THE LOCATION OF CYPRUS IN THE SOUTHERN EUROPEAN CONTEXT: EUROPEANISATION AS MODERNISATION?

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Abstract

The question of 'modernisation' of the state in Cyprus has recently received a great deal of attention in Cypriot politics. During the last Parliamentary elections in May 2001, the question of 'modernisation' entered the political dictionary of the mainstream parties. All political forces professed to be 'European', they pledged commitment to the EU accession process and the debate over 'modernisation' was closely linked to the policies of harmonisation with the EU in the fight of accession. However, little critical work exists to examine Europeanisation that assesses the specific policies employed, the policy goals and kinds of issues the processes entail. It has become the 'sacred cow' of Cypriot politics. This paper aims to set the Europeanisation of Cyprus into context. It first looks at the policy of accession as a solution to the Cyprus problem and then it critically reviews the literature on Europeanisation in Cyprus. Finally, the paper considers the 'southern European question' in an effort to demystify 'Europe' and proposes a broader interpretative framework for policy formulation, so that 'modernisation' takes into account notions such as democratisation, civil society development, social justice and social welfare.

Introduction: Europeanisation, Modernisation and the Cyprus Problem

The language of "Europe" has become dominant in Cyprus. One can notice a steady orientation of political discourse and rhetoric with Europe as reference point. One scholar termed this as "the Europeanisation of political thinking" (Theophylactou, 1995: 121), whilst another scholar interpreted this as the embracing of a "Euro-centric ideology" by the Greek-Cypriot political elite (Argyrou, 1996: 43). The national imaginary as well as domestic policy issues that divide political groups, including class issues are articulated with reference to Europe (see Argyrou, 1996: 43-51). All Greek-Cypriot political parties claim to be pro-European, with European experts, bureaus and specialised literature on their view to accession to the EU. In some contexts there is a fierce 'competition' amongst groups and individuals in the
political elite on who is more European (i.e. modern, forward-looking, advanced and professional). The reference to Greekness and Hellenism is of course retained but even that is legitimated as the ‘origin’ of ‘Europeanness’. Nonetheless the very fact of Europeanisation was seen by Ugur, a Turkish scholar, as creating the conditions for a viable Cypriot State. The reaction of Ankara and the Turkish-Cypriot leadership is of course to try to block this. Moreover, Ugur argues that the conditions for re-solving the Cyprus problem are present, providing that the credible, divisible and transparent policies are followed to utilise the EU as an alternative credible forum to the UN. This would involve the EU raising the stakes and taking a leading role in devising a set of policies that would reward and punish the parties to the conflict (Ugur, 1999: 180-198). Such a practice could benefit all parties and will stabilise the situation in the region.

There are ideological and class elements articulated within the Europeanisation arguments. Those calling for faster moves towards the EU, as a strategy for the resolution of the Cyprus problem are usually putting forward a particular political agenda, that of neo-liberalism reminiscent of the Thatcher style. Hence, the leader of the Cyprus Mail (8 October 1998) calls for the “harmonisation process” to be accelerated, to include “privatisation or the liberalisation of monopolistic sectors” and liberalising interest rates. The Treaty of Maastricht is invoked for promoting this line of argument. Key terms in the ‘harmonisation’ process are ‘modernisation’ and ‘liberalisation’ and changes in both “financial institutions and monetary policy on the one hand, and public finances on the other” are deemed necessary for accession (Theophanous, 1995: 80). On the other hand the AKEL and PEO are stressing their opposition to those changes that would mean the reduction in State involvement in favour of the poorer section in society.

The question of how, when and what exact policies are to be adopted for Cyprus to be ‘modernised’ is a highly contested issue. The idea of ‘modernisation’ is not a given political or economic programme, even if recently it has been the political so-called ‘New Right’ of Margaret Thatcher and Ronald Reagan, as well as the Blairite ‘third way’ brand that has appeared to invoke it mostly (Giddens, 1998). Traditionally ‘modernisation theory’ was connected to the theories of ‘industrial society’ and the American ‘functionalist school’ of sociology (Giddens, 1989). This was a poor sociological model from the 1950s and early 1960s, which assumed that certain ‘stages’ were necessary for the development of the ‘third world’ and prescribed rather than merely described a specific political and economic-social programme for these countries. Various critiques have been written since for failing to capture the complexity of the development processes and for failing to examine empirically the social consequences of these ‘modernisation policies’ (see Ayres, 1995; Webster, 1993; Roberts and Hite, 2000: 1-24).
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The concepts 'modern', 'modernity' and 'modernisation', however, belong to the classical sociology of Marx, Durkheim and Weber. Marx and Engels in The Communist Manifesto (1848), Marx in Alienated Labour (1844), Emile Durkheim in The Division of Labour in Society (1893) and Max Weber in his works The protestant Ethic and the Spirit of Capitalism (1905), The Characteristics of Bureaucracy (1920) and Science as a Vocation (1919) all refer to social processes of 'modernisation', even the classics did not agree as to which determining factors of the processes they were analysing. The aim here, however, is not to engage in detail pertaining to the origins of the term but to illustrate the twists and turns of the term 'modernisation' and the fact that its meaning is highly contested and fluid (see Hall et al, 1995). To be 'modern' is to participate in a world where 'all that is solid melts into air', as Marshall Berman (1982: 16) uses the celebrated quote of the Communist Manifesto. Today this nebulous term is also connected regularly to globalisation, another celebratory and equally nebulous concept.

In Cyprus there have been very few works that actually discuss such issues. The term modernisation and Europeanisation are political terms and are treated as such by this paper. In the last section this paper will return to the specificity of the term modernisation in Cyprus but first it considers Europeanisation and the processes of European integration.

The Cyprus - EU Relations and the Cyprus Problem:
The Hegemony of 'Europeanisation'

Europeanisation in Cyprus is justified primarily (but not exclusively) as a strategy for the resolution of the Cyprus problem. Of course the modernity-like arguments about Europe come in handy but only as subsidiary to the key issue, the Cyprus problem. A closer look is required into the hegemony of Europeanisation as a strategy for solution.

