

VOLUME 16  
NUMBER 1

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# THE CYPRUS REVIEW

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A Journal of Social, Economic and Political Issues

*The Cyprus Review, a Journal of  
Social, Economic and Political  
Issues*, P.O. Box 24005, 1700  
Nicosia, Cyprus.

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North American Subscription Office:  
Phillip Young, Director of Libraries,  
University of Indianapolis, 1400 East  
Hanna Avenue, Indianapolis, IN  
46227-3697, U.S.A.

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ISSN 1015-2881.

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VOLUME 16

NUMBER 1

## THE CYPRUS REVIEW

A Journal of Social Economic and Political Issues

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*Articles and chapters in books:*

Jacovides, A.J. (1977) The Cyprus Problem and the United Nations' in Attalides, M. (ed.), *Cyprus Reviewed*. Nicosia, Jus Cypri Association.

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# THE CYPRUS REVIEW

## VOLUME 16 NUMBER 1

### TABLE OF CONTENTS

<b>Keith Kyle</b> A British View of the Annan Plan	13-28
<b>Elena Ioannidou</b> On Language and Ethnic Identity Among Greek Cypriot Students	29-52
<b>Nicos Trimikliniotis</b> Mapping Discriminatory Landscapes in Cyprus: Ethnic Discrimination in a Divided Education System	53-86
<b>Jan Asmussen</b> Early Conflicts between the Greek and Turkish Cypriot Communities in Cyprus	87-106
<b>Andrew Michael</b> Monetary Policy in Cyprus: Before and After EU Membership	107-134
<b>Plus Commentary Article by:</b>	
<b>Michalis Attalides</b> The Political Process in Cyprus and the Day After the Referendum	137-146
<b>And Book Reviews:</b>	
<i>The Annan Plan and the European Option</i> By Andreas Theophanous, (Papazisi Editions: Athens, 2003) in Greek, 142 pp. <b>(Costas Melakopides)</b>	149-153
Cyprus 1957-1963, From Colonial Conflict to Constitutional Crisis <i>The Key Role of the Municipal Issue</i> By Diana Weston Markides, (Minneapolis, Minnesota: University of Minnesota, 2001) 238 pp. <b>(Hubert Faustmann)</b>	154-159

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# Articles

VOLUME 16  
NUMBER 1





# A BRITISH VIEW OF THE ANNAN PLAN

Keith Kyle

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## Abstract

*Britain was actively engaged in a team with the UN Secretariat and the US in the production of the Annan Plan. British officials were present at Buergenstock, where the final version, 'Annan 5', was worked out, and they distributed to each side concise summaries of the advantages each would draw. To make the proposition more attractive the British were willing to give up nearly half of the acreage of the Sovereign Bases.*

*The Prime Minister, Tony Blair, has not hesitated to express his disappointment with the result of the Greek Cypriot referendum. The immediate reaction of the British press was hostile and dismissive. Some British politicians with close knowledge of Cyprus, such as Andrew Dismore (Labour), who initiated a parliamentary debate on the subject, were much more understanding, stressing particularly security anxieties based on experience.*

*The truth of the matter was that the peacemakers had been fixated for so long on the obstructive methods of Mr. Denktash, so long as he was backed by Turkey and were so relieved when at last the opportunity arose of out-manoeuving him that they took their eyes off the Greek Cypriot ball. Too much reliance was placed on the leaders of DISY and AKEL being willing and able to deliver a referendum majority. Greek Cypriots also have red lines and it was a serious mistake to give the impression that voters were being bounced into endorsing a document that was being drafted up till the last minute. But the fact must be faced that, although President Papadopoulos has said that other plans can replace the one that has been rejected, the UN has said that, "There is no Plan B."*

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In 1974 the island of Cyprus was brutally torn apart by the Turkish soldiery, in ultimate response to an idiotic and viciously misconceived Greek military coup. On 24 April 2004, by an overwhelming majority the Greek Cypriot South voted to reject a United Nations plan, several times refined, designed to restore unity, though in a new form. Thus while for Europe 1 May 2004 marked the figurative conclusion of the Second World War, East being joined to West, it failed to mark a comparable end to the division of Cyprus.

Britain, anxious to see a harmonious postcolonial resolution of the island's ethnic problems, deplored the events both of 1974 and of 2004. Hope of bringing an end to thirty years of what had come habitually to be termed 'the Cyprus Problem' had been high, thanks to the massive changes that had taken place in the European context. On 16 April 2003 beneath the Acropolis in Athens there had taken place what diplomats call a 'champagne and ink' ceremony, at which a still forcibly divided Republic of Cyprus, along with nine other applicants, was formally accepted into the European Union, subject to later ratification. This in turn was to be completed by the following May Day, and, because Cyprus was divided, it was clearly understood that with the help of the UN no effort would be spared to remove that scar in the interim.

Britain's role in these proceedings, characterised in the Foreign Office as "prominent but not too prominent", was more conspicuous than would have been hoped more than forty years before when it had reckoned to be quit of Cyprus politics. Both in 1963/1964 and in 1974 the main thrust of British diplomacy was to try to head off Greeks and Greek Cypriots from acts that would provoke Turkey to intervene.<sup>1</sup> In the first case this succeeded, in the second it did not. In both cases Britain alone would not have been prepared to use force against Turkey and could count on no support from the United States. At the end of December 1963 Duncan Sandys, the Colonial and Commonwealth Secretary, wanted British naval vessels in the Mediterranean to steam eastwards to "make [the Turks] hesitate to embark upon a military venture." But this was vetoed by the British Prime Minister, Sir Alec Douglas-Home "because we have no intention of using our force even if the Turks should invade and I do not think that bluff will help us in this situation."<sup>2</sup>

Although President Lyndon Johnson did succeed by the free use of the rough side of his tongue in stalling a Turkish intention to invade in 1968 the United States would at no stage have permitted a Chapter VII resolution (authorising force) of the UN Security Council directed against Turkey. During the 1974 crisis the British Foreign Secretary James Callaghan, who was severely provoked by the Turkish attitude at the two conferences at Geneva, was unable to get his American counterpart Dr Kissinger to contemplate any joint military precautions. Indeed the latter told Callaghan that he would "react very strongly against any further announcement of British military activities."<sup>3</sup> The British therefore could do little to deter the Turks though they were able to block their further advance at the boundaries of the British sovereign base at Dhekelia and at the Nicosia airport. The strategic realities thus have throughout imposed limits on possibilities of settlement that may be thought to override strict concepts of fairness and justice. This was candidly recognised by Archbishop Makarios when in 1977 he accepted the formula of a bizonal, bicomunal federation which has provided the basis of all subsequent attempts under the auspices of successive Secretaries-General of the UN to resolve the Cyprus problem.

On most, but not on quite all, occasions before 2004 the responsibility for the failure of these attempts, which involved unending drafting and redrafting of proposals, could plausibly be put at the door of the Turkish Cypriots, their leader Rauf Denktash, and their backer Turkey. No state except Turkey has ever recognised the so-called 'Turkish Republic of North Cyprus' which was proclaimed in December 1983. Britain took the lead in ensuring that the UN Security Council formally pronounced this proclamation as legally invalid. The Turkish Cypriot institutions further alienated the international community in 1998 by withdrawing support for a federation and calling for negotiations between two sovereign states for a confederation.

Cyprus through its Greek Cypriot Government applied for EU membership in 1990, hoping that this would bring additional pressure on Turkey to help resolve the internal problem. Although Britain was initially doubtful about the wisdom of adding new complications to an already complex issue, it was taking a more positive line by the time in 1995 it appointed Sir David (now Lord) Hannay as Britain's special representative. Hannay had very appropriate experience, having been the top British diplomat both to the EU in Brussels and to the UN in New York. The critical vote by the EU confirming an earlier ruling that negotiations should go forward despite the continued division of the island was taken during Britain's EU presidency. The Foreign Secretary, Robin Cook, made strenuous efforts to secure Turkish Cypriot association with the negotiations without prejudice to contentious issues of status. But Rauf Denktash stuck to his mantra that the application ought not to proceed because it had originated in a proposal by a Government consisting only of Greek Cypriots, which, according to his definition of all that had happened since December 1963, made it illegitimate.

While references in the Cypriot press to Hannay as 'the architect' of the Annan Plan must be held to be inexact, in the light of the general opinion, emphatically shared by British diplomats, of the high quality of the work of Alvaro de Soto, the Peruvian diplomat who represented the Secretary-General over Cyprus, and his team there can be no doubt that the British input was considerable, positive and sustained over a long period. Because of their long association with the island the British were often able to supply the other parties with background papers and specialist advisers, when required, on particular aspects.

To judge from the occasional interview given by Hannay, it might be deduced that the thrust of the British approach had been one of seeking new formulas to accommodate genuine Turkish Cypriot concerns, particularly in respect of nomenclature, wherever this would still be compatible with the basic principle of a United Cyprus Republic. The notion of 'two constituent states' enjoying responsibility for everything not explicitly given to the centre was first referred to

publicly by Hannay in a CNN interview in June 2002. This gave rise to criticism of the British envoy in the Greek Cypriot press which should perhaps have been taken as a warning signal of the scale of the disaster that was eventually to overtake the elaborate UN endeavour in April 2004. At the time it was matched by sharp criticism from Denktash's organs in the North. Indeed Hannay was to say publicly on 22 September 2003, six months after he had retired from his Cyprus functions, "What I am quite sure of is that, so long as the present leadership in the north of Cyprus is in place, there will not be a settlement."<sup>4</sup> The personality of Rauf Denktash had, with good reason, come to be regarded as the single greatest obstacle to an agreement. But it must be said that the architects of the Annan Plan were so busy focussing on outmanoeuvring that obstacle that they took their eyes off the task of keeping the Greek Cypriots on side. Greek Cypriots also turned out to have red lines, which they were unwilling to cross.

The original Annan Plan – in the event there were five versions – was published on 11 November 2002, with only a very short time for the parties to respond before the next session of the European Council fixed for 12-13 December at Copenhagen. The Council was already bound by the December 1999 Helsinki decision, brokered by the British, that whereas an internal settlement before accession was highly desirable, its achievement would not be determining. It had always been an assumption that the Turkish Cypriots would not come on board without Turkey's wanting them to but it was a matter of principle that Turkey, an outside power, should not be allowed to have a veto over EU membership. On the other hand EU states, each of whom would have to approve a new member, did not exactly relish having 37,000 or more outside troops remaining in occupation of a part of EU soil over which the EU's writ would not run.

Kofi Annan had become so fed up with the ritualistic non-performance of bargaining between the two parties that he needed considerable persuading before he was willing to revisit what he has characterised as the "Rubik's cube" of Cyprus. It was true that in a change of mood Denktash at the end of 2001 had abandoned his objection to talking directly to his Greek Cypriot opposite number Glafkos Clerides on the island itself. But after a further year the Secretary-General could only speak of the two men's "entirely different approaches" to negotiations. Denktash wanted to discuss principles and "visions" of a new Cyprus with two sovereign states living alongside each other. Clerides, while insisting on a United Cyprus Republic possessing a common sovereignty, was yet ready, as his counterpart was not, to get down to horse-trading within the main issues (territorial boundaries, security, institutions, property and freedoms) that needed to be settled. Since the latter concept fell within the parameters of UN resolutions and the former did not, it was no surprise to read in the Annan report that, "In the case of the failure of this latest effort, I believe that Mr Denktash, the Turkish Cypriot leader, bears prime responsibility."



Following the negative outcome of direct negotiation the UN team under De Soto was driven, *faute de mieux*, to draw up the first Annan Plan, based on drafts and concepts that had been in circulation for years and in some instances for decades. It was hoped that a combination of the near approach of the European Council meeting at Copenhagen and two new developments, one on the Turkish, the other on the Turkish Cypriot side would offer a real prospect of advance. On the Turkish Cypriot side there was the emergence of a strong popular movement in favour of a settlement called, 'This Country Is Ours', led by non-governmental organisations (NGOs), of which, considering the tiny population of about 200,000, there are an astonishing number in the North. This was mainly on account of the economy being in such a bad way, with a standard of living reputed to be four times lower than in the South. At local government elections three of the northern towns had elected opposition party mayors.

On the side of Turkey there took place on 3 November 2002 an election which had the extraordinary effect of totally excluding from Parliament all supporters of parties in the ruling coalition and for once placing a single party – the AKP (the Justice and Development Party) – in power with an absolute majority. The principal leader of that party (though, for legal reasons, not for the first few months the Prime Minister) was Recep Tayyip Erdogan, who declared bluntly that he was "not in favour of following the Cyprus policy that has been followed for thirty or forty years" and who was resolved to press forward speedily with Turkey's aspirations to EU membership. This was most welcome news to the British Prime Minister Tony Blair, who in the course of 2002 had come to identify himself strongly with the idea, which had long been controversial within the EU, of full Turkish membership. It was well established that for this to be possible a long list of Turkish reforms, some of a constitutional nature, would need to be completed but Turkey's co-operation in solving the Cyprus problem would obviously be helpful.

It was in these circumstances that the original Annan Plan ('Annan 1') was presented to the parties on 11 November 2002, to be negotiated by them until 28 February and then submitted to the two ethnic electorates on 30 March 2003. Provided both peoples agreed, an interim authority for the whole island could be installed just in time for 'champagne and ink' at Athens on 16 April.

Two striking features of Annan's plan in all its five versions were, firstly, how far it went within the Security Council's parameters to meet the Turkish Cypriot case and, secondly, how far the EU was prepared to go to bend the *acquis communautaire* to accommodate the special case of a Cyprus settlement. The combination of proposals – the minimal nature of the list of powers for the central government and the absence of a hierarchy of laws; the designation of the two entities as 'constituent states' (though with an explicit ban on secession); the

relinquishment after the first version of the plan of the notion of Greek Cypriot control of a portion of the Karpas peninsula; the proposal that the Swiss system of a collective head of state with a rotating chairmanship should replace strong presidential government;<sup>5</sup> the provision that 6,000 troops each from Turkey and Greece should be allowed to remain in the appropriate sectors until 2011, dropping to 3,000 each until 2018; the willingness to accept as citizens up to about 45,000 of the 'settlers' brought to the North from Turkey; and the extremely gradual rate at which Greek Cypriot refugees would be allowed to resume residence in the North<sup>6</sup>—were a shock for many Greek Cypriots.

For Turkish Cypriots disposed to entertain reunion the sorest point would probably have been that the town of Morphou was to find itself under Greek Cypriot administration, albeit with proposals to build a new town close by on the Turkish Cypriot side of the border. It is calculated that, in the case of the final version of the Annan plan ('Annan 5') 47,000 Turkish Cypriots would have to be shifted on account of these changes with another 15-18,000 eventually affected by reinstatement of formerly Greek Cypriot properties, while 86,000 Greek Cypriots (or 54 per cent of those displaced by the trauma of 1974)<sup>7</sup> would be entitled to return to the 7 per cent of the island which would, by the changes in the border lines, be returned to Greek Cypriot administration. Elaborate provision was offered for handling the transition to these new arrangements.

Aware that some of these features would be difficult for Greek Cypriots to swallow, Britain timed its own contribution for the last minute so as to increase the attractiveness of the package. It was revealed in mid-February that, as part of the general settlement, the size of the Sovereign Base Areas would be reduced by nearly a half. The areas given up would come from both Akrotiri and Dhekelia, the former including what could be very valuable development land adjacent to the suburbs of Limassol, and the latter farmland and coastline. The Greek Cypriots would get 90 per cent and the Turkish Cypriots the remaining 10 per cent.

In what turned out to be a bitterly perceptive passage of the final report in which the Secretary-General described the failure of his efforts, Kofi Annan had occasion to lament that, "Both sides have done little over the years to prepare their respective publics for the compromises that a settlement would involve.....(T)here remains, among Greek Cypriots in particular, a general reluctance to accept that the ultimate choice is not between a compromise along the lines that I put forward and a better one, but between that and no settlement at all."

Given this and the fact that several painful concessions to the Turkish Cypriot side were in fact called for, it should have been no surprise that initial reactions to the Annan plan in the south of the island were mostly unfavourable. "Britain is

tightening the noose around Cyprus through its special envoy, Lord Hannay", reported the Greek Cypriot daily *Simerini*, which went on to say that it was Hannay's task to sell the Annan plan to the Government as Cyprus's last chance, while, under the headline 'Overwhelming Rejection of Annan plan', *Machi* said that public opinion both in Greece and in Cyprus "slammed" the plan as "unjust and dysfunctional."<sup>8</sup> The English-language *Cyprus Weekly* contributed a long negative analysis headed 'A plan with a big hole in it.' The hole was the undoubted truth that this settlement, as indeed would any two-part federation, carried a real potential for political gridlock. In the last analysis the only remedy prescribed in this case would lie with the three foreign jurists who would serve with equal numbers of Turkish and Greek Cypriot colleagues on the Supreme Court.<sup>9</sup>

There were other worrying aspects, for example those which were brought out in a detailed legal analysis of the plan by a Greek Cypriot lawyer, Achillas Emilianides, within three weeks of its presentation.<sup>10</sup> But it was as true in 2004 as it had been in 1960 that any scheme of ethnic balance, if tested to destruction, will be destroyed, as the British have experienced more than once in Northern Ireland. There is ample evidence that such schemes will only work in conditions of mutual forbearance and informal accommodation.

At the time the politicians, both in Greek Cyprus and in Greece, gave an impression of reacting in a more positive way, with the National Council of party leaders authorising President Clerides to negotiate on the basis of Annan's draft. The initial Greek and Greek Cypriot strategy seemed to be one of swallowing the essence of Annan so that responsibility for any rejection of the plan would be cast entirely on the Turks. The official reaction of the Turkish Cypriots was to denounce the short deadlines proposed and to argue that every facet of the plan should be open to negotiation. This had little appeal to Kofi Annan, for whom decades of negotiation between the two parties had produced no result.

British diplomacy went into overdrive at the turn of the year, with Lord Hannay commuting between the various capitals and regular British missions likewise committed to pressing the various pieces of the jigsaw into place. Unfortunately, everything that could go wrong did go wrong. Denktash was (genuinely) ill and did not attend the Copenhagen European summit on 12 December 2002 at which it was hoped that the signatures of the two leading Cypriot protagonists would be obtained for the plan. The legal complications of Erdogan's position which meant that he did not become Prime Minister of Turkey until March 2003 postponed his ability to prevail over those powerful elements in the Turkish military and the Turkish bureaucracy still supporting Denktash. The tensions created by the American build-up to the war in Iraq distracted attention in Turkey and elsewhere. And on 16 February President Clerides' second term of office ran out. Although he sought a

limited extension in order to complete negotiations the Greek Cypriot voters voted decisively to turn power over to Tassos Papadopoulos, an able lawyer but with a reputation as a hard-liner on negotiations with Turks. This happened just immediately before the new deadline of 28 February that had been set by Kofi Annan for a rendezvous with the two leaders at The Hague. Since Denktash chose this opportunity to challenge at great length the whole philosophy of the plan, Papadopoulos was never called upon at this stage to commit himself to more than an apparent endorsement of its principles.<sup>11</sup> The great mistake made by the promoters of the plan including especially the British and Americans lay in assuming that the main task was to win enough votes in the Turkish north, while the major party leaders in the Greek south could be expected to deliver a positive vote on their side of the Green Line.

There was some merit in this assumption. The two strongest parties in the House of Representatives, AKEL (the communist party led by Demetris Christofias) and DISY (the party of Glafcos Clerides, now led by Nicos Anastasiades) together represented the majority of voters. It was supposed that they both would regard the UN plan as an acceptable compromise. The deadline of 16 April, the date set for the admission of new EU members, was reached with no resolution and so a divided Cyprus was unanimously accepted. This, according to Denktash, meant that partition would last until Turkey itself became an EU member. It being Kofi Annan's view that no fresh opportunities for a settlement would occur soon, he closed down Alvaro de Soto's office on the island and Lord Hannay, endorsing Annan's judgment that the blame lay principally with the Turkish Cypriots, relinquished his seven-year assignment.

Optimists, however, still hoped that the workings of Turkish politics as Erdogan gained more control of the machinery of government, combined with the chronology of Turkey's application for EU membership, would impart a new impulse to a solution. British influence, reflecting Tony Blair's personal backing for Turkish membership, had been in favour of the EU fixing 1 May 2004, the date it was to become a 25-member body, as the date also on which Turkey's readiness to start accession negotiations should be assessed. The French had wanted to put Turkey off until 2007. December 2004 was the agreed compromise.

In the meantime things began to happen in the north of the island. Demonstrations on quite an unprecedented scale in favour of the Annan plan occurred in the Turkish Cypriot area, opposition politicians like Mustafa Akinci and Mehmet Ali Talat openly attacked those elements in society within Turkey who stood in the way of Turkish Cypriots gaining the advantages of EU membership, and some elements in the Turkish press took a similar line. A writer for example in *Radika* wrote of Ankara's traditional policy that it "has meant that Rauf Denktash is

going his own way, trailing Turkey behind him. Where to? To crash into the EU wall."<sup>12</sup>

At this point, to universal surprise, Denktash displayed his remaining ability to seize the initiative. Normally most niggardly in giving permission for Turkish Cypriots to take part in bi-communal events beyond the Green Line, he abruptly announced in April 2003 the opening of the Nicosia crossing-point, so that for the first time in twenty-nine years ordinary Greek and Turkish Cypriots could pay visits to the other side, which they did both ways in large numbers. In particular, Greek Cypriots were able to visit their former homes, being in general most cordially received. This might appear to counter Denktash's contention that Greek and Turks were unable to live peaceably together. The Papadopoulos Government felt it necessary to respond by issuing a number of decrees aimed at making it easier for the two communities to interact.

For the rest of 2003 everything seemed to be waiting on the result of elections that were due in Turkish Cyprus in December. It was evident that the opposition to Denktash was growing in size and in confidence. Increasingly Turkish Cypriots, and even a certain portion of those Turks from Anatolia who had settled in North Cyprus in the course of the Turkish occupation, were looking for a means of escape from their international isolation and seeing it in the Annan Plan. Its many attractive features from the Turkish Cypriot point of view seemed as if they might prove sufficient to weigh against Rauf Denktash's unbending constitutional case for rejection. On the part of his supporters there were some deplorable incidents of harassment and pressure and the eventual result was, on the face of it, a stand-off. Supporters and opponents of Denktash won the same number of seats, with the popular vote slightly in favour of the opposition. But this in fact signalled such a major shift in sentiment that Denktash, who remained 'President' and chief designated negotiator, felt obliged to install the opposition leader Mehmet Ali Talat as 'Prime Minister'. From then on it seemed more likely than not that the Annan Plan would be endorsed in the North if it came to a referendum.

A way had therefore been found at last of bypassing Denktash. Every deadline for the solution of the Cyprus Problem having been missed up till now, the changed circumstances resulted in one last attempt, strongly favoured by Britain and the United States, being mounted before 1 May when ten new members, including Cyprus (united or divided), having completed ratification, were to join the European Union. On 13 February 2004 Tassos Papadopoulos and Rauf Denktash in New York were brought to agree to a series of deadlines by which, first the two parties would seek by direct negotiation to close the remaining gaps in the Annan Plan; then, if there were still gaps unfilled, the two motherlands, Greece and Turkey, would join in; and finally, if there were remaining issues, Kofi Annan was to arbitrate. The

amended plan would be put to the people in the two parts of Cyprus on the same day (24 April). In the event of a favourable result in both, the United Cyprus Republic would, thanks to the remarkable amount of paperwork completed by officials from both sides working with the UN, be just in time to be welcomed into the EU on 1 May. If not the existing Greek-run Republic of Cyprus already possessed the certainty of becoming a EU member.

British diplomacy was very active in these final months, working at the interface of the UN, the EU and the United States, in the hope of exploiting the new political complexion in Ankara and in Turkish Nicosia to obtain a result which would be endorsed by the two electorates. Final negotiation, engaging Greece and Turkey, took place at Buergenstock in Switzerland. The British were active in advising Turkey to pare down its remaining requirements to a minimum. The Turks arrived with a shortlist of eleven points, most of which though not all were incorporated by the UN into Annan 5, the final version of the plan.<sup>13</sup> The number of Greek Cypriots allowed to resume permanent residence in the North for the next eighteen years was somewhat reduced, reflecting the continued nervousness of Turkish Cypriots about being swamped by the more numerous community; the Turkish military presence – if only a token force of 650 men – was to remain even after the prolonged transitional arrangements had expired; and Turkey and the Turkish Cypriots were to be protected from any danger that safeguards promised them in the plan, might be threatened by actions of the European Court of Justice and the European Court of Human Rights. As regards the ECHR, the new United Cyprus Republic was to be required to strike out all pending cases against Turkey concerning Greek Cypriot property in the North, an obligation which was particularly to outrage the lawyer in Tassos Papadopoulos, while a specially designed 'Act of Adaptation' was rushed through by the EU to fend off the ECJ. The Greek Cypriots had a few points settled in their favour in last-minute adjustments vastly accelerating the speed of the transition to new institutions and extending the ability of non-permanent residents in the north to make use of second homes there but, in contrast to the other side, the Greek Cypriot leadership gave the impression of not being fully engaged, waiting till the last moment to file a long list of requirements for change, including reopening the territorial issue with respect to the Karpas. The delegation from Greece, without being in any way unhelpful, represented a brand new Government which lacked the missionary zeal in support of a settlement of its predecessors. Supporters of the Annan Plan were disconcerted by the negative reporting back from Buergenstock by most of the Greek Cypriot media.

The British were prompt to circulate to Greek and Turkish Cypriots brief lists of the advantages of the settlement for each, hoping to sell the notion of a win-win situation. It was emphasised to Greek Cypriots, for example, that 80 per cent of the Turkish troops were to leave by the end of 2007, with a further 50 per cent reduction

within the following four years, and that 120,000 Greek Cypriots (a number that includes the computed natural increase since 1974) would be able to return to their former homes under Greek Cypriot administration. On 24 April the referenda were held. The Annan Plan was endorsed among Turkish Cypriots by 64.90 per cent to 35.10 per cent. It was rejected by Greek Cypriots by 75.83 per cent to 24.17 per cent. The youth vote (up to age 34) was the highest for 'Yes' among Turkish Cypriots and it was the highest for 'No' among Greek Cypriots. The latter figure could, in the opinion of many commentators, be attributed to the lack of any personal contact of most members of that age group with Turkish Cypriots combined with the sharply anti-Turkish bias of the educational system.<sup>14</sup> There was undoubtedly considerable intimidation of the plan's supporters on both sides of the line. It was effective principally in the south but that would not have been sufficient to explain the very striking result. On the grounds of not allowing outsiders to interfere Alvaro de Soto and the EU Enlargement Commissioner were not given the chance of defending the scheme on television. Denktash's opposition to any plan for Cyprus unity, blamed by so many including Britain and the UN Security Council for blocking progress, had at last been decisively overcome. But this actual plan had massively failed. All its supporters in Cyprus and abroad asked themselves why.

In the first place, the UN's tactic, which because of EU deadlines and politicians' delays was not entirely its fault, of bouncing the electorate into acceptance after an extremely short campaign turned out to be a serious mistake. Certainly there is a sense in which the international community was entitled to say that Cypriots ought to be familiar with issues they have been debating for nearly thirty years since the High-Level meeting in 1977.

On the other hand realistically the full implications of that formula had not needed until now to be spelled out for the Greek Cypriots because the Turkish Cypriots' blocking tactics spared them the necessity. When confronted with the truth of what the long-established and infinitely repeated formula might actually mean, Greek Cypriots were often bewildered and in many cases shocked. They felt, not wholly unreasonably, that they were being bounced. They were not helped by the emotional and heavily biased fashion in which they were given guidance by their President, Tassos Papadopoulos, who departed from his former approach of accepting the Annan Plan in principle while seeking to improve it in detail to launch a tearful call for its wholesale rejection.

His speech elided two types of argument - detailed criticisms of aspects of the scheme and attacks on its fundamental nature. In regard to the first there had indeed been some weighty critiques by, for example, the prominent businessman Constantinos Lordos who, while praising the political content of the plan, produced a detailed criticism of its economic content, arguing that, "Activating suddenly

property values lying near-fallow over thirty years, will throw the property market into a long disarray and instability with far-reaching consequences to the banking sector, on inflation, on economic growth."<sup>15</sup> Rather better financial provisions, worked out with the help of a British expert, were crafted for the final, last minute version of the plan. Alternative proposals were offered by an academic authority on federal systems, Dr. Andreas Theophanous. But to attack the whole new political system as dysfunctional was surely to challenge the validity of the accepted principle of a bizonal, bicomunal federation. At the federal level this obliges Cyprus for most, though not all, purposes to treat the 18 per cent of the population who are ethnically Turkish as the equivalent of the 80 per cent who are ethnically Greek. This is no doubt an awkward proposition and might be accounted as unfair but political reality has dictated its acceptance for upwards of thirty years.

