agreement
- 2) approve the constitution of constituent states
- 3) approve the Treaties of Guarantee and Alliance
- 4) approve EU membership yes no

The wording was justified on the grounds that it would prevent the Turkish Cypriots from approving an agreement while rejecting EU membership (a Greek Cypriot concern which by late 2002 appeared extremely unlikely). At the same time it included strong incentives to prevent Greek Cypriots from rejecting the settlement, given that rejection would also entail abandoning the goal of EU membership. The further justification for the formulation was the EU's preference for a settlement prior to accession.

### 3) Conclusion

This Chapter has not argued that the EU framework could have eliminated automatically all sources of friction and disagreement in Cyprus. Nor do the above arguments intend to underestimate the complexity of operating complex ethnofederations, within or outside the EU. As pointed out by Will Kymlicka: 'it is wrong ...to suppose that federalism provides and tried and true formula for the successful and enduring accommodation of national differences. It provides at best a hope for

such an accommodation, but to make it work requires an enormous degree of ingenuity and good will, indeed good luck'. 73.

Yet, this Chapter has sought to demonstrate that the EU framework, with its institutions and policies, could have offered the opportunity to draw on new and mutually compatible satisfiers, which could have generated a rise in political will necessary to agree to and operate a federal agreement. It could have thus provided an alternative context within which to forge an integrative settlement, opening the way for the gradual resolution of the conflict.

But EU policies throughout the 1990s failed to present this potential in Cyprus. On the contrary, several EU decisions generated misperceptions about the role and importance of recognized statehood within the Union. These decisions also fuelled greater mistrust, particularly on the Turkish Cypriot and Turkish sides. This in turn entrenched negotiation stances and bolstered the positions of the least compromising elements on all sides of the conflict.

The 2002 'Annan Plan' was critical in using much of the potential provided by the EU framework to draft proposals accounting for the basic needs of the principal parties. By doing so, it also worked towards eliminating many misperceptions in Cyprus and in Turkey concerning what reunification within the EU would entail. What UN, British or American mediators could not do was redress the fundamental mistrust of the 'EU' in Turkey and northern Cyprus. And as previous Chapters have analysed, misperceptions and mistrust lay at the heart of the failed 'catalytic' effect.

By definition the nature of this Chapter raises important methodological concerns. While the EU's theoretical potential for conflict settlement and resolution in Cyprus may be assessed and past EU policies may be criticised, it is impossible to ascertain what a counterfactual situation would have been like. Had the EU adequately used its potential, would it have led to an agreement? This problem is not unique to this study, and it is indeed typical of any assessment of third party roles in conflict resolution. It is always impossible to determine with absolute certainty whether and

how a third party acted as a determinant of a successful settlement. What can be concluded nonetheless is that the EU framework did indeed offer the potential to facilitate a solution in Cyprus, which if presented differently by EU actors may have contributed to a rapprochement if not to an agreement on the island.

<sup>1</sup> UN Secretary General (2003)

<sup>4</sup> Karl Deutsch et al. (1957) and David Mitrany (1946)

<sup>6</sup> Philippe Schmitter (1996)

<sup>8</sup> Quoted in 'Tough task for Annan' Cyprus weekly 06/09/02

<sup>9</sup> Gary Marks quoted in Charlie Jeffrey 'Regional Information Offices in Brussels and MLG in the EU: a UK-German comparison' in Charles Jeffrey (ed.) (2001) pp.181-203, p.185

<sup>10</sup> Charlie Jeffrey 'Conclusions: 'Sub-National authorities and European Domestic Policy' in Charles Jeffrey (ed.) (2001) pp.204-219, p.217. See also Udo Bullman 'The Politics of the Third Level' in Charles Jeffrey (ed.) (2001) pp. 3-19, p.18

11 Liesbet Hooghe (ed.) (1996); James Anderson 'The rise of regions and regionalism in Western Europe' in Montserrat Guiberau (ed.) (2001) pp.35-64

<sup>12</sup> Interview with Flemish government official, Brussels, March 2002

<sup>15</sup> Marten Theo Jans (2001)

<sup>20</sup> In Germany, Länder ministers can participate in the Council only when competences fall in their exclusive domain. On other issues the Länder are only consulted.

21 See Bart Kerremans and Jan Beyers 'The Belgian Sub-national entities in the EU: Second or Third

Level Players?' in Charles Jeffrey (ed.) (2001) pp.41-55

<sup>22</sup> Interview with Belgian Foreign Ministry official, Brussels, March 2002

<sup>26</sup> UN Secretary General (2002a) article 17.3

Interview with Flemish government official, Brussels, March 2002

30 Interview with former Greek Cypriot negotiator, Nicosia, March 2002

<sup>&</sup>lt;sup>2</sup> Joseph. S. Joseph (2000)

<sup>&</sup>lt;sup>3</sup> This was recognised by several Greek and Turkish Cypriot negotiators in interviews in Nicosia, February, March and May 2002

<sup>&</sup>lt;sup>5</sup> Montserrat Guiberau (ed.) (2001); Chris Harvie (1994); Charles Jeffrey (ed.) (2001); Liesbet Hooghe and Gary Marks (2001); Gary Marks et al. (eds.) (1998) and Peter Wagstaff (ed.) (1999)

<sup>&</sup>lt;sup>7</sup> Thomas Diez 'Introduction' in Thomas Diez (ed.) (2002) pp.1-13

<sup>&</sup>lt;sup>13</sup> Janet Laible (2001) and L.Wouters and S. de Rynck (1996)

<sup>&</sup>lt;sup>14</sup> See Michael Emerson and Nathalie Tocci (2002)

<sup>&</sup>lt;sup>16</sup> UN Secretary General (1992a) point 19

<sup>&</sup>lt;sup>17</sup> UN Secretary General (1992a) point 11

<sup>&</sup>lt;sup>18</sup> UN Secretary General (1992a) point 21

<sup>&</sup>lt;sup>19</sup> For example the ratification of the Amsterdam Treaty required the consent of eight different Belgian parliaments (the two federal chambers, the Flemish regional and community parliaments, the Walloon regional and community parliaments, the Brussels parliament and the German parliament)

<sup>&</sup>lt;sup>23</sup> Interview with Flemish government official, Brussels, March 2002

<sup>&</sup>lt;sup>24</sup> Interview with Flemish government official, Brussels, March 2002

<sup>&</sup>lt;sup>25</sup> Bart Kerremans and Jan Beyers 'The Belgian Sub-national entities in the EU: Second or Third Level Players?' in Charles Jeffrey (ed.) (2001) pp.41-55

<sup>&</sup>lt;sup>27</sup> See Peter Wagstaff 'The Committee of the Regions of the EU' in Peter Wagstaff (ed.) (1999) pp.188-193

<sup>&</sup>lt;sup>29</sup> Gary Marks, François Nielsen, Leonard Ray and Jane Salk 'Competences Cracks and Conflicts: Regional Mobilisation in the European Union' in Gary Marks et al. (eds.) (1998) pp. 40-63

<sup>31</sup> Interview with former Greek Cypriot negotiator, Nicosia, March 2002

<sup>&</sup>lt;sup>32</sup> 45,000 foreigners on each side could also gain citizenship, giving priority to those who had grown up in Cyprus or lived there for a long time. Others married to Cypriots would automatically gain citizenship. In practice this entailed that most Turkish settlers (depending on the statistics) would be eligible for citizenship. Up to 10% of the constituent state population (approximately 20.000 settlers)

could then gain residency. The rest (if any), who had lived in Cyprus for at least five years would receive up to €10,000 to relocate.

<sup>33</sup> Economic self-sufficiency was a prime concern determining Turkish Cypriot positions on territorial readjustments. Interviews with Turkish Cypriot negotiators, Nicosia, February 2002

<sup>34</sup> Commission (2001a) statistical annexes, pp.105-106

- 35 Michael Emerson and Nathalie Tocci (2002)
- <sup>36</sup> Interview with Commission official, Brussels, January 2002

<sup>37</sup> i.e., 54% of Greek Cypriot refugees

38 Article 6.1 of the 1997 Amsterdam Treaty of the EU

<sup>39</sup> Article 7.3 of the 2000 Treaty of Nice, ex article 7

<sup>40</sup> According to the legal opinion of John Usher and Christopher Greenwood (19/05/2000), restrictions on the freedoms of movement would not be permitted. Public policy reasons, used in principle to restrict freedom of movement are only applicable when they are based on the personal conduct of an individual, not on his/her ethnic origin.

