

A CRITICAL EVALUATION OF THE APPLICABILITY OF THE ALAND MODEL INTO THE CONFLICT SITUATION IN CYPRUS WITH A VIEW TO ACHIEVING PEACEFUL GOVERNANCE

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Abstract

The fact that the international conflict over the Aland Islands early in the twentieth century was resolved by an international organisation and that the resulting political engineering proved viable through time, has aroused interest in Aland and its progress since decades. As a result many multicultural societies confronted with situations of ethnic conflict have used the autonomous status of this Swedish-speaking province of the Republic of Finland as a source of inspiration. This article examines as to whether the Aland model could be adopted and/or applied into the particular conflict situation in Cyprus with a view to achieving peaceful governance. More specifically it evaluates the significance of the Aland to Cyprus as a model relating to issues of regional autonomy, demilitarisation and EU membership.

Introduction

For many years Greek- and Turkish-Cypriots have been searching for ways to reconcile their political differences against a background of failed power-sharing and recurrent violence. Especially after 1974 the two sides, assisted and impelled by various international actors, have laboured in vain to find a political solution that would reconcile their visions of what a viable regulation of the Cyprus dispute might be. Intercommunal negotiations have produced agreements in principle (perhaps the most important of which was the two communities' acceptance that Cyprus would have to become a federal state) but none has led to a compromise settlement.

While decades of sustained diplomacy had failed to induce a mutually accepted solution, two decisions of the European Union (EU) at the Helsinki Summit in December 1999 finally managed to break some new ground. The European Commission's ruling that Cyprus would join the EU even if no political settlement

had been reached by the completion of accession negotiations and its decision to approve Turkey's candidacy for membership raised new expectations for the advancement of the cause of peace, stability and security in the Eastern Mediterranean. To speak of a 'quick-fix' solution for Cyprus would of course be the triumph of hope over experience. Still, now more than ever it seems that the 'EU catalyst' is capable of providing all the concerned parties in the Cyprus conflict with some real incentives to help reach a compromise. In the last few years, negotiators have considered virtually every constitutional nuance devised by man. They have proposed immediate financial inducements, structures for long-term economic growth, bottom up and top down plans for building trust, maps and 'non-maps' with alternative divisions of territory, and stages of every duration to phase-in whatever settlement is contemplated. At the same time federal arrangements in various multinational countries such as Switzerland and Belgium have often been put forth as examples to justify a new political system for Cyprus. A less celebrated (and alternative) model which has recently been cited as suitable for Cyprus given that it has proved capable of promoting the coexistence of different ethno-linguistic communities within a larger, internationally viable state is that of the Aland Province of Finland. More than 80 years ago the League of Nations settled a dispute between Finland and Sweden concerning the Aland Islands by granting Aland the status of an autonomous Swedish-speaking province within the Republic of Finland.

Despite the fact that the significance of the Aland as a model for peaceful governance in Cyprus and as an exemplar relating to regional autonomy, neutrality and demilitarisation is sometimes acknowledged (Patokallio, 2000; Woodward 2001), this mostly happens just in passing before emphasis is set on more mainstream constitutional designs. The neglect of the Aland example negotiations over the future of Cyprus is particularly surprising given the prominence it is receiving in public discussions around the world with regard to its capacity of addressing regional or ethnic conflicts. This article assesses whether the Aland paradigm could be used to bring a universally accepted solution to Cyprus. It also seeks to investigate the extent to which Finland's (and particular Aland) European experience can be taken as a guide for Cyprus' impending EU membership. Because it would be illusory and imprudent to search for a final answer to these questions the article can simply hope to improve scholar awareness and understanding of the issues involved. Therefore, it proceeds by way of suggestion rather than conclusive argument and any 'raw building blocks of evidence' are disposed in such a manner as to move suggestions forward.