Particular features of 'Annan 5' which grated included the contrast between the immediate disbandment of the internationally recognised Republic of Cyprus and the three and a half years allowed to the Turkish Cypriots to get out of all of the 7 per cent of territory being restored to the Greek Cypriots; the failure to arrange for the UN to take over from Turkey complete control of this process from the start; the retention in perpetuity of 650 Turkish troops on Cypriot soil with the (Greek Cypriot) National Guard totally disbanded and an extended version of the Treaty of Guarantee, bitterly blamed as the excuse for Turkey's unilateral action in 1974, to remain; and the granting of Cyprus citizenship to an increased number of settlers from the Turkish mainland.

The two largest political parties, AKEL and DISY, which were counted on by optimists to deliver a majority for 'Yes' both in their different ways proved weak straws. For all the firm and courageous leadership that both Anastassiades and Clerides, vigorously campaigning at the age of eighty-five, gave DISY they were not followed by a large majority (62 per cent) of their usual supporters. AKEL, which had built up a consistent record of friendship for Turkish Cypriots over the years and had, as a communist party, carried an expectation of disciplined voting, crumbled under the pressure of its membership. A split decision to back 'Yes' in the politburo was reversed in the central committee. The communist leadership was placed in the odd position of having to beg the United States and Britain to save them from voting 'No' by sponsoring a UN Security Council resolution underwriting the plan with additional security guarantees. Realising what was at stake the British laboured hard to produce wording that stood a chance of being carried. But the resolution was vetoed by Russia shortly after a visit to Moscow by Papadopoulos' Foreign Minister. In the end AKEL called for a 'No' vote unless the referendum was postponed for further talks.

The shipwreck of the UN's immense effort was regarded internationally with



dismay. Utterly frustrated, EU Commissioner Verheugen went to the extent of accusing President Papadopoulos of cheating him, his argument being it had been understood that the Greek Cypriots had only been allowed to go ahead with EU membership on the understanding that they would accept a UN-brokered settlement. In Britain the immediate comment was not sympathetic to the Greek Cypriot side which had for long occupied the moral high ground. The ungracious tone of the press comment betrayed a sense of shock. 'The vote against the Kofi Annan plan was a vote to make 1974's Turkish invasion a permanent reality,' said the liberal *Guardian*. It conceded that the Annan plan was not particularly fair to the Greek Cypriots but it was better than nothing. The amount of intimidation displayed during the brief campaign was "the worst possible way to enter Europe and the EU must now be ruining the day it agreed to allow them in." The conservative and Eurosceptic *Daily Telegraph* blamed "the EU's blundering – and arguably illegal – decision to admit Southern Cyprus with or without an agreement", as the result of which, "Greek Cypriots made the entirely rational calculation that they had nothing to lose by voting 'No'." And *The Times* did not spare its language. "An irresponsible leadership in the south," it wrote, "preferred to pander to popular emotion rather than counsel patience. And foolish prattling about the chance to renegotiate the deal, haggling with the UN like used car dealers, blinded the Greeks to the dangers of rejection."<sup>15</sup>

The month before the referenda the British Foreign Secretary Jack Straw had been asked on Turkish television by the well-known commentator Mehmet Al Birand what would happen if the Turkish Cypriots said 'Yes' and the Greek Cypriots said 'No'. He replied that "we would need to ensure this positive contribution to resolving a serious conflict...was properly recognised inside the councils of the European Union and in the way in which the European Union dealt with Turkish Cyprus."<sup>17</sup> High indignation was expressed at the time by the Cyprus Government but it was clear that following the referendum the EU would exert itself to end as far as practicable Turkish Cyprus's isolation; the way that Mehmet Ali Talat was addressed by the American Secretary of State as "Mr. Prime Minister" was an indication of a change in international standing. As for Tony Blair he did not conceal his dismay. "I still believe," he told the Commons on 14 July 2004, "that it would have been better if the Kofi Annan plan had proceeded. It was a fair settlement." Some backbench MP's took a different view. In one parliamentary debate a Labour member, Andrew Dismore suggested that the Turkish Government, at the behest of its general staff, had deliberately escalated its demands to a point beyond which the Greek Cypriots could accept.<sup>18</sup>

Greece and President Papadopoulos have both indicated their confidence that the question of the unity of the island will once more be visited. On the other hand, "There is no Plan B" was the word of the UN spokesman as he closed down for the

second time the UN offices in Cyprus. While the UN would certainly be extremely shy of reinvesting the huge amounts of attention and effort that went into the failed attempt it might be possible to revisit the question of extra security guarantees for the Greek Cypriots. Now that Cyprus is a EU member, that organisation might help produce an economic plan that could assuage genuine Greek Cypriot fears of an experience like that of West Germany's in merging with the East. Greece and Turkey, the two 'motherlands', have promised not to allow Cyprus to stand in the way of their recent policies of friendship. And it seems vital that those Turkish Cypriots who had been euphoric about their own regime change should not become utterly deflated by a sense that their Greek compatriots just do not want them. Finally the two sides in Cyprus could still surprise everyone by coming up with their own settlement without large-scale outside help. The British, who greatly love the island, will, despite everything, wish it and its peoples well.

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**Notes**

1. An exception for 1963 should be noted in the case of the British High Commissioner who apparently on his own initiative assisted Archbishop Makarios in the drafting of the constitutional proposals that sparked off the crisis of December. Keith Kyle, 'The British and Cyprus in 1963' in *Friends of Cyprus Report No.37*, Spring 1994, pp. 10-12.

2. PRO FO 371/168983 Sandys (Nicosia) to Home *et al.*; Home to Sandys, 20 December 1963.

3. James Callaghan, *Time and Chance*. Collins, p. 352.

4. Lord Hannay of Chiswick, *Cyprus: Missed Opportunities and the Way Ahead*. Twenty-seventh Thomas Corbishley Lecture, Wyndham Place Charlemagne Trust, p. 8.

5. The Swiss model was explicitly cited in certain passages of the Secretary-General's text but Annan was careful to point out that he did not intend it to be applied to his Cyprus solution as a whole, "Cyprus requires a solution that is *sui generis*." Some Belgian analogies were also called in aid. UN Security Council, *Report of the Secretary-General on his mission of good offices in Cyprus*, S/2003/398, p. 17, note 5.

6. S/2003/398 para. 99. There was to be a moratorium (with a few exceptions) on resumed residence by refugees for six years; a limit of 7 per cent in any one village for a further seven to eleven years; 14 per cent for twelve to fifteen years; and 21 per cent (reduced in 'Annan 5' to 18 per cent) after the fifteenth year. Annan stipulated that, "The power to impose restrictions would have been specifically authorised by the European Union in the protocol of the Treaty of Accession." The restrictions were to be removed when Turkey would have become a member of the EU or in the nineteenth year, whichever would have occurred first.

7. This number could increase to as many as 120,000 if all offspring born to refugees concerned since 1974 be included.

8. *Simerini*, 'British noose around Cyprus's neck,' 23 November 2002. *Machi*,

'Overwhelming rejection of Annan plan,' 23 November 2002.

9. *The Cyprus Weekly*, 'A plan with a big hole in it,' 23 November 2002. S/2003/398, p. 20, para. 93, and p. 30 para. 138.

10. *The Cyprus Weekly*, 'Legal analysis uncovers absurdities of UN plan,' 4 December 2002.

11. *Kıbrıs*, March 2003, p. 2.

12. Erdel Guven in *Radikal*, 7 March 2003.

13. 'The Final Points Conveyed to Mr. de Soto by Ambassador Ziyal on 28 March 2004.'

14. See Lord Hannay's Corbishley Memorial Lecture (*op.cit.*) in which he refers to "the atavistically crude way in which the press characterise any move towards settlement and in which each side teaches the other in their educational systems."

15. Constantinos Lordos, 'Economic Aspects of the Annan Plan and the Plan's Property Proposals.' Discussion Paper for the Tesev International Workshop in Istanbul, 26 January 2004.

16. 'Island of lost dreams,' *Guardian*; 'Cyprus stays divided,' *Daily Telegraph*; 'The Cost of saying "No".' All 26 April 2004.

17. UK Foreign and Commonwealth Office, 'Transcript of Foreign Secretary's interview with Mehmet Ali Birand, Istanbul, 3 March 2004.'

18. UK House of Commons, Westminster Hall debate, 6 July 2004.



# ON LANGUAGE AND ETHNIC IDENTITY AMONG GREEK CYPRIOT STUDENTS

Elena Ioannidou

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## Abstract

*The aim of the present paper is to explore the links between language and ethnic identity among a group of eleven-year-old Greek-Cypriot students. The paper approaches the two concepts from both a theoretical (trying to define the meanings of language and identity) and methodological perspective (trying to define what language and ethnic identity mean in the fieldwork) using an ethnographic approach. Specifically 'language' is examined through students' expressed language attitudes towards Standard Modern Greek and the Cypriot Dialect, and 'ethnic identity' is researched through their ethnic awareness, identification and values towards the concepts of being "Cypriot, Greek, Greek Cypriot, Turkish, Turkish Cypriot". The principal question addressed is whether the students connect Standard Modern Greek and the Greek Cypriot Dialect with their preferred ethnic identities. The data are interpreted in the wider sociolinguistic and educational context of Cyprus.*

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## Introduction

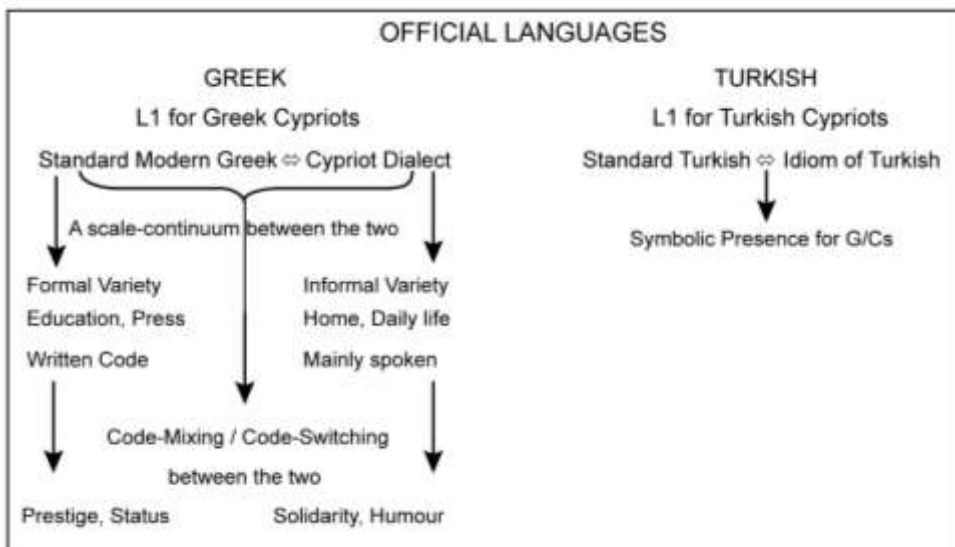
*"A: The Greek is the same with the Cypriot, because he was born to Greece he is Greek  
(...) both of them are Greeks, (. . .) they can understand when you talk to them, they have the same religion, the customs and the traditions are almost the same  
E: would you say that you are Greek?  
A: no  
E: what then?  
A: that I am Cypriot (...) but I do have a connection with them"*

- Extract from an individual interview with Achilleas<sup>1</sup>

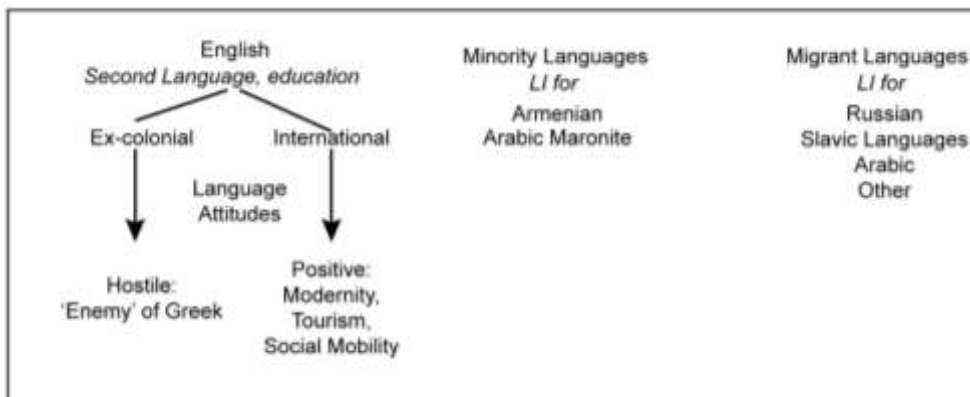
In some contexts the words of Achilleas may astonish some people, an eleven year old boy talking with such naturalness about ethnic labels, religion, tradition and linguistic varieties. Nevertheless, in the highly politicised context of Cyprus,<sup>2</sup> the overwhelming majority of the children, even from much younger age, are aware of ethnic and political terms such as *Cypriot, Greek Cypriot, Turk, occupation, invasion* and so forth. The unresolved political problem in Cyprus, i.e., the partition and isolation of the two main ethnic groups (Greek and Turkish Cypriots), along with the

continuous uncertainty about the island's political future, has contributed in the hardening of the boundaries of certain identities and an ongoing opposition between the 'self' and the 'other' (Hall, 1992). In addition, the existence of a number of linguistic varieties (Figures 1.1 and 1.2) and their connection with ideological and national values in a linear way (on a policy and rhetorical level, Ioannidou, 2003), makes the sociolinguistic scenery of Cyprus even more complex and places issues of language and ethnic identity in the heart of political and social life (Moschonas, 2000).

**Figure 1.1: The Official Languages of Cyprus**



**Figure 1.2: The "Other Languages Spoken on the Island"**



Despite this centrality of language and identity in the political life of Cyprus there are very few studies which empirically explore the possible connections that exist between the two concepts and document the way various social actors (and not political rhetoric) understand and experience issues of language and identity. The aim of the present paper is to bring together these two large and complex concepts by researching the possible links that exist between language and ethnic identity among a group of Greek-Cypriot students using an ethnographic approach.

Language is defined as a communicative and symbolic system (Edwards, 1985) and as a carrier of different social and ethnic values (Calvet, 1998; Schiffman, 1996). In the present paper the term *language* is used to indicate those varieties found in the wider context of Cyprus and in the repertoire of the students (mainly Standard Modern Greek and the Greek-Cypriot Dialect). At the same time, ethnic identity is defined as primarily a matter of self-awareness of belonging to a certain group (Barth, 1969) and an elusive category with multiplicity, contextuality, hybridity and dialogic interaction with the other as its major features.<sup>3</sup> In this paper, ethnic identity includes terms such as *Greek, Cypriot, Greek Cypriot, English, Turkish, Turkish Cypriot*, that are used in the wider context of Cyprus to describe different ethnic groups but also to express different ideological and political positions (Mavratsas, 1997). Evidently both concepts are broad and multiple, something that makes their interrelation more complicated and dubious (Edwards, 1985, 1994).

### **The 'Link' Between Language and Ethnic Identity in Policy and Political Rhetoric: The Public/Macro Manifestation of the Link**

Although language is admittedly connected to ethnic identity, in other words the way people choose to speak reveals their positioning regarding their ethnic identity (Le Page and Tabouret-Keller, 1985; Giles and Johnson, 1981), most scholars agree that the interrelation between the two is complex, multi-levelled and not always easy to see (Fishman, 1972; Edwards, 1985). Despite this complexity, a great number of studies attempt to explore this link from different theoretical disciplines (e.g. sociolinguistics, social psychology) and from different perspectives, focusing either on the public or the individual manifestation of the link (in Edwards, 1985). One of the commonest examples of public manifestation of the link is the association of 'one's language to one's nation' (or ethnic group), originating from the phenomena of 'linguistic nationalism' (Williams, 1994) or 'linguistic nationalism' (Le Page and Tabouret-Keller, 1985) in which language is viewed as the primary symbol of the nation, its people and its history.

In the case of Cyprus the associations made between language and ethnic identity on a public-policy level are striking. Despite the acknowledged bidialectalism<sup>4</sup> and the fact that the Greek-Cypriot Dialect is the first variety of all

the Greek Cypriots, on a political rhetoric the Standard Modern Greek is considered the 'Greek' language, while the Dialect is viewed as 'not that Greek' (Mavratsas, 1997). This is also reflected on the current educational and language policy making, where the Cypriot Dialect, is banned from formal education. Instead the Standard Modern Greek is promoted on every level of the educational system, both as a medium for teaching as well as the variety under study.<sup>5</sup> Evidence from both the educational policy and the public discourse indicates that the particular linguistic policies are directly linked to political and national values, aiming to reflect specific ethnic positioning. In particular, data from policy making (Ioannidou, 2003) demonstrate that the exclusive promotion of Standard Modern Greek is rooted in the perception that Greek Cypriots belong to the Greek world and therefore need to use the common linguistic variety which, as one policy maker from the ministry characteristically noted, '*connects the Greeks as a nation*' (in Ioannidou, 2003). This ideology (one linguistic variety associated with one identity) is widespread in the past and current educational and linguistic policies in which the prevalent ethnic identity promoted (in the textbooks, the curricula and the wider context of the schools) has been the "Greek-Christian" one with a direct association of this identity with the Greek language, meaning the Standard Modern Greek.

Furthermore, apart from the educational policies, in public discourse (especially in the media) there has been a strong debate regarding the connection of the various linguistic varieties with specific ethnic identities. From a newspaper review I conducted for a period of two years (Ioannidou, 2002, 2004) the most striking commonality between the various articles was the fact that the various linguistic varieties were often positioned against each other, placing usually 'Greek' (i.e., Standard) in conflict with the Dialect, English and Turkish. First, one commonly referred to position by various scholars (as Ioannou, 1991; Karoula-Vrikkis, 1991; Minas, 1998; Makrides, 1998), is that the existence of different varieties threatens the purity of 'Greek language' in Cyprus. For this reason very often English and Turkish loanwords found in the Dialect are attacked as markers of the Greek Cypriots being less Greek<sup>6</sup> (Minas, 1998). Second, and related to the above, English is considered as the main opponent of the Greek language in Cyprus (Minas, 1998; Makrides, 1998), and often the use of English is equated with the Greek Cypriots not showing love towards Greece (Karoula-Vrikkis, 1991) and adopting British-English values of life (Ioannou, 1991). Arguments such as these confirm the thesis that in countries where there is political instability, clashes between different ethnic groups and opposing ethnic ideologies, language issues become very sensitive and tend to be connected to ethnic and political values (Thomas, 1991; Rahman, 1996).

Arguments such as the above are mostly expressed by the carriers of national ideology, while more left oriented arguments<sup>7</sup> promote a less nationalistic framework for language. Related to this Moschonas (1996) and Mavratsas (1998)



point out that the reasons behind the rhetoric of conflict between Standard and Dialect, and Standard and English are nationalistic, exploited by the Right in order to promote the idea of one united language and one united nation. However arguments about the protection and the purity of language do not come only from the national-right rhetoric but enjoy wider support from other political ideologies expressed by more centred-political parties. These arguments enjoy wider support since they are embedded in a tradition of centuries in Cyprus where the "Greek language and the Christian Orthodox religion" were projected as the main components of Greek-Cypriots' identity and as markers of resistance of the various conquerors that came to the island (in Karageorgis, 1986). There is therefore no simple dichotomy between national/right and moderate/left. The position is more complex, at least on language issues.

Despite the multiplicity in language and identity in Cyprus and the strong political rhetoric around these issues there are no empirical studies documenting which ethnic identities Greek Cypriots adopt and on what grounds. Although there are a number of studies on national and ethnic identity in Cyprus, these are mostly from a theoretical (Calotychos, 1998; Mavratsas, 1997; Pollis, 1996) and conflict-resolution perspective (Loizos, 1998; Pollis, 1998). Only Papadakis (1993) has provided an account on how Greek and Turkish Cypriots regard their contemporary identities. In addition although there is a growing number of studies in sociolinguistic research, these focus mostly on language attitudes for SMG and CD (Papapavlou, 1998, 2001a; Roussou, 2000a; Pavlou, 1999; Sciriha, 1995), on the role of English (McEntee-Atalianis and Pouloukas, 2001; Papapavlou, 1998, 2001b) and on various issues about education (Pavlou and Christodoulou, 2001; Roussou, 2000; Papapavlou, 1999). There are fewer on language use (Goutsos, 2001) and no studies attempting to explore the connection of language and ethnic identity in the specific socio-political context, to verify (or reject) some of the claims made on a rhetorical level. In fact it can be argued that the issue of language and ethnic identity in Cyprus, as experienced and documented through a study of the people of Cyprus remains largely under-researched and therefore undefined.

For this reason a micro-individual exploration of the link is also needed in order to understand whether the attitudes people attach to different linguistic varieties reveals anything about their preferred ethnic or social identities (Le Page and Tabouret-Keller, 1985; Giles and Johnson, 1981). In other words, is the policy of the state successful? Do Greek Cypriots feel more Greek than Cypriot? Do they adopt Standard Modern Greek as their own variety? And what is happening with the Dialect? In the following section an attempt is made to present data on language and ethnic identity from a group of eleven to twelve year old Greek-Cypriot students, trying to offer an account on the way these issues are voiced from people in Cyprus.

## **The 'Link' of Language and Ethnic Identity Among a Group of Greek-Cypriot Students: The Micro/Individual Manifestation of the Link**

### ***Methods and Data Collection Techniques***

The data were collected for a period of four months from a group of eleven to twelve year old students from a state, primary, urban classroom.<sup>8</sup> Since I had to deal with complex and multi-levelled concepts, I used an ethnographic approach<sup>9</sup> that would enable a deep understanding and analysis of the way students understood and experienced language and ethnic identity. The data collection techniques included a combination of mainly qualitative methods, such as participant observation, individual and group interviews, recordings of classroom talk, and some quantitative such as questionnaires, identity tests and semi match-guise language tests.<sup>10</sup>

The main challenge for this study was not so much to investigate language attitudes or ethnic values and identification per se, but to explore the interactions and possible relation that existed between the two concepts among the students. For this reason, two main methodological steps were made.

Firstly, an effort was made to explicitly define what exactly the terms "language" and "ethnic identity" meant in the fieldwork. Particularly, both terms were understood as a combination of behaviour and values, with the term "language" indicating students' "language use" and "language attitudes" (see Le Page and Tabouret-Keller, 1985), and "ethnic identity" covering issues such as "ethnic identification" (i.e., the degree to which they identify with certain groups), "ethnic behaviour" (i.e., the way the ethnic element is present in their daily life and interaction), "ethnic awareness" (i.e., the knowledge they hold regarding various grouping in the society) and "ethnic values" (i.e., their attitudes and norms towards these groups) (Ocampo et al., 1997; Phinney and Rotheram, 1987).

In the present paper I present data mostly from the perspective of values,<sup>11</sup> exploring students' language attitudes towards Standard Modern Greek and the Cypriot Dialect,<sup>12</sup> and their values, identification and awareness towards notions such as *Greek, Cypriot, Greek Cypriot, English, Turkish, Turkish Cypriot* and *European*. Researching language attitudes is considered very important when we explore the connection between language and identity, since they reflect values that go beyond linguistic issues, uncovering social meanings attached to linguistic categories (Coupland and Jaworski, 1997) and various studies have documented a connection between people's language attitudes and their beliefs about ethnolinguistic vitality (McGroarty, 1996). Similarly, exploring evaluative data of allegiance and other social groupings such as ethnic identity are very useful since they can access local processes of interpersonal attraction or distancing and can help predict the character of social relationships within a speech community (Garrett et al., 1999).

Secondly, I used a two-fold methodological approach in which the two concepts were investigated in a balanced and equal way. Many studies on language and ethnic identity are criticised as being biased either towards language or ethnic identity, and therefore not providing a balanced and in-depth exploration of both concepts's (Gal and Irvine, 1995; Le Page and Tabouret-Keller, 1985), and failing to capture all the multiplicities of their interrelation (Cameron, 1997). In the approach I adopted, language was initially placed in the centre, exploring students' language attitudes and observing whether there were any ethnic connotations in their linguistic values. Thereafter, ethnic identity was placed in the centre (and language was moved to the periphery), exploring students' ethnic awareness, identification and attitudes (Tajfel, 1981; Ocampo et al., 1997) and investigating whether language had any significant role in that. The rationale therefore of this two-way approach was to offer an in-depth exploration and understanding of both concepts and try to capture all the dynamics between students' language and their ethnic values.

Specifically, the following methods were used for investigating students' language attitudes:

- Detailed classroom observations which lasted four months with unstructured fieldnotes (trying to seek out any "critical incidents" in the classroom that would reveal anything regarding students' or teachers' language attitudes).
- One-to-one multi-task hourly interviews where all the students were asked to comment on different texts written in the two varieties, plus take a semi match guise test where they were asked to evaluate oral guises (speech) in both the Standard and the Dialect.
- Focus group discussions with the students (which lasted an hour each and were recorded) in order to investigate their language perceptions within a team or a group.

Additionally, for exploring students' ethnic identities the following methods were adopted:

- Detailed classroom observations using unstructured field notes.
- "Ten Statement Test" (Hutnik, 1991) in which the students were asked to complete two sheets, one with the affirmative statements 'I am' and the other with the negative statements 'I am not'.
- An "imaginary scenario" where the students had to describe themselves on the phone to a stranger, asking them "how would you describe yourself". These two approaches (2, 3) have been widely used both with children and with adults (Modood et al., 1997; Hutnik, 1991) in order to unravel and

understand the way people choose to define themselves in situations where the ethnic element is not necessarily pre-imposed, in other words to explore the saliency of students' ethnic identity.

- Students' ethnic identification, awareness and values were explored using a variety of tasks (commenting on photographs of places, asking them to provide information about various "historic events"). Additionally, students were provided with six 'identity cards' (Greek, Cypriot, Greek Cypriot, Turkish, Turkish Cypriot, English), asking them to choose those 'identity-cards' they felt close to, explain their rationale and provide definitions for each card. Furthermore in the focus group discussions, topics such as life in Cyprus in the past, present and future, family life, neighbouring countries and characteristics of the people in Cyprus (e.g., "who do you consider as a Cypriot") were brought up so that students might unravel possible values as they were expressed by the students when they tried to describe the wider context in which they were situated.

### **Placing Language in the Centre: Exploring Students' Language Attitudes**

As a consequence of the formal policy and language ideologies found in the wider context, the students held very positive values towards Standard Modern Greek in matters of prestige, appropriateness, aesthetics and correctness.<sup>14</sup> Furthermore the Standard was the variety of the school and the majority of the students argued that they needed to learn it in order to do well at school or please their teachers. In contrast, the overwhelming majority of them underestimated the Dialect and considered it 'rude', 'inappropriate', 'peasant' and so forth.<sup>15</sup> Extract 1 from a focus group discussion and the 'Adjective-Map' (Figure 2) formed by students' characterisations encapsulate the dichotomy between the two varieties.

#### ***Extract 1 - Focus Group D***

*"V: Greek is a better language because in Cyprus we use many taf (t) and zita (z).*

*A: tze<sup>16</sup>*

*Y: while in Greece it is different, the language is softer*

*E: our language is harsher*

*E.: what does that mean... ?(. ..)*

*E: ours compared to the  
Greeks*

*E.: but what does harsher mean?*

*E: it is harsher.. "*

**Figure 2: Adjective-Map**

Tidy	Aristocratic	Shows respect	Peasant	Uncivilized	Harsh
Polite	Civilized	Softer	Cypriot	Not good	Rude
STANDARD MODERN GREEK			CYPRIOT DIALECT		
Nice	Proper	Clear	Not nice	Not polite	Improper
The best Greek	With better phrases				
BUT ALSO:			BUT ALSO:		
Difficult	Confusing	Distant	Irritating	Normal	Easier
				Enjoyable	Our own language
					Feeling comfortable

Nevertheless, the Dialect was given positive attributes in matters of solidarity, identity and expressing themselves in a natural way.<sup>17</sup> All the students admitted that they found it easier to use, contrasting it to the 'inconvenience' and 'confusion' they often felt when they used the Standard. As Menelaos pointed out, *"I feel more comfortable using Cypriot because I know it better than Greek, and sometimes when I speak Greek I get confused so I can speak Cypriot more easily. I speak Cypriot much better, definitely"*. The Dialect also proved to be connected to their sense of being Cypriots and to the solidarity they shared with the other Greek Cypriots. As Lydia added, *"Cypriot is my own language, it is the language of my country, it is the language I speak and the one I feel comfortable speaking"*.