The Cyprus problem has always been an important and active factor in the Cyprus-EU relations, as this paper demonstrates later how the processes of integration in Europe have themselves been influential on the Cyprus problem and in the potentials and strategies for solution. The significance of the Cyprus problem in the Cyprus-EU relations tend to vary according to a number of factors. These factors include the stage or scale and intensity of the conflict; the strategies employed mainly by the Cyprus Government over the ways it sought to make use of the European Forum at the international arena vis-a-vis other international organisations such as UN, Non-Aligned Movement (N.A.M.); and the way the EC policy on Cyprus tended to shift, thus reflecting its own internal factors, the configuration of forces and interests within and beyond the EC and international developments.
As the late Yiannos Kranidiotis (1993: 2) commented

"the existence of the unsettled political problem of Cyprus, which in essence has existed since the beginning of the Association Agreement defined to great extent the moves and attitudes of both the Cypriot side and that of the EC. The economic element played a secondary role".

The Cyprus problem has been a powerful rationale behind those who argue(d) for a closer connection of Cyprus to the EC. Today the political role of the Community is often presented in terms of a "moral obligation" by Europe and is urged to act towards finding a solution to the problem by the Cyprus Government (PIO, 1993, 1995) and those involved and active in the EU structures (Annouil, 1996; Kranidiotis, 1996).

It was in the 1980s that the policy of the Cyprus Government gradually but firmly turned towards the EC. This was the result of three main factors: Greece's membership in 1981; the weakening of the NAM with the policies of "Perestroika" and "Glasnost" by the USSR and the eventual demise of the Warsaw Pact and finally the gradual hegemonisation process of the 'European Course of Cyprus' as the means to a solution of the Cyprus problem. In the light of the transformation of international world order in favour of the West and given the failure of the UN to find a solution, all the above contributed to the orientation towards the EU.

Greece's membership in the EEC was described as "a watershed" in the orientation of Cyprus towards the EEC (Ugur, 1995: 280). Particularly after the second term in office by the Papandreou administration, the Cyprus Government was persuaded to drop its traditionally reserved attitude towards the EEC and pursue a more vigorous closer association with the EC (Ugur, 1995; Yiiallourides, 1994). With Greece taking a more active role in Europe and Papandreou following a more 'national' orientation policy the Cyprus Government perceived the EEC to be taking a more interested approach (Kranidiotis, 1993; Ugur, 1995: 281) and observed a potential ally in this forum without the USA being able, at least not always and certainly not officially as the US is not a member of the Community, to block policies ageing to Turkey (Yiiallourides, 1994).

A number of regional and international developments were conducive to the orientation of Cyprus towards the EU such as the failure of the UN to provide a solution by exerting effective pressure on Turkey and the Turkish Cypriot leadership; the increasing domination of the UN of the USA; the collapse of the Warsaw Pact and the USSR, and the demise of the role of the Non-Aligned Movement (NAM). The Non-Aligned orientation of Cyprus was thus being eroded gradually as the links and orientation to Europe were strengthened. The "universalist orientation" as one com-
mentator called it (Yiallourides, 1994: 267) was eroded once the NAM entered a period of identity crisis, following the collapse of the USSR and the Warsaw Pact. The cold war ended with the USA hegemony and the disastrous destruction of Yugoslavia, which had been one of the foremost leaders of the NAM. It would be a misrepresentation to suggest that Cyprus would have been better off outside the NAM, as some have suggested or at best are deeply ambivalent.

In fact it seems that the role of the NAM has been one of the most stable sources of support for Cyprus and it was an important political bridge with the Soviet and Socialist bloc that enabled the Cyprus state to survive as long as it did (Attalides, 1979; Hitchens, 1983; Yiob, 1988). Furthermore, even today the gradual demise of the NAM membership provides opportunities and links with some countries that would have been unlikely otherwise (Yiob, 1988). As for the future role of the NAM, it can be argued that today in a unipolar world, such a movement could be more important than ever; nonetheless this is not the case given the absence of a political space for such manoeuvres, the level of economic, political and military might of the 'third world' and the absence of political will in these countries to realise this potential.

The new enthusiasm with the EC was illustrated with the signing of the Custom Union Agreement in October 1987. The hegemony of Europeanism or "the European Course of Cyprus" is marked by three stages: The gradual movement towards the EEC incorporated two phases, (i) from 1971 to the early 1980s and (ii) from the early 1980s to 1987-88. The election of Mr Vassiliou to power was the second, and qualitatively the most decisive step of the hegemony of "the European Course of Cyprus" was the submission of an application for joining the EC/EU in 1991. Vassiliou was committed to this policy and pledged to put the matter to a referendum, upon which basis AKEL, the only committed anti-EC party in Cyprus at the time, was prepared to offer him support. The referendum never materialised of course.

The final stage of Europeanisation hegemony was completed with the election of the Right wing alliance candidate, Mr Glafkos Clerides in the Presidential election of 1993. The so-called 'European course of Cyprus' was elevated as its prime strategy in resolving the Cyprus problem. In addition, a more New Right style of policies in economics was justified necessary for accession to the EU and for modernisation purposes on the one hand and the nationalist populism on the other, primarily for internal consumption such as the celebration of the "Helleno-Christian ideals" in education, the honouring of EOKA fighters and its para-fascist leader Grivas, the "Unitary Defence Doctrine" (the pact with Greece) and the infamous S-300. The "Unitary Defence Doctrine" has effectively been abandoned as apolitical slogan following the S-300 fiasco and the second election of Simitis in Greece. This stage
The foreign policy orientation of the Government of the Republic of Cyprus from a Non-Aligned policy to that of orientation towards the EC was seen primarily as a vehicle for the solution of the Cyprus problem. This has been the case since the Greek junta coup and Turkish invasion and occupation of the north of Cyprus in 1974, but the orientation towards the EC becomes more dominant in the mid to late 1980s. Three factors were the most important in the hegemony of "the European Course of Cyprus":

(i) The transformation of the world: from a bi-polar one in the cold war to a USA political hegemony and an emerging European centre, together with the failure of the UN to provide a solution to the Problem and the crisis of identity of the NAM, led towards a more western European orientation.

(ii) Greece's membership of the Community with the pursuing of a more 'nation-oriented' policy orientation led the EC to take a more active interest in the region towards Cyprus and vis-a-vis Turkey. This convinced Cyprus Governments to use the EC/EU as a forum for pressure on Turkey.