11 See www.aland.fi/virtual/fransk/frame.htm

<sup>42</sup> Interview with Commission official, Brussels, January 2002

<sup>43</sup> Interviews with Greek Cypriot academic and former RoC government spokesman, Nicosia, March

2002

44 However, those aged over 65 would be allowed to return after two years.

A Company of the property of the arrangements were such that the property of the property of the arrangements were such that the property of <sup>45</sup> In the second draft of the UN Plan (2002b), the arrangements were such that in the first fifteen years of the agreement, Greek Cypriots would not represent more than 28% of the Turkish Cypriot constituent state's population. This quota would be reached over the course of fifteen years, whereby during the first four years there would be a moratorium. Then the percentage would be raised to 8% in years 5-9 and 18% in years 10-15 years. The arrangements would be reviewed after 25 years. The first draft instead foresaw an upper quota of 33.3% over 20 years. During a transitional period of 20 years the threshold would rise from a 1% limit in the first year and by 3% every three years. By the 20th year there would be a 20% limit which could rise up to 33.3%. Turkish Cypriots objected to this proposal on the ground that it would allow up to 1/3 of its constituent state parliamentarians to be Greek Cypriots, diluting the political equality at the common state level.

Interviews with Turkish Cypriot opposition leaders and civil society activists in Nicosia, February

2002, Brussels, March 2002, Nicosia, April 2002 and January 2003

According to Alvaro de Soto, the EU's change of position regarding the accommodation of a political settlement was one of the factors that induced the UN to believe that Turkish Cypriot incentives had changed and there was real scope for a solution. Key note address in Cyprus' EU Accession and the Greek-Turkish Rivalry, Conference organised by Yale University, 4-6 April 2003 <sup>48</sup> European Centre of International and Strategic Studies, Meeting held in the EP, Press Release, 09/01/02. The argument was also frequently mentioned in interviews with a Turkish Cypriot negotiator, a Turkish ambassador, and an EC Head of Delegation, Nicosia, February-March 2002 <sup>49</sup> Interviews with Turkish Cypriot negotiators, Nicosia, February 2002

50 Interview with Turkish Cypriot opposition leader, Nicosia, February 2002

- This perception was widespread in interviews with officials and politicians on both sides of the green line, Nicosia, February-May 2002
  52 See for example George Bermann, Dieter Blumenwitz and Antonio Cassese (2001)

53 'Cyprus will join' Cyprus Weekly 30/10/01

<sup>54</sup> Commission of the EC (2001a) p.23

- 55 Interviews with Belgian Ministry of Foreign Affairs official and Turkish Cypriot negotiator, Brussels, April-May 2002
- <sup>56</sup> 'Papandreou: Greece will stand by Cyprus even if it rejects plan' Cyprus Mail 06/11/02

<sup>57</sup> TRNC President's Office (2002b)

58 See 'Annan III: the key points' Cyprus Mail 25/02/03

<sup>59</sup> Commission of the EC (1993) paragraph 10

<sup>60</sup> European Parliament report (2001) explanatory note, point 10

<sup>61</sup> Commission Head of Unit responsible for accession negotiations with Cyprus in a speech in the RoC House of Representatives, quoted in Cyprus Mail 16/01/1999

<sup>62</sup> See Opinion of John Usher and Christopher Greenwood, mimeo, 19/05/2000

<sup>63</sup> The judgement of the ECJ about Austrian legislation restricting acquisition of property is Case C-302/97 of 1 June 1999

64 'Cyprus will join' Cyprus Weekly 30/10/01

66 European Council (2002b) paragraph 24

67 Maurice Mendelson Q.C. (2001) paragraph 40

<sup>69</sup> Commission of the EC (2001a) p.23

<sup>71</sup> UN Secretary General (2002b) Appendix E

<sup>73</sup> Will Kymlicka (1998) p.142

<sup>65</sup> Commission official Michael Leigh quoted in 'Danish Foreign Minister 'very optimistic'' Cyprus Weekly 08/02/02

<sup>68</sup> James Crawford, Alain Pellet and Gerhard Hafner (1997) paragraph 2

<sup>&</sup>lt;sup>70</sup> See the Agreement on the accession of Spain to the Schengen Convention, Final Act, 25 June 1991, Official Journal L239, Vol 43, 22 September 2000. Moroccan citizens from the Tetouan and Nador provinces remain able to enter Ceuta and Melilla without visas. For its part 'Spain shall maintain checks (on identity and documents) on sea and air connections departing from Ceuta and Melilla and having as their sole destination any other place on Spanish territory. To the same end, Spain shall maintain checks on internal flights and on regular ferry connections departing form the towns of Ceuta and Melilla to a destination in another State party to the (Schengen) Convention'.

<sup>&</sup>lt;sup>72</sup> Interview with UN officials, Nicosia, February 2002

# Chapter 8

# Lessons for European foreign policy in ethno-political conflicts

# 1) Findings of this study

The island of Cyprus has witnessed one of the most intractable ethno-political conflicts of the twentieth century. For decades the conflict has been frozen in a stage of segregation, as the principal parties, while engaged in negotiations failed to reach a comprehensive agreement. A major element in the explanation of this state of affairs was the parties' negotiating positions (or satisfiers). These chosen satisfiers focussed on absolute notions of sovereignty and statehood, making the reconciliation of subject positions almost impossible. Linked to this was the fact that the parties (and their leaderships in particular) appeared to be relatively content with the status quo. In other words, their perception of their own BATNA was high and so the bargaining range was extremely narrow. Since 1974, the Turkish Cypriot leadership has enjoyed an unprecedented de facto status that it was unwilling to relinquish. With Turkey, it has ruled and ensured the physical security of the Turkish Cypriots and controlled 37% of the island's territory. By doing so, Turkey has also fulfilled its security interests, as commonly perceived by its civilian-military establishment. The Greek Cypriot leadership, supported by Greece, instead benefited from undiluted sovereignty and international recognition. Many Greek Cypriots were unwilling to give up this status for an effective sharing of sovereignty in a loose federal structure.

In such circumstances, principal mediation, if and when adequately used, and together with other third party activities, could cultivate the ripe conditions for conflict settlement and resolution. It could help to generate political will to settle and subsequently resolve a conflict, by altering the incentive structure underlying it. Through negative incentives or 'threats' the third party could generate sufficient pressure to move away from the status quo by increasing the costs of no-agreement

(i.e., reducing the BATNA). But coercing the parties into a deal is unlikely to yield a settlement that would open the way to conflict transformation and resolution. Positive incentives; i.e., gains to the conflicting parties, are also an integral aspect of principal mediation (shifting out the Pareto frontier). However, not all promised gains are appropriate. Positive incentives contribute to conflict resolution if they address the basic needs of the principal parties. The incentives should motivate the parties to seek a peace agreement as an end in itself, rather than as an unpalatable means to access unrelated side-payments.

In analysing the role of the EU in the Cyprus conflict since 1988, the lessons from the literature on principal mediation appear particularly relevant. The EU accession process and the use of conditionality that it entailed affected the incentives of the principal parties, opening the prospect for a constructive shift in positions. However, the 'impact' of the accession process did not correspond to the professed expectations of the member states, the Commission, as well as the Greek Cypriot government. On the contrary, the major visible development during the 1990s and early 2000s was the hardening of the parties' positions, and those of the Turkish Cypriot side in particular. It is impossible to determine whether the conflict would have been solved in the 1990s had the EU remained outside it. It is equally impossible to conclude that the EU was the principal determinant of the deterioration of the conflict. The hardening of positions was the result of a complex interaction between international, national and sub-national factors, in addition to the 'EU' contribution. However the EU, to a large extent unknowingly, did become an important element in the conflict over the last decade, and perhaps its most important external determinant.