The Recent History of the Cyprus Conflict Revisited

Greek- and Turkish-Cypriots have generally had a poor record in managing their political differences. Once the bicomunal government established at

independence in 1960 at the behest of Greece and Turkey proved a failure, the conflict in Cyprus became an illustration of a common problem in international relations which was manifested in violent confrontation along territorial, ideological or ethnic lines (usually some combination thereof). A decade of sporadic but intense inter-ethnic clashes reached its climax with external interventions. In July 1974, after an Athens-led coup against the President of the Republic of Cyprus, military forces from Turkey invaded to divide the island across an east-west axis. Subsequently, there ensued an enforced movement of populations which had for centuries lived throughout the island in mixed and contiguous villages and, therefore, two ethnically homogeneous units were created, with virtually all Greek-Cypriots living in the south and practically all Turkish-Cypriots gathered in the north.

There must be little doubt that it was the Greek-Cypriot community which suffered the most catastrophic consequences from the events of 1974. The devastation of war meant that about 40 per cent of the island's territory came under Turkish control, 180,000 Greek-Cypriots became refugees, 5000 lost their lives and around 1500 went missing (Attalides, 1979). But the Greek-Cypriots took comfort from the fact that, unlike the Turkish Cypriot administration, the government of the Republic of Cyprus continued to be recognised as the legitimate government of the island and, therefore, retained the advantages of international legitimacy and access. In the local context, however, their power was greatly reduced. Backed by tens of thousands of Turkish troops stationed on the island, generous packages of financial aid from Ankara, a steady stream of mainland Turkish settlers and some territory that could be bargained away, Turkish-Cypriots (comprising 18 per cent of the population) demanded new terms based on the new 'realities' on the ground. Intercommunal negotiations refereed by the international community have since been held all over the western world but to little or no effect. Despite agreeing at some point to the principle of engineering a bizonal federal system, the two sides failed to reconcile their visions of federalism.¹

Having been frustrated with the lack of Turkish-Cypriot political will to regulate the problem² the Greek-Cypriots gradually began to emphasise the prospect of EU membership for the whole of Cyprus as a catalyst for settlement. But while Greek-Cypriots saw the prospect of EU accession as the best hope to help reintegrate a divided Cyprus, Turkish-Cypriots perceived more potential threats than benefits from such a development. The major attraction for Greek-Cypriots was their conviction that EU treaties and the *Acquis Communautaire* favoured their negotiating position on several key issues (such as the 'three freedoms', namely the freedom to travel, settle, and own property anywhere on the island) and that EU membership of a federal Cyprus would secure the rights of all people. EU membership would also enable all Cypriots to enjoy greater security vis-à-vis external threats. At the same time Greek-Cypriot (and EU) officials argued that the Turkish-Cypriot community would reap the considerable benefits of EU citizenship

and benefit disproportionately in economic terms.³ Given that a Turkish-Cypriot federal unit would qualify for various EU subsidies, Turkish-Cypriot incomes should be expected to rise considerably. Turkish-Cypriots, however, were more concerned with the security and political implications of EU membership than with purely economic issues. If the island became EU territory Turkey would probably be obliged to withdraw its troops stationed in northern Cyprus. Another worry was that the right of any citizen of a EU country to buy property and settle in any one of the member states would be exercised by a large number of Greek-Cypriots to 'swamp' the Turkish-Cypriot area and turn the Turkish-Cypriot population there into minority. The application of such freedoms could, thus, jeopardise the 'bizonality' of a contemplated federation .

In 1995, five years after the Cypriot application for membership had been filed the EU decided to place Cyprus' accession on its agenda. Four years later the decisions of the Helsinki Summit created a new impetus for the ongoing political saga on the island and it appeared that for the first time in many years there were realistic chances for the deadlock to be broken. While the European Council underlined that a political settlement would facilitate the accession of Cyprus to the EU, it also stressed that if no settlement had been reached by the completion of accession negotiations, the Council's decision on accession would be made without the above being a precondition. Combined with the EU's offer of candidacy to Turkey (which became possible after the removal of the Greek veto), this meant that the positions of all parties whose interests and policies on the EU-Cyprus membership issue had run counter to each other could begin to converge. In view of the leverage that Turkey has traditionally exercised over Turkish-Cypriots (with the two seemingly being the most recalcitrant actors in the conflict), the new dynamics raised expectations that this time around the Turks would put serious efforts towards a resolution of the Cyprus issue, something which would not only enable them to demonstrate their good will but also ease the country's eventual membership in the EU.