(iii) The post-1974 political scene in Cyprus has undergone a process of slow transformation with the explosive economic development and a new configuration of political forces which has led to a new 'national consensus' (i.e. hegemonic nationalist-orientated set of policies) that stress a pro-European as opposed to pro-USA or pro-independent vocation/identity.

The policy of orientation towards the EC, as a strategy of resolving the Cyprus problem, cannot be justified on the basis of the rather meagre historical role the EEC/EC has played in the resolution of the problem. The EEC/EC did nothing in the past to prevent the coup/invasion and it failed to apply any effective pressure on Turkey to moderate its position (if anything it 'bailed out' Turkey during the US embargo). Furthermore, the EEC/EC failed to implement the countless resolutions in favour of Cyprus or even take the initiative in their implementation; its members, in their overwhelming majority, failed to support the UN resolutions on Cyprus. Finally, the EC has been hostage to the USA and UK interests in the region, with some feeble attempts at some 'autonomisation' on Cyprus but these have been the 'exception' to 'the rule'.

The past failure of the EC may be explained away by reference to specific world conditions at the time such as the cold war era and the so-called Euro-stagnation. The changing world conditions and the new momentum for integration has altered the importance the EC on the world stage and its capacity to play a role in conflicts. It may be the case that the EU has not been successful in resolving 'ethnic' conflicts
in other situations but the specificities and conjunctures could be such that a new potential may arise for the resolution of the Cyprus problem. In fact the increasingly activistic stance on Cyprus over the years with key decisions by the EU (so far) to include Cyprus in the next enlargement phase, in spite of the reaction of Turkey, all illustrate this new potential. Of course matters are complicated and up until formal accession of Cyprus in 2004 one cannot speak with certainty (see Trimikliniotis, 2001a).

Cyprus Development: Post-colonialism, 'Modernisation by Default' and Europeanisation

Although the Cyprus problem may be looming over every political and social issue, it should not deter us from viewing carefully the economic and social development of the island. The post-1977 economy boom is showing serious signs of a slow down in that part of the country which is still under the control of the Republic; the north is in a state of financial crisis and chronically underdeveloped. This paper is not economic-orientated; primarily it has a socio-political orientation. A brief examination of the history of 'modernisation' of Cyprus illustrates that it reflects the turbulent social and political history of the island. The following four main phases can be observed:

(i) Colonial Modernisation from Above and Outside

With the advent of British colonialism in 1878 the Turkish Cypriot ruling elite/class of landowners lost their privileges and gradually lost their influence. The 1881 census puts the Greek/Christian population at 137,631, whilst the Turkish/Muslim population was 45,458. The Turkish Cypriot ruling elite was relatively underdeveloped in comparison to their Greek Cypriot counterparts; this is explained as a result of the late development in the formation of a Turkish Cypriot bourgeoisie out of the Turkish Cypriot ruling class (Constantinides, 1995). Only after the Kemalist revolution in Turkey were processes put in motion for the modernisation within the community to enhance conditions for the formation of a Turkish Cypriot bourgeoisie and later mass nationalism. At the end of the 19th century six main social groups can be located: High ranking clerics, who controlled large areas of land owned by the Church and a small group of large land owners (kojabashi), who formed the most powerful class (Constantinides, 1995: 33; Katsiaounis, 1996). There was a small section of, mainly Greek Cypriot merchants, who formed the embryonic bourgeoisie and became attached to the British establishment; a small layer of intellectuals, mainly teachers, who were attached to Athens and Hellenic nationalism. The vast majority of ordinary people were peasants, most of whom owned negligible plots of land. Finally, there was a numerically small group of artisans/craftsmen, the embryo of the working class. In the main, people were illiterate and lived in conditions
of poverty as the colonial rulers themselves came to recognise in various reports on the social conditions of the population (Lefkis, 1984).

On the arrival of British Colonialists to Cyprus, one could not distinguish a middle class as such because merchants were essentially ingrained in a tradition of honour and transactions of aristocratic nature. As Katsiaounis (1996: 16) put it:

"... there was nobody of opinion that could be called a middle class, as merchants were content to accept the values of a corporate and essentially aristocratic society. These values were based on honour, the sanction of the law being as yet inadequate to ensure reliability in commercial dealings".

This code of honour was conserved through tradition, but was only valid amongst the aristocracy, as the ordinary people, the 'reayas' («ραγιάς which was a derogatory term referring to Greeks as slaves) were not considered to be worthy or credible of this treatment, something the British colonialists found alien (Katsiaounis, 1996: 16-17). The legal developments, from a system of 'estate', based on a 'code of honour' to a 'contract' system based on written agreements and commercial profit illustrates the transformation in class relations, whereby the newly emergent bourgeoisie becomes more prominent. It was British Colonialism, which 'modernised' the social structures from above and in an authoritarian manner. However, the old institutions instead of disappearing, as would have happened in a revolutionary sce-nario, were, by and large, transformed and adapted to the new order (Constantinides, 1995: 33-48; Katsiaounis, 1996).

By the beginning of the 20th century conditions changed with the creation of a small bourgeoisie, consisting of merchants, who mustered intellectuals and professionals around them, such as doctors and lawyers. Constantinides (1995: 34) argues that although this was the overall schema, the class boundaries were not very clear as the landowners would also often be involved in commerce and merchants would invest in land. Furthermore, he argues that there was no homogeneity in the group. For example the merchants/brokers of British products had close ties with the British; they were generally pro-British and conservative, whilst the professionals had a liberal Enosist and nationalist tendency (Katsiaounis, 1996: 34-35). How-ever, Katsiaounis argues alternatively that there were both tendencies in all groups, with the most radical, coming from the merchant side, the free masons, who were acting like a 'Jacobin force' as the vanguard of nationalism (Katsiaounis, 1996).

(ii) Post-colonial Development (1960-74)

During this period the establishment of the Cyprus Republic marked an important development in the history of Cyprus, as the island became an independent Re-public for the first time since antiquity, albeit in a limited way. This period was char-
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acterised a tri-partite agreement (Ministry, Employers and Trade Union). Significant infrastructural works took place and certain labour achievements such as index-linked pay were won. However the welfare state remained extremely deficient, with unemployment benefit at its bare minimum and little public health support.