The specific (conditional and unconditional) gains and losses presented to the parties, and the way in which they were presented by EU actors had unintended and counterproductive effects up until late 2001. This was because they played into the discourse of the most nationalist elements within the principal parties, legitimising their hardened positions. The conditional gains to the Turkish Cypriots were primarily economic and insufficiently security/identity related. They were thus not

valued highly, particularly by the leadership. Moreover, the EU was perceived as a threat by many Turks and Turkish Cypriots, increasing the importance they attributed to separate statehood and closeness to Turkey. This was coupled with the fact that the EU-Turkey relationship suffered from a serious lack of understanding and mistrust on both sides. As a result, Cyprus' accession process played into the hands of those opposing reunification both in northern Cyprus and in Turkey. The gains offered to the Greek Cypriots were directly related to the conflict but were gradually made unconditional on an agreement. This fed Turkish and Turkish Cypriot perceptions of the EU's structural bias towards the conflict. It also reduced the incentives to seek an early settlement of those Greek Cypriot nationalists who sought considerable changes in UN guidelines, and those who concentrated on alternative options to ensure the security and prosperity of the Greek Cypriot community.

The tide seemed to reverse by late 2001, and the 2002-2003 peace efforts offered the prospects of a final breakthrough. The accession process did contribute to the creation of a 'hurting stalemate', particularly as far as the Turkish Cypriot public was concerned. However, pressure alone was insufficient to generate a consensus in favour of change amongst the leadership in both Ankara and Lefkoşa. The deadline of accession also appeared to raise the incentives of the Greek Cypriot side to reach an early agreement, particularly under the leadership of former President Glafcos Clerides. Third party diplomatic involvement of the UN Secretariat and the British Foreign Office was critical, particularly by presenting the 'Annan Plan', which neither side could easily dismiss (although the Turkish Cypriot side ultimately did). Yet by April 2003, these more constructive forces did not outweigh the predominant negative dynamics in the conflict.

One of the most fundamental insights that emerges from the analysis of the last phase of Cyprus' accession process was the differentiated impact it had on the Turkish and Turkish Cypriot sides in particular. The approaching deadline of Cyprus' EU accession led both to an unprecedented activism of civil society and opposition forces in northern Cyprus and to open schisms within the Turkish national consensus on Cyprus. Particularly since the November 2002 elections, different 'Ankaras'

voiced different views on the Cyprus question. These divisions overlapped with the increasingly open rifts on the question of Turkey's EU membership, which in turn reflected the diverging visions in Turkey on the general development path of the Turkish nation-state.

But what explains these differentiated domestic responses at the turn of the century? A first important part of the explanation lies in the fact that Cyprus' approaching EU accession coincided with a serious economic decline in northern Cyprus. In turn this was inextricably connected to the serious tightening of the Turkish economy first with the 1999 IMF stabilisation programme and most critically with the Turkish economic crisis in 2001. Economic stagnation, isolation, ensuing emigration and growing dependence on Turkey on the one hand and the prospect of EU membership on the other generated important pro-solution forces amongst the Turkish Cypriot public (rather than the leadership). Yet the extent of mobilisation of the Turkish Cypriot public in the winter of 2002 would not have been possible without the publication of the 'Annan Plan'. For the first time the public appreciated that despite important compromises, a settlement within the EU did not entail renouncing their security and self-determination aspirations in exchange for economic gains.

Turning to Turkey, the arguments and evidence suggest that Cyprus' accession process would not have generated pro-solution forces in Turkey had it not been for the more realistic prospects of Turkey's own EU membership since 1999. In turn this highlights the importance of the temporal aspect in the analysis of the failure or possible success of the EU 'catalytic effect'. A necessary condition for a solution within the EU was Ankara's consent. This hinged both on Turkey's own credible prospects of membership and on a majority view in Ankara genuinely in favour of EU membership. Chapter 5 argued that the credibility of both the EU's Turkey policy and of Turkey's commitment to its EU path was insufficiently high to generate the necessary momentum in favour of a solution. The unclear commitment within the EU to Turkey's future inclusion was used by the most conservative forces in Turkey both to slow down the reform process and to stall an early Cyprus settlement. Nevertheless since 1999 and most visibly since the November 2002

elections, a change in Turkey has been in the making. These changes were indeed linked to the stronger EU anchor in Turkey since December 1999. In other words, Turkey's own accession process since 2000, albeit slow, uncertain and in many respects unsatisfactory, did begin to support the internal struggle of the more progressive elements in Ankara.

A final aspect worth emphasising is the extent of inevitability of Cyprus' EU accession, the way in which it was perceived by the parties and the effect this had on EU policies of conditionality. Chapter 4 analysed how after the 1994 Corfu European Council, Cyprus' EU accession became increasingly inevitable. The EU decisions of June 1994, March 1995, December 1997 and December 1999 set Cyprus on an increasingly irreversible path to EU membership. However, this was not necessarily perceived by the principal parties, particularly in their public discourse.

Again the differentiated responses by different domestic actors are of particular relevance. Chapter 5 noted how the 2002 Greek Cypriot negotiating team used the remaining uncertainty of EU accession to argue the case for an early agreement before the Copenhagen European Council. Clerides' team appeared to understand that after accession the momentum for change could dampen and reunification could be delayed until the uncertain day of Turkey's own accession. As such it used the remaining uncertainty to persuade its domestic opposition of the desirability of an early agreement. The more nationalist elements within the Greek Cypriot political scene instead appealed to the irreversibility of accession to argue in favour of postponing a settlement in order to negotiate a more favourable agreement from a position of greater strength. The nationalist forces in northern Cyprus and Turkey used the argument of uncertainty to legitimise a different discourse, i.e., that Ankara should opt for brinkmanship because the EU would never accept Cyprus' accession and endanger its relations with strategic Ally Turkey. The extent to which these actors genuinely believed their own discourse is unclear, but most relevant is that they used arguments of uncertainty and/or irreversibility to legitimise their strategies.

The arguments above do not imply that the expected 'catalytic effect' was doomed to fail. In the case of Cyprus, where for decades third parties had failed to mediate an agreement, the introduction of the 'EU dimension' could have been particularly welcome. It could have complemented the pure mediation role of the UN, by raising the political will of the principal parties to reach an agreement. The UN, due to its nature, lacked the necessary leverage to induce the principal parties to settle. UN mediators at most could advance proposals, based on the parties' negotiating positions. The EU's 'structural diplomacy' instead; i.e., the various forms of association and integration offered by the EU, is potentially well-tailored to induce long run structural change both within and between countries.<sup>2</sup> This potential is strongest when the form of association in question is full membership itself. The accession process indeed did contribute to reforms and the easing of ethno-political problems in the CEECs.<sup>3</sup> In Cyprus, accession also could have generated new incentives to transform the status quo. The accession process added new and significant material and non-material resources that were intricately related to the EU's very nature as a non-state actor. <sup>4</sup> These resources could have been presented to the principal parties, and made conditional on efforts towards a resolution of the conflict. This could have facilitated the search for alternative satisfiers, that in turn could have encouraged a UN-mediated win-win agreement. It is interesting to note in fact that the 2002 UN Plan made extensive use both of the EU framework within which to cast the new Cyprus, and of the deadlines set by the enlargement timetable.

The problem therefore was not in the instruments at the EU's disposal. It was rather in the lack of focus on whether and how to use them, and in service of what strategy. Despite the potential in its 'structure', the Union failed in the realm of 'agency'. The 'catalyst effect' discourse was inspired by the potential complementarity between the roles of the EU and the UN. However, UN-EU complementarity rested on both the UN and the EU acting collectively and coherently, and on the smooth and close contact between the two actors. While the former would persist in its pure mediation functions, the latter would effectively take on the roles of a principal mediator.