Under these circumstances the UN-sponsored talks aimed at finding a settlement in Cyprus were reactivated. With Cyprus well demonstrating its ability to assume the obligations of membership and nearing the successful completion of the negotiating process,⁴ President Glafkos Clerides and Turkish-Cypriot leader Rauf Denktaş started to meet as representatives of their ethnic communities in an attempt to reach a solution so that a reintegrated island joined the EU. Still, that the two communities continue to adhere to their agreement that Cyprus should have a federal system has not proved decisive in bringing about a settlement. The main reason is that each side seeks to define federalism as something as close as possible to its own concept of Cyprus. The Greek Cypriot definition of a federal Cyprus is one where the authority of the central government would extend over the entire

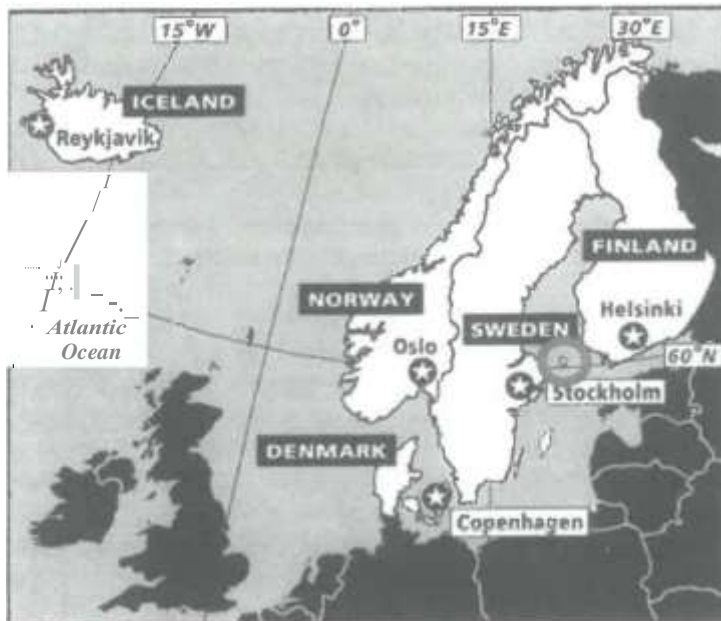
island and sovereignty would lie with the larger political community (and not the two constituent units). By contrast, Turkish-Cypriots prefer to have an exclusive state in the north and support a confederal arrangement⁵ that would create two sovereign and loosely connected states⁶. It is in the light of the failure of the two communities to compromise on such contentious issues as sovereignty, as well as new territorial and security arrangements, that the examination of the political model of the Aland Islands might become extremely useful.

The History and Structural Nature of Aland Autonomy

The fact that the question of the Aland Islands became an international conflict resolved by an international organisation has aroused interest in Aland's autonomy and its progress since decades. The Aland case has lately become even more interesting as many contemporary conflicts at first glance appear to share varying degrees of commonalities with it. On this token a number of seminars and workshops on the Aland experience have recently been held. On the initiative of the Finnish Ambassador Pekka Huhtaniemi at the Permanent Mission in Geneva, Switzerland, such a seminar on Aland was organised at the Palais des Nations of Geneva on 8 December 1999. Amongst other participants the seminar featured Professor Lauri Hannikainen from the University of Rovaniemi who spoke about Aland in a changing Europe and Professor Krister Wahlback from the Swedish Ministry of Foreign Affairs who talked about Aland's autonomy from a Swedish viewpoint. Other participants were Professor Curt Casteiger and Professor Daniel Tarschys, both from the University of Stockholm, Lord David Williamson, former Secretary General of the EU Commission and Barbro Sundback, a member of Aland's Provincial Legislative Assembly and chairperson of Aland's Peace Institute. Another seminar which presented and discussed in detail the example of the Aland was held at the UN Headquarters in New York on 15 March 2001. During its proceedings Professor Martti Koskenniemi from the University of Helsinki gave a presentation of the legal status and historical development of the autonomy of the Aland Islands, Professor Thomas Franck from New York University discussed autonomy as an option for the exercise of self-determination and Professor Susan Woodward from the City University of New York assessed whether the Aland example could be used to bring peace to the Balkans and beyond. Louise Frechette, Deputy Secretary-General of the United Nations, Martti Ahtisaari, former President of the Republic of Finland and Gunnar Jansson, Member of the Finnish Parliament from Aland also attended.