The class structure remained essentially the same as the pyramid of wealth and income did not change dramatically: the church continued to be the largest landowner and expanded its commercial activities; there was growth of the commercial classes, particularly those who managed to obtain favourable terms from the Government through their political or economic connections as there was some growth of the industrial sector and the tourist and service industry. The 'clientelist state' was at its high point with the characteristic 'rousfeti' and 'meson', the nepotism and political patronage.

The ethnic strife that dominated the island during 1963-64 when inter-communal clashes broke out (1963-67) and the segregation of the communities forced apart, penetrated economy and society deeply up until 1974. The division of the population was marked when over 30% of the Turkish Cypriots were forced to live in Turkish militia-controlled enclaves in isolation and squalid conditions.

Cyprus joined the Council of Europe in 1961 and in 1972 she signed an Association Agreement with the EEC. The process of orientating the Cyprus economy towards the European community began in 1960, but trading was more regional and commonwealth based. It was only in the post 1974 period and, in fact, immediately after the post-1974 period that Europeanisation of the economy truly began to bite. The Association Agreement (AA) provided for two phases, the second of which would be a Customs Union by 1988. Cyprus became linked with the EC (EEC as it was then) via the Association Agreement, which was signed in December 1972 and came into effect from the 1st of July 1973. The economic agreement was seen by the Cyprus Government as a necessary stepping-stone and closely interconnected with the political position, as somehow linking Cyprus to the European Community and providing some security from Turkish invasion. As it turned out this did not, of course, work out in the end.

The AA envisaged the gradual abolition of all customs and restrictions between the two sides and in the final stage it would establish a customs union. There would be two stages: Stage one, which was to be completed by 30 June 1977, but was extended because of the Turkish invasion and Stage two was initially to be negotiated within 18 months covering a 5 year period of transition whilst gradually evolving into a full blown Customs union. The first stage provided for the following:

(i) 70% reduction by the Union of Common Customs Tariff subject to the Community rules.
(ii) 100% reduction on carobs and 40% on citrus products.

(iii) An undertaking by Cyprus to reduce its imports by 35% with some exceptions.

From the view of the economic benefits derived the provisions reflected the unequal bargaining power of the two sides, as they weighed heavily in favour of the EEC. Kranidiotis (1983: 4) admits that the AA "only covered a small number of Cypriot products and the preferential status was rather limited. Consequently the agreement cannot be considered particularly satisfactory". Kranidiotis (1993: 4) suggests that the AA "was considered by the Government of Cyprus as progress, not only from the economy of the island, but also for its political future". Michael (1994: 16-17) suggests that for Cyprus there was no real scope for choice because it was important to retain an AA, such as this or no agreement at all; it was as he calls it "a solution of necessity". In other words the AA was an economic agreement, which was primarily based on a long-term political goal, as for Cyprus it made no economic sense as such.

(iii) Post 1974-1991: Modernisation by Default (and Cheap Labour)

The recent history of Cyprus has been marked by rapid economic development since 1974. This is the period that we are mostly interested in, hence the more detailed approach that follows. The development of Cyprus has been structured by a number of 'external' factors such as the Turkish occupation of the north since 1974. This, by default, created the preconditions for rapid (capitalistic) 'modernisation' even if this appears tragic and cruel. In spite of the severe drop in the GDP during 1973-75 and the sharp rise in unemployment and mass poverty (PIO, 1997a), cheap labour provided by the 200,000 Greek Cypriot displaced persons, forcibly expelled from the northern part and living in refugee camps, provided the opportunity for rapid development as the conditions were reminiscent of the early industrialisation of western Europe. This fact together with a concerted effort by the Government, political parties and trade unions created the conditions for the kind and level of development that was subsequently experienced in Cyprus (Anthias and Ayres, 1983; Christodoulou, 1992; Panayiotopoulos, 1996a). The policy debate at the time settled decisively against the 'Palestinianisation' of the refugees and in favour of integrating them into society rather than keeping them as pauperised van-guard in the struggle for return to their homes. There was consensus in the end that the strategy was one of longer-term economic stabilisation and growth and internationalisation of the problem (see Clerides, 1992 and Economides, 1993 for the debates in the 'national council' at the time).

Panayiotopoulos refers a post-colonial 'developmental state' which took the lead of development and encouraged private investment (Panayiotopoulos, 1995, 1996).
The extent to which there was ever a proper developmental state in Cyprus is highly disputed as industrial policy was highly deficient, which led to structural problems, such as over-dependence on tourist industry and offshore companies that limited the potential for future growth (Pantelides, 1998).

Furthermore, other international and conjunctural factors were crucial: The collapse of Beirut as the Middle Eastern commercial centre meant that Cyprus being the nearest regional centre gradually took over this role. Later the collapse of Eastern European regimes allowed investment to pour in from the newly emergent bourgeoisies from these countries, in the light of accessibility (offshore companies, professional and trained personnel, linguistic and religious ties etc.). At the time this largely offset the immediate consequences of the Gulf war, which threatened to dampen economic development. Nonetheless the signs of a slow down began to show as the over-dependence on financial and service sectors made them more susceptible to fluctuations, whilst there has been a marked de-industrialisation to the point that the industrial output to GDP has dropped from 18% in the early 1980s to less than 11% in the late 1990s (Pantelides, 1998).

(iv) Back to the Future: Europeanisation as Modernisation?

This phase roughly begins with the signing of the Customs Union in 1988 and the application of Cyprus to join the EU in 1991 by the Vassiliou administration. The current phase of Cyprus’ development stretching into the future is characterised not only by slower growth rates, but also by the sharp rise in unemployment, the decline of the manufacturing sector and with the lifting of the restrictive migration policy, migrant labour is now playing a significant role in the economy. Policy-wise it is the 'structural' harmonisation with the Acquis that is dominating the agenda.