This would have required a collective EU strategy to complement the UN's pure mediation by generating incentives for conflict resolution in the context of enlargement. The ambition to play such a role existed at the level of EU rhetoric. However, scratching beneath the surface the clearest conclusion drawn was that EU policies were not the product of a unified European strategy towards the conflict. The EU was engaged in *foreign policy activity* in the framework of enlargement.<sup>6</sup> Yet it lacked a committed and deliberate *foreign policy* towards the conflict. This was because no EU actor (with the exception of Greece) was interested in a more substantive EU involvement in the Cyprus conflict. As such, the Commission dealt with Cyprus with an exclusive mission to proceed with the accession process. The external expectations of the EU's ability to act in a state-like fashion complicated matters further, in so far as they led the recipient parties to view EU policies as part of a well-planned course of action. These perceptions and misperceptions reinforced the unforeseen and often unintended negative effects of the EU's role.

Probing into the reasons for the absence of a political strategy leads us to the familiar conclusions introduced in the first Chapters of this study, i.e., that the EU was not a coherent, let alone single collective actor in the Cyprus conflict. Chapter 6 analysed the factors driving key EU decisions. What do these conclusions tell us about the formulation and conduct of European foreign policy and in particular about the 'EU' as a third party actor in ethno-political conflicts?

# 2) The determinants of European foreign policy

The discussion in Chapter 6 easily finds its place in the literature on European foreign policy. External demands, national interests, inter-state bargaining, institutional settings and 'Europeanisation' are all frequently discussed elements in the theoretical and applied literature on European foreign policy. The rest of this Chapter seeks to contextualise the findings of this study within the wider literature on EU foreign policy.

#### a) External demands

In a seminal article in 1993, Chris Hill characterised the deficiencies in European foreign policy by exploring the 'gap' between external expectations and EU capabilities to respond to them.<sup>7</sup> External actors expect the EU to act as a joint supervisor of the world economy, as a stabiliser and pacifier of the European continent, as a principal aid donor and interlocutor of the third world and as a second voice in international diplomacy. The specific demands of third countries or regions range from association, aid, trade preferences and membership to recognition and mediation. Although in a 1996 review Hill concluded that external expectations had somewhat lowered from the early 1990s, they nonetheless continued to exceed the Union's effective capabilities. While exceeding capabilities, external demands act as prime determinants of EU external action, or rather re-action. Following a variant of Philippe Schmitter's 'externalisation hypothesis'. Hill argued that member states 'will find themselves compelled-regardless of their original intention- to adopt common policies vis-à-vis third countries.'10 Demands from external national, international and sub-national actors induce the Union to respond with some form of common action or position.<sup>11</sup>

These arguments can be easily applied to the case of Cyprus. Encouraged by member state Greece, the Greek Cypriot government applied for EU membership. It applied expecting the accession process to 'catalyse' a settlement favourable to Greek Cypriot political and security interests. Albeit reluctantly, the Union responded favourably to Greek Cypriot demands, and the Council called the Commission to launch an accession process with Cyprus. Gradually the Commission and the Council assimilated the Greek and Greek Cypriot expectations, and espoused the rhetoric about the 'catalytic' role of the accession process. In view of Turkey's demands for membership, EU actors overestimated their ability to influence the Turkish and Turkish Cypriot authorities, despite their unwillingness to extend membership to Turkey. Turkey's own uncertain candidacy was only recognised in 1999, six years after Cyprus' accession process was launched.

### b) National interests within multilateral negotiation processes

The literature also devotes significant attention to the role of member states and their mode of interaction.<sup>12</sup> While there is considerable variation in the emphasis given to national foreign policy, most scholars agree that member state interests and their interaction continues to lie at the core of European foreign policy-making.

The remaining importance of national foreign policy does not exclude the possibility of common European positions or actions. On the contrary, member states frequently deem it in their interests to forge consensus and act in unison precisely to strengthen their individual positions, i.e., the 'politics of scale'. In other words, European foreign policy allows member states to strengthen and refine their national foreign policies by framing them within an EU framework. The European framework can be a valuable additional instrument of national foreign policy, which can lower the costs and raise the returns of unilateral national action. It can act as a powerful platform for national self-projection, particularly for small member states.

This can occur in different ways. At times, member state interests could simply coincide, and so unified positions would benefit equally all member states. On other occasions, member states could opt for collective positions or actions because espousing individual foreign policies would prove too costly either in domestic or in international realms. On other occasions still, member states could fail to reach common positions. As a result, inaction rather than action would characterise the European stance. Situations calling for punitive measures (e.g. vis-à-vis Israel or China) tend to fall in this category, where historical reasons, commercial interests or security considerations often prevent one or several member states from supporting the deployment of EU 'sticks'.

Finally, common positions may result from the interactions between different national interests. The idea of inter-state bargaining in international politics was articulated by Putnam through the concept of 'two-level games'. <sup>16</sup> Outcomes are determined by inter-state bargains rather than by clear-cut common strategic aims. The precise bargains are affected by the relative strength of national positions. These

in turn are determined by the constraints imposed by, the influence of and dependence on domestic forces, such as interest groups, public opinion, party politics, etc. However, the member state is constrained also by international pressures and commitments. The national negotiator thus lies at the intersection between domestic and external pressures. Decisions can be reached when there exists an area of overlap between the two sets of constraints.

The relative strength of the member states matters. So in principle small members could be 'bought off' more easily with side payments than larger states. However, equally important is the relative strength of member states on specific foreign policy questions (i.e., 'issue specific power' as described in Chapter 1), which is determined in part by the different priorities of their national foreign policies.<sup>17</sup> Germany values the stability and development of Poland and the Czech Republic more than Spain. The stability of the Maghreb is more of a French, Spanish and Italian priority than a German or Dutch one.<sup>18</sup> European foreign policy activity tends to reflect these different prioritisations.

As a result European common positions often reflect the 'median' rather than the 'lowest common denominator' between member states. <sup>19</sup> For example, in December 1991, member states reluctantly gave in to the unilateral German decision to recognise the former Yugoslav republics. The European position was not the product of a common foreign policy based on a common assessment of the best possible European response to the Balkan quagmire. On the contrary, the decision was a reflection of the strongly held German views driven by domestic political considerations. The member states valued more the need to forge internal consensus than the desire to pursue the best possible common response to an external problem. Indeed the recognition of Croatia and Slovenia may have precipitated further negative developments in the region. <sup>20</sup>

Following a similar logic, Esther Barbé analyses EU policies towards the CEECs and the Mediterranean as a balancing act between member state interests.<sup>21</sup> EU policies towards the south and the east in the 1990s (i.e., enlargement towards the CEECs on

the one hand and enlargement towards Cyprus and Malta, integration with Turkey and the EMP on the other) were the result of internal EU bargaining between northern and southern member states. The decisions reflected a compromise between the different mental maps and priorities of EU-15. As far as Cyprus was concerned, the Mediterranean member states (apart from Greece) were not particularly interested in the island or the conflict, but simply favoured the concept of greater EU attention to the Mediterranean region.

The above examples highlight how EU positions are often determined more by requirements on the inside, i.e., internal consensus formation, than a common strategy to face an external problem.<sup>22</sup> While to some extent all foreign policies are driven more by internal than by external circumstances, in the case of the Union the greater variety in and potential inconsistency between internal factors accentuates the potential flaws of this mode of foreign policy-making.<sup>23</sup> The predominantly inward rather than outward looking policy-making processes can unwillingly lead to misunderstandings on the outside as well as to inaction or inconsistent, directionless and perverse action.

This leads Ifestos to conclude that as long as EU external action is simply the product of a coincidence of interests or inter-state bargains, the 'logic of diversity', <sup>24</sup> would prevail and the Union would not enjoy an effective foreign policy. <sup>25</sup> A European foreign policy would necessitate coherent and consistent common interests over time, resulting in common strategic priorities and positions on external action. According to Peterson, Guehenno and Allen amongst others, this will only occur with the emergence of truly common interests, which in turn necessitate common identities. <sup>26</sup>

The Cyprus case study is rich of examples highlighting these features of European foreign policy-making. Greece, a long-time supporter of the internationalisation of the Cyprus conflict, activated itself to transfer the conflict into the European domain. An EU platform was significantly more powerful than Greek foreign policy as a means to pursue Greek national interests. The second and third Greek Presidencies were used to further Greek national goals concerning Cyprus. The other member

states paid little or no attention to the conflict. Hence, over the course of decade the EU position converged on the median, determined to a large extent by the Greek government. Despite being a small and thus a relatively weak member state, Greece had strong views on Cyprus, which were consistently advanced within the EU policy-making process (with a marginal exception of the early 1990s where the major Greek preoccupation was Macedonia). Over the course of the decade Greek views were gradually endorsed by the rest of the largely disinterested member states.