But what exactly is the Aland model all about? The Aland archipelago is a group of more than 6000 islands and islets in the eastern part of the Baltic Sea between Sweden and Finland, east of Stockholm. The total area is about 1500 sq. km and there are living approximately 25,000 inhabitants (scattered over 65 islands) whose

main language is Swedish. Although the islands have a certain form of autonomy (which came as a result of the historical disputes over their ownership) they still form a province in Finland.



Political Map of the Aland Islands. Source: <http://www.macmeekin.com>

For centuries the Aland Islands belonged to the crown of Sweden, as was the case with Finland as a whole. Finland remained under Swedish rule for about 600 years (from the thirteenth to the early nineteenth century) but, instead of being colony, was considered an equal with the other provinces of Sweden. During this period Swedish had become the High Culture (that is the predominant language beyond the local idioms) of Finland and its political, social, legal and educational institutions developed along the Swedish patterns. In 1809 a defeated Sweden ceded Finland and the geostrategically important Aland archipelago (which ecclesiastically belonged to the diocese of Abo [Turku] in Finland) to Russia. Under the Russians Finland came to enjoy extensive autonomy and with the advent of the Age of [ethno-linguistic] Nationalism there emerged a Finnish national identity along with Finnish as a normative language. Due to a combination of historical and geographical contingencies, however, the Aland Islands retained their Swedish language and pre-national culture and customs. It must also be stated that during the Crimean War (1853-1856) France and Britain attacked and defeated the Russians and in the peace treaty which followed, the Aland were demilitarised (Engene, 1995).

When Finland gained independence from Russia in 1917, the Alanders feared for their Swedish language and culture and mobilised asking to be ceded back to Sweden. The Finnish parliament rejected such a move and although the relations between Finland and Sweden had traditionally been good the dispute over the ownership of the islands created tension in the region. The delicate and internationally important matter then had to be decided by the newly formed League of Nations. In 1921 ten countries signed a treaty by which the Aland Islands remained part of the Republic of Finland but were guaranteed autonomous status in many respects (Ladduwahetty, 1995). As it has already been mentioned the Aland had already been demilitarised since 1856, but were now further neutralised by the League of Nations. But the Alanders refused to accept the Autonomy Act (*The Christian Science Monitor*, 19 October 1995). The reactions were so strong that Finland had to allow even more extensive powers of autonomy to the islands with a Parliament, legislation and Provincial Government of their own in order to retain them within Finnish sovereignty. Finland also guaranteed the Alanders' right to use Swedish as the only official language so that they secured their culturally and historically unique society. A revised version of the Autonomy Act between the province of Aland and Finland appeared in 1952 and extended the islands' autonomy. When even this revised Act proved to be inadequate a new and improved version was adopted in 1991 (Holkeri, 2001). It is, however, noteworthy that none of the revisions touched the very core of the constitutional and international status of the islands.

But what does the Aland autonomy really mean? The islands' parliament, the *Lagting*, gives the Alanders power over an extensive range of internal matters (such as education, health, policing, the promotion of industry, internal communications, the postal service and radio and television) as well as full budgetary powers (Rafferty, 2000). Moreover, according to the Autonomy Act anyone with a regional citizenship in the islands is freed from compulsory military service and no troops are allowed to be stationed in the archipelago. The regulations are also quite strict in other areas in order to secure the culture and language of the islands.⁷ It is necessary to possess regional citizenship in order to vote and stand for elections in the local parliament or carry on business in Aland.⁸ Furthermore, only citizens of the Aland islands 'may acquire, possess, or lease lands in the islands without the need for special permission from the provincial (i.e., Aland) government' (Lapidoth, 1997: 75). Otherwise Finnish law and governmental policies apply also in the islands. Helsinki still collects the taxes and handles foreign affairs, the judicial system and customs.

