

Cyprus and the European Union

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The Republic of Cyprus acceded to the European Union as a divided territory in 2004. At the time there remained hope that the impasse resulting from the failed round of UN mediation could be overcome. On the Greek Cypriot side, European Union membership had long been posited as a means to the end of reuniting Cyprus. Even the rejection of the Annan Plan was portrayed as an opportunity to return to the negotiation table with new European parameters. This proved to be a convincing rationale to the vast majority of Greek Cypriots who overwhelmingly rejected the UN mediated blueprint. Yet, five years on, this European factor has not materialised in any tangible sense. Worse, the European Union no longer serves to mobilise Turkish Cypriots to favour a compromise settlement.

On paper, the European factor was tailor made to help facilitate an amicable settlement in Cyprus. Through rule of law, the EU could have enabled the Cypriot sides to build trust, where it had been scarce. After all, the failure to enforce contracts tends to create 'prisoners' dilemmas'. Despite – or due to – the Guarantor powers in Cyprus, agreements were violated despite international treaties establishing the Republic of Cyprus. The EU, on the other hand, offered an environment where the hierarchy of norms and laws prevailed. As such, the EU also offered the respective 'motherlands', erstwhile regional rivals despite mutual NATO membership, the benefits of a 'peace dividend'.

In the years leading to accession, momentum was with the Europeanizing dynamic. This was evident in Helsinki in 1999, which effectively reversed the climate from Luxembourg in 1997. Turkey was offered candidacy to full EU membership, and the road was paved for Cyprus' accession. In 2004 Cyprus acceded, albeit divided, and this anomaly/derogation was accommodated in the Accession Treaty, leading to the current impasse.

And despite the launch of formal negotiations with the EU in 2005, Turkey remains far from its goal of joining the Union. At this stage, there are doubts that Turkey will ever be admitted, either stemming from a lack of progress in meeting technical criteria, or, more likely, due to political factors both in Turkey and within EU member states. This is the real impasse that might plague the Cyprus problem indefinitely.

But this is not met with much concern these days in Ankara or in the streets of Istanbul. Turkey, unlike many Eastern European countries, retains strategic options. Turkey's relative autonomy, even in the realm of security (despite NATO membership), reflects in its increasingly diverse foreign policy objectives. Turkey now fancies itself a bona fide regional power, and not only in the material sense. Turkey now boasts of its 'strategic depth' – a term coined by its current foreign minister – a form of 'soft power' stemming from Turkey's Ottoman history and cultural affinities to neighbouring states in the Middle East.

Moreover, Turkey's developing economy and trade relations makes Turkey relatively more attractive to various actors.

More generally, globalisation seems to be lifting the BRIC nations, financially and economically, resulting in an apparent shift in relative power capabilities in the international system favouring the emerging markets. In this context, Turkey's relative autonomy, in turn, is only enhanced.

This development coincides with the lacklustre performance of euro-land economies, especially of neighbouring Greece. Public debt in Greece is a growing concern, partly induced through Greece's commitments to the European Union and the Euro as a common currency. Unable to devalue, the only response has been for the market to increase the spread on Greek sovereign debt and the German benchmark. Thus far Greek politicians have not been able to aggregate social forces and embark on a new course. Instead, chaotic scenes in the streets of Athens have dominated, giving the impression of a permanent crisis.

Thus, the lustre of the EU as a model for Turkey and other nations has been somewhat diminished over the course of a decade. It will be recalled that when the world was ushering in a new millennium, it was still assumed that emerging markets were fragile and that 'good governance' was still at a premium outside the West. Hence, despite reservations on the IMF prescriptions, we note that the 'Washington consensus' prevailed, effectively imposing banking and financial reforms on Asian countries and later, following the 2001 crisis, on Turkey.

So, part of the problem is that Greece, which once was meant to 'domesticate' Turkey, is proving to be an illusory case of 'good governance'. These lessons can be gleaned more generally, considering former EU 'miracles', including Ireland, which proved to be a financial and real estate 'bubble'.

Dreams die hard, of course. Formally, Turkey remains a candidate for full EU membership, and the Cyprus problem remains 'destined' to be solved amicably, through some sort of federal, power sharing arrangement.

Yet, these notions give the impression of being 'retro'. Even the election of George Papandreou in Greece provides some nostalgic relief for those committed to an EU that incorporates the ambitions of the Cypriot sides and Turkey alike. However, if we are to go 'back to the future' and consider the possibility of a renewed period of Greek-Turkish cooperation, we realise that the strategic view of the EU at the time coincided with initiatives of the Clinton administration that effectively lobbied European allies to take a broader perspective on its enlargement strategy.

Successive electoral cycles in Europe undermined this strategic orientation, bringing to power governments in France and Germany that prefer to consolidate the EU minus Turkey. The shift to the right continues in the current cycle, with anticipation that Prime Minister Gordon Brown's Labour must step aside for the Tories. This, in turn, may have also affected the EU presidency, where someone such as Tony Blair may have been suited to virtually put the EU on the diplomatic map. Alas, this was not the course chosen. Upon the naming of Herman Van Rompuy as the EU's

first president, French President Sarkozy was quoted as saying that Rompuy came from “an important country but not one of the most important countries, so that no one will feel excluded”. This, in turn, suggests that ‘important’ member states – and their representatives – are not ready to be upstaged by EU officials.

EU leaders must demonstrate the viability of the Lisbon Treaty that was designed to circumvent referenda as the mode of ratification – save for Ireland where it is constitutionally required. Given the unpopularity of enlargement, it is understandable that the EU member states settled on Van Rompuy, someone whose scepticism on eventual Turkish membership dovetails well with prevailing public sentiments.