However, there was a striking differentiation on the degree the students were willing to identify with the Dialect. While all the boys adopted immediately the Dialect as their own code, the majority of the girls seemed reluctant to identify with it, claiming that they did not use it at all, and showing more preference towards the Standard. For instance Erato argued, *"I speak mostly that one (SMG), I never speak like that (CD), not at home, not with my granny, I never say 'tzai', those who live in the villages speak like that"*. As it has been documented in the literature there is often a mismatch between what people claim to speak and what they actually speak (Milroy and Milroy, 1991). Similarly there was a mismatch between girls' claimed use and their actual language use. As the classroom observations documented (Ioannidou, 2002) the Dialect was very popular among all the students, using it in all their classroom interactions, except when they participated in the lesson and the majority of them followed the 'school rules', trying to converge to more standard types of talk.

Evidently, the social image appeared to be more important to girls than boys (Milroy and Milroy, 1991), so girls had more conflicts in their attitudes regarding the

two varieties. This was obvious in Anastasia's words, when she pointed out, *"people might create a negative picture about you, so it is better not to speak Cypriot for example every time, as people might have a negative idea of you"*. Nevertheless, a more in-depth analysis of girls' words indicated that they also considered the Dialect as their own variety, even if their initial reaction was to reject it. In particular, they used the term 'normal' or 'ours' to refer to the Dialect, as opposed to the 'kalamaristika' or 'kalamaras'<sup>18</sup> to describe the people from Greece and their linguistic variety. The following extracts indicate this:

*"I do t,y to explain to her but it is a bit difficult because it is easier to speak my own language" - Anastasia.*

*"We speak normally with my classmates during the break time" - Katerina.*

From the overall data it can be argued that the overwhelming majority of the students associated the Dialect with the sense of being Cypriots, connecting it to their "country": *"I like Cypriot because it is the language of my country"* (Menelaos). Additionally, the Dialect functioned as a within group solidarity marker, as the means of communication with other Cypriots: *"this is how all the Cypriots speak and this is what I speak"* (Agis). Also, Achilleas asserted, *"I would prefer to use Cypriot ... because I know it better and I want to feel the others as my friends"*. Finally, Menelaos pointed out that the Dialect was a boundary marker for excluding those who did not belong to the group in understanding the conversation, arguing *"with the Dialect you can make fun of them, and they cannot understand it"*. Furthermore almost all the students, as Aggelos, reacted negatively to the question *"Would you prefer it if you could not speak Cypriot"*: *"I would not like to stop talking Cypriot because I like Cypriot speech because I am Cypriot and I was born in Cyprus"*.

On the contrary, as far as the Standard was concerned, most students viewed it as an opponent of the Cypriot Dialect in relation to their identity. Most of them referred to the Standard as 'kalamaristika' and 'their language', as opposed to 'Cypriot' and 'our language'. The following extract reveals that:

**Extract 2 - Focus Group B**

*Demos: I like Cypriot more because when I heard some people from Greece speaking, they were talking a bit stranger than Cypriot and I could not understand very well what they were saying*

*Froso: they speak like kalamaristika*

*Ifigenia: but they are kalamaras*

*E: do you like it?*

*Ifigenia: we do not like it*

*Nefeli: sometimes no, if it gets annoying"*

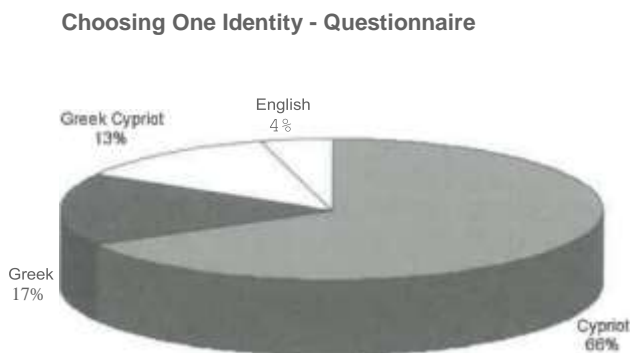
Furthermore most of the students clearly stated that they would not like to speak exclusively the Standard, adding that they were often embarrassed and felt uncomfortable when they did so because it was not their own variety. The words of Odysseas encapsulate this: *"I do not feel good when I speak Greek because let us say, it is not of my country"*.

Overall, among all the students there was a clear conflict between the two varieties since they represented different sets of values. The Dialect was the variety associated with their Cypriot identity, but it was also the variety connected with low status and prestige. On the contrary, the Standard did not form a part of students' identities but was imposed on them as the correct, the appropriate and the beautiful variety.

### Placing Ethnic Identity in the Centre: Exploring Students' Ethnic Frames of Reference

When it came to exploring their ethnic identification all the students showed clear preference towards the Cypriot identity. Lydia for example argued, *"I chose Cypriot because it is my country"* and Aggelos pointed out, *"because I come from Cyprus, it is my country"*. The Cypriot preference was overwhelming and there were no gender or other kind of differentiation; students clearly stated that they felt, above all, Cypriot. This was evident in the questionnaires (Figure 3) where all the students chose the Cypriot identity first,<sup>19</sup> as well as in the identity cards and the interviews.

**Figure 3: Students' Preferred Ethnic Identities**



aCypriot •Greek oGreek Cyprn01DEI1lllisi

In addition, in the more indirect methods such as the Ten Statement Test (TST) and the Imaginary Scenario all the students referred to the Cypriot element as a central part of their ethnic identity. These two methods confirmed the saliency of students' ethnic identity, since they all referred to the ethnic element as part of their 'self' in situations where this element was not pre-imposed. Particularly, they attributed a wide range of characteristics to themselves in the TST (see Table 1) that had to do with different roles and memberships they adopted, their interests and activities, and personal and ascribed characteristics (Table 2). In all these characteristics the ethnic element, i.e., their expressed identity as 'Cypriots' was present. This saliency of ethnic identity was further revealed by the way they ordered their answers, where ethnic identity was mentioned, on average, among the three top answers. Finally, as mentioned before the saliency of ethnic identity was also confirmed in the *imaginary scenario* where in the descriptions they offered for themselves their identity as 'Cypriots' was central, as Extract 3 from focus group A reveals.

**Table 1: Examples of Students' Ten Statement Tests**

Anastasia	Aggelos
<p><b>I AM</b> from Cyprus  <b>I AM</b> eleven and half years old  <b>I AM</b> well behaved  <b>I AM</b> a good student  <b>I AM</b> clever and kind-hearted  <b>I like</b> to dance  <b>I like</b> very much to play with my dolls  <b>I like</b> cycling  <b>I like</b> all animals and trees  <b>I do not</b> support any football or basketball team</p>	<p><b>I AM</b> Omonia's<sup>2</sup>o fan  <b>I AM</b> a student of Polis' primary school  <b>I AM</b> Cypriot  <b>I AM</b> an athlete  <b>I AM</b> eleven years old  <b>I like</b> playing electronic games  <b>I like</b> reading mystery books  <b>I like</b> playing football and basketball  <b>I like</b> cycling  <b>I like</b> watching TV</p>



**Table 2: Students' Replies in "I am" Ten Statement Test**

Characteristics	Replies (N=24)	Examples: I AM ...
<b>Roles and Memberships</b>		
<i><b>Ethnic identity</b></i>	22	<i>Cypriot, from Cyprus, Greek Cypriot</i>
<i><b>Football team fan</b></i>	19	<i>Omonia fan, with AEK</i>
Student	12	<i>Student of X' school</i>
Athlete	10	<i>Athlete</i>
<b>Ascribed Characteristics</b>		
Age	8	<i>Eleven, Twelve</i>
Religion	0	
<b>Interests and Activities</b>		<u>I like:</u>
<i><b>Sports</b></i>	24	<i>Cycling, basketball, scooters, running</i>
<i><b>Judgement and tastes</b></i>	21	<i>MNM music, dolls, dancing, food</i>
Intellectual concerns	14	<i>Reading, painting, languages, literature</i>
Electronic activities	14	<i>TV, electronic games, my computer</i>
Other activities	8	<i>Sleeping, resting</i>
Nature	6	<i>Animals, trees, gardening, planting flowers</i>
<b>Personal Characteristics</b>		
Judgements imputed to others	17	<i>Well behaved, a bit naughty, obedient</i>
Major senses of self	15	<i>Good hearted, perfectionist, lazy, clever, fairly good at school</i>
Interpersonal style	12	<i>Smiling, not shy, pay attention to the way I look, polite, do not get angry, funny</i>
Physical Appearance	5	<i>Tall, slim, a bit fat, 39Kg</i>

Key: **Italics and bold fonts** = most commonly referred characteristics

**Extract 3 - Focus Group A**

Anastasia: we would say that we are from Cyprus, from the town of Larnaka

Giannos: I would say to him that Cyprus is an island

E: where?

Menelaos: in the Mediterranean

Giannos: in the Mediterranean Sea

E: what else?

Giannos: we would say that we have, **we have villages that are occupied**

Dafni: and for our beautiful beaches

Anastasia: **that the Turks occupied us**

Giannos: in 1974

Anastasia: that they occupied half part of Cyprus and that we still try to get it back, but without war"

Evidently, the strongest components of this Cypriot identity, were the linguistic and the territorial factors (Le Page and Tabouret-Keller, 1985, p. 213). The majority of the students referred to the Cypriot dialect as a distinguishing marker of their Cypriot identity. Patroklos for instance pointed out, "we are from Cyprus, we speak differently from the Greeks"; and Anna noted, "I chose Cypriot because I speak like the rest of the people in Cyprus speak". Although other features of the Cypriot identity were stressed, such as character, life style, tradition and descendant (Figure 4) the linguistic criterion was the most commonly referred characteristic. The following extract reveals students' preference:

**Extract 4 - Focus Group D**

E: what is that that makes us Cypriots?

Agis: we speak Cypriot, it is our language, our behaviour, we say re

Tefkros: compared to the Greeks it is a bit different  
E: what is different?

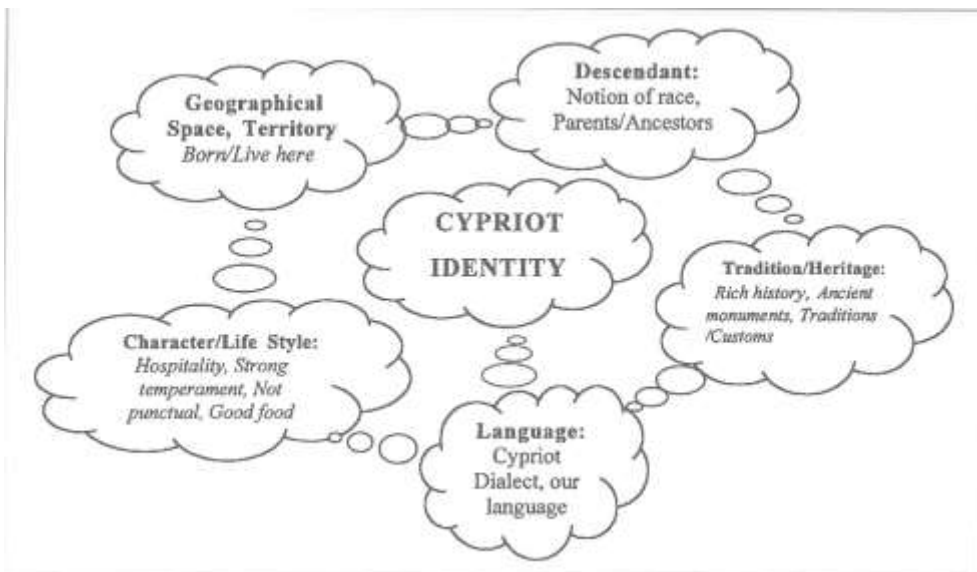
Ahilleas: the language is purer, pure

E: whose is purer?

Ahilleas: the Greek's

Tefkros: the Greek's, but we are used to ours, it is nicer"

**Figure 4: The Components of Students' Cypriot Identity**



In addition, students' identity appeared to have different levels and multiple layers. The central layer, the Cypriot identity, constituted the 'self' (Woolard, 1997) while the 'Greek' element also emerged to be very strong, with the students showing preference towards 'Greek' identity as an alternative or complementary form of the self. On the contrary the 'Turkish', 'Turkish Cypriot' and to some extent the 'English' identity appeared to compose parts of the 'other'. Very revealing was the way the students clearly made a dichotomy between "us" and "them". Some used the term 'our Cyprus' to indicate the feeling of belongingness Greek Cypriots withhold for the other part of the island. As Ifigenia for instance pointed out in her description of Turkish people, *"they now hold half of **our** (my bold) Cyprus and they do not accept to give back **our half Cyprus**".* The 'Turkish' identity<sup>21</sup> was the one that invoked the most negative connotations, with some students characterising it as 'not good', 'the enemy' and with a 'barbarian' language. *"It is almost an enemy"*, Ifigenia pointed out. Similarly Menelaos completely rejected Turkish and their language arguing, *"I really hate Turkey because it is the country that occupied half of Cyprus and does not let us visit our places/land and for so many years it does not tell us what happened to our missing people"*. And then he added, *"I do not want to learn the language of the enemy"*. Evidently, because of the political problem and the way it is promoted in schools the students connected the Turkish people with negative stereotypes and they also transferred these negative connotations to the Turkish language. This is also reflected in the wider social context of Cyprus where there is a tendency to underestimate the Turkish language as not that cultivated (compared to Greek). Often the way people choose NOT to define themselves and the negative connotations they hold about certain identities provides a great insight on their notions of 'self' (Hall, 1992; Woolard, 1997). Similarly, in the case of these Greek- Cypriot students the negative stand they took towards Turkish identity defined to a large extent their sense of 'Cypriot' identity.

The notion of the other appeared to be an important reason for students' preference towards the Greek identity. As it emerged from students' rationale the Greek element in their identity was adopted more often when it was compared to an "external", "other" identity such as English or Turkish. Dionisis' words are revealing, *"I do not like to be Turkish or Turkish Cypriot, I really like being Greek"*. In the same way Anastasia pointed out, *"because I am also Greek, I am not only Cypriot. I chose the Greek because I am neither English nor Turkish and I am not Turkish Cypriot either"*.

Although the connection between 'Cypriot' and 'Greek' identity was mostly stressed on the grounds of the concept of motherland or a family relation (Extract 5), stressing as shared features the common customs and traditions and shared struggles, the fact that the linguistic criterion was not over-stressed was revealing.

these policies will have on students' self perception if the school underestimates their home variety and stigmatises it as "improper", "ugly" and "rude" and deprives them the right to use their home variety in the classroom (see Hymes, 1985). The words of the eleven year old Dafni constitute a good point for indicating that maybe this discrepancy between policies and practice does not come without consequences after all:

*"I feel more comfortable using Cypriot because in Cypriot you cannot, you do not have to speak with a good manner, you will say it as you feel it, ... in Cypriot you just say things (sic) as you want. In Cypriot it is like you can say anything you like, you do not have anyone to stop you" - Dafni.*

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### Notes

1. Pseudonym for an 11 year old primary school student.
  2. The data presented in this paper refer to the Greek-Cypriot community only.
  3. This is an anti-essentialist positioning regarding ethnic identity and the one adopted in this paper. More about the anti-essentialist versus essentialist approaches for identity in Woolard (1997).
  4. Although the situation in Cyprus has been characterised as diglossic (Sciriha, 1995; Karoula-Vrikkis, 1991), this term has been rejected on the grounds that there is not a strict dichotomy between SMG and CD, rather an extensive variation that constitutes a linguistic continuum (Moschonas, 1996; Newton, 1983) with a lot of code-switching and code-mixing (Moschonas, 1996).
  5. As a consequence the use of the Standard is connected with the positive values of appropriateness, correctness and aesthetics (Papapavlou, 1998; Sciriha, 1995), while the Dialect is often stigmatised as 'ugly', 'rude' and 'less educated'. Nevertheless, SMG is often seen as distant, fake and formal (Moschonas, 2000), while the Dialect is associated with genuineness, sincerity and with the Cypriot identity (Moschonas, 1996; Sciriha, 1995).
  6. Although it has been documented that first, these loanwords are confined to specific domains such as technology, tourism, pop culture (Papapavlou, 1998) and second, that the Standard also includes a considerable amount of loanwords, the stigma that the Dialect is not 'pure' is widespread.
  7. This has also been confirmed in the newspaper review I conducted (Ioannidou, 2002), in which there were striking differences in the articles regarding language between *Simerini* (more right wing oriented) and *Haravgi* (more left wing oriented) newspapers. In a thematic analysis of the articles on language in *Haravgi* the following main themes emerged:
    - 1) All linguistic varieties are equal, the Greek language is not superior to the other languages
    - 2) Criticisms about the way the right wing considers language
    - 3) Loanwords can be a source of richness and it is healthy for a language to attain them
    - 4) The Greek language is not threatened in Cyprus
- For a more complete analysis of the newspaper articles regarding issues of language and

ethnic identity see Ioannidou (2002) and Ioannidou (2004, forthcoming).

8. Particularly, I spent a total of six months researching class E which had 29 students (14 girls and 15 boys). The school was an urban school which had the characteristics of a standard school, i.e. neither posh nor working class, as it was confirmed by the local district education office and the principal of the school.

9. Although ethnography is not a clear-cut term (Hammersley, 1983), most of the scholars in the field (see for example, Denzin, 1997; Woods, 1996; Josselson, 1996) emphasise that ethnography involves an in-depth study of people and phenomena in context in their natural setting. This includes accurate portrayals of specific phenomena based on observational or interview data (Hammersley, 1992), an emphasis on cultural understanding and on locating and interpreting the study in its context. As Atkinson and Hammersley (1994) point out, ethnographic research remains "firmly rooted in the first-hand exploration of research settings".

10. The match-guise test is one of the most common ways to elicit language attitudes developed by Lambert (1967) where people are asked to rate different 'guises' (linguistic varieties) performed by the same speaker. In my research students were asked to rate three guises in Standard Modern Greek, Greek-Cypriot Dialect and English in variables such as prestige, aesthetics, authenticity and solidarity.

11. A complete investigation of the term 'language' is presented in my PhD thesis (Ioannidou, 2002), where students' language use and their language attitudes are examined and documented by linguistic and sociolinguistic data.

12. In my PhD thesis I also examined students' language attitudes towards English and Turkish.

13. For example variational sociolinguistic studies i.e. which attempt to link linguistic variables with ethnic markers (e.g., Labov, Cheshire) have been criticised for offering detailed account on language while taking a more superficial stand towards exploring identity, often assuming and not documenting the link between the two (Cameron, 1997; Le Page and Tabouret-Keller, 1985).

14. From the whole data collected it was also documented that some of the teachers of class E tended to stigmatise the use of the dialect by the students even if they themselves consistently used the dialect in and out of the classroom (more discussion on this evidence in Ioannidou, 2002).

15. This was documented in studies among adults in the Greek-Cypriot context where the use of SMG was connected with the positive values of appropriateness, correctness and aesthetics, while the dialect is often stigmatised as "ugly", "rude" and "less educated" (Papapavlou, 1998; Sciriha, 1995).

16. Tze / T(at) (CD) = ke / KOi (SMG) = and.

17. Moschonas (1996, 2000) and Papapavlou (1998) also argue that the Dialect has these attributes in the wider context of Cyprus.

18. 'Kalamaristika' indicates the way people from Greece speak, and 'kalamaras' is the way Cypriot people describe the people from Greece, indicating the "pen-pushers" and sometimes being used in a negative way (Papadakis, 1993).

19. The 'Greek Cypriot', 'Greek' and 'English' had much lower ratings. The Greek and English identities were referred to by the students who were from Greece (i.e. Evagoras, Periklis) and England (e.g., Demos).

20. 'Omonia', 'Anorthosi', 'AEK' are football teams.

21. There were a few students who made a distinction between Turkish and Turkish-Cypriot identity pointing out that they were feeling closer to the Turkish-Cypriot identity since it included the Cypriot element although the Turkish was completely strange and hostile to them. This was documented in the task with the identity cards where none of the students chose the "Turkish identity card" but 6 out of the 29 students chose the "Turkish-Cypriot identity card" where they could choose more than one card. Despite that, from the qualitative analysis of students' comments it emerged that the Turkish-Cypriot identity was connected with the notion of the other since the majority of the students connected it with the political problem of the island (for a more detailed analysis see Ioannidou, 2003).

22. See for example the thorough analysis of Milroy and Milroy (1991) on social networks where people manage to retain their excluded from the power domains linguistic varieties through social networks and the force of solidarity.

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## ON LANGUAGE AND ETHNIC IDENTITY AMONG GREEK CYPRIOT STUDENTS

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# MAPPING DISCRIMINATORY LANDSCAPES IN CYPRUS: ETHNIC DISCRIMINATION IN A DIVIDED EDUCATION SYSTEM•

Nicos Trimikliniotis

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## Abstract

*This paper examines the way in which the Cyprus educational system, primarily concentrating on the Greek-Cypriot side, reproduces discriminatory patterns via an outmoded and ethnically divided educational model, in spite of some efforts to introduce multi-cultural elements at local level. Existing literature and a number of studies and reports on immigrant and minority students illustrate the need for further research on the subject, so that a comprehensive reform of the educational system can take place to move from an ethnocentric model towards a more critically orientated humanistic education based on tolerance and understanding – a matter of urgency if Cyprus is to meet the challenges of a state acceding to the EU and a society, above all, that overcomes the current ethnic and nationalistic divide, be it in the form of barbed wire or ideological and mental barriers in the minds of its people.*

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## Introduction

If the question of education in society is extremely important for society, the question of discrimination in education becomes even more so, given the role of education in reflecting, shaping and reshaping individuals, social institutions and society itself. This paper is a first attempt at the issue of 'racial' discrimination in the Cypriot education system, concentrating primarily on the Greek-Cypriot side. Of course what is ideally required is an overall assessment of both the Greek-Cypriot as well as the Turkish-Cypriot education systems as they evolved historically. The paper is part of a wider study covering institutional 'racial' discrimination and does not include the Turkish-Cypriot system, to be published *in* the future.

This paper is written primarily as a basis for further research, not as an exhaustive analysis of the methodology and research on the subject, but attempts to draw on existing research on the subject to point to the direction of future research on this important *topic*. From the evidence available (studies, reports, media coverage, incidents reported), it is apparent that the issue of *racial, ethnic and religious discrimination in education* needs to be placed highly on the research

agenda so that a clearer picture can be formed to assist policy-makers combat such discrimination.

### **A Classical Debate Continues....**

An immense role is attributed to Education by way of shaping individuals, institutions and even society itself. Moreover, the importance of education in the production and reproduction of discriminatory patterns, ideas, discourses, practices and structures is well recognised. Nevertheless, 'education', schooling and vocational training ought not to be viewed in isolation from the rest of society, rather educational processes should be analysed, as an integrated part, in a continual process of re-negotiation, re-articulation, part in conflict, and part in conformity with other social structures, processes and practices in society. Education, together with the labour market, is among the most vital areas where inclusion, exclusion, belongingness and discrimination can best be located and appreciated.

The sociology of education has maintained a long tradition since the establishment of the modern educational system. Education seized a central place in modernisation theories, embracing those of Weber, Durkheim, Parsons, etc. One of the most important theoretical developments was the Durkheimian theory of education. Durkheim considered modern education to be the gateway for secondary and one of the most important forms of socialisation. It outlined a process which enabled the individual to become a full member of society; the education 'offers' the necessary social and vocational skills, including the knowledge of norms and rules for living in a society. Even later post-structuralist scholars, such as Foucault (1972) recognised the importance of education as being one of the most important means of preparing the individual for living in society, although he called education a process of disciplining society.

However, this paper does not intend to explore the sociology of education, but investigates a part of that which is related to discrimination of 'the other'. Furthermore, this paper is concerned with 'racial' discrimination, *not* with *general inequality in society*, nor is it concerned with ethnocentrism; nevertheless to ignore the wider issues that contribute to the systematic discrimination of what is referred to as *racialised groups* in society would fail to appreciate the complex interrelation between discrimination and social inequality. In fact the very principle of non-discrimination derives from the principle of equality; to be (unlawfully or unjustly) discriminated against means not to be treated equally when one should have been so treated or, to be treated (formally) equally when one should have been treated differently (due to circumstances, social positions, knowledge, status etc.). The debates in the sociology of education covering the nature, purpose and meaning of education, the notion of the 'hidden' and declared curriculum, the issues of access,

denial, selection, the role of parents, parental education and interest, social capital, attainment, chances and barriers (Bourdieu and Passeron, 1977; Bowles and Gintis, 1976; Halsey, Heath and Ridge, 1980) must be modified and directed accordingly toward the issues of belonging and exclusion of migrants and racialised groups in society. Also such debates must be linked with the questions of citizenship, integration and multicultural and plural society within the context of the European integration process. Nonetheless, this is a long-term research agenda well beyond the scope of this paper.

The fundamental question here is whether education is an emancipatory means of human development at an individual or collective level, or whether in fact it is itself a mechanism or tool in which discrimination and inequality is reproduced and maintained. From the days of Aristotle (384-322 BC), education has been valued as a necessary 'ethical virtue' that ought to be properly implemented for the benefit of society and the individual. Aristotle in book Ten of his *Ethics* (1955, p. 310) writes:

*"Like a piece of land, which has to be prepared for the seed to grow there, the mind of the pupil has to be prepared for inculcation of good habits, if it is to like and dislike the things it ought."*

Aristotle can be seen as one of the first proponents of the virtue of education in its own right: to become virtuous one must possess a suitable nature, rightly directed by habit and education. Nevertheless, the key to a moral and ethical dimension of education is that it is capable of providing the necessary tools and skills to correctly discriminate 'good' from 'bad'. 'Discrimination', *i.e.*, differentiating an idea, matter, practice, person, from another and 'valuing' it, prioritising and, preferring or rejecting it, strikes at the heart of Aristotelian *ethical* education. For education is viewed as a means to overcome being a 'passions slave' and mastering passions on the basis of logic (Aristotle, 1955, pp. 310-311). Aristotle's seminal observations have filtered through popular knowledge to such an extent that they are now taken for granted as 'common sense'. In spite of the role of the Dark Ages, whereby the most accepted interpretation of 'education' was more or less equated with dogma, as imposed by the most reactionary interpretations of Christian faith, the notion of education as virtue in fact survived via the very institutes of church - state oppression in the monasteries' libraries: hence unveiling the inherent contradictions entailed within the very heart of the educational process in that 'knowledge' and 'truth' can never be guarded against or controlled no matter how those in power may try. The Orwellian *Big Brothers* and the various *Jorhe* (Eco's *The Name of the Rose*) can do nothing about it, but they will do their utmost to control, direct and use it for their benefit.

Education was taken up passionately by the Enlightenment and given a critical twist in the emancipatory project for saving, advancing and progressing humanity. Now education assumes an all-powerful role of emancipating the whole of

humanity. It is no coincidence that Saint-Simon allegedly professes that:

*"Our education achieved its purpose: it made us revolutionaries"* (Hamilton, 1995, p. 48).

Education indeed became a liberal ideal through which all members of a (democratic) society have the opportunity and capacity to evolve, develop and attain individual roles, jobs and positions in society. The Parsonian world preserved a special function for education in the socialisation of members of society via the *meritocratic ideal*. It serves also as a 'vehicle', a mechanism for belonging, and all western liberal democracies invest heavily in education: education is a good in its own right. The Marshallian citizens (and their children) can participate in civic life through education and the working class: Migrant communities and ethnic minorities would, therefore, 'belong' to the wider societal community; at least this is how theory visualises it (Marshall, 1992).

Before focusing on discrimination and education in Cyprus this paper briefly examines by way of introduction the problem of racism in Cyprus society.