The Aland Status in the EU and the Archipelago's European Experience

The EU accession negotiations of Finland lasted only 13 months. In the process the Finns mainly concentrated their efforts on a limited number of domestic matters

where special solutions were needed. Because the country wanted to maintain its higher norm level on certain 'delicate' issues, 'the autonomous status of the Aland Islands was such an area which called for special arrangements' (Halonen, 1998) As a result, and given that the Aland had to approve Finland's EU membership, the islands gained a number of exemptions from EU regulation. Along these lines, the archipelago secured leverage to keep its tax-free status (the Aland Parliament voted not to join the tax union). Thus, when in 1995, with Aland, Finland joined the EU the islands were exempt from EU tax regulations. The EU also endorsed some other exceptions or derogations regarding the Aland despite the fact that these were not in line with the *Acquis Communautaire*, something which in effect was outgrowth of the islands traditional autonomy. Subsequently, the rights of land ownership and business activity up to date continue to be restricted to people with regional citizenship.

Shipping and tourism had historically been the Aland islands' primary trad, But especially since 1999, when tax-free shopping disappeared from the rest of the EU, most of the Aland economy has heavily been based around the giant Swedish and Finnish ferries, which call at the islands to take advantage of its position outside the EU tax union. By stopping, albeit very briefly, at Aland the ships are officially put outside the EU [tax union] and then sail on with tax-free sales in a region where duties on alcohol and tobacco are among the highest in the world. To keep the ships coming in, Aland politicians invested US\$ 5.8 million in 1999 to extend the dock at Langnas harbour on the southern side of the archipelago (George, 2000). Danne Sundman, finance director for Aland's Government & Administrative Board said that tax-free sales greatly boosted the Aland economy⁹ by way of harbour fees, construction jobs at Langnas and more day travellers (*Business Week Online*, September 2000).

The results of a thorough analysis of the economic and labour market situation conducted in 1999 by Aland's *Statistik-och Utredningsbyran* (ASUB), the local, statistics research centre, showed that after EU accession the islands had indeed performed strongly, most notably in the financial and business sectors. Unemployment (at 4 per cent or about 300 people) had been lower than in neighbouring regions and demand for labour had even resulted in inward migration from mainland Finland. Strong economic growth, however, eventually led to bottlenecks, especially in the service sector while the importance of tourism meant seasonal variations in demand for labour (some 70 per cent of the working population is employed in the service sector, with a high share in the tourist industry). Moreover, the ASUB analysis indicated that despite an increase in the number of graduates over the past few years, education and qualification levels were low, most notably among older workers. Following these developments the EU granted the Aland Islands with their own Objective 3 Single Programmi Document (SPD). Financed by the European Social Fund (ESF), the SPD was

aimed at supporting measures to boost education, training and employment opportunities on the archipelago, from 2000 to 2006.¹⁰ This was the first time a separate Objective 3 programme had been established for Åland, with EU funding for the seven years totalling EUR 2.6 million¹¹ (*Reuters News Service*, 12 October 2000).

Shipping might have made the islands wealthy in the past but, despite the EU funding, the future prosperity of the industry has been far from assured. According to Roger Nordlund, the head of the Åland government, 'Finnish shipping has the highest labour costs in the world and as a result shipping companies have already threatened to flag out' (*Financial Times* 10 July 2000). Added to this, the lowering of tax levels on alcohol in Sweden and Finland during the next few years under the instruction of the EU, which has repeatedly expressed its displeasure at the Åland tax regulations that cause harmful tax competition, will lower incentives for ferry travel. Consequently, in a move aimed at breaking the small community's dependence on shipping and tourism, the Åland authorities have devised a plan which aspires to help the archipelago boast one of the world's most advanced Information Technology (IT) infrastructures, particularly in mobile techniques and the provision of high-speed access to the internet. The Åland location at the entrance to the Gulf of Bothnia between Finland and Sweden certainly places it in the centre of one of the world's leading IT regions and as many Ålanders eagerly point out 'between Nokialand and Ericssonland lies Åland'. But it is Åland's power to spend money on key areas of business and social infrastructure that is giving it a new lease of life in the electronic economy. The local government has already set up a venture capital fund to help start-ups, while an old wharf has been converted into a new office building to create an IT village. The development of modern infrastructure and spread of new technology has convinced companies such as Ericsson to enter into partnerships with local firms given that the islands are considered to be the perfect test-bed for new products.¹² In November 2000 the European Commission came in support of the aforementioned efforts and approved the SPD for 2000-2006 under Objective 2 (areas facing structural difficulties and/or undergoing economic and social reconversion) for the Åland. The programme represented a contribution of Euro 4.6 million of EU financing which has already begun to mobilise over Euro 22 million of private and public funds and one of its main goals was to help the archipelago access more information markets and enhance opportunities for business growth.¹³

Can the Åland Model be Applied into the Conflict Situation in Cyprus?