These proclivities, in turn, are unlikely to change in the near term. Whereas Europe boasts some very competitive, export-oriented industries, the reality is that labour and an array of import-competing sectors cannot be too keen on further liberalisation and competition. If we add to this the perceived cultural incompatibilities with Turkey, as well as concerns regarding the apparent Islamic-revival in Turkey, the chances of European public sentiment turning is slim. The utility in rhetorically echoing these concerns – as opposed to allaying them – is all too apparent to politicians, and not only to those on the margins of politics.

So, what does all this mean for Cyprus? If the impasse between Europe and Turkey continues, it may serve to consolidate a ‘fault line’ that currently runs through Cyprus. Analogies to plate tectonics are not new. Controversially the late Samuel P. Huntington pushed such metaphors to describe the ‘clash of civilisations’. But whether intellectuals choose to ridicule crude generalisations or not, it is fair to say that we are emerging from a unipolar world, and this should compel the European Union into action. However, with an aging population and resources stretched through demands for social welfare, the EU, and its member states, is not equipped to respond effectively to the changing geopolitical contours.

The result may be that Europeans will increasingly hear Turks speak of ‘alternatives’; alternatives to full membership, and by extension, alternatives to a federal settlement in Cyprus. This is ironic, insofar as it is the Turkish side that rejects a ‘privileged partnership’.

Prior to emergence of Erdogan’s AKP party, dissidents in the top brass looked to alternative alliances/coalitions (Russia and Iran), but it was left to AKP foreign policy makers to chart a new direction and to conceive of Turkey’s regional ‘strategic depth’ or some sort of soft power. The slogan, ‘zero problems with the neighbours’, is meant to convey trust, yet rhetoric is no match for facts on the ground. Turkey is unlikely to withdraw troops unilaterally from Cyprus, or make any other significant gesture, hence the *status quo* continues.

Should accession negotiations lead to a genuine moment of truth, Turkish politicians may be induced to consider far reaching reforms in Turkey, despite domestic opposition. To the extent that Turkey is incorporated as a full member of the EU it may be conceivable that Turkish citizens will embrace ‘European’ values, notwithstanding concessions on Kurdish issues and other matters that have hitherto been regarded as national ‘red lines’. But, with Turkey only offered some sort of

'privileged partnership' these reforms lack internal legitimacy. Erdogan once referred to 'Ankara criteria' as opposed to 'Copenhagen criteria', but without an external anchor there are serious doubts regarding the viability of sustainable reform.

Thus, if Turkey is told that it must accept 'privileged' partnership, which means 'derogations', it only makes sense that TCs would also insist on 'derogations' in turn. However, since the accession of Cyprus, Turkish Cypriot expectations have not been met, either in respect to reciprocity for the Annan Plan 'yes' or in terms of domestic democratisation. The Turkish Cypriots realised 'gains' from saying 'yes' to the Annan Plan, in the form of a property boom that brought in new capital, increasing the wealth of households, but this only serves to increase vested interests in the existing property regime. And the Turkish Cypriots have also faced uncertainty in the face of challenges to the property regime in the north through litigation. This makes them wary of the EU.

The various programmes and funds available to the Turkish Cypriots were meant to engender significant dynamic, building institutions and civil society, thus contributing to inter-communal cooperation as well as a process of economic harmonisation that would be phased in during a transition period.

There is little point in recounting how these policies proved slow to develop in the face of contestation and varying interpretations of the EU mandate. Thus, the proposed regulation on direct trade between the Turkish Cypriot community and the Union has been shelved indefinitely, and various opportunities to embed the Turkish Cypriot institutions of governance (i.e. the internationally unrecognised Turkish Republic of Northern Cyprus or TRNC) into the EU have similarly failed. This in turn, has left the Turkish Cypriot economy fragile and fraught with fear of international competition, as comparative advantages have not been realised in any relevant sector. The result is the rise of economic nationalism among groups and sectors that would prefer to continue with Turkish subsidies indefinitely.

Recent electoral results in the TRNC¹ attest to the fact that whatever 'societal transformation' or political realignment that coincided with the Annan Plan period has not been reversed. Should Mehmet Ali Talat also lose the presidential poll to be held in April 2010 we will have come full circle.

Given all this, and quite independent from the intentions of the leaders in the ongoing Cyprus problem negotiations, there is the likelihood of imminent failure to reach consensus. Hence another referendum may not be in the offing for Cyprus.

Despite this, the impasse over and in Cyprus will come to an end one way or another. Should the negotiations fail, Turkey will be compelled to make good on its promise to move away from the current federal settlement paradigm and thus seek to promote the international recognition of the TRNC.

1 Although the northern part of the island is referred to as TRNC in this essay, it is acknowledged that the TRNC is not recognised by the international community except Turkey.

All of this will further complicate Turkish–EU relations, given Turkey’s legal obligations to open ports to the Republic of Cyprus under the terms of the custom union. So, there is a pending crisis.

Should this come to pass, nationalism will have marginalised alternative prisms through which the Cyprus problem is conceived among islanders. The EU will then have to consider Turkish Cypriot demands for ‘self-determination’, drawing on the Kosovo experience as inspiration.

Instead of contributing to the post-nationalisation of the Cyprus problem, the experience risks the ‘re-modernisation’ of the conflict, with conflicting claims to sovereignty consolidated among the ethno-nationalist elites that maintain their respective grips on the two communities.

2010 will prove to be a decisive year in the current attempt to resolve the Cyprus question. Neither in the internal nor the external dynamics of conflict resolution has the EU managed to play a significant constructive role since 2004. The EU membership prospect might still work as a carrot for the Turkish Cypriots but the organisation has less and less to offer to Turkey. So, as the year 2009 comes to a close the chances for a settlement of the Cyprus problem in 2010 are bleak.