The economic growth of the island during the years 1981-86, averaged around 6%, for 1987-88, it was 7.5%, whilst for 1989-93 it was 5%. From 1993 it slowed down to an average of about 3% (PIO, 1997a). It is suggested that this level of growth led to an increase in the demand for labour that exceeded the labour supply from indigenous sources (Matsis and Charalambous, 1993). In the immediate post 1974 period, 1975-80, when the average growth was 10% per annum, manufacturing and construction became the leading sectors, as a result of both the reconstruction efforts and the booming Arab markets; however this has been drastically altered in the 1980s and 1990s where the tertiary sector and tourism have become the main driving forces of the economy (Matsis and Charalambous, 1993). The changes in the rates of growth, the structural changes in the economy and the orientation of Cyprus towards the EU marks a new development phase, roughly from the time of Cyprus’ application to join the EC.
In spite of the collapse of the economy as a result of the invasion, the Republic's economy has been transformed from an agricultural one, as it was prior to 1974, to a dynamic economy based on the tertiary sector (see Christodoulou, 1992; Wilson, 1994). The tertiary sector now occupies 60.1% of the population and accounts for almost 70% of the GNP. Tourism is undoubtedly a major source of income for Cyprus, earning £810m in the foreign exchange in 1995 and constituting 40% of gross receipts from the exports of goods and services (PIO, 1997a) and has been growing ever since.

In contrast with restrictive policies pursued before, 1990 saw a 'radical' change in government policy. For the first time migrant labour was allowed to enter on a much larger scale in order to meet the labour shortage in those sectors of the economy that were no longer popular with Cypriots. Ironically this was the same road that many Cypriots took, as well as other nationals from third world countries, when emigrating to the West in the 1950s and 1960s. Migration is one of the key issues which needs to be addressed in Cyprus; it is an area requiring urgent attention by policy-makers and it has not been linked properly to the question of 'modernisation' of Cyprus (see Trimikliniotis, 2001b, 2001c, 1999).

The European Janus: The Two Heads of Europeanisation

This paper now turns to the issue of Europeanisation head on. Cyprus' European aspiration, with the support of all Greek-Cypriot political parties, has many times obscured the ideas about the nature of Europe. Some foreign observers are surprised that "there are few Euro-sceptics in the Republic of Cyprus" pointing out that "full membership in the EU is likely to have costs as well as benefits" (Wilson, 1996: 62-63). In fact even when there was opposition prior to 1993, it seemed to be based on demonization rather than the demystification of what was truly going on in Europe. It seems that both the Europhoria and the demonization of Europe have contributed to obscuring the true nature of European integration.

Tom Nairn (1979b) aptly called nationalism a 'Janus-like phenomenon' (Janus being a mythical two-headed giant). The same analogy applies to the EU which has elements of both xenophobia, racism and intolerance, as well as democratic and humanistic elements.

The hope for a 'European demos', in the Habermasian sense (Habermas, 1994), is yet to emerge so far. Habermas's latest works seem to be more optimistic about a 'post-national' EU providing of course that some key structural changes take place such as a proper European constitution and a social Europe (Habermas, 2001). There is, however, another Europe that has already emerged in what is referred to as 'Fortress Europe'. The long standing debates over 'Fortress Europe' with the rise of racialist violence against migrants and asylum seekers, the re-
emerging nationalism and xenophobia have led many commentators to talk of a 'new' phenomena referred to as 'European Racism' and 'Euro-nationalism'. These disturbing developments have been conceptualised in terms of what Essed called "Europism" (Lutz et al. 1995: 8), as an attempt to build a 'pure Europe' cleansed of alien and 'uncivilised elements' (Habermas, 1995: 48-64), Balibar's European Racism (1996) and Habermas's "welfare chauvinism" (1992) are closely related and describe these practices. Bainbridge et. al, suggest a close correlation between the economic consequences of the Maastricht Treaty (deflation, unemployment, cuts in welfare provisions) and exacerbation of racism and in particular support of extreme Right parties. This was supported by the 1994 elections of the European Parliament (Bainbridge et al., 1995: 128-130). 'Fortress Europe' is not merely an ideology but a structure resulting from this construction process, which extends to "a wide range of laws and regulations, practices" that create a regime whereby "14 million non-nationals, non-Europeans constitute second class citizens" (Lutz et al., 1995: 8).

The model of European integration as set out in the mid-1940s and early 1950s following the end of World War II is highly problematic in spite of the transformations that have taken place. This is because the architectural foundations of the EEC originally and later the EU are essentially structured by the Cold War. Balibar for example is of the view that there needs to be a completely fresh model of building a new European polity and a co-belonging in Europe which builds on the common heritage and traditions of the different European countries. However, to build such a 'state' on the basis of a progressive concept of citizenship we need a 'European people' and at this point this is not possible under the current vertical shape i.e. imposed from the top downwards by the states-governments delegating power to European institutions.

For a 'European people' to emerge there needs to be new terms of legitimisation and real political authority simultaneously. In the absence of this, what we have is a statism imposed on the basis of alliances of some notion of national interests again imposed from above. It is, therefore, not surprising that there is resistance if not rejection of this new structure, which is based on social control. Balibar (2001) is of the view that in the 1990s the process of building such a European public space has seen a significant regress. And this is not because of the traditional national identities that are presented by some as unsurpassable but due to specific political reasons. Balibar identifies three main elements: First, there is a distinct absence of a social identity of citizenship in Europe, given that the dominant model in the EU is not of a 'social Europe', even if there is talk of this. The failure of Jacques Delors, who was so determined to work for a 'social Euro- rope', is indicative.
Second, there exists an internalisation of the Cold War division of Europe in the current structure. What is meant by this is that first Eastern Europe has been absorbed by Western Europe since 'the core Europe' or 'the real Europe'. In other words Western Europe is inside the European Union whereas the 'Outer Europe' needs to be 'Europeanised' in the process of accession to the European Union. We have therefore a system of internal colonisation. It is argued further down that the Southern European region, by and large, falls in this 'peripheral' circle. The 'core-periphery model' operates for those European countries that are not in the orbit of accession and, therefore, constitute the 'outer outer circle' as in Russia for example where there exists a zone of 'vulture capitalism'. The example of the absorption of Eastern Germany by Western Germany is the most lucid one. As a result of this logic it is impossible, according to Balibar, to search for a European identity as a normative, exclusive, closed identity with the multiplication of the security aspects using police, armies and borders to control the process.