So to what extent can the political experience of the Åland Islands, both in terms of the province's extensive autonomy and its special EU status, provide inspiration as a model for a proposed federal Cyprus enjoying full EU membership? To suggest that the Åland model in its totality could be adopted and applied into the

situation of the Cyprus conflict with a view to achieving peaceful governance and a solution satisfying all the parties would not be feasible. Such a suggestion would mean failure to recognise that the historical events, which lead to a give constitutional arrangement, whether it is autonomy, federation or something else, are unique and distinct in every single instance. It is the particular circumstances associated with the history of the Swedish-speaking inhabitants of the Aland archipelago that brought about the autonomous arrangements enjoyed by the Alanders (both within Finland and the EU). Therefore, citing any example arrangements that could be applied to Cyprus without any reference to the historical events that preceded these arrangements would be ill advised. Besides, some of the differences between the two cases are immense. While the international conflict on the Aland archipelago was comprehensively settled by an international organisation and [with revisions] the settlement proved viable throughout time, the ensuing problem in Cyprus, which entails multiple violations of international law, for decades now looks almost irresolvable. Whereas the parties in the Aland case have often demonstrated their capacity to compromise, not all actors involved in the Cyprus issue have proved their political will to reach a consensus. And while Aland constitutes an autonomous Swedish-speaking province within the unitary Finnish state, the political scheme proposed for Cyprus provides for a bizonal federation of some kind. The catalogue of contrarities can in fact go on and on.

It is not, however, all about huge differences and there is a degree of surface similarities between the two. After all, both cases involve ethnic conflict in societies which occupy strategically important niches in their regional systems. They also share a superficial trans-historical comparison in the sense that at some point (albeit at very different historical moments) they found themselves in the midst of disputes between larger neighbours. But most importantly there is a level at which one could argue that the two cases concern linguistically, religiously or otherwise divided sub-communities which are mutually not fully compatible (although not necessarily hostile) whatever the divisions are and how they surface. Thus, it is not exactly true that these two are completely different since at a stage of their development they sometimes had a common core of problems, which then generate stimulating questions about how they tried to overcome and evolve political arrangements in order to foster peaceful coexistence among the citizens. There are, therefore, some useful lessons that Cyprus can learn from the Aland overall experience.

(a) Extensive Autonomy as an Alternative to Sovereignty

One of the major disagreements between the two sides in Cyprus involves the issue of sovereignty. As it has already been discussed, Greek-Cypriots advocate the creation of a federal state whose central government would be able to extend

its sovereignty over the entire island (and, thus, over the constituent federal units/federated states). By contrast the Turkish-Cypriots call for a confederal arrangement providing for a separate and sovereign Turkish-Cypriot state. The study of the development of the Aland legal status from the resolution of the dispute by the League of Nations to the present-day autonomy, neutrality and demilitarisation can help one give thought to the significance of [extensive] autonomy as an alternative to sovereignty. Extensive powers of autonomy, similar in nature to the ones granted to the Aland, would enable a Turkish-Cypriot federal unit to exercise real power over a wide array of domestic matters without interfering with the competence of the overlapping state.¹⁴ Even under the latest Autonomy Act for the Aland in 1991, there were regulations pertaining to supervision. According to a publication by the *Aland's /andskapsstyrelse* (PB 60, SF - 22101):

Laws passed by Aland Parliament are inspected by the President of Finland. And if the Aland Parliament has exceeded its legislative competence in any way, the President can impose his veto. Then the bill cannot come into effect. The President bases his decision upon statements from the Aland Delegation and sometimes from the Supreme Court too. The Aland Delegation, half of whose members are appointed by the Government of Finland and half by the Aland Parliament, also has the task of supervising that Aland does not exceed its right of economic self-administration.