Inter-state bargaining is also fundamental in assessing EU-Turkey relations. Again internal rather than external considerations predominantly affected the EU's stance towards Turkey. On the one hand, the Greek rejection of Turkey's full membership (up until 1999), silently backed by other member states generated considerable EU resistance against Turkey's integration in the Union. On the other hand, all member states, strongly encouraged by the US, appreciated Turkey's importance and were keen not to alienate Ankara. The interaction between these two contrasting internal forces was a crucial determinant of the pendulum effect and frequent inconsistency in EU-Turkey relations since the late 1980s.

### c) Institutions

A third factor that is frequently discussed in the literature and that emerged as an important element in the Cyprus case study is the role of institutions. The structure and mode of operation of EU institutions considerably affected the nature of EU positions towards the conflict. The role of institutions cannot be disaggregated from that of the member states, in so far as the EU institutional structure is to a large extent a product of member states' views regarding the nature of the Union. So long as the member states resist a truly common foreign policy, they will refrain from empowering EU institutions with the capability to take on that role.<sup>27</sup> In turn, so long as institutions do not work to forge truly European interests and objectives, the 'logic of diversity' in member states will prevail.<sup>28</sup>

Beginning with the Council, considerable attention was paid to the role of the Presidency in the Cyprus case study, and most notably the Greek Presidencies of 1988 and 1994. The literature has for decades explored the endemic problems of the rotating Presidency. One such problem is the potential clash between national and collective interests and thus the tendencies of Presidencies to exploit their term in office to further national goals. These tendencies are particularly marked when Eurosceptic or small member states take on the Presidency.<sup>29</sup> Hence, previous Portuguese and Spanish Presidencies concentrated in bringing Africa and Latin America onto the EPC/CFSP agenda, Sweden and Finland insisted on the inclusion of the Baltic states in the fifth enlargement, Austria furthered Hungary's inclusion, Denmark pursued closer EU-Norwegian ties and finally Greece lobbied intensely for Cyprus.<sup>30</sup> Although in 1988 PASOK was far more pro-European than during its early years in office, the second Greek Presidency remained relatively cautious of the Community. As such it used its six-month term in office to focus predominantly on Cyprus in its external relations dossier.

By the time of the third Greek Presidency in 1994, a remarkably transformed PASOK was far better placed to endorse another classic role of the Presidency, that of brokering package deals and building coalitions in order to reach consensus. The case of the Corfu Council is a classic example in this respect, as the Greek Presidency, keen to slip Cyprus into the bargain, succeeded in winning the consent of the Mediterranean member states, which favoured a southern counterbalance to the eastern enlargement. The Greek government succeeded in its intent, without defining the implications of this key decision. The Corfu bargain highlights how EU decisions are frequently taken on the grounds of internal needs and demands rather than collective strategies based on common assessments of external realities. Another key issue in this respect is unanimity in decision-making. In order to forge consensus, EU decisions and actions can appear inconsistent and illogical when viewed from outside, simply because their driving logic is often the need to reach internal consensus. Again the predominant use of unanimity in CFSP decision-making (despite the marginal changes made since 1997) remains in itself a clear signal of the

persisting divergence between the interests of member states in the foreign policy domain.<sup>31</sup>

The rotating presidency and the divergence between member state interests and priorities not only creates the potential for incoherence at any given time, but also for inconsistency over time. As member states frequently use their Presidencies to further their different interests without accepting sufficient collective responsibility, the overall result is that a particular dossier risks being treated in different ways and with different intensities on six-monthly intervals.<sup>32</sup>

This was certainly true of the Cyprus dossier. With the exception of the Greek Presidencies and the partial exception of the 1998 British Presidency, no other Presidency in the 1990s paid attention to the Cyprus problem per se, apart from when it was drawn into the logic of EU-Turkey-Cyprus package deals as during the 1995 French Presidency or the 1999 Finnish Presidency. While the rhetoric of all Presidencies stressed the importance of seeking a solution to the conflict prior to accession, none of the fourteen member states paid sufficient attention to how best contribute to an agreement. The conflict was regarded as far too intractable to be resolved in six months and not pressing enough to justify intense and sustained effort without immediate payoff. So the Cyprus dossier was often on the margins of EU preoccupations, apart from when it was lifted to the core during Greek Presidencies and on few other isolated occasions.

One last institutional theme discussed at length in the Cyprus case study was the role of the Commission and connected to this the EU pillar structure. Nuttall notes how the role of the Commission in EU external relations grew in the aftermath of the Cold War and the decision of the July 1989 Western Economic Summit to entrust the Commission with the task of coordinating aid to Poland and Hungary and then to the rest of the CEECs. Since then, the Commission played a prominent role in the enlargement process, inducing reform in the CEECs by developing its policies of conditionality. Since the conditionality.

However the Cyprus case study highlights the limits of this form of conditionality and related to this the defects of the pillar structure. The Commission, due to its nature and mandate, focussed on Cyprus' accession rather than on conflict resolution. In turn this meant that Commission officials tended to stress the need for a sufficiently integrated federal system that was capable of endorsing the responsibilities of membership. They did not focus on portraying elements of an EU-embedded solution that would solicit the support of all principal parties. The Commission's mandate also entailed that until late 2001, there was minimal contact between Commission (and member state) officials dealing with Cyprus and the UN mediators. It is in fact interesting to note that it was only when contacts intensified (in mid-2001, when the prospects of the accession of a divided Cyprus were becoming all too evident) that the Commission and the member governments began mentioning other security and political gains deriving from membership.<sup>35</sup>

Throughout the accession process the Commission instead emphasised its economic instruments in order to induce a settlement on the island. More precisely, when called upon to substantiate the rhetoric on the EU's 'catalytic' effect on conflict resolution, the Commission overemphasised 'pillar 1' economic instruments to attain an essentially 'pillar 2' objective, i.e., the resolution of an ethno-political conflict. As previous Chapters argued, the economic dimension of the conflict was important, and became even more so following the grave economic downturn of the Turkish Cypriot economy in 2000-2002. Nonetheless, the political/security dimension remained at the core of the conflict and was neglected by the Commission up until late 2001. This neglect in turn diminished the value of the 'economic carrot', certainly as far as the Turkish Cypriot leadership was concerned. The leadership actually portrayed the Commission's approach as a bribe to the Turkish Cypriots. However, the structural problem of overemphasising first pillar instruments to deal with a second pillar problem did not derive from a misguided Commission strategy. There was no Commission or indeed EU strategy to catalyse a settlement in Cyprus. Indeed it was the very absence of a CFSP towards the Cyprus conflict that led the Commission to focus on the economic instruments that it was most accustomed to using.

# d) Europeanisation

Another element discussed in Chapters 2 and 6 in the context of Greece is 'Europeanisation'. Drawing from constructivist approaches, several scholars have emphasised the partial success of European foreign policy in terms of the transformation or Europeanisation of the member states and their national foreign policies. Rather than viewing European foreign policy exclusively through realist lenses and thus overemphasising its shortfalls when measured against national foreign policies, it is important to appreciate the effect that the EU and within it EPC/CFSP mechanisms have had on member states' attitudes and positions. <sup>36</sup> As put by Hill, working within CFSP 'shapes members' perceptions, choices and behaviours not least because it is the only way by which Europeans can have a high political profile in the global system'. <sup>37</sup>

But member states' positions change not only because of enforcement mechanisms and the costs of non-compliance, but also because of the gradual and genuine transformation of their perceived interests and positions within the EU framework. Working within the Union and thus slowly but steadily assimilating its written and unwritten rules and norms, affects member state attitudes and preferences. The Union's ideology in support of democracy, soft edged capitalism and regional cooperation, in addition to the *acquis communautaire* and *politique* are increasingly espoused by the individual member states as integral to their own ethos.