### **Cyprus and the Problem of Racism**

If one is to understand 'racial' discrimination in Cyprus, one must appreciate the fine linguistic and cultural issues relating to the meaning of the key terms and the extent to which they are considered to be morally, politically and socially deplorable or repugnant. The concept of *φυλή* (Greek for 'race') is not redundant in public discourses not even in the so-called 'politically correct' media world. In any case, in Cyprus there is little sense of political correctness in the media language and society at large. The term 'race' can be and is being used without the inverted commas in spite of the fact that Cyprus has signed and ratified all the UN and other international instruments which totally reject the pseudo-scientific theories of race and consider the term itself to be totally discredited and therefore abandoned (see National Report of the Republic of Cyprus on the Implementation of the Conclusions of the European and World Conference against Racism 2002). Racism, in Greek *ρατσισμός* or *φυλετισμός*, is certainly deplorable, unacceptable and morally reprehensible as a phenomenon for Greek Cypriots and Turkish Cypriots alike and it would be fair to say that for the vast majority of Cypriots racism is considered to be a serious offence. Nonetheless, the dominant view, as shown in a variety of surveys as well as public discourses (see article further down) is that this 'bad' practice either happens elsewhere or if it is brought home it is Cypriots who are the victims of racism: Cypriots have suffered at the hands of colonialism; Cypriot migrants have suffered from the racism of the indigenous populations (e.g., in the UK, USA and Australia). More importantly the slogans of the nationalists in Cyprus who oppose a federal solution of the Cyprus problem, portray any federal system

relying on the notion of ethnicity to be inherently racist, as were the London Zurich Accords in Cyprus. The Turkish policy in Cyprus has been considered to be racist because the continued occupation of the Northern part of Cyprus both expelled and excludes 200.000 Greek-Cypriot refugees from their homes and, in the wake of Yugoslavia where the term 'ethnic cleansing' was discovered by the media, Turkey has been accused of following a racist policy that ethnically 'cleansed' the north of Cyprus from the Greek Cypriots and thus demographically altered the population by bringing in settlers to replace them.

There is no doubt that the Greek-Cypriots expelled from the occupied territories by the Turkish army in 1974 were victims of a policy that racially discriminated against them. Unable to return to and enjoy their homes, this argument is by and large used to undervalue and underestimate the historical context and nationalist politics of both communities, the roles of Greece, Turkey and international politics. Nationalist discourse which has been generalised as a state ideology through schooling and media coverage of national anniversary celebrations and national heroes, ignores the fact that between 1964-1974 Turkish Cypriots had also been the victims of violence, sectarian massacres at the hands of army and paramilitary groups, of generalised ethno-racial discrimination which forced them to withdraw into enclaves. There is literature examining the politics of memory, memorials and museums from ethnographic and anthropological perspectives; hardly surprising in a conflict-ridden island such as Cyprus, where historiography essentially mirrored the nationalist perceptions of history by both communities (see Papadakis, 1993).

Until very recently, any occurrences of racism against migrant workers were dismissed by the authorities as 'isolated incidents' - a policy subsequently attracting serious criticism of institutional racism or at least government inaction. The racism debate with migrants suffering at the hands of Greek-Cypriot perpetrators did not 'fit in' with the national victimisation story of Greek Cypriots. Of course not all Greek Cypriots are perpetrators and not all migrants are victims, but the power structure places migrants at the receiving end.

Careful reading of the *Second Report on Cyprus of ECRI* may lead to the conclusion that what we have is *institutional* racism, underlying the whole *legal* and administrative system, that is responsible for the employment and general implementation of the framework of entry and stay in Cyprus. The Report falls short of using the term 'institutional racism', but close scrutiny reveals a resemblance with the kind of structural practices associated with what Lord McPherson called 'institutional racism' (McPherson, 1999). As defined in his Report, point 6.17:

*"Unwitting racism can arise because of lack of understanding, ignorance or mistaken beliefs. It can arise from well intentioned but patronising words or actions. It can arise from unfamiliarity with the behaviour or cultural traditions*

*of people or families from minority ethnic communities. It can arise from racist stereotyping of black people as potential criminals or troublemakers. Often this arises out of uncritical self-understanding born out of an inflexible police ethos of the 'traditional' way of doing things. Furthermore such attitudes can thrive in a tightly knit community, so that there can be a collective failure to detect and to outlaw this breed of racism."*

For Cyprus then, in all but name, the picture painted by the report is particularly gloomy, the underlying policy effect is indeed discriminatory as the ECRI report notes with concern. The inadequacy of remedies in some situations is mentioned in the executive summary:

*"Problems of racism, xenophobia and discrimination persist, however, and immigrants appear to be in a particularly vulnerable position in this respect. The rights of immigrant workers, notably domestic employees, are often not respected and the remedies available in these cases are not always effective."*

In fact the issue of 'excessive violence by the police' is noted in the executive summary:

*"Of serious concern are reports of use of excessive force by the police against aliens who enter or stay in Cyprus illegally and the detention of this category of persons for long periods of time pending deportation."*

The report refers to immigration officers who require training on human rights; to public figures, whose remarks may lead to a xenophobic climate, all of which induce the 'vulnerable position of migrants'. Also ECRI notes that 'foreigners account for almost 30% of the total prison population of Cyprus' and that in most cases, they are detained for offences linked to their right to stay in the country and very rarely for violent crimes. The ECRI report encourages the Cypriot authorities to conduct research as to the causes of the disproportionate representation of foreigners in Cypriot prisons.

Migrant workers themselves regularly complain about the treatment they receive from the police and other authorities, such as social workers, for mistreatment and racial discrimination.<sup>1</sup> The most effective means of screening has proved to be the Commissioner for Administration or Ombudsman,<sup>2</sup> as noted also by the ECRI Report. As with the previous year most complaints about human rights violations came from migrant workers: Out of 1999 complaints, 156 were from migrants – mostly migrant workers (Ombudsman Annual Report, 2002, p. 35) – and the tendency is for complaints to rise annually.<sup>3</sup> During the years 2000 and 2001 most complaints by migrant workers were against the Immigration Office and Police (Immigration Section). The Report notes that the sharp rise of 52.94% in



comparison with the year 2000, is the result of a tougher line taken by the administration to exercise control on immigration; the increase in the cases of violent abuse or violation of human rights against migrants, and the creation of support institutions to inform and assist them.

The Ombudsman Annual Report (2002) for the year 2001 is illuminating on the kind of practices followed by the administration ranging from failure to remedy situations of maltreatment to policies without due process to extreme harshness. Characteristically the Report (2002, p. 41) notes that 'the administration exhausts all the reserves of strictness' when it comes to implementing legal provisions as regards deportation of any migrant worker who loses his/her job, which is the polite way of saying that the authorities are harsh. Furthermore, the Report refers to the prejudicial situation whereby migrant workers are, in a very unequal employment relationship with their employers, and the Report is critical of the practice whereby the employers use the Police to rid themselves of their former migrant employee so that they may obtain a permit to bring a new one in, leaving no opportunity for the migrant employee to complain or put forward his/her case. 'The possibility of recourse to the Labour Tribunal or the Supreme Court is in most cases a theoretical one', the Report notes (2002, p. 41).

It is on this basis, after taking all the information available, that a reading of the 2<sup>nd</sup> ECRI report on Cyprus leads to the conclusion that institutional racism is structurally embedded in the legal and administrative system that racialises migrant workers. However, a great deal of research is required into the different areas of policy formulation so that any underlying patterns of structural discrimination can be revealed and tackled.

### **The Cypriot Educational System: 'Communal' Education and the 'National Problem'**

Recent debates were sparked off in Greece, over the refusal of the school authorities to allow, due to her ethnic origin, an excellent pupil of non-Greek descent, Odysseas Tsenai, to be the prestigious 'flag bearer' in the annual parade. The convention stipulates that the student of excellence should carry the Greek flag, but this incident serves as a reminder of how ethnocentric education can be a major societal problem. Such issues are not confined to countries on the periphery such as Greece, but similar kinds of 'debate' have occurred in Britain over the Salman Rushdie affair and in France over the issue of the head scarf. However, these matters are not far distant phenomena from Cyprus, as a Tsenai phenomenon may well be repeated on the island.<sup>4</sup>

Given the importance of education in the production, and particularly

reproduction in the shaping and the reshaping of 'national' sentiments, prejudice, racial stereotypes, myths, discourses and attitudes about ethnic minorities, migrants and the 'other', whatever shape such education takes, it is remarkable that so little empirical and theoretical research has taken place in Cyprus. Recently however some important initiatives have been made and research has been conducted as a result of the growth in influence of the peace and bi-communal movement in Cyprus,<sup>5</sup> the presence of migrant workers for a decade now, and the processes of accession to the EU. An important development is the appointment, by the Ministry of Education, of a commission of academics and experts with a mandate to explore educational reform in Cyprus, and interesting debates are at last beginning to emerge. Nonetheless, the material available is still fragmentary and research is still in its infancy. The importance of the 'historical' context of education in Cyprus is that it is ever-present: the structure of the educational system determines the current basis of educational policy, the content of education (through the syllabi) and the structural links between religion, national belonging, racial exclusion and structural discrimination.

The specific historical setting of Cyprus has been dominated by the ethnic relations between the two constitutionally recognised communities, the Greek- and Turkish-Cypriots, as well as the role of foreign forces, something also reflected in the research agenda on Cyprus. The result is that somehow this has led to the neglect of studies on the various grounds of discrimination being initiated. Indeed, tackling discrimination on grounds other than ethnic or racial origin has been subsumed in the 'national question'; even the emphasis here has been to study the relations between the two communities, undervaluing discrimination as such, or looking at the treatment of smaller minorities.

The problems in the relations between the two communities began immediately after the establishment of the newly formed Republic in 1960; in fact the first inter-communal incidents started after 1957. The constitution imposed was extremely rigid and complicated and it quickly led to conflict between both communities, as the Report of the UN special envoy Mr Galo Plaza<sup>6</sup> makes clear. The social life of the two communities, including the question of discrimination, was inevitably shaped by the turbulent political history of the island that initially brought the two communities into conflict. There has been very little research on the question of discrimination as such, given the apparent dominance of the political question and widespread ethnic violence. The Plaza Report refers to the underlying ethnic divisions and the fact that individual human rights, including the right not to be discriminated against, was deficient between 1960 and 1965. Under the heading 'The protection of individual and minority rights', Mr. Plaza noted the difficulty in applying the principle of equality of treatment and human rights without discrimination due to 'the fact that the population of the island continues to consist of two principal ethnic communities, the

further fact that they are unequal in numbers and finally the gravity of the conflict which has developed between them'. The same Report noted the difficulty involved in the task of rebuilding a 'progressive re-birth of confidence and the re-establishment of social peace', as the obstacles 'are no less psychological than political.'<sup>7</sup> The way forward in Cyprus according to the Report is 'the establishment of the most rigorous guarantees of human rights and safeguards against discrimination', which goes to illustrate, if in an indirect manner, the prevalence of discriminatory practices that inevitably go hand-in-hand with the ethnic conflict and turbulence that existed, particularly during the period 1963-1967, but *also* throughout the short life of the Cyprus Republic.

According to the Cyprus constitution educational matters are classified as 'personal laws' and are thus left to each of the communities to regulate under the Communal Chambers. In fact education had been divided under British colonial rule, which embraced and 'modernised' the Ottoman *millet* system, which allowed separate education on the basis of religion, under the leadership of the Orthodox Church. The Church or the '*Ethnarchy*' was a traditional political leader, whose head, the Archbishop, led the flock under the millet system. During British colonialism, 'liberal' educational policies on the one hand and ultimate authoritarianism entailed in the colonial system on the other, created the conditions for the growth and evolution of nationalism and the subsequent clash of Greek and Turkish nationalisms in Cyprus, the conflicting national projects of *Enosis* and *Taksim* (Attalides, 1979). In any case it is well documented that the educational system was crucial in the spreading of nationalism (Anthias and Ayres, 1983; Grecos, 1991), due to the segregated schooling as well as the fact that personnel and school literature were imported from the 'mother-countries', i.e., mainland Greece and Turkey (Attalides, 1979; Anthias, 1987).

The term 'Community' is rigidly defined in Article 2 of the Cyprus Constitution, leaving little room for ambiguity and choice for that matter. There are two *communities* in Cyprus - the Greek and the Turkish communities. Art. 2(1) provides:

*"The Greek community comprises of all citizens of the Republic who are of Greek origin and whose mother tongue is Greek or who share the Greek cultural traditions or who are members of the Greek-orthodox Church."*

Article 2(2) defines the Turkish Cypriot community:

*"The Turkish community comprises of all citizens of the Republic who are of Turkish origin and whose mother tongue is Turkish or who share the Turkish cultural traditions or who are Mos/ems."*

The rigidity of the Constitution fixes ethnic identity in such a way that the two

communities must be kept apart. Anyone not belonging to either of the two categories, such as members of smaller 'religious groups', fall under the category defined by Art. 2(3) and includes Maronites, Latins and Armenians, who must opt to belong to either of the two main communities<sup>8</sup> and be subject to the 'Communal Chamber'.<sup>9</sup> The term 'community' is rare in constitutional texts but it is not unique in the Cyprus constitution.<sup>10</sup> From the other minorities in Cyprus, who enjoyed certain minority rights, particularly religious rights, but were forced in 1960 to choose one of the two main communities with whom they would prefer to align. Maronite's, Armenian's<sup>11</sup> and Latin's chose to be part of the Greek-Cypriot community, whilst still retaining their religious representatives in the House of Parliament, albeit with merely an observer and consultancy status (see Grecos, 1990, pp. 390-396). The few Cypriot Jews are said to have also chosen to be part of the Greek-Cypriot community (Dickstein, 2001; see also Pantelides, 2003). The Roma population of Cyprus, which is said to have numbered over a thousand, chose in 1960 to be part of the Turkish-Cypriot community due to their Muslim faith (Williams, 2000; Kyrris, 1969, 1985). A future federal arrangement can accommodate for different ethnic groups – women and 'minorities within minorities' – by utilising the experiences and regimes developed elsewhere, without of course dogmatically 'importing' regimes that do not account for the conditions of the island.<sup>12</sup> The problem of ethno-centric education, particularly the communal type which is the one opted for in the case of Cyprus, becomes even more complicated with the introduction of the migrant communities, who are themselves entitled to their own cultural rights.

The turbulent political history inevitably shaped the social life of Cyprus and as such the question of ethnic/racial discrimination during the period of independence up to 1974 is best viewed in this light. It is not surprising that the political question and widespread ethnic violence has overwhelmed the research agenda leaving little research interest for issues such as racial discrimination. When it comes to racism, racial discrimination, structural or ideological, the case of Cyprus is a peculiar one, as the problem of racism must somehow be linked to one of a long-drawn conflict, which since the 1950s, has taken the form of 'ethnic conflict', and what Azar (1986) termed as 'protracted social conflict'. The 'Cyprus problem' must be connected to the attitudes, practices and discourses in the daily lives of ordinary persons, viewed not just today, but also in an historical perspective. It does not take a genius to realise that underlying the historical so-called 'ethnic conflict' lay the politics of ethno-racial segregation. It is experienced in the 'everyday life' of individuals from both communities who happen to 'cross over' in their daily exchanges, some form of discrimination, ranging from prejudice to abuse, even to violence and murder by extremists on both sides. However, there is strong evidence illustrating chronic discriminatory practices from the early days of the Republic (see Plaza, 1965).<sup>13</sup> The difficulty is that the 'Cyprus problem' is primarily a problem of nationalism and

state/ethnic conflict and one ought not to conflate 'racism' into 'nationalism' and vice-a-versa, retaining the analytical categories that describe connected but separate phenomena.<sup>14</sup>

As one observer noted, the history of Greek-Cypriot education is a strong case of 'using education for political end', in other words the legitimisation of Hellenocentric education (Persianis, 1996, p. 26). Turkish-Cypriot education mirrored this. The Ministry of Education and Culture was introduced only after the constitutional crisis of 1963; even today its existence is based on the 'doctrine of necessity', due to the withdrawal of the Turkish Cypriots from the administration, in 1963, which was a requirement by the Constitution (see Persianis, 1996). At the heart of Cypriot education lies the ethnocentric model, a major structural problem and a barrier in properly tackling discrimination in education particularly against migrants and minority groups. The second major structural barrier is the social position of (subaltern) migrants and other marginalized groups, as noted in one study (Trimikliniotis, 2001a, pp. 17-50). *Social position* refers to the combined effect of the way these groups are being stratified in society (economic, class, 'racial', cultural and legal status), all of which are issues considered in this study.

In the territory under the control of the Cyprus Republic (south) there are no schools, even though there are in the region of two-hundred Turkish Cypriots living there (see Kyle, 1997; ECRI, 2001). However, there are Turkish-Cypriot children in the south, particularly in the Turkish sector of Lemesos, some of whom attend Greek schools; other Turkish-Cypriot children, who arrived very recently from the occupied territories in the north and do not speak Greek, do not attend the school. Apparently for the past year there has been an approved budget of about 11.000 euros for elementary schooling of Turkish Cypriots in the south but this has yet to materialise.

### **Cypriot Communal Education: Basis for Ethnic Discrimination?**

The ethnocentrism of the Cypriot education system is well documented, as well as the influence of divisive separate educational structures along ethnic communal lines. This paper will not embark on a full-blown review of literature on the matter, as the subject for concern here is not ethnocentrism but discrimination – even though there is a strong link between the two: ethnocentrism is itself a source of discriminatory practice and ideology and thus is empirically – and theoretically well established. Instead, this paper offers an indicative literature review in order to locate both the 'gaps' of knowledge as well as the 'bridges' upon which the knowledge around educational discrimination is to be built.

One of the most important areas of research is by Karagiorges (1986), who points out from the outset that:

*"The dominant features in educational terms of the period immediately following independence were the exacerbation of the separation - along communal lines resulting in the organisation of education under Greek and Turkish communal Chambers."*

Karagiorges' splendid historical study charts the development of education in Cyprus – the resistance of the establishment to setting up a university and the influence of the conflict in Cyprus between the Greek- and Turkish-Cypriot political elites over *Enosis* and *Taksim*. In fact the separate education structures 'under which the education system of the newly born republic functioned, looked towards their respective mother countries for educational policies, objectives and orientation' lead him to the critical conclusion:

*"It would not perhaps be an exaggeration if one maintained that education not only did not support but it undermined the very existence of the State which it was meant to serve" (1986, p. 152).*

Karagiorges looks towards future policy-making so that Cyprus might be able to overcome the reproduction of national Chauvinism via education and avoid copying everything from Athens:

*"Chauvinism and intolerance in education proved to be destructive for the island as a state and for all its communities. Education must support the existence of the state an independent sovereign state and cultivate tolerance, acceptance and democratic procedures and responsibility" (1986, p, 155).*

In contrast with Karagiorges another Greek Cypriot educationalist, Maretheftis (1992), who is keen to bring out the Greek virtues of society, proposes a quite different problematic from a so-called Hellenic-Christian ideal's perspective. Under the heading 'The National Mission of the Cypriot teacher', the then Director of the Pedagogical Academy of Cyprus, Mr. Maratheftis<sup>15</sup> takes the view that:

*"Even though the teacher is a product of the society to whom he belongs, society itself requires that the teacher be distinguished in terms of moral and national consciousness. Irrespective of any ethos society has, society requires that the teacher is the articulator (eKq,paOTf/<;) of the virtue and a fighter for the preservation of its national and cultural traditions" (Maratheftis, 1992, p. 142).*

Interestingly, the Director compares the 'easy task' of 'implanting to the students the love for Greece and the passion for *Enosis*' (1992. p. 193) to the current situation, which is much harder as 'the national task of education is to implant the idea of a unified and independent Cypriot Republic'. Castigating the fact that 'politics divide', he strongly supports 'national issues unite', following the usual tune

of 'national unity' and criticising indifference. Another interesting feature is the complete absence of the Turkish Cypriots from the process; whilst the Turkish occupying forces are there the points of reference are Hellenism and Christianity.

There are, of course, plenty of Greek books written on the subject of education and its relation to 'national' and 'ethnic' processes. The role of education (Greek education) in mystifying the social relations and conflict in society and 'national reproduction' (see Milios, 1984) as well as the processes of homogenization of the Hellenic 'social formation' (Milios, 2000). These works are mentioned due to the need to examine critically the Greek education system and content and illustrate the influence of Greek-Cypriot education. Frangoudaki and Dragona's work, *What is our Country* – a study of ethnocentrism in education (Frangoudaki and Dragona and Associates, 1997) is a seminal work which examines the national curricula and its role in cultivating 'patriotism' by empirically investigating the processes and means a viable 'national identity' is being reproduced through historical and reified perception of time, history and social evolution of 'Greekness' in textbooks, historical paradigms and the representation of the 'self' and the 'other'. It is, in fact, a major study on Greek ethnocentrism that applies also to Cyprus, as most of the books are Greek imported and education is Helleno-centric. Of course some modifications are required to relate these ideas to the Cypriot context but overall the analysis in equality is applicable to Cyprus.

Nevertheless, the question of (ethnic) discrimination is quite distinct and warrants separate analysis: Discrimination as such, derived from ethnocentrism, or from the ethnic or social structures and ideology has never been a subject of study in Cyprus. Specific measures, guides and action can be taken so that anti-racism and anti-discrimination can be introduced into schooling within and beyond the national curricula (see Tsiakalos, 2000).

### **Structural Racism and Schooling in Cyprus**

The second ECRI Report on Cyprus (2001) makes a number of recommendations that derive from an assessment of the current situation in Cyprus in the area of education, which provide a good starting point of analysis, not only in the direction of policy-making to remedy the situation, but in order to properly analyse the current state of affairs. The ECRI Report, under the heading G. *Education and awareness raising* recommends that the Cypriot authorities promote human rights awareness in schools and devote particular attention to the fight against racial prejudice, respect for difference and promotion of tolerance as well as to extending the curricula of all school children to include education in human rights. Furthermore, considering the increasingly multicultural composition of the student population in Cypriot schools, ECRI urges the Cypriot authorities first, to ensure that all teachers

are properly trained to teach in a multicultural environment and secondly, to react to any manifestations of racism or discriminatory attitudes in schools. Moreover, ECRI stresses the importance of initiatives in the field of education specifically aimed at facilitating better understanding between the Greek- and Turkish-Cypriot communities and supporting bi-communal events involving both students and adults.

Under the heading '*Access to public services - Access to education*' ECRI 'encourages the authorities to ensure that the provision of Greek as a second language meets the demands of the immigrant community and that teachers are properly trained in this respect', considering 'the increasing numbers of immigrant children in Cypriot schools'. Furthermore, it urges the authorities to consider introducing 'teaching in languages other than Greek for students of non-Greek mother tongue in parallel with education in Greek to facilitate the process of learning for these students' (see point 27, ECRI Report, 2001).

Tables 1 - 6 (shown at end of article) are indicative of the numbers of minority, non-Greek. They do not cover *ethnic background* as such but do provide a good basis for analysis. There are no statistics recorded, and no information available regarding school performance, ethnic/religious backgrounds or other relevant material. Neither are there performance records of the children from ethnic or religious backgrounds. From interviews with teachers we are told that pupils from Russian or Slavic backgrounds are generally very good at school, whilst many children of Greek Pontian origin, most of whom have emigrated from the former Soviet Union, do have some problems,<sup>16</sup> and most Pontians and other ethnic groups such as Pakistanis, Bangladeshis, Indians, and Filipinos are in fact concentrated in the lower status division of society in their segregation, their everyday life, their living conditions, income and housing etc.

The statistical data concerning education from the Ministry of Education and Culture and the Cyprus Statistical Service does not include any indicators to locate discrimination, racism and xenophobia in the educational system. The available statistical data indicates certain discrepancies in the Ministry's policy implementation. While the Ministry claims to follow a policy of 'desegregating' the schools by dispersing or allocating the minority group of children in several schools and thus prevent notions of ghettoisation, Table 5 disproves the success of such policy. Not only have the numbers of minority children risen slightly at specific schools, there is an inverse relationship between the increased concentrations of students with a specific ethnic minority background correlated to a decreased enrolment of Greek Cypriot pupils in these specific schools.

The Advisory Committee on the Framework Convention for the Protection of



National Minorities (2001) considers that the method of recording national minorities is inadequate as 'there is a possibility that the census data do not reflect the number of persons belonging to national minorities' (point 27). The insistence that groups such as the Maronite's and the Latin's be considered as a religious group and nothing more, rather than a national minority, has been criticised by the Opinion of the Committee. The Advisory Committee is not convinced by the governmental submissions that a set of legal provisions would be superfluous, as there appears to be no cases of discrimination. The Committee encourages the government to implement such legislation, enforcement structures and procedures that would protect all persons from discrimination on the grounds of language, culture, ethnicity and religion.

### **Multiculturalism or Institutional Racism?**

Even before the ECRI Report, Cypriot authorities responded to the presence of non-Greek speakers at schools by developing a 'bi-cultural' educational programme (in Greek: *δια-πολιτισμικό εκπαιδευτικό πρόγραμμα*) for those schools where a high number of non-Greek speaking children appeared. Instead of opting for a comprehensive plan for multicultural education, the plan is for a kind of 'ad hoc multiculturalism from below'.

In one study, analysed further down, (Trimikliniotis, 2001a, p. 27) which was based on interviews with teachers and educationalists actively involved in the design and teacher training of a 'bi-cultural' educational programme it was noted that the schooling structure is not conducive to a genuine response from below, but nonetheless does provide for 'action research'. A deputy headmaster involved in the development of an 'inter-cultural' educational programme at local level noted, 'there is no planning from the Ministry... it is based on the private initiatives of the teachers to find the teaching material and read on their own' (see *ibid.*, pp. 26-28). The idea of the programme however, is not a genuine multicultural approach that recognises and values all cultures, but a practical allocation of teaching time for the non-Greek native speaking children to learn Greek. The presumption is that these children have a language or cultural deficiency and require 'special assistance' in language learning. This teaching is seen merely as an extra curricula activity with no special weight or significance. The Minister of Education insists that there is a very clear educational policy on the matter, however most teachers interviewed in that study stated that if there is such a policy they have never been notified of it (*ibid.*, pp. 26-31).

Ultimately, there is a conflict between the notions of 'inter-cultural education' with the ethnocentric core of the educational system. In fact the former Education Minister, although quite adamant about the need for 'bi-cultural education', rejected

vehemently any move to create a genuine multicultural system that treated all cultures as equal and valuable stating that he would never even consider taking steps to 'discolour Cypriot education, since Greek children of Cyprus need to know who they are and where they must go' (quoted in Trimikliniotis, 2001a, pp. 30-31). The scope for 'inter-cultural education', however, is confined to a school-wide or micro-level and not at a level of macro planning (see Zikas, 2004).

Even with the knowledge that education is not a mechanistic model of reproduction and instruction, with pupils and students acting as passive recipients, but a negotiated, contested and active process (Willis, 1977), Helleno-centricism and nationalism in schools certainly influences the production and reproduction of stereotypes and ideas. Education is indeed ideologically and nationally 'coloured' very strongly indeed and as Spyrou (2000) vividly illustrates the essentialisation of identity occurs through a process of discursive construction, which mythologizes the past and constructs the 'other' in a demeaning and derogatory manner. In his research, Spyrou cites numerous examples where teachers, in the course of history lessons, identify 'Us' with the 'glorious' Byzantine empire, and contrast 'Us', who are 'peace-loving' to 'Them' (i.e., the Turks), who are 'barbarians', 'wild' and 'war-like'. In such a context the idea of respecting other cultures and valuing other identities as equals disappears into thin air.

The educational system of Cyprus may declare on the one hand that it is based on humanistic, liberal and universal principles such as 'freedom, democracy, equality, justice and international understanding' as set out by UNESCO, but at the same time it aspires to transmit, conserve and enhance the 'Helleno-Christian' or 'Helleno-orthodox' values. The latter leaves little, if any, scope for other religions or indeed any questioning of these value-systems. Children from the recognised 'religious groups' are exempted from the lessons of religious education, and parents of other sects or even keen parents who object to the religious teaching may seek permission to have their children excepted from this lesson. Nonetheless there is little scope for pupils and children themselves questioning or challenging the fundamental value system that is the cement of the Greek-Cypriot educational ideology.