Thirdly, the question of migration and the right to political asylum is seen as creating a European apartheid whereby the migrants have become second class citizens and are considered collectively to be a social problem as a result of their national origin, and their entry stay and activities are becoming the constant subject of surveillance and social control. One author called it, 'the sixteenth European nation' which remains hopelessly excluded from the construction of a citizenship in Europe.

The prospect for a potential radical Europeanism, the kind of "Union citizenship which signals the prospects of a post-national political arrangement based on a re-definition of community and re-articulation of citizenship", as suggested by Kostakopoulou (1999: 181-197) seems quite remote from today's reality. Kostakopoulou's arguments for a radical remodelling of European immigration and asylum policy only shows how much "teasing out" is required before the EU is truly transformed, as this policy "falls short of a principled response to immigration". Kostakopoulou (1999: 198) suggests:

"The 'Communitarisation' [following the treaty of Amsterdam] of immigration and asylum policy needs to be accompanied by a radical rethinking of the is-sues of immigration, citizenship and community in the EU."

Exactly how near we are to this 'radical rethinking' is a matter that only time will tell. The concept of Europeanism may be considered as a potential type of super-state nationalism that could also be called 'European Unionism'. It entails elements, which allow it to be classified as a type of nationalism, defined by Gellner as "a theory of political legitimacy" or an Andersonian "imagined community" (Anderson, 1991). The notion of Europeanness involves a notion of "separate political rep-
representation" to use Anthias and Yuval-Davies terms (1983) as it aims to create a separate political, economic, military and cultural space. Europeanism is sometimes presented as an alternative to the particular nationalisms (state or sub-state). However, this is not necessarily the case, as it may act as an additional layer of nationalism, as European Unionism creating a boundary in this 'new' identity and politico-cultural space vis-a-vis the non-European 'other'. It is in this way that a 'new' racism may be considered to be operative as "Europism" to use Lutz's term.

In some contexts European Unionism may in fact exacerbate the particular ideologies related to nation-states, as a part of the European nation/race vis-à-vis the 'non-European other'. Furthermore, given that there is a hierarchy, uneven development and power relations within Europe, the question as to who is 'more European' may well collapse back into the component and particular ethnic identities. This is not to say that the role of the State has diminished; far from it. In the do-main of controlling borders, regulating citizenship and immigration and law and order the role of the States has been enhanced. What Poulantzas called "authoritarian statism" is at its heyday when it comes to migration following agreements such as Schengen (Kourtovik, 1995). Europeanism in some contexts may play a protagonistic role in creating new configurations where the non-Europeans (usually migrant or ethnic minorities with 'questionable' European credentials) may be excluded or inferiorised or subordinated. It, therefore, makes little sense to view Europeanisation necessarily as 'conflict resolution' given that it may well operate in practice as a mechanism for exclusion.

In other contexts however, Europeanism plays a direct and important role in endowing groups and individuals with rights, as with the ECJ and the ECHR, the developing Minority rights regime and the idea of creating a citizenship beyond the nation-state. What needs to be borne in mind is that on the whole national institutions have tended to be more xenophobic than the EU and it is often the European institutions who in spite of their weaknesses and inadequacies that uphold in practice the rights of minorities.

In assessing Europeanisation as a method for conflict resolution, at this level of generality, the answer remains ambiguous. The uncertainty about the eventual shape of European integration undermines the credibility of the EU in playing this role. Europeanisation has certainly affected the European nation-states, but not to the extent and direction that some commentators have suggested. Nation-states have not been eroded but reformulated and there is significant variation in State power in the EU, depending on the power, size, economic, military might of each member-state. International politics is of crucial importance. The processes of integration in the EU are complex and the dimensions (economic, political, social-cultural) may alter the dynamics of 'ethnic' conflict in contradictory ways. Past experi-
ence illustrates that the EU as an active broker of ethnic conflict can hardly be described as a success. Furthermore, we may not have seen war amongst EU members so far, but there is little evidence of 'conflict resolution' as a result of membership. In many instances the role, policies and mere involvement of the EU may actually exacerbate conflict or leave it unaffected. Europeanisation may contribute to resolving conflicts, but it is best understood in the particular contexts examined. An analysis of the conjunctures and policies need to be scrutinised in detail. Therefore when examining the case of Cyprus these general observations must be scrutinised in context (see Trimikliniotis, 2001a).

Locating Cyprus in Southern Europe: Europeanism Mark 2

As was shown above Europeanisation means different things and has different applications even if it appears that there is a standard integration logic, a harmonisation process and a centralised standardisation Brussels-driven. To understand Europeanisation, which is closely connected to a particular version of modernisation in Cyprus, Cyprus must be located in the southern European context.

Theorising the 'Southern European' specificity involves a consideration of the relations between this 'region' with what is considered to be the 'centre', the 'core' or the 'heart' of Europe, which is geographically situated roughly in the central-north-ern region of the EU. By having a geographical element in the definition there is always the danger of misunderstanding; the 'regional' aspect is primarily by analogy and it is only roughly the case. The politico-regional 'south' is situated, in the coun-tries around the Mediterranean Sea (with exception of the French and Italian Riviera which belongs to the prosperous 'north'). It is not only the economic disparity between north and south that is relevant here. To allege a rigid geo-political and economic disparity would be an over-simplification that misleads. Countries such as France, one of the wealthier ones, stretch geographically from north to south, but shall be treated as northern European in this paper; also Italy is one of the richer countries of the EU, but there is a striking regional disparity between the wealthy in- dustrial north and the rural south of Italy and it is treated as one of the 'southern- ers'.

The ideas developed in this paper show that Europeanisation in these countries and any conception of 'modernisation' cannot be understood without having a pic- ture of the specific features of this region and its semi-colonial position in European integration. There are, it is argued, certain key features that can be said to be in operation in the region, without of course claiming that these are replicated in each country/region. There is diversity of experience in the area defined 'southern Eu- rope' reflecting the historical specificity and particular context of each country. How- ever, throughout the region there exist certain common themes that may play a role
in the nationalist constructions of the countries share and the processes of racial exclusion as they operate. Whilst such a venture can only be approached with extreme caution and any 'common feature' can only assume a hypothetical status for further research, it is worthwhile to make these preliminary and provisional observations and connections, as expanded elsewhere (Trimikliniotis, 2001e). These features are the following:

(i) They seem to 'enjoy' a semi-peripheral/peripheral status in the EU power structure and are relatively under-developed in comparison to the 'north'.