As such, a process of gradual convergence of views is already underway. Whether these changes will lead to a 'European identity' in future is unclear.<sup>38</sup> Nevertheless, the existence of change within member states, whether minimal such as the emergence of a 'concertation reflex' whereby member states automatically coordinate before taking unilateral external actions, or more far reaching, cannot be denied.<sup>39</sup> Transformed agency can then lead to a further transformation of structures, triggering a cyclical interrelationship between the two. In other words, transformed national positions within the EU framework can in turn affect the institutional

setting, making EU institutions better equipped to conduct a truly common foreign policy.<sup>40</sup>

The transformation of Greece within the Union, and more specifically of the PASOK governments has been a key factor affecting EU policies towards Cyprus and Turkey. Starting from a nationalist and rejectionist platform, PASOK underwent a radical change since 1981. This transformation impinged critically on its attitudes towards the EU, and subsequently its positions on Cyprus-EU and Turkey-EU relations. As the Greek governments started appreciating the economic and security gains of EU membership, they began lobbying intensely for Cyprus' inclusion in the bloc. Greek Cypriot security concerns would be alleviated if not resolved within the European security community, just like Greece itself was experiencing. So the PASOK governments assiduously worked first to persuade the initially reluctant Greek Cypriot government in 1988-1990, and thereafter to sway its European partners to assure Cyprus' EU membership regardless of a resolution of the conflict.

The government's Europeanisation is even clearer in its transformed positions towards Turkey and EU-Turkey relations. From epitomising in the 1980s the single most critical obstacle in advancing closer EC-Turkey ties and the primary scapegoat behind which reluctant member states hid, the PASOK government of Costas Simitis (and in particular Foreign Minister George Papandreou within it) became the most vocal advocate of Ankara's cause two decades later. While several factors contributed to this change, one if not the most important explanation lies in the transformation of Greece itself as an EU member state. Over the course of its membership, Greece felt sufficiently secure to rationally assess its national security interests and revise those interests by concluding that a 'European Turkey' embedded in a common cooperative structure would represent Greece's strongest security guarantee. Given Turkey's expectations, a 'European Turkey' entailed support for Turkey's EU membership bid. The extent to which this transformation extends beyond the current PASOK government, and Foreign Minister Papandreou in particular, cannot be easily ascertained. However, while views within the Greek

political establishment vary considerably, it seems unlikely that we will witness a return to Greek obstructionism within the Union concerning EU-Turkey relations.

# 3) The constructive and destructive interactions between the determinants of European foreign policy

The Cyprus case study displays several of the oft-mentioned factors determining European foreign policy activity. Yet probably the most important insight from this study is the interaction between these different elements, an interaction which itself becomes the prime determinant of the final outcome. The interactions over time between external demands and developments, national interests, inter-state bargaining, and institutions are numerous and complex. In what follows a few of these interactions are elucidated. In particular some of the links connecting the 'inside' to the 'outside' appear to lie at the crux of the Cyprus case study.

Cyprus' accession process was initiated by Greek Cypriot external demands driven by political and security reasons. Yet had it not been for the close ties between Nicosia and Athens, those external demands may not have emerged. In turn Greece would not have persuaded the Greek Cypriots to apply for membership had its own perceptions of the Union not changed. And this change was the slow result of a decade of membership, in which Greece gradually transformed its ideology and views of the Community through the experience of membership itself. As the PASOK governments appreciated the economic, political and security gains of membership, they became keen to expose the Greek Cypriots to the same benefits.

Greek membership also goes a long way towards explaining the resistance of the Turkish and Turkish Cypriot authorities towards Cyprus' accession. Greek positions within the EC in the 1980s, together with the general neglect of the Cyprus conflict and the ambivalence towards Turkey by the other member states, made Turkey and the Turkish Cypriots suspicious of the Union. They automatically resisted the unilateral application of the Greek Cypriots, espousing the mirror image of the same logic that induced the Greek Cypriot government to apply. Their resistance took the

form of increased antagonism towards Greece, the Greek Cypriots and the Commission, and intransigence in inter-communal negotiations.

Turkish and Turkish Cypriot antagonism and intransigence in turn strengthened the already existing imbalance of EU institutions and member states towards the conflict. The more the Commission was snubbed by Turkish Cypriot officials and therefore the less contact it had with them, the more it tended to sympathise with Greek Cypriot views. The more it sympathised with the Greek Cypriot narrative, and the more cautious it was in its contacts with Turkish Cypriot officials. This entailed focussing more on Turkish Cypriot civil society than seeking official contacts with the authorities. In turn, this was interpreted by TRNC officials as the Commission's attempt to bypass and undermine them by bribing the impoverished Turkish Cypriot population. In short, dynamics within the EU and the Turkish and Turkish Cypriot sides interacted creating a vicious circle of misperceptions, bias and misunderstandings. As time elapsed these tendencies reinforced each other, generating an effective default EU policy towards the conflict, which operated against its resolution. Hence, while at times the interaction of different factors generates a shift in direction, such as the emergence of Greek Cypriot demands for membership, in other instances it reinforces existing trends, namely Turkish and Turkish Cypriots suspicions of the Union.

The short and medium term effects of Cyprus' accession process on efforts to resolve the conflict were largely negative. However, the long term effects, that began to seep through at the turn of the century, may operate in the opposite direction. The slow transformation of states within the European framework appears to lie at the heart of the explanation. By operating within the EU institutional setting, the Greek government's perceptions of its own options and preferences transformed. While initially the EU institutional setting principally intervened by constraining unaltered choices, thus inducing Greece to accept the logic of multilateral bargaining and package deals, by the late 1990s the EU setting penetrated deeper, affecting underlying positions and interests.

Nowhere has this been more evident than in the transformation of Greek attitudes towards Turkey. From representing the most critical obstacle to smooth and close EU-Turkey relations in the 1980s, by December 2002, the Greek government appeared to be the most adamant spokesman for Turkey in the Union. This change is generating two interrelated effects. First, it is slowly beginning to affect positively Turkey's own perceptions of the Union and in turn accelerating Turkey's transformation or Europeanisation. Turkey is increasingly appreciating that, contrary to its long held views, the EU is no longer endemically against Turkey in view of Greece's inclusion and Turkey's exclusion from the club. The Turkish establishment and public opinion remain sceptical of the Union's willingness to embrace Turkey. However, the reasons behind this scepticism are focussed less on Greece. On the contrary, member state Greece is increasingly regarded as an asset to Turkey's EU membership bid.

As such, and with progress in Turkey's EU accession process and its gradual compliance with the Copenhagen criteria, Turkey's own mode of foreign policy-making may slowly transform. The Copenhagen criteria represent an effective programme for the Europeanisation of candidate countries by inducing them to endorse models of governance reflecting the values, norms and principles of the Union. If and as Turkey progresses along this path, its own views on Greek-Turkish relations and the Cyprus conflict may also alter. We may already be witnessing the first signs of change with the election of the AKP government in Ankara.

Greece's transformation and the ensuing initiation of Cyprus' accession process may also be slowly affecting Greek Cypriot attitudes towards Turkey and the Turkish Cypriots. One could argue that since the late 1990s there have been already the first signs of change, as Clerides' government portrayed itself as being both extremely close to motherland Greece, thus satisfying nationalistic demands, as well as being pro-solution and pro-rapprochement with the Turkish Cypriots. Being a Greek Cypriot nationalist in 2002 did not have the same meaning as it did in 1992. Indeed it is interesting to note that it is the same Clerides who in 1993 campaigned against the 1992 Set of Ideas, and who a decade later appeared willing to negotiate a solution of

the basis of the November 2002 UN Plan, which in many respects came closer to satisfying Turkish Cypriot concerns than the 1992 proposals. The process of change has certainly not been linear. Indeed Chapters 4 and 5 discussed the increased antagonism in Greek Cypriot positions particularly in the mid 1990s, both in terms of defence policy and by pursing property restitution cases in the ECHR. Yet by the turn of the century, Greece's 'Europeanisation' and the increased sense of security as a prospective EU member state, appear to be having a gradual positive effect on Greek Cypriot thinking, particularly at the level of elites.