Discrimination, therefore, based on religious belief (or cultural practice) is inherent in the system, as the exception practice does not resolve the problem, though it may alleviate some daily pressures. The 'Helleno-Christian' ideals spill over and are dispersed throughout the educational environment. The practice of Morning Prayer is a systematic feature and those students of a different belief or background may be, and often are singled out. Other lessons, one can say key lessons, which aim at developing the critical mind, knowledge, understanding and judgement, such as Modern Greek (language and literature) as well as History and

other lessons have curricula loaded with ethno-religious biases. National celebrations and anniversaries often have a religious bias also: The most important school celebration is March, 25<sup>th</sup>, the day of Virgin Mary and the anniversary of the 1821 Greek revolution. However, this day is the national day of the school parades, when the top pupil is invited to be the 'flag-carrier' (σημαιοφόρος), the Greek and the Cypriot flag. However, what will happen if the top student happens to be non-Greek or non-Christian? Would he or she be invited to carry the Greek flag with the cross on it? If the teachers interviewed are correct and the non-Greek students are of the calibre to make them top class students (Trimikliniotis, 2001a), we must conclude that this is likely to occur soon. Such an incident occurred in a Greek village recently and sparked a bitter debate in that community: The parents were divided, as some teachers and parents strongly objected to a Muslim flag-carrier supporting the flag that depicts the Orthodox cross of Greek-ness. This may appear quite simple for European 'civic nations' who practice tolerance and multi-ethnicity, but such tolerance is not always abundant in Cyprus. In any case why should a child be faced with such dilemmas in the first place? It is undoubtedly discriminatory to single out and possibly stigmatise any person of a different ethnic, religious or cultural background. Given that in Cyprus education is communally organized, such problems are inherent: discrimination unfortunately strikes at the heart of the system. However, even secular societies such as France may well impose a kind of *authoritarian republicanism* as indicated in the recent cases where girls expressed their wish to wear the 'hijab' to school.<sup>17</sup>

### **Structural Racism at Elementary Schools**

A study on the primary education of the children of Pontian migrants examined the kind of issues facing them and found serious and systematic processes that discriminated against them (Trimikliniotis, 2001a). It is ironic that the terms of reference of this study were *loaded* with the kind of racial prejudice that the findings eventually strongly criticise. From the Minutes of the meeting of the Parents Association that requested and sponsored the Association of Cypriot Sociologists to conduct the above-mentioned study, apparent are a number of racial stereotypes and attitudes of hostility and mistrust towards the Pontian migrants and their children: In areas with a high concentration of Pontians, the Parents' Associations complained that the promise by the Minister of Education to disperse Pontian children among different classrooms so that there are a maximum of only five per class, has not been kept. This, the parents allege, has resulted in an inability for these children to cover the syllabus due to language difficulties. As a consequence, 'Cypriot children's educational attainment suffers'. Secondly, they allege that due to these problems, Cypriot parents enrol their children in other schools, leaving certain schools in a state of 'imbalance' (i.e., high number of non-Cypriots). Thirdly, Pontians apparently concentrate in poorer areas where rent is more affordable and

so they are ghettoised in neighbourhoods and at school. Also, they allege, there is a tendency toward criminal behaviour in the children of Pontians who, due to their problems at school, drop out of school and resort to criminal acts (see *ibid.*, 2001a, pp. 54-55). However, such behaviour is not attributed only to migrant workers, but to young 'ghettoised' Cypriots who reside in blocks of flats designed as camps for the displaced Greek-Cypriot persons from the 1974 war (Frederic College Report, 2002). Apparently these groups of youngsters are viewed with suspicion and prejudice from the wider society, as are impoverished migrants who also reside in poor estates at different locations (see report *Phileleftheros*, 27 March 2001; Frederic College Report, 2002).

The Study on the Pontian elementary education (Trimikliniotis, 2001a), involved three schools with a high concentration of Pontian children: in Lemesos, Lefkosia and Pafos. The study found that the manner in which this community migrated and settled in Cyprus is indicative of the absence of Government policy with regard to the concentration of these groups in specific areas, the lack of planning and the lack of relevant in-depth research as to how to offer a support infrastructure and how to combat racism.

With regard to non-Cypriot children, the educational problems raised are the result of both the lack of a comprehensive and systematic policy on the question of multi-culturalism as well as a lack of the necessary infrastructure. Teachers do not seem to have the essential training and teaching material to offer a genuine multi-cultural education even when they are keen to do so.

The following issues have been raised by the teachers as regards the elementary education of Pontians, which may well be generalised to include other migrant communities: it seems that the knowledge and experiences (linguistic, cultural etc.,) of migrant children in particular, are not considered to be of any value or worth nurturing, a matter which clearly shows the institutional discrimination of the teachers of the hegemonic culture to recognise and, therefore, build upon those cultural experiences for educational purposes. There seems to be a social segregation of the children themselves who 'naturally choose' to socialise with peers of a similar linguistic and cultural background. Parents of migrant children, particularly Pontian parents, do not seem to trust the education authorities and therefore do not maintain the necessary contact with the teachers on the progress of their children.

It was found in the above study that problems exist in the classroom regarding the quality of education, even where the numbers of non-native Greek speakers are relatively 'high'. The only difficulties faced by migrant children in the early classes, exist within Greek language and arithmetic lessons, which are taught separately in

any case. However, wherever there was a rise in the numbers of non-native Greek speakers in a particular class, Greek-Cypriot parents requested that their children be moved to another class or even to *another* school.

According to the evidence provided by teachers, school attainment of Greek-Cypriot students does not seem to be affected negatively by sharing the same classes with non-native speakers. In any event, teachers noticed that despite the difficulties and prejudices that certainly exist, the attainment of migrant children is not lower than that of Greek speakers. Teachers also noted that the only difficulty that migrants may have is related to the fact that the current learning environment might not be properly related to their previous knowledge and interests. This is, of course, the impression of those teachers interviewed and not the result of a systematic and comparative analysis of figures, grades and other relevant material.

There appeared to be some problems of discrimination and racism between children and by certain teachers but there is no system in place to properly monitor the extent of the problem. The head-teachers of the schools studied gave their assurances that there is no such problem, however a number of specific incidents of racial abuse and some minor allegations of discriminatory practices were mentioned. In any case, it would have been rather unnatural to expect that the attitudes prevalent in society at large would not be reflected in the school environment and given that there is no anti-racist programme at the school nor any special training for teachers, one would expect discrimination of different sorts to take place. From the three schools studied, the school in Pafos faced most difficulties due to the fact that there exists in the local community a climate of antipathy and xenophobia towards Pontians in particular and this is reflected in the school.

A clear example of the way in which the communities treat the Pontian migrants is the manner in which they are often referred to as '*Russian-Pontians*' (In Greek: *Ρωσσοπόντιοι*), a phrase that Pontians find quite offensive. The teachers interviewed in this study used the term '*Russian-Pontians*' many times and some of them went on to say that for all they knew these people could be from Russia, yet claim to be Pontians in order to gain entry into Cyprus, but there is no way of checking this claim, which illustrates a suspicion that perhaps they are in Cyprus illegally<sup>18</sup> (Trimikliniotis, 2001a).

As far as the question of violence in elementary schools is concerned, teachers and headmasters concurred that there is no such problem and that, if anything, it is the Cypriot children who are more violent. Finally it was found that one of the major problems facing Pontian children is the fact that their living conditions are poor, they are housed in ghettoised communities and generally their contact with the Cypriot

community is minimum.

However, the attitudes of teachers as regards migrants vary considerably across the board. In the study by Frederic College it was found that teachers and head-teachers, were more xenophobic than their students. The findings surprised the researchers who, if anything, were more biased in favour of teachers and head teachers because they had been in those posts for years. In a survey conducted as part of this study, where they were asked '*if discrimination was ever justified*, it was found that 67% and 68% respectively said it is '*sometimes*' justified, whilst a significant number of teachers and head-teachers considered the causes of discrimination to be due to the behaviour of the minority groups themselves. However, these findings are only based on the impression of the teachers interviewed; they do not reflect a wider survey of teachers or any comparative examination of educational attainment, and therefore need to be considered with caution. Nonetheless, the study deliberately collected data from schools with a high percentage of children of migrant workers.

### **Education: Further Research**

So far we have no access to data on the extent to which there are differential patterns of access to higher education of children of migrants, who have been naturalised as Cypriot citizens. The reason for this is firstly that the presence of migrants is a very recent phenomenon and secondly, that the vast majority of migrant workers are in Cyprus on a short-term basis, but research on this question would be extremely valuable. Educational policy on the question of minority and migrant persons requires closer analysis, particularly if one examines the attitudes of migrant parents and children themselves. Research on the question of ethnic and social background and educational attainment is also another subject needing further research. No research has been carried out at secondary level, or college and university level on the issue of migration, discrimination and attainment; such studies would be extremely valuable. Furthermore, an interesting study would be a comparative study of the Greek-Cypriot and Turkish-Cypriot educational systems as regards the policies and practices to minority and migrant communities (Christophides and Pashiardis, 2001).

### **Final Word**

The role of education is crucial in the production and reproduction of inequality, intolerance and social division, as it is crucial to their alleviation and even elimination. Of course matters are never simple: The dialectic between struggle against inequality in an increasingly multi-cultural society is becoming one of the key challenges for the future of Cyprus: Anti-discrimination, equality and tolerance

are key values and policy goals of a modern democratic educational system. If Cyprus is to approach a society that is open, democratic and tolerant it ought to address the question of discrimination and ethnocentrism inherent in the educational system - not just for the sake of Europe. For a solution of the Cyprus problem to work, we require a sound educational system that tackles racism, discrimination and intolerance effectively and promotes the values of equality, tolerance, justice and recognition of difference. Educational reform is imperative in order to fashion an education system capable of fulfilling a progressive and emancipatory function rather than reproducing and deepening inequality and discrimination in society. However, in order to inform policy-makers we badly need policy-orientated research, which makes the subject of racial, ethnic and religious discrimination in education, as required by the Law transposing the *acquis* 19 (Directive, 43/2000), the direct subject of investigation.

**Table 1: Primary Schools (by town) where children whose native language is not Greek- Year 2001-2002**

Lefkosia	235
Lemesos	Over 50
Larnaca-Ammohostos	92
Pafos	568
Total	Over 935

[Source: Ministry of Education, collected by Maria Rousou. Total number of students **63.800**]

**Table 2: List of Elementary Education Schools with foreign language speaking children**

Name of School	No. of Children
<b>A. NICOSIA</b>	
Phaneromeni	80*
Ayios Dhometios B' (KA' + KB')	42
Ayios Dhometios Γ'	20
Pallouriotissa A' (KA' + KB')	30
Pallouriotissa B' (KA' + KB')	15
Pallouriotissa Γ'.	7
Kaimakli A' + B'	15
Engomi A' (KA' + KB')	25

[\*For the year 2003-2004 the figure is 128]

**B. LIMASSOL**

B' Elementary School	More than 10 foreign
ΣΤ' Elementary School	language speaking
ΙΓ' Elementary School	children go to each of
A' Elementary School	these schools
E' Elementary School	

**C. LARNACA-FAMAGUSTA**

Kalogeras Elementary School (KA' + KB')	<b>47</b>
Ayia Napa	15
Paralimni Δ'	30



MAPPING DISCRIMINATORY LANDSCAPES IN CYPRUS

D. PAFOS

Pafos A'	10
Pafos B'	20
Pafos Γ'	51
Pafos Δ'	112*
Pafos E'	47
Pafos ΣΤ'	131**
Pafos Ζ'	69***
Pafos Η'	14
Pafos Θ'	47
Pafos Ι'	25
Pafos ΙΑ'	42

[Source: Ministry of Education and Culture. These tables and data demonstrate the size of the minority groups of the various communities in Cyprus. For the year 2003-2004 the figures are: \*132, \*\*2004, \*\*\*77, which indicate that the trend of concentration in certain schools continues to grow within these specific schools]

**Table 3: Children from the Religious Groups, by level and public/private schooling – Year 2000-2001**

LEVEL	PRIMARY		SECONDARY	
	Public	Private	Public	Private
Latins		23		24
Maronites	338	44	123	80
Armenians	129		2	100

[Total number of pupils: 63.800. Source: Framework Convention for the Protection of national Minorities pursuant to Article 25, January 2000]

**Table 4: Number of students enrolled in primary education 2003-2004**

Number of Students					
Number of Students per District	Greek Cypriot Refugees	Greek Cypriot Non Refugees	Turkish Cypriots	Aliens	Total Number
NICOSIA	9547	10440	3	1218	21208
LIMASSOL	5897	9231	49	577	15754
LARNACA – FAMAGUSTA	7707	6872	2	413	14994
PAPHOS	1139	4443	36	950	6568
Total Pancyprian Number of Students	24290	30986	90	3158	58524

[Source: Ministry of Education and Culture]

**Table 5: Indicative concentration of minority groups in primary education schools**

School	2001	2003
Pafos D'	112	132
Pafos ΣΤ'	131	204
Pafos Ζ'	69	77
Phaneromeni	80	128

[Source: The 2001 and 2003 is offered by the Ministry of Education and Culture]

**Table 6: Enrolment of students in Gymnasium and Lyceum 2003-2004**

	CITY	NATIONALITY											
		GREEK-CYPRIOI	TURKISH-CYPRIOI	ARMENIANS	MARONITES	LATINS	RUSSIANS	GEORGIA	BRITISH	GREECE	ROMANIANS	BULGARIA	ARABS
	NICOSIA	8632	0	6	89	0	16	62	3	129	4	6	4
LYCEUM	LIMASSOL	6677	0	0	0	0	4	21	21	44	2	3	3
	LARNACA	3338	0	0	0	0	2	9	21	66	2	1	2
	FAMAGUSTA	1202	0	0	0	0	1	5	1	4	0	1	0
	PAPHOS	2190	1	5	0	0	17	83	5	24	3	2	1
SUB-TOTAL		22039	1	11	89	0	50	180	51	267	11	13	10
	NICOSIA	9739	2	12	93	3	45	239	16	117	16	16	17
GYMNASIUM	LIMASSOL	8440	4	4	2	0	25	67	2	55	12	8	6
	LARNACA	5316	1	0	1	0	15	68	3	28	5	11	4
	FAMAGUSTA	1499	0	0	0	0	0	7	6	7	2	1	0
	PAPHOS	3081	4	3	0	0	35	269	29	40	8	2	8
SUB-TOTAL		28075	11	19	96	3	120	650	56	247	43	38	35
TOTAL		50114	12	30	185	3	170	830	107	514	54	51	45

[Source: Ministry of Education and Culture)

**Notes**

\*This paper draws on the report for work-package one, written for the EU funded project under the Sixth Framework Programme, DG Research. It involves a comparative study in eight European countries under the title: *The European Dilemma: Institutional Discrimination and the Politics of Racism*.

1. See Ombudsman Report 2001, ISAG 2003, ECRI 2001.

2. The Ombudsman, vested with power to investigate complaints against the public service and its public officers, including the Police, expressly covers investigation into complaints that acts or omissions violate human rights, and covers thus complaints as to racial or other related forms of discrimination and intolerance.

3. Table of Complaints to the Ombudsman

YEAR	Total Human Rights Complaints	Complaints on Immigration Matters
1996	40	21
1997	97	41
1998		31
1999		84
2000	146	102
2001	199	156

[source: Ombudsman Annual Report, 2002, p. 35]

4. See 'The arrival of the Tsenai phenomenon', 'Το φαινόμενο Τσενάι μας έρχεται', noAm'Jc;, 2 November 2003.

5. The development, the prospects and problems of the peace movement in Cyprus has been analysed in Trimikliniotis, N. (2000) *The Role of State Processes in the Production and Resolution of 'Ethnic' and 'National' Conflict: The Case of Cyprus*, Unpublished Ph.D. dissertation in Sociology, University of Greenwich, Chapter 3 and 'Conflict Resolution or Rapprochement: Alternative or Complementary Models for Citizens Action in Peacemaking', Conference titled: *Cypriot Society: Continuity and Change*, organised by the Cyprus Association of Sociologists, Intercollege, Nicosia, 17-19 April 2000.

6. The Report is illuminating: 'It is enough to observe that the difficulties in implementing the Treaties began almost immediately after independence... The events which have taken place since December of 1963 have created a situation which makes it impossible to return to the previous situation' (para 129). (See [http://www.cyprus-conflict.net/galo\\_plaza\\_report.htm](http://www.cyprus-conflict.net/galo_plaza_report.htm)).

7. The Report notes: "The violent sharpening of 'national' sentiments over the months of crisis will for some time make it extremely difficult for officials at all levels to impose or even exercise strict impartiality towards all the citizens of the country, and without that impartiality and understanding there will be a constant risk for acts of discrimination, even if laws are respected in the formal sense. Furthermore, there are personal hatreds, which will last beyond any political settlement."

8. This requires a written Statement and approval of the Communal Chamber of such other community, as provided by Art. 2(3). A Greek or a Turkish citizen who wishes to cease to be a member of the community to which he is a member by birth must write and sign a

declaration submitted to the officers of the Republic and the Presidents of the Greek and Turkish chamber [Art. 2(5)(a)].

9. The Communal Chamber of the Community, to which he wishes to belong, must approve this [Art. 2(5)(b)]. Article 7, contrary to any consideration for gender equality, provides that a married woman shall belong to the Community her husband belongs to [Art. 2(7)(a)]. Children are automatically members of their father's community, unless the father is unknown or he/she has been adopted to the community of his/her mother [Art. 2(7)(b)].

10. Whereas a 'minority' is a numerically smaller group of people in comparison to a majority in a State, who retain certain rights relating to identity, religion, schooling, language, a community is endowed with more rights. A 'community' in the sense employed by the Cyprus Constitution is the intermediary between a 'minority' and a 'people'. A community is not a 'people'. The people of Cyprus as set out in the Cyprus Constitution consist of both communities and the other religious minorities. The problem of defining what is community and what rights should be endowed with each community is amongst the most bitterly contested issues in the Cyprus problem.

11. For more about the Armenians in Cyprus, see Ashdjian (2001).

12. Critiques of communitarian nationalism in Cyprus started from the 1970s (Kyriakides, 1968; Loizos, 1972, 1976; Attalides, 1979; Kitromilides, 1977, 1979; Pollis, 1979; Anthias and Ayres, 1978, 1983), very recently there has been a serious intellectual questioning of 'the rigid communitarian norms and conventions that define the parameters of constitutional discourse within which claims to identity are asserted' from the vantage point of a diasporic and post-colonial perspective, utilising the poetics of Cavafy (Constantinou, 1998). Such critiques are extremely useful in the debates over nationhood, racism and identity, as diasporic perspectives that de-essentialise ethnic identity utilising the poetics of the class and the subaltern can open up stale debates and provide for alternative imaginings and futures.

13. The Report of the UN special envoy Mr Galo Plaza in the years 1960-1965 provides an illuminating insight into this period. The Plaza Report refers to the underlying ethnic divisions and the failure to properly protect individual human rights, such as the right to not be discriminated against. Under the heading 'The protection of individual and minority rights', Mr. Plaza notes the difficulty in applying the principle of equality of treatment and human rights without discrimination due to 'the fact that the population of the island continues to consist of two principal ethnic communities, the further fact that they are unequal in numbers and finally the gravity of the conflict which has developed between them'. The same Report noted the difficulty of the task of rebuilding a 'progressive re-birth of confidence and the re-establishment of social peace', as the obstacles 'are no less psychological than political'. The way forward, according to the Report, is 'the establishment of the most rigorous guarantees of human rights and safeguards against discrimination', which goes to illustrate, in an indirect manner, the prevalence of discriminatory practices that inevitably go hand-in-hand with the ethnic conflict and turbulence that existed, particularly during the period 1963- 1967, throughout the short life of the Cyprus Republic. One can expect to see widespread discriminatory practices, even if there is no study that illustrates this given the collapse of the Republic that was brought about by the Zurich - London accords (see Trimikliniotis, 2003).

14. Nonetheless, it is extremely valuable to attempt to view racism in Cyprus *within* the nationalist/ethnic conflict in an historical perspective in order to examine: (a) the links in the discourse of racism and nationalism, and particularly to view how these are articulated in the political arena; (b) the way in which the discourses and ideologies of nationalism develop

over time, particularly how continuities and ruptures of belonging and exclusion materialise in specific contexts; and (c) whether there is a process of 'transformation' of nationalism into racism and vice-a-versa.

15. He was Director until 1986.

16. See for example Trimikliniotis, N. (2001) *The Educational Problems of the Pontians in Cyprus: Preliminary Research and Report on Primary Education*, Report on behalf of the Cyprus Association of Sociologists submitted to the Ministry of Education 2001.

17. For a discussion on the recent debate over the head scarf see Lloyd, 1993; Webner and Yuval-Davies, 1999; Sahgal and Yuval-Davies, 1992; Dimoulis, 2002.

18. The Pontians were given permit to come to Cyprus as Greek citizens and therefore do not count in the statistics of 'foreign or alien workers'.

19. For an analysis of how Cyprus Law deals with discrimination as provided by the two EU directives 43/2000 and 78/2000 see Trimikliniotis, 2003. This report was written as part of a study into measures to combat discrimination in the candidate countries, funded by the European Community action programme to combat discrimination. The study, coordinated by MEDE European Consultancy and MPG, covers 13 countries. A summary of all reports and a comparison of the law in the 13 countries can be found in the publication *Equality, Diversity and Enlargement*.

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# EARLY CONFLICTS BETWEEN THE GREEK AND TURKISH CYPRIOT COMMUNITIES IN CYPRUS

Jan Asmussen

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## Abstract

*In general accounts relating to the Cyprus conflict, it has been quite fashionable to focus on the landslide struggles between Greek and Turkish Cypriots during the years 1958, 1963-1964 and 1974 respectively. <sup>1</sup> Recent research about inter-ethnic relations in Cyprus before the outbreak of violence indicates a high degree of common values and culture shared by both communities as well as a general cooperation in the fields of business and agriculture.<sup>2</sup> It is less known, however, that during the first half of the twentieth century there had already been two incidents of nationalistically motivated clashes between members of the two Cypriot communities. These encounters were the so-called Limassol-Riots of 1912 and the inter-ethnic clashes of 1922. Wondering why these events have largely been ignored in contemporary Cypriot historiography, this article aims to examine the roots of these early conflicts as well as their possible impact on the subsequent relations between Greek and Turkish Cypriots on the island.*

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## The Limassol-Riots of 1912

### **The Event**

On May 27, 1912 for the first time in Cypriot history Greeks and Turks clashed because of nationalistic motivations:

*"Disturbances broke out between the Turks [and] Greeks, within the past two days, Nicosia, Limassol, and a few isolated villages. The only very serious trouble occurred at Limassol yesterday, where three [were] killed by knives, {and} seventeen otherwise were wounded. Police obliged to procure assistance of company infantry to put down disturbance. <sup>113</sup>*

After two days the clashes ceased and the notables of both communities tried to cool down the tensions among them:

*"Reports from districts to-day show no fresh disturbances {...}. Leaders of both parties were helping to restore order in conjunction with Government. <sup>114</sup>*

### ***The Origins***

What were the reasons for this sudden outbreak of violence? - The Ottoman Empire had just lost the War against Italy (1911-1912),<sup>5</sup> and the Italians occupied Libya and the Dodecanese-Islands.

The Ottoman loss of the Aegean islands was especially welcomed by the Greek Cypriots, who were hoping that their Island would eventually be transferred to Greece. The *Mega/i-Idea* of Greece, the unity of ancient and Byzantine provinces of the Hellenic areas, had its counterpart in the concept of *Enosis*, the union of Cyprus with Greece. It had been mainly an upper class phenomenon during the nineteenth century, was propagated and disseminated by the Greek-Cypriot school system, <sup>6</sup> and well established among most elements of the Greek-Cypriot population by the beginning of the twentieth century.<sup>7</sup> Some Greek Cypriots volunteered to enlist in the Greek-Ottoman War of 1897 and during the Balkan Wars Of 1912-1913.<sup>8</sup>

The British Government, however, until the outbreak of the First World War had given no serious thought to the wishes of the Greek Cypriots for *Enosis* since it did not need to win their sympathies or to court Greece's alliance.<sup>9</sup>

On January 31, 1882, Edward Fairfield, a Colonial Office bureaucrat, returned from a trip to Cyprus. He advocated selected separate electoral rolls for Christians and Moslems and argued that Greeks and Turks were deeply divided by history, customs and language:

*"There are men living in Cyprus today whose fathers were hanged by the Turks along with the Archbishop on the trees outside the Nicosia Konak. The Greeks loathe the Turks, and the Turks loathe all Christians. This feeling on the part of the latter is likely for the present to become stronger and stronger partly because the Turks of Cyprus are losing the position of pre-eminence they formerly enjoyed, and partly because there is a general air of madness and fanaticism passing over the Mahomedan world, the influence of which reaches even Cyprus by means of the annual pilgrimage[...]."*<sup>10</sup>

Georghallides has rightly pointed out that "this pessimistic analysis of the island's problems and possibilities did less than justice to the evidence of the good everyday relations existing between ordinary Greeks and Turks. In spite of the tragedies of the past, in 1881 Greek and Turkish villagers had for many decades been living peacefully next to one another, while their leaders knew one another, one another's language and way of thinking."<sup>11</sup>

The British Colonial Secretary, Lord Kimberly, however, followed Fairfield's conclusions and arranged the Cyprus Constitution and the administration of education according to the Ottoman principle of *millet* (religious community): Voting,

## EARLY CONFLICTS BETWEEN THE GREEK AND TURKISH CYPRIOT COMMUNITIES

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representation and school education were organised according to the religious affiliations of Christians (Greek-Cypriots) and Muslims (Turkish-Cypriots)<sup>12</sup> Consequently, the 1878 separation of Cyprus from the Ottoman Empire did not altogether eliminate the importance and ideas and loyalties which had existed during the centuries of Ottoman rule.<sup>13</sup> As the British occupation found a distinct Turkish community as well as many Turkish Cypriots with varied administrative experience, so it encountered a clearly defined Greek community.<sup>14</sup>

The events of 1821<sup>15</sup> had had a negative effect on the relations between Greek and Turkish Cypriots. Furthermore, the establishment of an independent Greek state in 1829 increased the suspicions of the island's masters as to the loyalties of their Greek-Cypriot subjects. As Georghallides put it, "friendship between Greeks and Turks as individuals did not succeed in developing into a significant political partnership."<sup>16</sup>

The Cypriot Turks, however, frequently called attention to inflammatory articles in the Greek-Cypriot press, which exulted over every Ottoman defeat. In 1895 the Turks had just cause to complain about Christian insults on Greek Independence Day. For example the torchlight procession of schoolchildren who paraded through the predominantly Turkish Tahta Kale quarter of Nicosia singing about slaughtering the hated Moslems. The Mufti of Cyprus, Haci Ali Rifki Efendi, also complained of Christian insults to Moslem women and notables, and of Christians using the words 'boom, boom' to imply that the Moslems would be shot.<sup>17</sup>

There had also been a disturbance during the same year, at Tokhni, a mixed village on the Limassol road, and even the women were now reported to be insulting one another. In Nicosia, Moslem children reacted when Christian children threw stones at their school, and Greeks in the market-place were heard calling Turks 'Dogs and Donkeys'. In a fashion typical of leaders, the Mufti added that he had persuaded many Moslems not to be present at the forthcoming Christian (pro-*Enosis*) meeting, but probably some would attend, and he anticipated a disturbance if the meeting was not forbidden.<sup>18</sup>

A report by the British Commissioner B. Travers in 1895 speaks of Greeks deliberately provoking the Turks at Vitsadha and Vatili.<sup>19</sup> In 1902, Canon F. D. Newham, Chief Inspector of Schools, recorded that when he asked to hear Greek schoolchildren sing, they usually responded with a war-song, 'Forward, follow the drum that leads us against the Turks'.<sup>20</sup>

From about 1903 onwards the initial cooperation of Greek and Turkish Cypriots within the Legislative Council (during the 1880s and 1890s) was more and more undermined by the "increasing unionist [*Pro-Enosis*] activities of the Greek-

Cypriots".<sup>21</sup>

In 1904 the Greek schoolmaster of Kalavassos paraded his pupils carrying Greek flags and chanting, 'the heads of the Turks must be cut off and their bodies thrown into filth'. Other insults were evidently regarded by the Turks as unrepeatable, for they referred to them as 'indecent words' causing 'precipitancy and boiling anger'.<sup>22</sup>

With the rising influence of the Turkish Delegate of Evkaf, Mussa Irfan who, after struggling since 1902 against any kind of co-operation with the Greek Cypriots, became a member of the Legislative Council in 1913, and the polarisation of the two communities, at least on their elite level, became more than obvious.<sup>23</sup>

For about a year prior to the time of the Limassol-riots the Greek-Cypriot press had been stirring up propaganda against the Ottoman Empire. A reporter, for example, from the "*Kypriakos Phy/ax*' was sentenced to pay a penalty because he wrote a virulently anti-Turkish article, which appeared in that same newspaper on April 7, 1911.<sup>24</sup>

This article and others similar which called for the Ottoman Empire to be dismantled and the Byzantine imperial tradition of Greece (*Megali-Idea*) to be revived had, of course, an impact on the Greek-Cypriot readers, who welcomed any news at all which covered another defeat of the Ottomans.

There was a significant growth in fatalism among the Turkish Cypriots who morally had to cope with the loss of prestige and territory suffered by their Empire in contrast to the Greek-Cypriot euphoria which stood betwixt Turkish-Cypriot disappointment.