(ii) Historically their state formations have passed through dictatorial regimes and their States are seen as 'weak', 'inefficient and 'authoritarian'.

(iii) There is a tradition of some minority autonomy, although the regimes and treatment of ethnic/national minorities vary significantly between each country.

(iv) From net exporters of migration they have become importers on non-EU migrants and their states are thus 'expected' to act as 'frontiers' of the EU. The policies of the EU with agreements such as Schengen have only strengthened the pressures to become 'frontier'.

It is stressed once more that these 'features' are certainly not fixed rules but show the kinds of issues that need closer scrutiny and contextual analysis.

Policing Migration: From Exporters of Migrants to 'Frontiers of the EU

From all the above issues this paper deals in some detail with the question of migration and racism, since it is an issue where Cyprus has received devastating criticism in the last second Report from the European Commission on Racism and Intolerance (ECRI, 2001; Strasburg, 2001). In the past Cyprus, as well as the other southern European countries were net exporters of migrants to the north (and America and Australia); it is for some intriguing that they should now become importers of migrants. The reversal of the historical trend of migration for these countries has been dramatic. In the late 1980s there were two million migrants in Italy, Spain, Portugal and Greece (Simon, 1987) the majority of whom where clandestine or undocumented migrants. By the mid-1990s the numbers have been estimated to about 3.5 million (King, 1997: 10 quoted by Anthias and Lazaridis, 1999: 3), 1.6 million of whom were legal migrants (King and Konjodzic, 1995: 47 quoted by Anthias and Lazaridis, 1999: 4). Greece is alleged to have had over 500,000 illegal immigrants in 1994 (Geddes, 1995: 201). The notion of the 'frontier' makes sense in a 'fortress Europe'; and the fear of inflow of 'outsiders' in the 'new' Europe, particularly in the context of southern European not so wealthy economies, makes the study of migration issues and the standing of minorities in this region all the more pressing. Geddes (1995: 201) cites a predic-
tion by *The Economist* whereby "by the year 2000 the countries of the Mediter­ ranean seaboard will have 100 million more mouths than they can easily feed." In this context, especially with regular panics of 'being swamped', to use a common phrase in the racist hysteria, there is additional pressure on the south to 'police' the boundaries of Europe. This has been formalised with Schengen which has done a great deal to create an exclusivist Europe and is playing a distressing role in pres­ surising the southern European states to be the 'border guards' of Europe (Kour­ tovik, 1995; Kostakopoulou, 1995). However, these states are not mere enforcers of Fortress Europe; they play a powerful role in their own national(istic) projects.

Anthias and Lazaridis (1999: 3) point out that

"Southern European countries may function as the 'entrance hall' to the EU, and often serve as a 'waiting room' for many migrants who have as a desti­ nation the Northern European countries. Moreover, there are EU nationals who migrate - both economically active people and those who have retired from full time employment".

The trend is set to continue and is likely to intensify. The nature of Southern Eu­ ropean economies based on agriculture, tourism and services, the large 'informal sector' with its demand for flexible labour has led to the growth of migration from outside Europe. The trends run parallel with the policy and practice of *flexibilisation and casualisation* of Southern European labour markets.

Ill-planned and authoritarian migration policies, super-exploitation of migrants and racism are the harsh realities of many countries in southern Europe (see An­ thias and Lazaridis, 1999; Trimikliniotis, 1999). Yet there is a common held myth accepted as a *self-evident truth* that there is no serious problem of racism in the countries of Southern Europe. The most common reason given for this is the fact that these countries have been net exporters of migrants, mainly labourers in the richer north, and have suffered from racism and xenophobia themselves. Howev­ er, it is very likely those who are in a position of relative power to practice racial ex­ clusion have not experienced themselves the racism against migrants: they gener­ ally tend to occupy a different class and social position if returned to their country of origin. In any case, it is not necessarily the case that those who suffer from a particular type of oppression will not oppress others in a different or even in the same context. Furthermore, such views fly in the face of well-documented evidence of invariable racial exclusion of ethnic minorities always present in these countries, especially in the Balkans and Spain. This is also particularly prevalent in Italy; even today the idea that Italian fascism was not 'really' racist is not uncommon but that is just another myth (see Griffin, 1991).
The following table shows the ethnic groups and migrant communities who live in the four southern European countries examined and illustrates that the question of minority rights and migrant rights needs to be dealt with as an integrated whole.

<table>
<thead>
<tr>
<th>Country</th>
<th>Ethnic Communities/ Minorities</th>
<th>Migrant Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>South Tyrol's, Roma, Jews French-speaking, Slovenes East Europeans, Laden-speaking</td>
<td>Albanians, Magreb, Central Africans</td>
</tr>
<tr>
<td>Spain</td>
<td>Basques, Catalans, Althalusians Calicians, Roma</td>
<td>Magreb people, Latin Americans</td>
</tr>
<tr>
<td>Greece</td>
<td>Greeks, Turkish, Pomaks, Vlahs, Roma Slavic- Macedonians, Armenians</td>
<td>Albanians, Pakistani, Filipinos women (mainly), Poles, Sri Lankans</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Greek-Cypriots (78%), Turkish-Cypriots, Maronites, Armenians, Latins, Roma</td>
<td>Pakistani, Filipinos, Srilankan women (mainly), Eastern European, Arabs, British</td>
</tr>
</tbody>
</table>

**Conclusion: Social Modernisation, Civil Rights and Europeanisation - A New Potential for Cyprus?**

Locating Cyprus in the southern European context allows one to view more clearly, without illusion and false expectation, the kinds of issues that need to be addressed so that policy is not blind to the emerging trends. The arguments for a 'social modernisation', in other words a rethinking of the social structure of Cypriot society, based on the twin criteria of critical social critique and radical democratisation of social institution has been put forward (Trimikliniotis, 2001c). Since the concept of 'modernisation' is highly fluid and contested it should be given a meaning that is connected to progress, democracy, liberty and equality.