There have also been fundamental interactions between internal EU factors and external developments as far as EU-Turkey relations were concerned. On the one hand, the more sceptical were the member states regarding Turkey's future in Europe and thus the less forthcoming were EU policies towards Turkey, and the greater the credibility of Turkish hardliners, who claimed that Turkey would never be admitted to the Union and so Ankara should be cautious in its domestic reforms and foreign policy re-conceptualisations. In other words, the greater was Turkey's mistrust of Europe, and the slower was its own process of Europeanisation.<sup>44</sup> In turn, the less likely was a change in Turkey's Cyprus policy. In this respect, paradoxically Greece's ongoing Europeanisation, having exposed the deep reservations of the other member states towards Turkey, contributed to Turkey's mistrust of the Union. On the other hand, as and when nationalists in Ankara gained the upper hand in the determination of domestic and foreign policy, EU actors became less forthcoming towards Turkey. Some 'Turkey-sceptics' in Europe, who disapproved of the forthcoming decisions on Turkey taken in December 1999 and December 2002 indeed may have hoped for an impasse in Cyprus in order to cool relations with Ankara.45

In several instances in the recent history of EU-Turkey relations, 'anti-Turks' in Europe and 'anti-Europeans' in Turkey reinforced each other in a vicious circle of antagonism and lack of reform in Turkey together with European distancing from Turkey. On other occasions the circle was broken. The early post-Helsinki period and the summer-autumn of 2002 in which Turkey succeeded in passing fundamental

domestic reforms, which in turn fuelled the December 2002 Copenhagen Council's decisions were two such instances. When vicious circles were broken, they gave way to constructive interactions between Turkey and the Union, which in turn facilitated the search for an agreement in Cyprus. Unfortunately, in April 2003 as far as a resolution of the conflict was concerned, vicious circles still outweighed the virtuous ones.

## 4) Conclusion

The interaction between the different determinants of European foreign policy gives rise to what Hill and Wallace have defined a 'multi-level governance' process leading to a 'system of external relations'. <sup>46</sup> The Union still falls short of enjoying a truly common foreign policy as shown by the visible absence of design and strategy in EU external policy. <sup>47</sup> However, European foreign policy is gradually evolving over time into a complex, interactive and dynamic foreign policy system, in which different actors and factors from different levels of government and civil society, internal and external to the Union, interact to produce the overall policy outcomes. <sup>48</sup> This dialectic process is marked by contrasting forces of convergence and of divergence. External demands, globalisation and Europeanisation may lead to a gradual process of convergence, contrasted by the persisting divergence in national interests and perceptions, driven by different geographical and historical contexts. <sup>49</sup>

Consequently, the outcomes are also mixed. At times the system produces uncertainty, delay and misperceptions. On other occasions it can lead to deep-rooted change and moderation. The Cyprus case study shows that starkly opposite effects can coexist and their relative strength can change over time as some take precedence over the others. The 1990s witnessed a deterioration of the conflict, determined at least in part by the introduction of the EU variable in the conflict. What made matters worse was that the EU framework could have potentially aided the UN's search for an agreement by adding conditional economic, political and security assets, vital to the basic needs of the principal parties.

This leads to a paradoxical conclusion also drawn by Zielonka: 'despite its enormous power of attraction the Union has serious problems transforming its normative strength into operational capability'. <sup>50</sup> But the possible explanation of the paradox is perhaps more intriguing than the paradox itself. Those very aspects of the EU multilevel governance framework which created the potential for a constructive European role in conflict resolution efforts, became the very cause of the EU's failure when confronted with the need to act towards the conflict.

When faced with a typical foreign policy problem such as the need for intervention in an ethno-political conflict a traditional state actor is often infinitely more effective at mobilising its resources, given the greater simplicity in its policy-making process. The complexity of a multi-level framework instead raises the difficulties in effective external action. As put by Allen 'if Bonn is to be challenged by the Länder, or Madrid by Catalonia, or Rome by northern Italy, or indeed London by Scotland, then the task of foreign policy coordination will become that much more complex'. So the resources offered by a non-nation state framework like that of the Union, while being potentially of greater value, are rarely exported effectively *because* of their very nature. In the case of Cyprus, this was the case up until April 2003.

In 2002-3, while UN and British drafters of the 'Annan Plan' made considerable use of the EU framework within which to embed a new Cyprus, the 'EU' as an actor remained largely passive. Neither the Commission nor the Council engaged actively in the peace process in order to gain the confidence of the Turkish Cypriot and Turkish sides. Their relative passivity was justified on the grounds of the existing UN mediation and Turkey's scepticism of the EU's role in Cyprus. Yet this passivity also entailed that little was done to deconstruct the logic which had motivated the hardening of Turkish and Turkish Cypriot positions during the 1990s. As reported by UN Secretary General Annan 'He (Denktaş) seemed to perceive the approaching date of EU accession and the EU's strong preference to welcome a united Cyprus not as an opportunity to achieve a settlement on a favourable basis and, in the process, pave the way for Turkey's aspirations regarding the EU, but as a trap and threat'. <sup>52</sup> Whether greater coherence and activism in EU policy could have altered (after

almost a decade of accession process) these (mis)perceptions cannot be known. Nevertheless, little was done to attempt such a re-conceptualisation.

The short term conclusions drawn from the Cyprus case study may indeed be dispiriting. However the possible long term lessons may be far brighter. In the short term or even more acutely in times of crisis, the Union often fails to mobilise its potential precisely because of its very nature.<sup>53</sup> Yet in the long term the opposite conclusions may be drawn. As put by Hill, the EU's 'comparative advantage is in the long term efforts to change the environments out of which crises tend to spring- so as to inoculate against them'. 54 It is still too early to tell whether this conclusion will be vindicated in the case of Cyprus. What can be concluded is that the first positive signs of transformation in subject positions within Greece, Turkey and Cyprus may be slowly emerging. In Greece this was manifest in the government's support for the Secretary General's 2002 proposals and for Turkey's progressive integration in the Union. In southern Cyprus it was most evident in the positions of Glafcos Clerides' team while being shared less by the general public. In northern Cyprus, the opposite was true, with a public far ahead of its leadership in terms of revising its positions regarding the desirable future options. In Turkey, while still far from having reached internal consensus, the first signs of change emerged with the rise to power of the AKP government in Ankara. In these progressive and endemic processes of transformation or 'Europeanisation', the role of the EU anchor clearly lies at the heart of the matter.

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Roy Ginsberg (2001); Roy Ginsberg (1999) and Roy Ginsberg (1989)

<sup>&</sup>lt;sup>2</sup> Stephan Keukeleire (2000). See also Karen Smith 'The instruments of EU Foreign Policy' in Jan Zielonka (ed.) (1999) pp.67-85

<sup>&</sup>lt;sup>3</sup> See Mathias Jopp (1994) and Karen Smith (1999)

<sup>&</sup>lt;sup>4</sup> See for example Richard Rosecrance 'Chapter 1' in Jan Zielonka (ed.) (1999) pp.15-23

<sup>&</sup>lt;sup>5</sup> Charlotte Bretherton and John Vogler (1999)

<sup>&</sup>lt;sup>6</sup> Karen Smith (1999)

<sup>&</sup>lt;sup>7</sup> Chris Hill (1993)

<sup>&</sup>lt;sup>8</sup> Chris Hill 'Closing the capabilities expectations gap?' in John Peterson and Helene Sjursen (eds.) (1998) pp.18-38

<sup>&</sup>lt;sup>9</sup> Philippe Schmitter (1969) p.165

<sup>&</sup>lt;sup>10</sup> Ole Norgaard, Thomas Pedersen and Nikolaj Petersen (1993)

<sup>&</sup>lt;sup>11</sup> See also Simon Nuttall 'Chapter 2' in Elfriede Regelsberger, Philippe de Schoutheete de Tervarent and Wolfgang Wessels (eds.) (1997) pp.19-39 and Roy Ginsberg (1989)

12 Chris Hill (ed.) (1996) and David Allen, Reinhard Rummel and Wolfgang Wessels (1982)

Roy Ginsberg (1989) and Chris Hill 'Chapter 5' in Elfriede Regelsberger, Philippe de Schoutheete de Tervarent and Wolfgang Wessels (eds.) (1997) pp.85-97