"The Turks' confidence in their own future appeared to diminish as they realised that Britain, especially after the Anglo-Russian agreements of 1907, was no longer committed to the territorial preseNation of the Ottoman Empire; indeed the Empire's decadent condition had also in practice destroyed the possibility of the retrocession to it of Cyprus."<sup>25</sup> [ ... ] With the October 1911 Italian invasion of Libya and in May 1912 of the Dodecanese, the final dismemberment of the Ottoman Empire began.<sup>26</sup> [...] Anticipating these developments the Turkish- Cypriot leaders believed "that for them any change [in the status of the island or the constitution] would be a change for the worse."<sup>27</sup> [ ... ] Consequently, "the three Turkish elected members of the Legislative Council usually operated in concert with the British officials."<sup>28</sup> The Turkish attitude towards British rule "was certainly not shared by the Greek Cypriots. [...] The motives and aims of [Greek] Cypriot nationalism did not differ from those of the broader Greek national movement."<sup>29</sup>



## EARLY CONFLICTS BETWEEN THE GREEK AND TURKISH CYPRIOT COMMUNITIES

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From about November 1911 the British Administration of Cyprus had been alarmed by the growing tensions between the two communities:

*"Feelings [of animosity] have been accentuated in Cyprus within the past six months by two causes, viz. the increased agitation which has been organised among Greek Christians for annexation of the Island to Greece, the excitable speeches which have been made by the Christian leaders, the writings of the local Greek press, and the taunts hurled at the Mos/ems regarding the approaching doom of the Ottoman Empire at the hands of Italy, especially since the occupation of the Turkish Islands in the Aegean Sea. On the other hand, the Mos/ems have unquestionably been rendered rather despondent by the results of the present Italian war, and many of their fanatical members have become more sensitive to anti-Ottoman displays on the part of the Greek Christians."<sup>30</sup>*

### **The Riots**

In the background of these divergent emotions a minor inter-ethnic clash occurred close to Nicosia during early May 1912 as Turkish Cypriots in Hamid Mandres felt provoked by Greek-Cypriot pupils and teachers passing their village at night time. The official report about the event states the following:

*"The principal event which has more or less been the cause of the present rioting was an attack made by some Moslem villagers a few miles from Nicosia upon some fifty students with two masters of the local Greek gymnasium, who unwisely and probably noisily passed through a Turkish village late in the evening after dark. The Moslems turned out and assaulted them."<sup>31</sup>*

According to the Turkish (Cypriot) daily *Vatan*, the students had conducted military exercises and sung nationalistic songs. This provoked the Turks into attack.<sup>32</sup> *Vatan* had for some time campaigned against nationalistic Greek teachers and on one occasion celebrated that a certain mathematics' teacher called Kandalos had been expelled to Smyrna.<sup>33</sup>

As a result of the disturbances in Hamid Mandres a confrontation developed with police forces in Nicosia:

*"Some of the students did not reach their homes in Nicosia until after daylight next morning, their absence being attributed to their being murdered. The following night both sections of the population attempted to come in conflict with one another but were prevented by the Police. The latter however in the course of their task met with some resistance, and both the English Local Commandant and the Moslem Inspector were struck and stoned by the Greek section, the Moslem Inspector at one time being believed to have been shot with a revolver, several of which discharged by the crowd. The Police fired in the air and eventually restored order."<sup>34</sup>*

*Vatan* blamed Greek nationalist provocateurs and called upon the authorities to protect the Turks wherever they appeared in a minority. The paper recorded other incidents in Hamid Mandres where the imam of the mosque was insulted by Greeks; a yoghurt seller attacked with a stick and his yoghurt cups broken; a Turkish-Cypriot high-school student was allegedly attacked with stones and suffered head injuries. Apart from the above there were likely to have been other attacks on Turks while passing Greek neighbourhoods. Finally the Greeks called for a boycott of Turkish goods.<sup>35</sup> There is, however, no reference in official sources of these events taking place.

As news of these incidents spread to Limassol, serious clashes broke out between the two communities there.

*"I imagine that exaggerated reports of the events at Nicosia were the cause of the rioting at Umassol the next night, and do not believe that there has been any organised attempt on the part of one side or the other to force trouble."*<sup>36</sup>

As a result of the news from Nicosia, a Greek and a Turkish Cypriot had a quarrel in a Limassol coffee-shop:

*"The only really serious trouble occurred at Umassol on the night of the 27th, resulting in three being killed, two from knife stabs and one from a bullet, two dangerously wounded, one of whom from a knife stab and one from a bullet, forty-eight seriously injured by knives and sticks, two slightly wounded by bullets. This particular riot was caused by a brawl in a cafe between a Greek and [a] Turk, and ended by both sections of the population becoming involved. [...] The Police eventually ordered to fire on the rioters with the result of injury[...] to four persons and an immediate termination of the disturbance. [...] The disturbances at Nicosia and a few isolated villages were of no very serious kind, and resulted in a few persons being more or less injured by sticks and stones."*<sup>37</sup>

The situation deteriorated when during the so-called Djoumada-Incident in Limassol some Greek Cypriots, who were alarmed by the ringing of Church bells, started to throw stones at a Mosque:

*"[...] the Djoumada incident, where a number of Christians threw missiles at two passing carriages containing Moslems and one of the latter drew a knife and stabbed two Christians. Casualties caused by rioters to Civilians 3 killed, 100 wounded; caused by the rioters to the Police 1 Officer and 14 men wounded; caused by the rifle fire of the Police 2 killed and 9 wounded."*<sup>38</sup>

A detachment of the 2<sup>nd</sup> Battalion of the Devonshire Regiment was landed at Famagusta on June 1 and went to Nicosia, but its services were not required and the reinforcement returned to Egypt on October 2.<sup>39</sup>

## EARLY CONFLICTS BETWEEN THE GREEK AND TURKISH CYPRIOT COMMUNITIES

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High Commissioner Sir Hamilton Goold-Adams appointed a commission to inquire into the origins of this incident. Its members, the district commissioner of Limassol W. N. Bolton, Mustafa Sarni Yorghanji Bashizade Efendi and S. Stavriniaki, interviewed eighty eyewitnesses and reviewed the files of the three main law cases, which were handled at the district court. The commission, however, could not reach a unanimous conclusion. Different views were expressed as to the question of whether Greek Cypriots had planned the disturbances in advance or whether they were the result of a spontaneous uprising. Agreement was reached only on the grounds that the commander of the police was justified in ordering his constables to open fire on the rioters.<sup>40</sup> Bolton and Stavriniaki stated that:

*"the primary cause of the riot was the Djoumada incident, which in all probability would not have led to further trouble had not the bells of the Katholidji Street Church been rung to collect the people, and that a grave responsibility rest on the Church authorities for allowing them to be used for such a purpose. [Finding:] That the riot was not premeditated. The two chief reasons for this conclusion being the nature of the weapons used, mostly sticks and stones, and the fact that the women and children of both parties were at the Fair. The local Commandant was quite justified [...] to fire on the rioters."<sup>41</sup>*

Mustafa Sarni Efendi insisted:

*"that only the Greeks were the producers of the Djoum[ada] disturbance, which became the beginning of a serious and seditious event. [...] I feel quite convinced that the wild attack was planned and forethought."<sup>42</sup>*

Sarni Efendi failed, however, to provide any proof for his judgement. The commission could, nevertheless, agree that the Turks were not to blame for starting the riot; the great majority of the accused and convicted were Greeks.<sup>43</sup>

The final numbers of the victims of the riots were given as five dead and 134 wounded:

*"List of injured[...] I expect the total will be*

5	Dead
17	Severely wounded - detained in hospital
2	Slightly wounded treated by private practitioners
50	Dressed at hospital and sent home
17	Greeks treated at home
48	Turks treated at home
139 <sup>44</sup>	

The following incidents of violence which had taken place in other parts of the

island but not recorded in the official files, were reported by the Turkish (Cypriot) press:

1. Monagroulli village/Limassol district  
A Turk was insulted and threatened by his Greek-Cypriot co-villagers. After he left the village with his family for Pendakomo village his house and other property was looted;
2. Perapedhi village/Limassol district  
Between eight and ten policemen were sent to the village because of incidents;
3. Aya Andem village/Nicosia district<sup>45</sup>  
Stones were thrown at the car of Engineer Hae, Hafiz Faik Efendi as he was passing Aya Andem village with his family. A Turkish yoghurt seller was attacked too and his products destroyed;
4. Lakatamia village/Nicosia  
Between eight and ten Turkish families were attacked in this ethnically mixed village at night. The well-digger (kuyuncu) Kara Mustafa was beaten up and suffered head injuries;
5. Perada village/Nicosia district  
Turkish inhabitants of Perada (Psimolof/Psimolophou) village south of Lakatamia complained to the police that because of threats and provocations by the Greeks they were unable to safeguard their homes;
6. Lefke and surrounding area  
Hüseyin Zihni Efendi and businessman Atanas Efendi complained to the police about threats from neighbouring Greek villagers and demanded protection.<sup>46</sup>

The rioters were put on trial under the Ottoman Penal Code; of some forty who had been arrested, eighteen Turks and Christians were sentenced to terms of imprisonment ranging from nine months to fifteen years.<sup>47</sup>

In Nicosia, where only a minor incident occurred, the inter-ethnic relations swiftly relaxed. On the other hand in Limassol and the surrounding villages the atmosphere remained tense for a while:

*"I have been trying hard to bring the leaders of both parties together but have so far failed as the Moslems are exceedingly bitter about the desecration of their Mosque [...]. The vilfage[r]s have been exceedingly frightened by absurd rumours of large bands of wandering Turks and many of them have entirely lost their self-control, but in the villages and those nearby where Lt. Bel/field and his men have patrolled there is now quiet."<sup>48</sup>*

### ***The Aftermath***

As Hill noted, the excitement in Limassol continued for a while. *Vatan* accused the Greeks of being worse than the Vandals had themselves been.<sup>49</sup> Some hundred Greek-Cypriot volunteers, including the Mayor, went from Limassol to Greece to serve in the war, and subscriptions for the Greek War Fund amounted to £1700.

While most of the island remained calm, a second incident occurred at Hamid Mandres where the entire affair initially started. The *Vatan* newspaper reported that on June 25, 1912, a Turkish shepherd boy was attacked by Greek shepherd boys from Dikomo. As news of the incident spread, groups of people from both villages took up weapons and ran to the scene. Whilst some Turks and Greeks tried to negotiate for a peaceful solution the number of Greeks increased until they numbered sixty-six. They began to insult the Turks and as a result one of the Turks, Ali Bey, raised his gun and a struggle broke out. Ali Bey was attacked with sticks, and Ali HOseyin Aga who tried to intervene was attacked as well. As police approached the scene they fired into the air and the Greeks ran away leaving their donkeys behind.<sup>50</sup>

The tension lasted until the end of the year. As rumours of impending cession to Greece spread, the Turks were angered by Greek-Cypriot leaders who were campaigning in Athens for the annexation of Cyprus by Greece. The Turkish Ambassador in London complained of outrages by Greeks on Moslems and was informed that the Government of Cyprus had taken effective measures to preserve the peace.<sup>51</sup>

The Ottoman Empire had experienced not only the Italian conquest of Libya, but also the Balkan wars, which started in October 1912 and resulted in the loss of Edirne, the Aegean Islands, Thrace and Macedonia. The Young Turks responded to the decline of Ottoman power by erecting a dictatorship under Enver Bey. The new Government could not prevent the take-over of South Albania by Greece nor the occupation of Edirne by Bulgaria at first, but it managed finally to restructure the army in a way that permitted the recapture of Edirne on July 22, 1913. This event restored the authority of the Young Turks even though Bosnia, Eastern Rumelia, Albania, Macedonia and partly Thrace had been lost during their rule.<sup>52</sup>

In Cyprus, the Limassol disturbances proved to be a local phenomenon, which had no aftermath during the years that followed. There was no detectable impact on the collective consciousnesses of the two communities. There was no practical change in the living conditions of the Cypriots connected with the political-historical background of the Italian-Ottoman War (1911-1912), and the events were finally forgotten.

## The Inter-ethnic Clashes of 1922

### ***The Events***

In late September an attack on a Turkish-Cypriot family was reported from Pyla.<sup>53</sup> Shortly after, in October 1922, following a brawl in the local coffee-shop in Dali, a Turkish Cypriot shot several rounds of bullets into a group of Greek Cypriots, who were besieging his house.<sup>54</sup>

### ***The Origins***

Before and during the First War, the Cypriot Turks acted essentially on the defensive, complaining of provocations and combating *Enosis*. Greco-Turkish antagonisms were above all stimulated by the Cretan question, which came to a head in the 1890s. Its history bears resemblances to that of Cyprus in the twentieth century. The Cypriot Turks lived through a period of great apprehension in 1915, when Cyprus was offered to Greece, but in 1917, when they were given the choice of becoming British subjects or leaving the island, only one-eighth of their number left. Others went later, but many returned after 1923.<sup>55</sup> There seemed to be no real alternative for most of them other than to remain in Cyprus.

The years from 1920-1922 saw Turkey in decline. Large parts of the country were occupied by French, English and Italian troops. Following the Treaty of Sevres on August 10, 1920, Greece captured Edirne and the biggest part of Thrace. Simultaneously the Greek army advanced from Smyrna north – and eastwards, conquering Bursa and threatening to take-over Anatolia almost entirely, thus extending their territory far beyond what had been allocated to them in the Treaty of Sevres.

In Cyprus these events prompted Greek-Cypriot hopes for *Enosis*. Greek manifestations towards this goal resulted in a near disaster in 1921 on the occasion of the centenary of the Greek War of Independence (March 25/April 7). After clashes between police and Greek-Cypriot demonstrators, the police were prepared to open fire into the crowd. The Abbot of Kykko, Kleopas, and J. N. Demetriou, a Greek judge, who were passing by, pleaded to be given a chance to disperse the demonstrators, and they succeeded in doing so after a short address.<sup>56</sup>

Further celebrations were planned by the Greeks in connection with Greek Independence on May 8, but they happened to coincide with the Turks' Ramazan Bairam. The High Commissioner, Malcolm Stevenson, warned the Colonial Office that "unless adequate forces are available it will be hard to prevent collision between the two races."<sup>57</sup>

Georghallides doubts whether the Greek manifestations really affected Greek-Turkish relations in Cyprus and argues that "in fact the British authorities in Cyprus

## EARLY CONFLICTS BETWEEN THE GREEK AND TURKISH CYPRIOT COMMUNITIES

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had no concrete evidence that the Greeks were planning to attack the Turks or *vice versa*. [...] In order to prove to the Secretary of State the truth of this danger he forwarded to him reports from [Lieutenant-Colonel] A.Gallagher and [Turkish delegate of Evkaf Mussa] Irfan [Bey] testifying that on April 6 and 7 the Turks of Nicosia were in a sullen and dangerous mood. Irfan wrote that he had advised some hundreds of them who had gathered outside the Police Station to stay there and not to go into the Greek quarters and he had praised the police for preventing the Greeks from coming into contact with them."<sup>58</sup>

It is puzzling that Georghallides who, in most other respects, gives a *very* detailed account on the political history of Cyprus, does not discuss the events this paper deals with. When these incidents are taken into account, they strongly substantiate the notion that British fears of imminent clashes between the communities were far from exaggerated.

While the Turkish-Cypriot leaders in their vast majority opted for continued British rule in Cyprus as the only realistic choice for their community, a small group of Turkish Nationalists started to align themselves to the new national movement in Turkey. Georghallides noted that "the only event which momentarily threatened to destroy the harmonious Anglo-Turkish relations occurred in the spring of 1919 when a small Turkish nationalist party calling itself 'Union with Turkey' planned to provoke anti-Greek disturbances during Easter week. According to information received by the Government, the success of the disturbances would have been followed by an attempt at a break-out of the Turkish prisoners of war held at Famagusta and a general Turkish rising. [High Commissioner Malcolm] Stevenson took prompt action involving the despatch of 30 British troops with a machine-gun to the Turkish quarter of Nicosia and arrested, under martial law, the ringleaders. These were Dr. Mehmed Essad, a Turkish refugee living in Cyprus since 1914, Dr. Hussein Behije, born in Beirut of Cypriot extraction and resident in Cyprus since 1912<sup>59</sup> and Hassan Karabardak, the chief of the butchers and *hamals* (market porters). Their detention was sufficient to prevent the outbreak of any trouble."<sup>60</sup>

Meanwhile, the Turkish Nationalist Movement under Mustafa Kemal managed to regroup itself in central Anatolia with the help of the Soviet Union, resisted the Greek advance and put pressure on the allied troops in Anatolia. In March 1921 Italy withdrew in exchange for economic concessions. The Greeks were defeated in the battle at the Sakarya-river which took place between August 24 and September 16, 1921. Within a few months the entire Greek army collapsed. The Greeks were finally forced to surrender Smyrna and retreated from Anatolia between September 9 and 11, 1922. Thousands of Greek peasants fearing Turkish revenge were forced to flee to Greece.<sup>61</sup>

The Turkish victory at Smyrna, which has since been renamed Izmir, was regarded as a national tragedy in Greece. The Greek Cypriots shared this view, because it was a blow to their own aspirations to an immediate fulfilment of *Enosis*. Hill noted that "the disaster to Greek arms in Asia Minor, culminating on 10 September 1922, when the Turks entered Smyrna, caused the Cypriot favour for Union to cool for the time. The National Council appeared to be moribund; at the first meeting after the summer recess there was not a quorum. The shock of the Greek defeat made the more intelligent Cypriots ponder what Union with Greece might mean."<sup>62</sup>

Hill's assumption that the "more intelligent Cypriots" would give up their hopes for *Enosis* since they would be able to see the benefits of British rule, falls into the category of wishful thinking. Georghallides appears to be more realistic by assuming that, for the time being, Greek Cypriots simply did not see the chance to fulfil their national aspirations. In his account the Greek-Cypriot reaction to the Greek Anatolian defeat appeared as follows: "In Cyprus itself the misfortunes which afflicted Greece greatly moved the [Greek-Cypriot] people, who repeatedly subscribed to funds for the relief of refugees in Greece and on the island.<sup>63</sup> Greece's general situation was such that no one could doubt that in the foreseeable future it would be unable to take up the question of Cyprus. [...] The acknowledgement that the destruction of Asia Minor Hellenism had dealt 'a crucial blow' against all unredeemed Greeks' expectations of national unification appeared early in September in the authoritative *Eleftheria*.<sup>64</sup> It was accomplished by a sad, though unqualified, acceptance of the fact that no power existed which could force Britain to leave Cyprus against its will."<sup>65</sup>

### ***The Inter-ethnic Clashes***

Ten years after the Limassol riots history seemed to repeat itself: This time, however, things went the other way round: On September 9, 1922 Turkish troops went into Smyrna and sealed the fate of Greek dreams to capture vast portions of Anatolia. In Turkish-Cypriot eyes this marked the end to a long chain of heavy disappointments and setbacks for their self-confidence (Annexation of Cyprus by Britain, decline and dismembering of the Ottoman Empire). The news of the Turkish victory resulted correspondingly in a large amount of cheer and satisfaction among them.

In the immediate aftermath Turkish pamphlets celebrating the "great victory" circulated in Cyprus.<sup>66</sup> During the Greek advance in Anatolia the Turkish (Cypriot) press had retorted to desperate statements which inflamed Turkish-Cypriot sentiments against Greeks. The daily newspaper *Soz* commented for example on the visit of Greek King Constantine to Smyrna "that (finally) his head with his crown will be crushed by the Turkish iron paw".<sup>67</sup> In its celebration of the victory *Soz*



## EARLY CONFLICTS BETWEEN THE GREEK AND TURKISH CYPRIOT COMMUNITIES

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managed to triple its nationalistic tone by praising the "eternal victory" of their "heroes".<sup>68</sup>

Greek Cypriots on the contrary regarded the defeat, like most of the Greeks in the motherland, as a national tragedy, which accompanied the end of the *Megali-Idea* and at least temporarily the end of their desire for *Enosis*. Greek leaflets complaining about Turkish massacres committed against Greeks in Anatolia appeared on the island.<sup>69</sup>

The events in Smyrna were discussed quite naturally in the coffee-shops throughout Cyprus, especially in mixed villages, where Greek and Turkish Cypriots came together to discuss village, island and world affairs. This resulted, of course, in very controversial arguments. In some cases, however, things did not stop at the level of "academic" discussion: In some, mainly mixed villages, these arguments led to violent confrontation, mostly resulting from coffee-shop brawls. This time, however, the fights did not result in fatal casualties.

A typical and still very well remembered case happened in the mixed village of Dali in October 1922 where a few weeks previously a Turkish family living close to Pyla had been attacked apparently out of nationalist motives.<sup>70</sup> The Turkish (Cypriot) daily newspaper *Söz* linked the incident to the 1912 riots in Limassol.<sup>71</sup>

The subsequent infamous event in Dali has been documented in detail in two police reports preserved in the Cyprus public record office:

*"On the 15th October, 1922, I was at Louroudjina for enquiry into a sheep stealing case. [...] Suleiman Murat of Dali shot and wounded 8-10 persons with a gun[...] I arrested him and seized his gun [...] I visited afterwards the nine wounded persons [...]. The seven ones have at [least] 2 - 3 shots and they are out of danger. The eighth one Yiannakis Loizou has seven shots one on his breast, one in his armpit and five in his feet. The ninth one Petris Demetri Zonias is wounded in his left thigh and one [in] his heart, it seems to me that he is seriously wounded but all the other ones are out of danger. [...] I at once Informed the Rural Medical Officer[...]. I will inform you for the above:- The cause is that a certain Petros Loizou Pattoura, discussed with Elmaz Yussuf that Elmaz told the Doctor that he will support him and Petro told what man are you 'Vre' and you will support the Doctor and Elmaz told him that I am only a Turk but I cost one thousand of Christians and Petro was offended. At that moment Suleiman Murat was also present and received cigarettes from Yanco's shop and Petros Loizou Pattoura told, 'Here is another puppy' and he rushed at him. It appears that Suleiman told him something and then they rushed to beat him. He ran and entered his house, he went upstairs took his gun and fired four shootings from the window and he wounded 9 men, who were on the road opposite the house of Suleiman Murat. The accused does not deny."<sup>72</sup>*

In order to avoid any impression of partiality both Turkish- and Greek-Cypriot police officers were ordered to inquire into this case. They managed to discover further details:

*"It appears that as the result of a good tempered drunken quarrel between Petros Pattoura and Elmaz Yussuf of Dali at about 8 p.m. the former went into the square and shouted that 'Elmaz, the dirty hound says that he is worth 500 Christians.' These words were heard by Suleiman Murat brother of the Turkish Mukhtar and a quarrel started. Apparently the Christian resented some words said by Suleiman Murat and made an attempt to rush him but there are no marks of violence on him. He reached his house and coming down into the street faced the crowd and fired 4 shots. The Police arrived and dispersed the crowd and arrested him at his house. The evidence [...]is conflicting both parties refusing to give any evidence against their co-religionists [...] I am charging Elmaz Yussuf and Petros Pattoura [...] for being drunk and creating a disturbance and Suleiman Murat for shooting and wounding."<sup>73</sup>*

On December 16, 1922 Suleiman Murat was sentenced to nine months hard labour for "deliberate shooting and wounding" and ordered to pay the sum of £2.13 to cover the costs of the medical treatment to his victims.<sup>74</sup>

#### ***The Aftermath***

Apparently, the inhabitants regarded the entire affair as a disgrace on the village, therefore, arguments about the responsibility for the incident rarely occurred. Those accused either admitted the charges right away or tried to cover up for one another. The atmosphere within the village cooled down and the Police force did not report any further inter-ethnic conflicts.

*"The village is now quiet and[...] there is no likelihood of any racial disturbances taking place."<sup>75</sup>*

The story of the Dali-shooting, however, was re-told in the coffee-shops of the neighbouring villages for decades following the incident. In the course of time, however, the story has been embellished with dramatic refinements, leading to the tale that one Turk killed seven Greeks:

*"If my father ever said that he came from Dali, people would say, 'Ah, that is where one Turk shot dead seven Greeks!' Around the start of the 1920s a Greek had beaten a Turk there. This [Turk] fell down, ran home to his house, which lay by a junction, and next morning began to shoot at everything that moved. This story is very well known and often re-told. And it is said that [he] shot nine people, but did in fact kill none. Then after 24 hours he gave himself up to the police."<sup>76</sup>*

This story gave the impression of the Turks of Dali being violent and aggressive. And it remained as such in the "memories" of the Greek Cypriots living in the

neighbouring villages.

In the political field, the agitation for *Enosis* was somewhat dampened by the catastrophe for Greek arms in Asia Minor. The Greek-Cypriot national movement could not even benefit from a possible demographic change through the resettlement of Greek Anatolian refugees in Cyprus since the British authorities, from the beginning of the Greek defeat, restricted entry into Cyprus to persons who were British subjects, Cypriots and Armenians. Greeks were only allowed to land if persons were found willing to vouch for all their expenses. The British administration adhered to this decision with singular heartlessness, frequently refusing even the temporary disembarkation from overcrowded ships of sick or dying Greek refugees. When, in November 1922, in the course of an interview, the Bishop of Kition asked Fenn why Armenian but not Greek refugees were allowed to land, the Chief Secretary answered that the Armenians had no country but the Greeks could go to Greece.<sup>77</sup> Using the excuse that the Government of Cyprus could not be held financially liable for any Greek refugees, the authorities ensured that the Greek population of Cyprus was not increased by a settlement of Asia Minor refugees.<sup>78</sup> Between September and December 1922 about 2,400 fugitives from Asia Minor landed in Cyprus – 200 British subjects, 800 Cypriots, 500 Armenians and 900 Greeks.<sup>79</sup>

The Greek-Cypriot leadership tried to overcome the Anatolian shock by changing its short-run policy. A Memorandum was presented on December 16, 1922 by the Archbishop on behalf of the National Council to the Secretary of State for the Colonies, in which fairly extensive demands were put forward: for full self-government, participation of Turks as well as Greeks in not only the Legislative but the Executive Council and the Administration, in proportion to their numbers in the population. But the High Commissioner was to be allowed to retain his veto in the Legislative Council. BO Against these demands a Turkish Deputy, Dr Eyyub, presented petitions from Moslem communities and villages, pressing for – among other things – the restoration of Cyprus to the Ottoman Empire or return to the pre-annexation system. They also asked for a Moslem Council to exercise control over the Sheri [Shari'a] Court, Muslim education and the Evkaf, and opposed the grant of extended constitutional powers to the native inhabitants.<sup>81</sup> These demands could not, the High Commissioner thought, be considered seriously. Nevertheless, in December 1922 the Moslems despatched a delegation to Ankara to press for the return of the island to Turkey.<sup>82</sup>

Hill noted that "The reaction against the extremists was plainly seen at the next elections. In spite of the efforts of the National Council to engineer a boycott, no less than fourteen candidates were nominated for seven non-Moslem seats, and ten of them were agriculturists or villagers. Of the seven Greek Christians elected,

three were farmers, two farmer-traders, one a motor-car agent and one a tobacco-factory manager. There were also two Maronites.<sup>83</sup> The result was a shock to the National Council. When in the reply to the High Commissioner's opening speech the usual attempt was made to include a paragraph in favour of Union with Greece, four Greek Christians voted against it. They had come to the council, they said, not to agitate for Union, but to work for the good of the island."<sup>84</sup>

Daily life between the ethnic groups in villages involved in the disturbances of 1922, nevertheless, remained unchanged. The events were regarded as having brought disgrace and dishonour to these villages, they were not mentioned anymore and discussions on Greek-Turkish conflict were shunned. Further quarrels on this issue were thus avoided. But it marked also a certain change in the way that opinions were formed within the ethnic villages of Cyprus. Greek and Turkish Cypriots started to discuss vital political issues first and foremost amongst themselves, before they conferred on issues with the "other side".<sup>85</sup>

Thus, the conflict of 1922 did not poison the atmosphere between the two communities and cannot, therefore, be compared with the far more violent fights of the 1950s, 1960s and 1970s. However, it brought about a significant change in the communication structures that influenced different national self-consciousnesses as well.<sup>86</sup>

### Conclusion

Both events of 1912 and 1922 proved to be isolated incidents without serious repercussions for the further political developments in the history of Cyprus. The fact that they have not been referred to in most of the historiography on Cyprus might lead to the conclusion that they are insignificant. On the other hand, it might be argued that Greek-Cypriot historiography has always underestimated the degree of dislike between the nationalists of the two communities.<sup>87</sup> But, even Turkish-Cypriot works on the History of Cyprus do not particularly stress the importance of these events.