A comprehensive programme for the democratisation of the Cypriot state making it more responsive, efficient, less bureaucratic and closer to the needs of the citizen is the goal to be achieved by modernisation. Simplistic thinking and assumptions that 'less state' means greater efficiency are misguided and misleading. A pro-gramme for modernising and improving the state and public sector and making it more accountable is far more effective than Thatcherite recipes, which merely 'reduce' the welfare state whilst enhancing the police state. The deficient welfare state in Cyprus requires a radical restructuring, not in the direction of the nee-liberal poli-
cies but by way of an enhancement of the type that took place in the post World War II period in Europe.

The focus also of modernisation ought to shift away from mere economic-technical and technocratic formulae and return to what the citizen, and in particular the most needy sections of society require. A citizen's charter, which involves both, civil as well as social and economic rights should be at the heart of modernisation. Why is it that such basic requirements of 'modern democracy' are so much neglected whereas when it comes to economic 'liberalisation' they assume such centrality in the political agendas? This is not a call for a populist politics but making modernisation a people's affair.

The debates on modernisation have failed to examine how Greek-Cypriots and Turkish-Cypriots can both co-belong to Cyprus. Europeanisation has been presented as a point of contest between the traditional (nationalist) leaderships of the two communities. There have been some efforts to 'explain' in a patronising manner to the Turkish-Cypriots what benefits they would receive with Cyprus' accession to the EU. There is little, if any, initiative shown as far as developing specific policies and programmes for the two communities to work together. In fact the EU funds designated for bicultural activities are by and large returned unused to the source. Modernisation here should mean the building in practice of a multicultural, multi-ethnic and tolerant environment for Cyprus.

Migration policy is no peripheral matter; in fact there is an urgent need to modernise immigration policies and practices. The Cypriot authorities cannot be satisfied with the way that the question of migration is being dealt with. If Cyprus does not want an imported European apartheid, then Europeanisation must be approached critically by invoking, incorporating and developing those elements of European traditions that enhance tolerance, understanding and human solidarity.

The Second Report of the European Commission against Racism and Intolerance (ECRI) makes abundantly clear the need for urgent action. The Report falls short of using the term 'institutional racism' but the inference is apparent. In all but name the picture painted by the report is particularly gloomy: excessive violence by the police; immigration offices abuse their discretion; public figures' remarks that lead to a xenophobic climate - all of which cause the 'vulnerable position of migrants'. It is hardly surprising that the ECRI report on Cyprus is so critical of the maltreatment of migrants and calls on the Government to take immediate action (ECRI, 2001). As accession appears to be proceeding there are already some changes in attitudes, even if these seem opportunistic at times. The eventual change in the law on homosexuality following a decision by the European Court for Human Rights is partly the result of anticipation of entry in the EU. Invoking princi-
pies of ‘tolerance’ and ‘respect for difference’ is now taking a ‘European coat’, there is
a Europeanisation of points of reference. Are such principles becoming politically
and socially more important in Cypriot society? It remains to be seen. What is certain
is that there is a distinct absence by the authorities to enhance the rights of migrants.
But even if the legal status and rights of migrants are enhanced, unless there is a
comprehensive re-evaluation of immigration law, policy and practices, re-training of
immigration officers and a wide-ranging sense of measures (education, public policy,
media practices and public life at large) so that there is a robust and sensitive public
opinion and awareness in Cyprus, the marginalisation of migrant communities is set
to continue.

The fact has been argued that Cypriots would be exposed more and more to the
anti-racist movements of Europe, and the opportunities to exchange ideas and link up
with anti-racists and radicals in Europe would be beneficial in defending the rights of
migrant workers in Cyprus (Trimikliniotis, 1999). The development and enhancement
of popular direct action and the overcoming of ethnic, racial and religious barriers
remains an aspired goal. Of course the potential for an open, democratic plural
identity, involving a ‘Greekness’ and a ‘Turkishness’ and any other ethnic origin is
there. The challenge of a politics of citizenship with the enhancement of civil and
social rights is perhaps the most important challenge for the social modernisation of
Cypriot society. The need for a politics of tolerance that would open up all dimensions
of social identity involving class, gender, other ethnicity and some international identity,
including ‘Europeaness’ is more apparent today than before. A multi-ethnic and multi-
cultural Cyprus would not only enhance the efforts to find a solution to the Cyprus
problem, but would also socially transform the country, giving modernisation a much
more positive and progressive meaning beyond the empty ‘soundbites’ and slogans.
Notes

1. Hence the leader of DESY, the party of traditional nationalism and conservatism, the ardent proponent of 'Helleno-Christian ideals', Anastasiades claiming that the ideology of his party is 'Euro-democratism'. Also two former DEKO leaders, the centrist party, who have abandoned the party following the poor showing of the Party in the Presidential elections February 1998, define their ideology with reference to vague 'Europeanism'. Chrysostomides called his group 'Movement for Realignment of the Centre', and considers himself as a "European Social Democrat" and has joined forces with the Socialist Party EDEK. Alexis Galanos, former DEKO official and House of Representatives President called his short lived new party 'Euro-democratic Renewal' (Ευρωδημοκρατική Ανανέωση). It is doubtful whether this 'Euro-euphoria' is spread beyond intellectuals, media, professionals (petty bourgeois) and the bourgeois circles. Argyrou demonstrates that the 'struggle' between 'modernity' and 'tradition' in marriages has a class content. The petty bourgeois and bourgeois appear to stress their 'European credentials', whilst the working class and village originated people stress their traditional values of 'authenticity', 'generosity' and 'customs' (Argyrou, 1996).

2. According to Giddens (1998: 30-31), who is a very keen advocate of Globalisation, suggested that the term 'Globalisation' "is not only, or even primarily about economic interdependence, but about the transformation of time and space in our lives. Distant events, whether economic or not, affect us more directly and immediately than before. Conversely, decisions taken by individuals are often global in their implications".

3. Papandreou's PASOK, Socialist Party won its first term in office on the pledge to withdraw from NATO and the EEC and with radical Left-wing slogans of anti-Americanism and pro-third world. After its election in office PASOK reoriented its policy by toning down its radicalism and very much accommodated itself to power. In the second election anti-Euro- peanism was dropped and more nationalistic slogans took their place, in Papandreou's populist demagogy (see Fouskas, 1995).

4. For a brief analysis and definition of some legal aspects of the Customs Union of Cyprus see Chrysostomides (1997, 2000).


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