<sup>14</sup> Wolfgang Wessels 'EPC: a new approach to European Foreign Policy' in David Allen, Reinhard Rummel and Wolfgang Wessels (1982) pp.1-20

<sup>15</sup> Roy Ginsberg (1989)

<sup>16</sup> Robert Putnam (1988)

<sup>17</sup> Alfred Pipers in Martin Holland (ed.) (1991)

<sup>18</sup> Chris Hill and William Wallace 'Introduction' in Chris Hill (ed.) (1996) pp.1-16

<sup>19</sup> Simon Nuttall (1992) pp.314-315

<sup>20</sup> John Peterson and Helene Siursen 'Chapter 10' in John Peterson and Helene Siursen (eds.) (1998) pp.167-185, p.172

Esther Barbé 'Balancing Europe's Eastern and Southern Dimensions' in Jan Zielonka (ed.) (1998) pp.117-129

- Simon Nuttall 'Chapter 2' in Elfriede Regelsberger, Philippe de Schoutheete de Tervarent and Wolfgang Wessels (eds.) (1997) pp.19-39, p.36.
- <sup>23</sup> Jan Zielonka, 'Policies without Strategies: the EU's record in Eastern Europe' in Jan Zielonka (ed.) (1998) pp.131-145 <sup>24</sup> Stanley Hoffman (1966)

<sup>25</sup> Panayiotis Ifestos (1987)

- <sup>26</sup> John Peterson 'Introduction' pp.3-17, and David Allen 'Who speaks for Europe' pp.41-58, in John Peterson and Helene Sjursen (eds.) (1998) and Jean-Marie Guehenno 'A Foreign Policy in Search for a Polity' in Jan Zielonka (ed.) (1998) pp.25-34
- Chris Hill and William Wallace 'Introduction' in Chris Hill (ed.) (1996) pp.1-16 and Reinhardt Rummel and Jorg Wiedemann 'Identifying Institutional Paradoxes of CFSP' in Jan Zielonka (ed.) (1998) pp.53-66

  <sup>28</sup> David Allen 'Who speaks for Europe' in John Peterson and Helene Sjursen (eds.) (1998) pp.41-58
- and Elfriede Regelsberger 'Chapter 4' in Elfriede Regelsberger, Philippe de Schoutheete de Tervarent and Wolfgang Wessels (eds.) (1997) pp.67-84

<sup>29</sup> Helen Wallace in Colm O'Nuallain (ed.) (1985)

- 30 David Allen 'Conclusions: The European rescue of national foreign policy?' in Chris Hill (ed.)
- (1996) pp.288-304, p.299

  31 John Peterson 'Introduction' in John Petersen and Helene Sjursen (eds.) (1998) pp.3-17; Reinhardt Rummel and Jorg Wiedemann 'Identifying Institutional Paradoxes of CFSP' in Jan Zielonka (ed.) (1998) pp.53-66 and Lawrence L.Hamlet 'The Core of Decision-making' in Reinhard Rummel (ed.) (1992) pp.77-98
- <sup>32</sup> Fraser Cameron 'Building a common foreign policy' in John Petersen and Helene Sjursen (eds.) (1998) pp.59-76
- 33 Simon Nuttall 'The Commission: the struggle for legitimacy' in Chris Hill (ed.) (1996) pp. 130-147

34 Karen Smith (1999)

- 35 See section 5a) in Chapter 4
- <sup>36</sup> Wolfgamg Wessels 'EPC: a new approach to European Foreign Policy' in David Allen, Reinhard Rummel and Wolfgang Wessels (1982) pp.1-20 and Knud Erik Jorgensen 'The EU's Performance in World Politics' in Jan Zielonka (ed.) (1998) pp.87-101
- <sup>37</sup> Chris Hill 'Convergence, Divergence and Dialectics' in Jan Zielonka (ed.) (1998) pp.35-51, p.49

<sup>38</sup> Jnud Erik Jorgensen (1997) and Alex Wendt (1994)

<sup>39</sup> Panayiotis Ifestos (1987) pp.241-242 and Philippe de Schoutheete; Wolfgang Wessels 'EPC: a new approach to European Foreign Policy' in David Allen, Reinhard Rummel and Wolfgang Wessels (1982) pp.1-20

Other Charlotte Bretherton and John Vogler (1999)

- <sup>41</sup> There are debates both within PASOK and between PASOK and ND on whether the Simitis-Papandreou strategy towards Turkey is not excessively accommodating. However, these debates tend to concentrate on whether Greece is going too far too soon, and not on whether the general direction of Greek foreign policy towards Turkey should be reconsidered.
- <sup>42</sup> Kevin Featherstone and George Kazamias 'Introduction' in Kevin Featherstone and George Kazamias (eds.) (2001) pp. 1-22

<sup>43</sup> Conversation with Greek Cypriot academic, Nicosia, March 2002

52 UN Secretary General (2003) paragraph 130

<sup>44</sup> Contribution by Kemal Kirişçi in Cyprus' EU Accession and the Greek-Turkish Rivalry, Conference organised by Yale University, 4-6 April 2003
<sup>45</sup> Conversation with Commission official, Brussels, January 2002

<sup>&</sup>lt;sup>46</sup> Chris Hill (1993) and Chris Hill and William Wallace 'Introduction' in Chris Hill (ed.) (1996) pp.1-16, p.5

<sup>&</sup>lt;sup>47</sup> Jan Zielonka 'Policies without Strategies: the EU's record in Eastern Europe' in Jan Zielonka (ed.) (1998) pp.131-145

48 Chris Hill and William Wallace 'Introduction' in Chris Hill (ed.) (1996) pp.1-16

<sup>&</sup>lt;sup>49</sup> Chris Hill 'Convergence, Divergence and Dialectics' in Jan Zielonka (ed.) (1998) pp.35-51 and Chris Hill 'Chapter 5' in Elfriede Regelsberger, Philippe de Schoutheete de Tervarent and Wolfgang Wessels (eds.) (1997) pp.85-97, pp. 96-7.

Solution Jan Zielonka 'Introduction' in Jan Zielonka (ed.) (1998) pp.1-14, p.11

David Allen 'Conclusions: The European rescue of national foreign policy?' in Chris Hill (ed.) (1996) pp.288-304, p.300

<sup>53</sup> Elfriede Regelsberger, Philippe de Schoutheete de Tervarent and Wolfgang Wessels 'Chapter 1' in Elfriede Regelsberger, Philippe de Schoutheete de Tervarent and Wolfgang Wessels (eds.) (1997) p.1-

<sup>15
54</sup> Chris Hill 'EPC's performance in crisis' in Reinhard Rummel (ed.) (1992) pp.135-146, p.146

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# Interviews and public speeches

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Andreas Theophanous, Greek Cypriot academic, Intercollege, Nicosia, March 2002

Theophilos Theophilou, Ambassador of the RoC to the EU, Brussels, November 2001

Herbert Tombeur, official, Flemish community/region, Brussels, March 2002

Nicos Trimikliniotis, academic, University of Cyprus, Nicosia, March 2002

Panos Tsakaloyannis, academic, University of Athens, Athens, March 2002

Charalambos Tsardanidis, academic, Institute of International Economic Relations, Athens, November 2001

Ilter Türkmen, former Turkish Foreign Minister and Turkish head of the Greek Turkish Forum, Istanbul, February 2002 and May 2002

Sinan Ülgen, Turkish businessman, Istanbul, July 2001

Yannis Valinakis, academic, New Democracy, Athens, March 2002

Adriaan van der Meer, Head of Turkey Unit, Commission, Brussels, April 2002

George Vassiliou, former President of the RoC and Chief Negotiator in Cyprus' accession negotiations, Nicosia, March 2002, London, May 2002 and Brussels, September 2002

Costas Venizelos, Greek Cypriot journalist, Nicosia, March 2002

Bahri Yilmaz, advisor to former Turkish Foreign Minister Sina Şukru Gurel, Istanbul, March 2002

Işilay Yilmaz, Turkish Cypriot official, Nicosia, February 2002

Costas Zepos, Member of the Greek Turkish forum, Athens, November 2001 and March 2002 and Brussels, September 2002