The only valid assumption is that while the life of the people in Greece, the Balkans and Anatolia were heavily and directly effected by the Balkan wars of both 1912 and 1921-1922 (i.e., Military service, displacement, economic repercussions), the Cypriots "fought" these wars by reading newspapers. Their daily lives continued undisturbed and neither "*Enosis*" nor return to Ottoman rule was feasible. This explains why the clashes in Limassol and Dali did not incite further fighting. They were more the results of over-heated national feelings rather than expressions of genuine will for immediate change. Calls for revenge were not heard since the numbers of victims were limited. However, the absence of violence in the years

## EARLY CONFLICTS BETWEEN THE GREEK AND TURKISH CYPRIOT COMMUNITIES

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following should not be misjudged: Both events clearly indicate the damaging influence nationalism has already had on both communities during the first quarter of the twentieth century.

Subsequent developments in Cyprus, including the 1931 Greek-Cypriot uprising, did not include anti-Turkish elements. As a consequence there has been no repetition of intercommunal violence until the late 1950s when the Greek-Cypriot dream of *Enosis* was perceived as a threat by Turkish-Cypriots.

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### Notes

1. See fx. Crawshaw, Nancy (1978) *The Cyprus Revolt*, London; Battle, L. and Williams, D. (1974) *Cyprus. A Decade of Crisis*, Washington; Markides, K. C. (1977) *The Rise and Fall of the Cyprus Republic*, London.
2. Asmussen, Jan (2001) *'Wir waren wie Bruder'. Zusammenleben und Konfliktentstehung in ethnisch gemischten Dorfern auf Zypern*, Hamburg, Lit-Verlag.
3. CO 67/166 High Commissioner Goold-Adams to Secretary of State for the Colonies Lewis Harcourt, 28 May 1912.
4. CO 67/166 Goold-Adams to Harcourt, 29 May 1912.
5. The Italians had secured their interest in Libya by contracts with France in 1900, 1902 and 1911 and forced the Ottoman Empire to agree to a treaty that put Libya under an Italian Protectorate. Grunebaum, van G. E. (ed.), (1998) *Der Islam II. Die islamischen Reiche nach dem Fall von Konstantinopel*, Augsburg, Weltbild Verlag, pp. 406-410.
6. The disastrous effects of the divided educational system were emphasised by Kitromilides and Couloumbis; Kitromilides, Paschalis M. and Couloumbis, Theodore A. (1976) 'Ethnic Conflict in a Strategic Area. The Case of Cyprus' in Said Abdul and Simmons, Luiz R. (ed.), *Ethnicity in an International Context*, New Brunswick, p. 170.
7. See Katsiaounis, Rolandos {1996} *Labour, Society and Politics in Cyprus During the Second Half of the Nineteenth Century*, Nicosia.
8. Georghallides, G. S. (1979) *A Political and Administrative History of Cyprus 1918-1926. With a SuNey of the Foundations of British Rule*, Nicosia, Cyprus Research Centre, p. 81.
9. Ibid., op. cit., p. 14.
10. CO 67/21 Minute by E. Fairfield, 31 January 1882.
11. Ibid., p. 46.
12. Ibid., pp. 46-52.
13. Ibid., p. 52.
14. Ibid., p. 54.
15. The executions of the Archbishop and about 500 leading clerical and lay members of the Greek-Cypriot society in July 1821 were carried out on the grounds of alleged

collaboration with the Greek Revolution.

16. Georghallides, op. cit., p. 55.
17. Purcell, H. D. (1969) *Cyprus*. London, p. 238.
18. 18. C.O.67/91, **3 May** 1895.
19. Purcell, op. cit., p. 238.
20. Ibid., p. 239.
21. Georghallides, p. 75.
22. Purcell, op. cit., p. 239.
23. Georghallides, p. 75.
24. Hill, George (1940-52) *The History of Cyprus*, Vol. 4, Cambridge, p. 518.
25. Georghallides, op. cit., p. 76.
26. Ibid., p. 76.
27. Ibid.
28. Ibid.
29. Ibid., p. 80.
30. CO 67/166 Goold-Adams to Harcourt, 30 May 1912.
31. Ibid.
32. *Vatan*, 27 May 1912.
33. *Vatan*, 12 May 1912.
34. CO 67/166 Goold-Adams to Harcourt, 30 May 1912.
35. Harid Fedai in: *Yeni Ktbtrts*, June 1985, p. 15.
36. CO 67/166 Goold-Adams to Harcourt, 30 May 1912.
37. CO 67/166 Goold-Adams to Harcourt, 30 May 1912.
38. CO 67/167 Goold-Adams to Harcourt, 2 August 1912.
39. Hill, op. cit., p. 519.
40. "The local Commandant was quite justified[...] to fire on the rioters. [...] the rioters were all Christians attacking Moslems." CO 67/167 Finding Bolton and Sarni Efendi, 2 July 1912; W. N. Bolton, Commissioner, Limassol to C.S., 3 July 1912.
41. CO 67/167 Finding Bolton and S. Stavrinakis, 2 July 1912.
42. CO 67/167 Mustafa Sarni Yorghanji Bashizade to H.C., 3 July 1912.
43. Hill, op. cit., p. 519, footnote 1.
44. CO 67/166 W. N. Bolton, Commissioner, Limassol to C.S., 2 June 1912.
45. The case was referred to in the Turkish press. It is unclear which village was meant by "Aya Andem".
46. Sabahattin ismail: *Turk-Rum iliskileri ve ilk Turk-Rum Kavgalart* [Turkish-Greek relations under British administration and first Turkish-Greek quarrels]. Lefko a 1997, pp. 196-97.
47. Hill, op. cit., p. 519.
48. CO 67/166 W. N. Bolton, Commissioner, Limassol to C.S., 2 June 1912.
49. 'Afrika vah ilerinden daha vahgi' [They are more vandals than African Vandals].  
Headline: '1912 Senesi Vah ileri' [The Vandals of the year 1912], *Vatan*, 3 June 1912.
50. *Vatan*, 1 July 1912.

51. Hill, op. cit., p. 519, footnote 2.
52. Ibid., pp. 142-143.
53. SA1/1064/1922 Disturbances at Pyla.
54. SA1/1149/1922 Disturbances between Greeks and Turks at Dali; Sava Eleftheriou, Sgt. 2362 to Local Commandant of Police, Nicosia, 16 October 1922.
55. Purcell, op. cit., p. 241.
56. CO 67/202 Confidential, Stevenson to Churchill, 13 April and 25 April 1921.
57. CO 67/202 Telegram, Stevenson to Churchill, 23 April 1921.
58. Georghallides, op. cit., pp. 191-192; CO 67/202 Gallagher to Fenn, 9 April and 23 April 1921; Irfan to Fenn, 11 April 1921.
59. Dr. Behije was sentenced to death and hanged for the murder of his wife on 24 June 1924; *Eleftheria*, 14 May and 25 June 1924.
60. Georghallides, op. cit., pp. 178-179; CO 67/191 Secret, Stevenson to Milner, 26 April 1919; CO 67/191 Secret, Stevenson to Milner, 6 May 1919.
61. Grunebaum, van G. E. (ed.), (1998) *Der Islam II. Die islamischen Reiche nach dem Fall von Konstantinopel*, Augsburg, Weltbild Verlag, pp. 145-47.
62. Hill, op. cit., p. 537.
63. *Eleftheria*, September to December 1922 passim.
64. *Eleftheria*, 9 September and 13 September 1922.
65. *Eleftheria*, 9 September/16 September and 7 October 1922; Georghallides, op. cit., p. 222.
66. SA1/1145/22 Political agitation by Moslems; the file is listed in the register of correspondence, but is indicated as "wanting" i.e., not accessible in the Cyprus Public Record Office.
67. 'Konstantin'in taçlı başı Türkün demir pençesi altında ezilecektir'; an article titled: Gordian knot- Gordian Düğümü, *Söz*, July 1921.
68. 'Bahri Sefidin hasin dalgaları arasında sıkışmış ve her gün mahzun göylere Anadolu'dan bir zafer, bir memlektin Türk ruhlarından, bin saygı o kahramanlara' [From the Turkish souls of one country squeezed by the violent waves of Bahri Sefidin, it looks at Anatolia every day with sad eyes and awaits an eternal victory. Thousands of tributes to those heroes!], M. R. Okan in *Söz*, 29 July 1922.
69. SA1/1289/22 Massacre (in Turkey) Greek Leaflets.
70. SA1/1064/1922 Disturbances at Pyla.
71. 'On sane once meydana gelen ve birkaç masum Türkün kurban gitmesi ile sonuçlanan kıyım da, Rum terbiye ve seciyesine bir örnek teşkil eder...', [The slaughter which took place ten years ago that ended with the sacrifice of a few innocent Turks is a good example of Greek training of good manners and characters... ] *Söz*, 30 September 1912.
72. SA1/1149/1922 Disturbances between Greeks and Turks at Dali; Sava Eleftheriou, Sgt. 2362 to Local Commandant of Police, Nicosia, 16 October 1922.
73. SA1/1149/1922 B. J. SurrIDGE, Local Commandant of Police, Nicosia to Chief Commandant of Police, 21 October 1922.
74. SA1/1149/1922 Chief Commandant of Police to Chief Secretary, 2 January 1923.

75. SA1/1149/1922 B. J. Surrige, Local Commandant of Police, Nicosia to Chief Commandant of Police, 21 October 1922.
76. Interview with a 47-year old Greek Cypriot from Dali.
77. *Eleftheria*, 22 November 1922.
78. Georghallides, op. cit., p. 231, footnote 1.
79. HMSO (Ed.): No. 1159. Cyprus. Report for 1922, London 1923, p. 8. 80. Ibid., p. 426.
81. Ibid., p. 537, footnote 3.
82. Ibid., p. 538, footnote 1.
83. See Lysiotis, Marios (1990) 'The Legislative Council', *The Cyprus Review*, Vol. 2, No. 2, pp. 55-69.
84. Ibid., p. 538.
85. Asmussen, op. cit., p. 185.
86. The worsening of the Turko-Greek relationship, which suffered through the forced exchange of population, had its repercussions in Cyprus. Anti-Turkish sentiments were transported to the island through the use of Greek textbooks in Greek-Cypriot Schools; Asmussen, op. cit., p. 110.
87. "The fact is that most Greek-Cypriot writers have failed to discuss these incidents. There can be only three explanations. The first would be ignorance, because they have not examined the relevant sources. The second could be conscious bias - an unwillingness to pay sufficient attention to cognitively disturbing material which does not fit, and indeed irritates a pre-existing mind set. The third is a failure to give due weight to events, through unconscious mind sets. Many Greek-Cypriot commentators might try to argue that these events were of minor significance only, involved only handfuls of fanatics, and do not add up to a serious obstacle to the view that the two communities got on well. I do not take any of these views. It has always been a weakness of Greek-Cypriot historiography that it underestimated the degree of dislike between the nationalists of the two communities, and failed to note how often the Christian nationalists sought opportunities to insult the Muslims;" Referee comment on this manuscript, 3rd February 2004.



# MONETARY POLICY IN CYPRUS: BEFORE AND AFTER EU MEMBERSHIP\*

Andrew Michael

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## Abstract

*This paper will review how the Central Bank of Cyprus (CBC) has conducted its monetary policy since its creation in 1963 and especially since 1992 when the Cyprus pound was linked to the ECU. The CBC wants Cyprus to adopt the euro as quickly as possible after officially joining the EU on May 1, 2004. One of the arguments against adopting the euro is that a country's central bank loses direct control over its monetary policy. This paper will argue that in reality the CBC has already given up control of monetary policy even before euro adoption because its decision making simply mirrors that of the European Central Bank (ECB). In addition to the pros and cons for the EU countries of adopting a common currency, there are also benefits and dangers in adopting the euro too soon. The paper will also discuss how the ECB will find it more difficult to effectively achieve its objectives of price stability and economic growth in a euro-zone comprised of more than twenty countries that will have lost direct control of monetary policy but still have to meet the conditions of the Growth and Stability Pact.*

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## Historical Background<sup>1</sup>

During the British colonial rule that lasted until 1959, Cyprus had no central bank of its own even though some commercial banks and credit societies began operating on the island as early as 1920. Cyprus became an independent state in 1960. During the first three years of independence there was no central bank because the newly formed republic needed time and technical assistance from the IMF to draft the central bank law.

The Central Bank of Cyprus (CBC) was created in 1963 under a law adopted by the House of Representatives. The law that governs its activities allowed for a representative of the Ministry of Finance to sit on the Bank's board and to take part in decision making (Europa, 2000). In July 2000, through an amendment of the CBC Law, an advisory Monetary Policy Committee (MPC) was set up with the mandate of examining issues relating to monetary policy and interest rate liberalisation and submitting recommendations to the Board of Directors of the Bank. However, since the passing of the new CBC Law in July 2002, which made the CBC independent

of the government, the MPC has had the responsibility of formulating and implementing monetary policy, and deciding on matters pertaining to the conduct of exchange rate policy and the operation of payments and settlement system. The MPC is comprised of the Governor and five other members, of which, two are appointed by the Governor of the CBC. The other three members are appointed by the Council of Ministers on a recommendation from the Minister of Finance. The MPC convenes regularly about once a month. The new CBC Law also prohibits the CBC from directly financing the public sector deficit as well as privileged access by local authorities to financial institutions, thus satisfying Article 104 of the EC Treaty that prohibits central banks to give loans to the government and other public sector organisations.<sup>2</sup> The primary objective of the CBC is to maintain price stability (i.e., low inflation) while at the same time support the general economic policy of the government (CBC, 2003). Monetary policy and exchange rate policy have both been used to achieve price stability.

Low inflation is desirable because it helps to reduce uncertainty for business and household decision makers. It also helps to keep menu, shoe-leather and redistributive costs low. If these costs are minimised and there is less uncertainty, consumer expenditure will rise and firms will invest more. However, there is a potential conflict (at least in the short run) between price stability [defined as a year-on-year increase in the consumer price index (CPI) of 2%] and the government's general economic policy of achieving high growth rates and full employment in a stable macroeconomic environment. In trying to maintain inflation at low levels (below 2%) via a non-accommodating monetary policy, aggregate demand (AD) may be hampered resulting in a deflationary (recessionary) gap. Thus, the economy will not experience full employment. Furthermore, if the public sector limits increases in its expenditures to avoid contributing to inflationary pressures, it may not be able to fully achieve its social goals of helping the less well off in society.

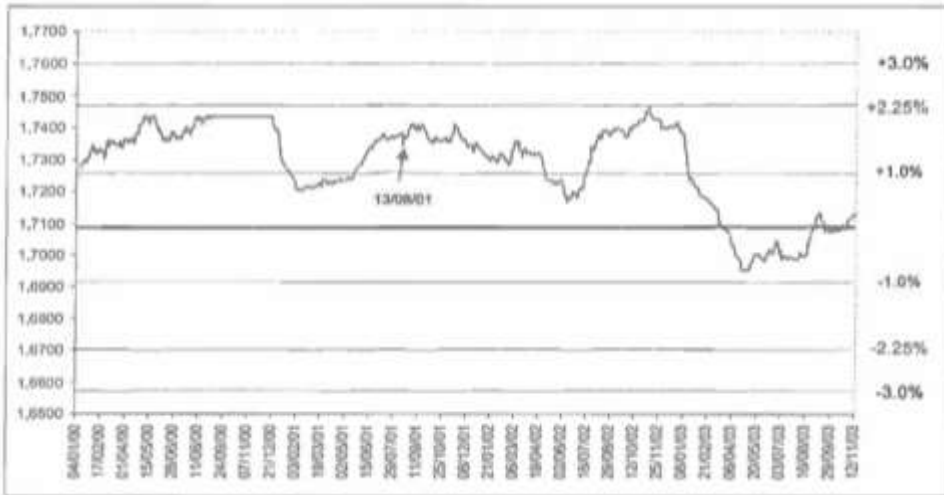
However, according to monetarists, neo-classical and supply-side economists, the objectives of price stability, full employment and decent levels of economic growth can all be achieved in the long run although there may be a trade-off between them in the short run.<sup>3</sup>

The CBC has always adopted an exchange rate policy aimed at maintaining macroeconomic stability by linking the Cyprus pound with a currency anchor, either a single currency or a basket of currencies. The currency anchor of the Cyprus pound (GYP) has changed several times since the country's independence in 1960. Initially, the Cyprus pound was pegged to the UK sterling for the period of 1960- 1972. In 1972 this link was terminated and the GYP was pegged to the US dollar for a short period of time. It was then linked to an import-weighted currency basket for the period 1973-1984 and to a trade-weighted basket for the period 1984-1992.

Given the intentions of the Cyprus government to join the EU, the CYP was unilaterally pegged to the ECU on June 19, 1992, with the central rate of  $1\text{CYP}=1.7086\text{ ECU}$  and fluctuation margins of  $\pm 2.25\%$ . The ECU was the monetary unit of account adopted by the EU countries whose primary goal was price and macroeconomic stability.<sup>4</sup> Hence, besides reinforcing the economic ties with the EU, pegging the CYP to the ECU, aimed at contributing further to the maintenance of price and macroeconomic stability in Cyprus as well as safeguarding the international competitiveness of the Cyprus economy. This would happen because the EU countries in the Exchange Rate Mechanism (ERM) also pegged their national currencies against the ECU, thus theoretically preventing large fluctuations in the value of the CYP against these currencies that in turn would reduce exchange rate risks and therefore risks associated with international trade. The overall performance of the Cypriot economy suggests that pegging helped to keep inflation in check and contributed positively to the economy's international competitiveness. However, despite the pegging of currencies to the ECU, on a number of occasions, currency realignments occurred indicating that exchange rate risks were not totally eliminated.<sup>5</sup> Furthermore, although pegging helped to reduce exchange rate risk against EU currencies, there still remained risks associated with fluctuations against the US dollar and other currencies. In theory, a country does not have to peg its currency against another currency to achieve price stability. Nor did Cyprus have to peg its currency to the ECU. However, in practice, pegging has helped to maintain low inflation and international competitiveness. Yet pegging may not be sufficient. A country has to enhance its labour productivity and maintain high quality goods and services. Moreover, regional security and safety are other factors that can affect a country's tourism and thus its invisible exports and official foreign reserves.

On January 1, 1999, the CYP was pegged to the euro with the central parity rate maintained at  $1\text{CYP}=1.7086\text{ euro}$ . Initially, the fluctuation margins were also maintained at  $\pm 2.25\%$ . On January 1, 2001, however, wider bands of  $\pm 15\%$  were introduced, in order to enable the CBC to absorb any shocks from possibly destabilising capital movements and deter potential speculative capital flows arising from capital account liberalisation. The introduction of the wider exchange rate bands coincided with the abolition of the interest rate ceiling and relaxation of all restrictions on medium and long-term foreign borrowing. On August 13, 2001, due to a significant increase in capital inflows the CBC abolished the narrow levels of  $\pm 2.25\%$ , so that only the  $\pm 15\%$  margins are currently in place, in line with ERM II (CBC, 2003). Despite the resulting potential for increased flexibility in exchange rate policy, the fluctuations of the CYP against the euro have been small, never exceeding the narrow bands (see Figure 1).

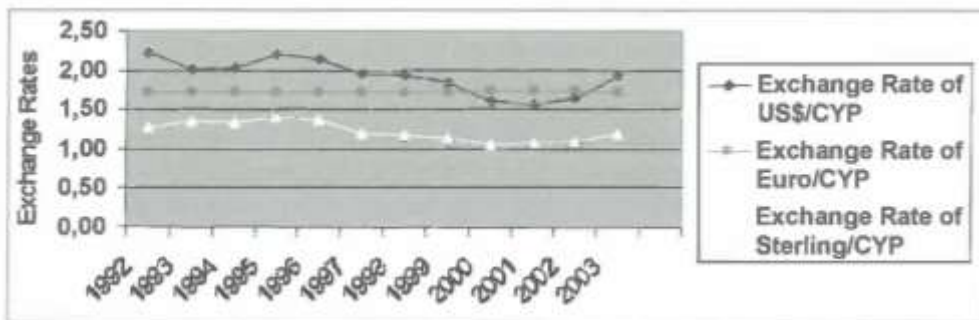
**Figure 1: Exchange Rate of the Euro Against the Cyprus Pound 04/01/2000- 14/11/2003 (opening, selling rate).**



[Source: Central Bank of Cyprus]

Moreover, the CYP has not experienced large fluctuations against the sterling pound and since 2002 it has appreciated against the US dollar after having fallen in value between 1998 and 2001 (see Figure 2).

**Figure 2: Exchange Rate Comparisons (Period Averages)**



[Source: Ministry of Finance, Cyprus]

Between 1992 and 2003, the average euro/CYP exchange rate was 1.7228euros/CYP with a standard deviation of 0.0112 and a standard error of mean

of 0.00323.<sup>6</sup> The lowest annual average exchange rate was in 1995 at 1.7093euros/CYP, i.e., 0.78% below the twelve-year average and the highest annual average exchange rate was in 2000 at 1.7425, i.e., 1.14% above the twelve-year average. The annual average exchange rate has always been above the central parity rate of 1.7086euros=1CYP ranging from 0.041% above the parity rate in 1995 to 1.98% above the parity rate in 2000 never exceeding the +2.25% margin.<sup>7</sup> Of course, during most of this time period, there were exchange controls limiting the amount of currency that could be traded for CYP. With the gradual removal of capital outflow restrictions, coupled with the decline in export revenues during the war in Iraq, the CYP depreciated slightly below its central parity rate during the second and third quarters of 2003. However, since September 2003, it has appreciated maintaining levels close to or slightly above its central parity rate.

In a study of long run equilibrium exchange rates, Pentecote and Senegas (2003) found that the moving averages of spot exchange rate quotations of EU currencies, yielded long run equilibrium exchange rates that were very close to the parameter estimates of the expected long run exchange rates obtained from an Ornstein-Uhlenbeck diffusion process (see Appendix).

I estimated the long run equilibrium Euro/CYP exchange rate based on a six-month moving average of daily spot current exchange rate quotations and found it to be 1.7355 for the time period January 1, 1999 to June 17, 2004, and 1.7289 for the period October 23, 1993 to June 17, 2004. These rates are very close to the current Euro/CYP exchange rate.<sup>8</sup> Of course, there is no guarantee that the CYP will not depreciate prior to its entry to the eurozone. The value of any currency depends on various factors. Over short periods of time, such as a year, exchange rates are determined mainly by the relative demand for domestic versus foreign assets which are partly determined by current and expected, domestic and foreign, interest rates. In the long run, exchange rates are determined by relative price levels, productivity, trade barriers, and the demand for exports and imports.

Expectations held by currency traders and speculators can have a strong effect on the value of a country's currency. Such expectations are often influenced by the perceived policy intentions of the government and central bank. Speculators form their perceptions based on their interpretations of official announcements. For instance, statements made by the central bank governor emphasising that the current value of the CYP is based on economic fundamentals can help to prevent depreciations. However, this may not suffice if speculators believe (often in a self-fulfilling prophecy) that authorities will devalue the currency.<sup>9</sup>

## **A New Monetary Policy Framework<sup>10</sup>**

In January 1996, the CBC introduced a package of market-based tools to modernise the operational framework of monetary policy and to adjust to EU norms. The current framework of monetary operations which is consistent with the operational framework adopted by the ESCB, consists of:

- 1) minimum reserve requirements;
- 2) standing facilities; and
- 3) open market operations (OMO).

### **1. Minimum Reserves**

Until December 1995, the main monetary policy instrument was the liquidity ratio. From January 1, 1996, a proportion equal to 7% of the average weekly deposits during the first three weeks of December 1995 was transferred to a new minimum reserve account. The minimum reserve account is the only operational account that commercial banks maintain with the CBC. The reserve ratio is currently 6.5%.

The average daily balances in the account up to the required ratio initially earned interest of 6% per annum while the average actual reserve holdings of commercial banks on their reserve accounts earn interest at a rate which is directly linked to the marginal lending facility rate which is determined by the CBC.

Excess reserves, i.e., average actual reserve holdings in excess of the required reserves are not remunerated.

### **2. Standing Facilities**

#### *(a) Marginal Lending Facility*

On January 1, 1996, the CBC introduced a short term standing facility (Lombard - type). The interest rate of the marginal lending facility is intended to provide the upper end of money market interest rates. Changes in the interest rate of this facility signal changes in the stance of monetary policy. Credit granted to banks under the marginal lending facility is made available on an overnight basis and government securities are used as collateral. In turn, commercial banks add a margin to the base rate according to the risk and the credit worthiness of a client to determine the rate of interest charged on loans. There is no limit to the amount of funds made available under this facility as long as there are sufficient underlying eligible assets. However, the CBC reserves the right to restrict access to this facility if excessive use would jeopardise its monetary policy objectives.

*(b) Deposit Facility*

The CBC also offers to commercial banks an overnight deposit facility for placing their short-term surplus funds at the end of the day. The interest rate on this facility is intended to provide the floor for the short-term (overnight) money market interest rates.

**3. Open Market Operations (OMO)**

As from January 1, 1996, main refinancing operations allotted through tenders have replaced the liquidity ratio as the main instrument of monetary management.

*(a) Reverse Transactions Based on a Repurchase Agreement*

When the CBC wants to provide liquidity, it buys government securities from the commercial banks against collateral (repos). When the CBC wants to decrease liquidity, it sells government securities to the commercial banks against collateral (reverse repos). Reverse transactions take place whenever the CBC deems appropriate and their duration is up to fifteen days.

*(b) Auctions for the Acceptance of Deposits*

In October, 2001, the CBC introduced a new liquidity-absorbing operation, the auctions for the acceptance of deposits from the commercial banks. During these operations, the CBC accepts deposits from the commercial banks for any period of time determined by the CBC. There are two types of tenders: interest rate tenders and volume tenders. In the case of interest rate tenders, the CBC announces a maximum interest rate for accepting deposits as well as the total amount of deposits to be accepted. In the case of volume tenders, the CBC announces a fixed interest rate for accepting deposits whereas the total amount of deposits to be accepted, is announced by the CBC after the submission of tenders (CBC, 2003).

**Interest Rate Ceiling**

Up until December 2000, the CBC's monetary policy was constrained by a statutory 9% interest rate ceiling that prevented commercial banks from charging more than 9% interest on loans. The CBC could prescribe maximum deposit and lending rates below the 9% ceiling.

The interest rate ceiling had been in place since the 1940s to protect farmers against widespread usury by moneylenders. This law hindered the development of the money market and influenced banks to provide bank credit mainly toward low risk projects .

The interest rate ceiling essentially forced the CBC to rely on indirect tools, like

reserve requirements and credit ceilings to conduct its monetary policy. For example, the CBC imposed an aggregate credit growth of 12% for 2000 and the reserve requirement was increased from 7% to 8% on July 1, 2000.

The abolition of the interest rate ceiling as of January 1, 2001 has provided more flexibility to the CBC for conducting its monetary policy.<sup>11</sup> However, until recently, cooperatives were not subject to reserve requirements and faced weak rules and lax supervision. Given that these institutions hold about one-third of total bank assets, this further reduced the CBC's ability to implement effectively its monetary policy<sup>12</sup> (National Bank of Greece, 2000).

Since the abolition of the statutory interest rate ceiling, interest rates have gradually decreased. In 2001, the CBC reduced the marginal lending facility (Lombard rate) in August, September and November by 50 basis points each time, thus decreasing it from 7% to 5.5% within three months. This decrease in interest rates narrowed the gap between the CBC's and ECB's marginal lending facility and deposit facility to 125 and 25 basis points respectively.

Despite the fact that after September 11, tourist arrivals and economic activity in general declined, from November 2, 2001 until December 13, 2002, the CBC maintained the marginal lending facility and the deposit facility unchanged at 5.5% and 2.5% respectively. The MPC's decisions were influenced by two factors: (a) the ECB kept its rates unchanged from November 8, 2001 until December 5, 2002; and (b) the belief that reducing interest rates would not lead to an increase in tourist arrivals. A boost in consumer and business confidence through a perceived increase in security against terrorism and not a decrease in interest rates was required.

The CBC reduced the Lombard rate by 50 basis points two more times: on December 13, 2002 and April 4, 2003. Both reductions followed cuts in the ECB rates on December 6, 2002 and March 7, 2003 (see Table 1).