[trans. cited in Ladduwahetty, 1995: 22]

(b) *Autonomy as a Means to Enhance Greater Economic Dynamism at the Regional Level*

Patterns of growth among regions are affected by a myriad of intertwined factors. The power of the regional authorities to manage budgets and spend money on key areas of business and social infrastructure does appear, however, to have had important beneficial effects and will have contributed to the Aland growth ever since the accession of Finland to the EU. Autonomy could, therefore, not only ensure the maintenance of the Turkish-Cypriot culture but also contribute to the strengthening of those trades which are most suitable for a Turkish-Cypriot federal unit such as food production, tourism and services. Special attention must be paid to the fact that with EU membership the Turkish-Cypriot authorities would be in position to directly negotiate several lucrative budget programmes aimed at supporting the aforementioned trades as well as improving and increasing education and training opportunities for young people and helping workers upgrade and acquire new skills to meet companies' needs.

(c) *Possibility of Temporary Derogations not Compatible with the Acquis Communautaire*

It has also been mentioned that one of the most paramount security and political

issues for the Turkish-Cypriot leadership, which outbalance the potential economic benefits from EU membership, has to do with the concern that with the application of the *Acquis Communautaire* over the whole island Greek-Cypriots will be able to submerge the Turkish-Cypriot federal region and even buy out the properties of the generally poorer Turkish-Cypriots. As troublesome as these issues are for the latter, they could consider such remedies as the derogations that the Aland Islands negotiated with the EU which in principle limit the land ownership rights of people who do not live in the autonomous jurisdiction of the Aland. Such derogations, especially if temporary and restricted to a specific number of issues,¹⁵ could be accommodating for both sides. The date of Turkey's eventual accession to the EU could be the moment that any remedies are lifted (although alternative arrangements could also be made in case the Turkish accession takes too long to complete) given that then the fear of the Turkish-Cypriots that a movement of the more numerous Greek-Cypriots to the north could turn them there into a minority would likely be irrelevant.

Conclusions

In recent years the peaceful settlement of the dispute concerning the Aland Islands has become an example for others and various population groups have used the autonomous status of Aland as a source of inspiration. But one should always bear in mind that any arrangements for coexistence that have been negotiated between groups in one society cannot be transferred to another to resolve sensitive political issues without taking into consideration the inevitable variance in the historical backgrounds of each case alone. In this connection it is important to remember that the Aland model has been designed for the particular needs of the Aland Islands. Having said that it must also be stressed that the case of Aland, much more as a way of thinking than a model, can be of some use in various conflict situations with a view to achieving peaceful governance.

As far as Cyprus is concerned an understanding of what has been achieved in the Aland Islands, combined with other elements, could make ethnic differences easier to manage. Among the Aland elements particularly worth noting one could mention the capacity to build confidence between communities when neither side is armed, the significance of autonomy as an alternative to sovereignty and the contribution of autonomy to economic dynamism at the regional level (especially in the context of the EU). Perhaps the most important lesson the Aland example can teach is that flexibility and imagination are always needed in applying general principles to particular situations. And certainly the Cypriot conflict could benefit from a dose of what might be called 'the Aland spirit', a spirit of pragmatism, compromise, imagination and, above all, commitment to peace.

Notes

1. The two side's divergent conceptions of federalism were clearly reflected in the 1983 unilateral declaration of a 'Turkish Republic of Northern Cyprus' by the Turkish-Cypriot leadership. It must be noted that the declaration, which was condemned by the United Nations Security Council and Western governments, was made with a qualification that it was intended to facilitate a federal solution by establishing the political equality of the two communities (Bolukbasi, 1992). For the Greek-Cypriots, nonetheless, this was nothing more than a blatant separatist action which undermined all prospects of establishing a viable federation.

2. The continued presence of the Turkish garrison provided Turkish-Cypriots with the ultimate leverage against unwanted concessions. Therefore, the Turkish-Cypriot leadership had indeed seen little incentive to seek a fundamental change in the post-1974 territorial and political status quo.

3. At the time these discussions were made the Greek Cypriot per-capita GDP was reported to be US\$ 13,000, while the Turkish Cypriot per-capita GDP was given as US\$ 4158 by the *Economic Intelligence Country Report, Cyprus* (3rd Quarter, 1988), pp. 7-29.

4. It must be noted that although the Republic of Cyprus invited the Turkish-Cypriots to participate in the Cypriot delegation conducting the EU accession negotiations, the latter refused to accept the invitation.

5. As early as 1998 Turkish-Cypriot leader Denktash called for a two-state confederation in Cyprus and proposed that negotiations should aim at creating a 'confederal structure of two peoples and two sovereign states' (*Agence France Press*, 31 August 1998).

6. The main distinguishing feature of a Confederation as against a Federation is that in the former case sovereignty lies with the units which agree to transfer parts of it for functional reason where they can see a joint interest. Greek-Cypriots, however, consider acceptance of a separate Turkish-Cypriot state and sovereignty as tantamount to legitimating the island's partition, and therefore have rejected it. Along these lines Foreign Minister Ioannis Kasoulides reiterated that 'confederation is worse than partition' (*Cyprus News Agency*, 2 March 2000).

7. For an unofficial translation in English of the Act on the Autonomy of Aland see <http://www.lagtinget.aland.fi/eng/act.html>

8. For a more detailed discussion of the issue of land ownership rights on the Aland see Lapidoth, Ruth. (1997). *Autonomy: Flexible Solutions to Ethnic Conflicts*, Washington, DC, United States Institute of Peace.

9. In 2000 shipping and tax-free sale relevant revenues accounted for just over 40 per cent of GDP and 13 per cent of employment in the Aland Islands (*Business Week online*, 25 September 2000). The Silja and Viking lines 'pay a combined US\$ 1.3 million a year to

Aland's main harbour city of Mariehamn for dealing with the extra traffic' (*Business Week online*, 25 September 2000). The two companies using the dock are paying back the island outlay through higher passenger fees.

10. On signing the SPD Commissioner for Employment and Social Affairs Anna Diamantopoulou declared that 'The overall aim of the programme agreed is to bring full employment to Aland... To achieve this, ESF funding will build on existing national policies by supporting and strengthening labour market and education policies. Helping the long-term unemployed find a job and boosting education opportunities for adults have been the cornerstones of this new programme' (*Reuters News Service*, 12 October 2000).

11. The overall budget for the Aland programme, which was the result of negotiations between the European Commission and the Aland Government (*Aland's landskapsstyrel* is EUR 10.1 million, of which EUR 3.9 million are contributed by the national public sector EUR 2.6 million by the EU and EUR 3.6 million from private sources (*Reuters Nordic Po111* 17 October 2000). Some 4.5 per cent of the budget has been earmarked for technical assistance, including monitoring and evaluation. The Aland SPD was drafted in close co-operation with social partners, the municipalities, the employment office, the delegation for equal opportunities, the ombudsman and a number of training organisations.

12. Veli-Matti Mattila, president of Ericsson's Finnish operations, remarked that the archipelago 'is a great big laboratory, a miniature world' (cited in George, 2000).

13. Speaking on the issue of the SPD for the Aland Michel Barnier, Europe Commissioner responsible for regional policy, explained that 'The European Commission aims at business development with a view to promoting a highly competitive small business sector. The programme is designed to help the archipelago to create a more diversified economy in view of the decline in traditional primary production as a source of income (*Agence Europe*, 3 November 2000).

14. It must be said that multiple-state confederations have for a while now proved ineffective political architectures. Even Switzerland, whose official name is 'The Swiss Confederation' is simply a case where words outlive reality without pertaining any more to it. Ever since the constitutional reform of 1848 the country switched into a federal system although (for a number of domestic reasons) it did keep its traditional label of Confederation. Furthermore, states with more than one sovereignty would not be welcomed to the EU since they would pose serious problems to the current European institutional structures.

15. In a speech he gave at Pembroke College, Cambridge on 20 February 2000, while supporting the full application of the *Acquis Communautaire* over the entire island, H.E the Greek Ambassador in London Mr Alexandros Sandis said that any exceptions from EU regulations for Cyprus could only be temporary and should be lifted after an agreed period of time.

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