MONETARY POLICY IN CYPRUS: BEFORE AND AFTER EU MEMBERSHIP

**Table 1: Cyprus Central Bank and ECB Interest Rates (% per annum)**

Date of decision	CBC Marginal Lending Facility (Lombard)	CBC (overnight) Deposit Facility	With effect from	ECB Marginal Lending Facility	ECB Deposit Facility
			Jan 1, <b>1999</b>	4.50	2.00
			Jan 4	3.25	2.75
			Jan 22	4.50	2.00
			April 9	3.50	1.50
			Nov 5	4.00	2.00
			Feb 4, <b>2000</b>	4.25	2.25
			March 17	4.50	2.50
			April 28	4.75	2.75
			June 9	5.25	3.25
			Sept 1	5.50	3.50
			Oct 6	5.75	3.75
Dec. 21, <b>2000</b>	7.00				
			May 11, <b>2001</b>	5.50	3.50
Aug 10, <b>2001</b>	6.50		Aug 31	5.25	3.25
Sept 18, <b>2001</b>	6.00		Sept 18	4.75	2.75
Nov 2, <b>2001</b>	5.50	2.50	Nov9	4.25	2.25
Dec 13, <b>2002</b>	5.00		Dec 6, <b>2002</b>	3.75	1.75
			March 7, <b>2003</b>	3.50	1.50
April 4, <b>2003</b>	4.50	2.50			
			June 6, <b>2003</b>	3.00	1.00

[Sources: Central Bank of Cyprus (2003) and European Central Bank (2003b)]

The interest rate reduction in December 2002 was taken after the decisions of the US Federal Reserve and of the ECB (taking into account the subdued inflation) to reduce their official interest rates by 50 basis points and was aimed to spur economic growth and boost the economy that was growing relatively slowly due to the eminent war in Iraq. The cuts also aimed at keeping interest rate differentials between Cyprus and the EU at the same level to prevent large capital inflows – 'hot money' – in search of higher domestic interest rates on savings as well as to discourage local residents from taking out loans (at lower interest rates) in foreign currency from abroad.

Between April 4, 2003 and April 30, 2004 the CBC kept the Lombard rate at 4.5%. During this time, the CBC had justified its stance to not lower interest rates citing the large fiscal deficit (over 5%), the relatively high inflation rate, the large Balance of Payments deficit (over 1bnCYP) and the expected recovery of the world economy. However, the much publicised global economic recovery did not really occur except in the USA where the growth rates began to pick up in 2004. The eurozone economy is still experiencing anaemic growth but the ECB has been unwilling to cut interest rates stating that the rates were not the deterrent to higher growth rates. In addition to the reasons cited by the CBC, it is likely that the CBC did not lower interest rates during this time to discourage an outflow of funds.

### **Monetary Policy Until Euro Adoption**

Monetary policy strategies of the new EU member states are bound by the respective exchange rate regimes and possible changes due to participation in ERM II and preparation for the adoption of the euro (European Commission, November 2002).

Gunther (2002) has argued that, "currency baskets and flexible exchange rates are not sustainable with respect to EU, ERM II and EMU accession." The CBC has decided not to alter its exchange rate regime and has kept the CYP pegged to the euro.

Until Cyprus joins the eurozone, it will conduct an autonomous monetary policy and take part in the European System of Central Banks (ESCB) on a restricted basis. The CBC will have to maintain its recently acquired independence and have price stability as its main objective. Although theoretically, the CBC will be able to conduct an autonomous monetary policy until Cyprus adopts the euro as its currency, for all practical purposes, its decisions are already greatly influenced by the ECB's monetary policy. The primary objective of the ESCB, as defined in Article 2 of the Statute of the ESCB and of the ECB, is to maintain price stability<sup>13</sup> (ECB, 2003b). Since the ECB's main objective is price stability, the main objective of the

CBC's monetary policy has also been and will be price stability over the medium term, which is interpreted to be a targeted range of core inflation<sup>14</sup> around 2%. The current ERM II – type exchange rate framework that the CBC has adopted shall remain in place until Cyprus' entry to ERM II (European Commission, November 2002).

It should be noted that although compliance with the convergence criteria was not a precondition for new EU accession countries to join the EU, the Cyprus government felt the need to meet these criteria to convince EU states that its economy would not differ significantly and that it is capable of adopting macroeconomic policies aimed at stability. According to Article 104c of the EC Treaty, now that Cyprus has joined the EU, it will have to avoid excessive budget deficits and have to comply with the Growth and Stability Pact that requires Member States to meet the convergence criteria on a permanent basis (Europa, 2000).

One of the criticisms of adopting the euro is that a eurozone member's central bank will not have direct control over its monetary policy and will not be able to act accordingly to local shocks. Theoretically, this is true. However, the decision by Cyprus or any other country to join the EU, effectively reduces the national central bank's freedom to take decisions autonomously even before adopting the euro.<sup>15</sup> This is because the need for convergence toward the Maastricht criteria (and the Growth and Stability Pact) and therefore between new and other EU members' economies predetermines a central bank's objectives and decisions. For instance, it could not be possible for the CBC's monetary policy to be drastically different from what it is now, if Cyprus' inflation and long term interest rates are to be close to those of EU countries. The above can be verified by the wording of the CBC's Monetary Policy Committee's announcement after its meeting on April 7, 2004 which states that in maintaining its marginal lending facility and deposit facility rates unchanged it "took into account that in their most recent meetings the US Federal Reserve, the European Central Bank and the Bank of England decided to keep their official interest rates unchanged" (CBC, 2004).

Cyprus had to liberalise capital movements in order to join the EU. The CBC had adopted a step-by-step approach to liberalising capital movements. As of May 1, 2004 all restrictions on capital movements have been removed. Given that the CYP is pegged to the euro, it is not possible for monetary policy to be autonomous if the movement of capital is completely liberalised (impossible trinity).<sup>16</sup>

For most accession countries there is a serious concern regarding the detrimental effects of capital inflows due to potential exchange rate appreciation (1%-2%) and speculative reversals of capital flows. In Cyprus, there are fears that the opposite will happen. There has been speculation that with the country's

accession to the EU and the complete liberalisation of the capital market following the ending of exchange controls, there will be a mass exodus of funds out of Cyprus and a devaluation of the GYP will follow. This prompted the Governor of the CBC, Mr. Christodoulos Christodoulou, on a number of occasions to deny such speculation. For instance, in July 2003 he stated that there was "absolutely no reason, no element to justify even a thought about devaluation of the Cyprus currency" (*Financial Weekly*, 18-24 July 2003). Similarly, "[o]n September 25, 2003, the CBC issued a written statement saying there was no substantiated study, report or proposal which suggests that the GYP must be devalued and that the exchange rate is based on real economic data. Studies by the IMF and various universities project the GYP to retain its value" (*Financial Weekly*, 26 September 2003). In November 2003, the Director of Economic Research and Planning of the Popular Bank in Cyprus, stated that "the current Euro/GYP exchange rate reflects the fundamental characteristics of the Cyprus economy" (*Fileleftheros*, 25 November 2003). However, Christopher Pissarides, a member of the Monetary Policy Committee of the CBC, in an interview given in September 2003, expressed the view that the Maastricht criteria could only be met with an increase in taxes (such as VAT by 3%) which however was not recommended due to low economic growth.<sup>17</sup> He stated that even after adopting painful measures, joining the eurozone is not possible before 2008. In March 2004, the CBC governor stated that "[e]conomic studies show the equilibrium exchange rate of the GYP to be around 1.7086 euros [and that] for twelve years we have not exceeded fluctuation beyond a narrow band of 2.25%. This is a very sound element that proves that the existing parity between the Cypriot pound and the euro is a correct one" (*Financial Weekly*, 19-25 March 2004). However, it is important to note that for most of those years, there were exchange controls that made it easier for the CBC to prevent large fluctuations in the GYP. Furthermore, during the two weeks prior to EU accession on May 1, about 80 million GYP were transferred abroad compared to 65 million GYP during the same period last year. During the first four months of 2004, 180 million GYP were transferred abroad compared to 156 million CYP during the same period in the previous year.

In a rare case of differing action, right before Cyprus's EU accession, the CBC decided to increase interest rates by 1% on its marginal lending facility (to 5.5%) and its deposit facility (to 3.5%) even though the ECB kept its rates unchanged after its meeting in April 2004. The Governor of the CBC, Mr. Christodoulou said that the decision was made to send a strong message that the GYP would not be devalued and to deter further outflows of capital that were creating downward pressures on the Cyprus pound (*Fileleftheros*, 1 May 2004).

The increase in interest rates helped to boost confidence in the GYP leading to a significant inflow of foreign exchange and ending the outflow of funds that had been taking place in the months prior to May 1, 2004.<sup>18</sup>

Another potential problem for the new EU member countries is that of asymmetric shocks. With the adoption of the euro, countries will not be able to use exchange rate policy to deal with shocks. A high degree of price and wage flexibility as well as labour mobility will be needed to avoid large increases in structural unemployment. The occurrence of asymmetric shocks "will require the adjustment of relative price levels that in turn depends on the availability of flexible labour markets and an elastic wage setting process" (Roovers, 2001). In Cyprus, the latter is arguably quite limited in the public sector, due to the very strong trade union PASYDY. Moreover, public sector wages (as well as a number of wages in the private sector) are indexed to inflation.<sup>19</sup> Furthermore, over 70,000 private sector employees are unionised. The bargaining powers of the two major trade unions SEK and PEO have traditionally been quite strong and it does not appear that there is any political party willing to propose reforms that will weaken trade unions.

### **Dangers of Adopting the Euro Too Soon**

Although the European Commission has expressed the view that it is better for accession countries to not rush to adopt the euro, the CBC has expressed its intentions of joining the eurozone in 2007.<sup>20</sup> Estonia, Lithuania and Slovenia joined the ERM II in July 2004 in an attempt to join the euroland as soon as possible. To join the EMU, the nominal exchange rates have to remain within the ERM II band of  $\pm 15\%$  for at least two years (Art. 109j EC Treaty).

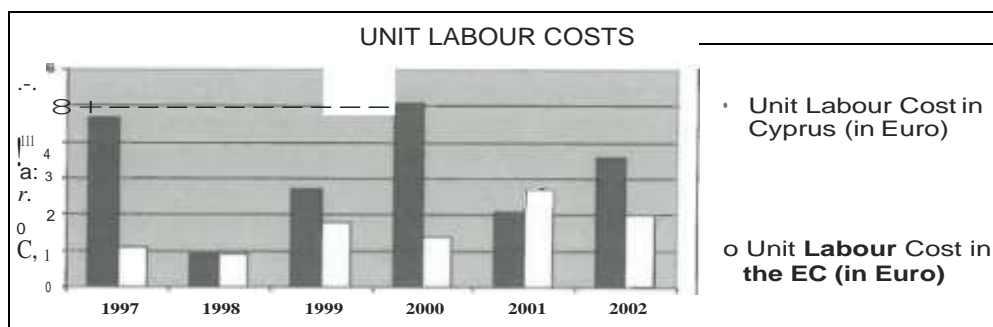
One theory that can be used to assess a country's readiness for monetary union is that of the optimum currency area (Mundell, 1961) which requires convergence in economic structures to minimise the risk of asymmetric shocks. By adopting the euro, the CBC will not be able to use an exchange rate policy to deal with asymmetric shocks. If prices and real wages are sticky downwards and capital and labour are immobile, an asymmetric shock could lead to higher structural unemployment.

Hence, the risks and costs of E(M)U enlargement depend upon the starting position of the new member states. The bigger the development gap between the new and existing member countries, the larger are the risks and potential costs of E(M)U enlargement (Wagner, 2001). This is why it is so important for real convergence to be achieved<sup>21</sup>

How does Cyprus fare with respect to price and wage flexibility and unemployment? Growth rates in unit labour costs can be used as an indirect measure of wage flexibility. In 1997, 1999, 2000 and 2002 unit labour costs grew at a faster rate in Cyprus than in the EU (see Figure 3). Furthermore, real wage increases were greater than productivity gains for each year between 1999 and

2003 (see Tables 2 and 3).

Figure 3: Unit Labour Costs



[Source: Cyprus Ministry of Finance]

Table 2: Unit Labour Cost

	1997	1998	1999	2000	2001	2002	1997-2002
Unit Labour Cost in Cyprus (in C.P.)	4,1	0,9	2,4	4,2	2,6	3,7	2,98
Unit Labour Cost in Cyprus (in Euro)	4,7	0,9	2,7	5,1	2,1	3,6	3,18
Unit Labour Cost in the EC (in Euro)	1,1	0,9	1,8	1,4	2,7	2,0	1,65

MONETARY POLICY IN CYPRUS: BEFORE AND AFTER EU MEMBERSHIP

**Table 3:**

<b>Labour Market</b>	1999	2000	2001	2002	2003	2004 (proj.)	2005 (proj.)	2006 (proj.)	Avg Gr PEP 2002- 2006	Avg Growth 1998- 2003
1. Registered Unemployment Rate (%)	3,6	3,4	2,9	3,2	3,5	3,4	3,2	3,0	3.3	3.3
1.1. Labour Force Survey Unemployment Rate	N/A	N/A	N/A	3,3	4,1	N/A	N/A	N/A	N/A	N/A
2. Productivity Increase(%)	2,6	2,5	1,9	0,6	0,5	3,0	3,4	3,3	2.8	1.9
3. Nominal Earnings (%)	4,8	7,2	5,1	4,7	6,0	4,8	4,5	4,5	4.7	5.3
4. Real Earnings (%)	3,0	2,9	3,1	1,8	1,4	2,7	2,5	2,5	2.1	2.3
5. Nominal Unit Labour Cost (%)	2,2	4,3	2,7	4,5	3,3	1,7	1,1	1,2	1.8	3.4
6. Real Unit Labour Cost(%)	0,5	0,2	0,7	1,7	-0,8	-0,3	-0,9	-0,8	-0.7	0.5

Wagner (2001) points out that the structural requirement and challenges associated with E(M)U enlargement i.e., liberalisation of capital flows (for EU enlargement) and fulfilment of the convergence criteria (for EMU enlargement) have been and will be a great challenge for monetary policy in the new member countries and for the ECB.

Various pitfalls could arise if the new members try to fulfil the Maastricht convergence criteria within a very short period of *time* in order to adopt the euro as quickly as possible. This may overstrain the new EU members as well as the core countries as it leads to (1) structural problems and (2) cyclical problems. First, if EMU enlargement comes over-hastily, real divergence may arise as opposed to real convergence because of the effects of restrictive fiscal policy on infrastructure in the candidate countries. Furthermore, for a country to successfully raise its per capita GDP level to that of the EU in a short period of time, it must experience high productivity growth especially in the traded goods sector. This could result in price increases in the non-traded sector (Balassa-Samuelson effect).<sup>22</sup> There could be

an upward pressure on the real exchange rate creating inflationary pressures.<sup>23</sup> Hence, in attempting to achieve real convergence quickly, it could be difficult for these countries to keep nominal exchange rates within the ERM II band while simultaneously meeting the inflation criterion. "After EMU enlargement, this may even trigger (at a given money supply associated with a common inflation target) a recessionary effect in core countries."<sup>24</sup> Secondly, if financial markets conclude that the occurrence of real divergence is likely, they may anticipate a recession in the EU. "Real divergence may happen after an early adoption of the euro and then induce the EU to counteract and bail out the problem countries. The expectation on the financial markets of such bail-out-actions of the core countries would immediately lead to an increase in interest rates that would put the ECB under pressure" (Wagner, 2001). Thus simply meeting the Maastricht criteria does not necessarily mean that the Cyprus economy is ready for the eurozone. It is possible to satisfy the criteria by adopting stern measures that, however, will not guarantee sustained real convergence. Two of the political parties that form part of the coalition government (AKEL and EDEK) as well as certain economists have expressed the view that measures that will reduce economic growth and increase unemployment should not be implemented for the sake of adopting the euro by January 2007.

According to Jiri Jonas, advisor of the executive president of the IMF, it is not bad for a new EU member country to delay a couple of years to join the ERM II in order to achieve flexibility in the economy, as long as during this time markets do not see the delay negatively due to lack of fiscal discipline or rising inflation. If during this time the economy shows fiscal consolidation and low inflation, markets will not seek an interest premium on loans and will not put pressure on the currency.

However, the CBC governor and the Cyprus Minister of Finance have expressed concerns that if the Cyprus economy does not achieve its targets as laid down in the fifth (revised three times) Economic Convergence Plan that was submitted to ECOFIN, the government will lose its credibility in the EU.

Moreover, the CBC's desire to adopt the euro as soon as possible, would allow Cyprus to reap the benefits of EMU: no transaction costs due to currency conversions, elimination of exchange rate risks, increased price transparency and competition that will result in greater efficiency. Theoretically, "early euro adoption could make the new EU member countries less vulnerable to financial crises since potential exchange rate volatility and sudden capital flow reversals would be eliminated and responsibility for bailing out might shift from the national level to the euro area level" (Roovers, 2001). Simply put, the longer it takes to adopt the euro, the greater will be the opportunities for destabilising speculative attacks on the country's currency.



How will new EU countries' exchange rates respond to accession? Cavelaars (2002) concludes that their real exchange rate will appreciate by 1-2% upon accession<sup>25</sup>. The real exchange rate appreciation would be smaller in the case of postponed accession. Intuitively, the more productivity levels and wages of the current and new member states have converged before accession, the more price levels will have converged and therefore the smaller will be the marginal impact of reducing trade costs on relative prices (Cavelaars, 2002).

What will be the effects of asymmetric productivity shocks on exchange rates after EU accession? After accession, trade barriers and therefore trade costs will decrease. This could help to increase trade between the new and existing member states. Hence, the non-tradable sector could decrease making the real exchange rate less sensitive to unanticipated productivity changes. Thus, under certain conditions, EU accession could help stabilise the real exchange rate between the new and existing EU member states (Cavelaars, 2002; Roovers, 2001).

In addition to the above, there may be a political reason behind the desire to adopt the euro as soon as possible. The next presidential elections (assuming no solution to the Cyprus problem) are scheduled for 2008. If Cyprus adopts the euro by January 2007, there will be enough time for the economic benefits of EMU to alleviate any negative effects on the economy that may have resulted from real convergence. Alternatively, irrespective of any elections, the government could 'advertise' its achievement of adopting the euro to create a favourable image to the electorate.

To what extent has the Cypriot economy achieved real convergence with the euro zone? Its GDP per capita based on purchasing power standards (PPS)<sup>6</sup> is over 70% of that of the fifteen 'old' EU countries, its unemployment rate is considerably lower than that of the eurozone and its long term interest rates satisfy the Maastricht criteria. However, its budget deficit as a percentage of GDP was 5.5% in 2003 and is expected to be over 6% for 2004. Its national debt as a percentage of GDP was 63.6% in 2003 and is expected to be about 72% for 2004. Inflation in 2003 was 4.1% although it is expected to fall below 2.5% in 2004 (see Tables 4 and 5).

## THE CYPRUS REVIEW

**Table 4: Inflation and interest rates in Europe and Cyprus – August 2003**  
(latest 12-month average)

	Inflation ( HICP)	Long-term interest rates	Long-term real interest rates
Belgium	1,40	4,26	2,86
Denmark	2,40	4,39	1,99
Germany	1,00	4,12	3,12
Greece	3,60	4,37	0,77
Spain	3,50	4,21	0,71
France	2,00	4,19	2,19
Ireland	4,40	4,24	-0,16
Italy	2,90	4,33	1,43
Luxembourg	2,70	3,60	0,90
Netherlands	2,70	4,19	1,49
Austria	1,40	4,23	2,83
Portugal	3,70	4,26	0,56
Finland	1,50	4,24	2,74
Sweden	2,10	4,69	2,59
United Kingdom	1,40	4,43	3,03
Euro zone	2,10	4,23	2,13
EU-15	2,00	4,26	2,26
Cyprus <sup>1)</sup>	3,92	4,85	0,93

1) The table has been revised so that Cyprus inflation is based on the Harmonised Consumer Price Index as in the other EU countries.

**Table 5: Economic Indicators**

		1996	1997	1998	1999	2000	2001	2002	2003
GDP/capita Cyprus	PPS	15400	16100	17000	17500	17000	17100	17400	
GDP/capita EU-15	PPS	18500	19400	20300	21300	22700	23300	24000	
GDP/capita CC-10	PPS	7900	8500	9000	9500	10200	10700	11100	
Unemployment Rate	% of EAP	3.1	3.4	3.4	3.6	3.4	2.9	3.2	3.5
Inflation Rate	% t.,, CPI	3.0	3.6	2.2	1.7	4.1	2.0	2.8	4.1
Gov. Deficit	% of GDP	3.4	5.3	5.5	4.0	2.7	2.8	3.6	5.5
National Debt	% of GDP	47.9	52.7	55.6	56.8	54.6	55.6	59.7	63.6
Productivity	%t..	1.2	2.2	3.8	2.6	2.5	1.9	0.6	0.5
Nominal Wage Rates	%t..	6.1	6.8	5.2	4.8	7.2	5.1	4.7	6.0
Real Wage Rates	%t..	3.1	3.1	2.9	3.0	2.9	3.1	1.8	1.4

[Source: Central Bank of Cyprus]

Based on these numbers there currently does not appear to be much convergence. If the Cyprus government insists on achieving its declared objective of adopting the euro in 2007, it will need to adopt measures to reign in the budget deficit to 3% of GDP and the National Debt to 60% of GDP as required by the Maastricht criteria. New measures to increase the efficiency of the tax revenue collection and to increase the fees for certain public sector services will probably not suffice. Nor will higher expected growth rates alone reduce the deficits sufficiently.

Most public expenditures are on current expenditures and not capital development. To decrease the deficit the government could try to restrict growth in its expenditures.<sup>27</sup> For instance, it could cut spending on defence and control public sector pay increases. The public sector wage bill accounts for 31% of public expenditures and is relatively larger than in most of the other EU countries. However, this is likely to be difficult to achieve since the public sector trade union is strong and civil servants are accustomed to receiving pay increases equal to the rate of inflation plus productivity gains.<sup>28</sup>

Other measures proposed by the government to reduce the deficit include issuing deeds for apartments and premises that do not meet planning regulations due to minor irregularities, a partial tax amnesty for hidden funds stashed abroad, an increase in civil servant retirement age and social security contributions, a decrease in the government's social security contributions for civil servants and obtaining money from the semi-nationalised telecommunications and electric authorities in 2004.

Some of these measures will yield a one time windfall gain that may help to improve the government's finances in the short term to satisfy the Maastricht criteria and adopt the euro but do not provide sustainable revenue flows for the future.

Since the government is unwilling to semi privatise state owned industries if its aforementioned measures are not implemented or do not yield the expected revenues it seems likely that at some point, it will have to increase taxes. Based on the philosophy of the latest tax reform it will probably not increase income tax rates. Rather it will increase V.A.T. above 15% to a level that is more closely in line with other EU countries. An increase in V.A.T., however, may create inflationary pressures due to wages being index linked through the Cost Of Living Allowance. Moreover, the raising of indirect taxes while the economy is experiencing low economic activity will, in addition to being regressive and thus more painful to the low income earners, raise costs of production and lower economic growth rates.

### **Monetary Policy After Euro Adoption**

The ECB sets a single monetary policy for all countries in the eurozone. Hence, the CBC will not be able to adopt its own monetary and exchange rate policy once it achieves EMU. What may be the consequences, for the Cyprus economy, of giving up control of monetary policy? What difficulties will the ECB face in adopting a single monetary policy for more than twenty countries?

In order for the ECB's 'one size fits all' monetary policy to be effective and appropriate, the inflation differentials between eurozone countries must be small. However, inflation differentials do exist and this poses a problem for the ECB. For instance, if Cyprus has an inflation rate that is higher than most of the other eurozone countries, a decision by the ECB to boost the eurozone economies by adopting a loose monetary stance could trigger further inflationary pressures in the Cyprus economy that would detrimentally affect its international competitiveness. The Cyprus government may then decide to deal with the situation by adopting contractionary fiscal measures that may result in social unrest in the form of protests and strikes and political costs for the government.

The ECB claims that it does not follow a monetary rule to determine its monetary policy. It states that its strategy is based on two pillars. The first pillar is based on the principle that excessive money supply growth causes inflation in the long run. Hence, the ECB monitors monetary aggregates and has set a reference value for the annual rate of growth of M3 of 4.5% for the whole euro area. The second pillar has the ECB focusing on short-term price developments by monitoring a range of economic and financial indicators. However, there is evidence that when setting its interest rates the ECB seems to follow the Taylor rule<sup>29</sup> (Taylor, 2003) by considering, though, the inflation and output gaps in certain economies (e.g., France, Germany and Austria) instead of the whole eurozone (Alesina et al., 2001; von Hagen and Bruckner, 2002; Gali, 2003).

However, Rodriguez-Fuentes and Olivera-Herrera (2003) suggest that during the period 2001-2002, the ECB did not set official interest rates by only considering a Taylor rule but rather used other sources of information as well, such as the exchange rate of the euro and the FED's interest rate. Nevertheless, they have found that the inflation rate weighs considerably in affecting the ECB's interest rate decisions. They have also found that although there was a convergence in inflation rates between EU economies up until 2002, since then, inflation differentials among euro countries have not declined. The ECB's policies have been unable to further reduce these differentials. Perhaps this is due to the fact that, despite differentials, inflation in the EU is relatively low. De Grauwe and Polan (2003) have found the relationship between money supply growth and inflation to be weak in many low inflation countries. This would suggest that inflation is not a monetary phenomenon

casting doubt on the appropriateness of the first pillar of the ECB's monetary strategy.

The ECB has been criticised for not doing enough to boost economic activity in the EU during the period 2001-2004. Its critics have accused the ECB of taking too long to reduce interest rates and/or not reducing them enough. ECB officials have on numerous occasions stated that the ECB has done all it can and that the low growth and high unemployment rates in the EU are not due to high interest rates but due to structural rigidities such as inflexible real wages, high minimum wages and strong trade union powers as well as uncertainty and pessimism regarding the future in part due to fears created from terrorism. If all this is true, what are the implications for the E(M)U countries?

Let us assume that the low growth rates are due to structural rigidities. If we further assume that politicians are unwilling to implement the necessary reforms to eliminate these rigidities (due to the high political costs of such actions), what can E(M)U countries do to promote economic growth? On the one hand, it appears that the ECB's monetary policy will not be able to provide via low interest rates an adequate stimulus. On the other hand, eurozone countries and future hopefuls are restricted by the Growth and Stability Pact to adopt expansionary fiscal measures. This does not bode well for the European citizens.

### **Conclusion**

The CBC has evolved into an independent central bank that has adjusted to EU norms and has adopted a modern monetary policy framework. It has sought to achieve its objective of price stability and macroeconomic stability by adopting an exchange rate policy that has pegged the CYP to a stable currency anchor. The CBC wants to adopt the euro as soon as possible. One of the arguments against adopting the euro is that the national central bank loses control over monetary and exchange rate policy. If the economy is hit by an asymmetric shock the CBC will not be able to react. The ECB may feel that the greater interest of the eurozone may be served by adopting a stance that will not help to alleviate the effects of the shock to the Cyprus economy. However, in reality, to a large extent, the CBC's decisions are already greatly influenced by the monetary stance of the ECB. What is more important is that the CBC should not hasten to adopt the euro unless the Cyprus economy achieves real convergence. Adopting measures that will quickly and temporarily reduce the budget deficit in order to meet the Maastricht criteria may create more serious problems in the future. If other new EU members also join the eurozone quickly without having first achieved real convergence, it is very likely that the ECB will encounter great difficulties in implementing a monetary policy that will suit more than twenty countries.

**Notes**

\*The first draft of this paper was presented at the annual conference of the European Association for Evolutionary Political Economy (EAEPE) in Maastricht, The Netherlands, 7-9 November 2003. The author would like to thank the session participants for their comments, two anonymous referees for their useful recommendations as well as Jean Sebastien Pentecote and Marco Dias for their explanations regarding their mean reversion models.

1. Information taken from the CBC's web site (<http://www.centralbank.gov.cy/>).
2. More specifically, the CBC is not allowed to grant overdrafts or any other type of credit facilities to the central government and local authorities.
3. Some economists argue that a trade-off between inflation and unemployment exists even in the long run. Other economists, of the rational expectations school of thought, argue that there is no trade-off between unemployment and inflation even in the short run.
4. The ECU was a weighted average of the currencies of the twelve countries that were members of the EU before 1995. Thirty-three per cent of the value of the ECU was determined by D-Marks and 20% by French francs. To avoid currency realignments, Cyprus adopted an exchange rate policy of shadowing the D-Mark because it was a stable currency and Germany had low inflation.
5. For instance, in 1992 the Spanish peseta, the Portugese escudo and the Italian lira were devalued. In 1993, the Irish punt and French franc were devalued and the peseta and escudo were devalued again. In 1995, the peseta and the escudo were devalued one more time.
6. The exchange rates in Figure 2 represent the average exchange rate for the year.
7. The exchange rate fell below the central parity rate during certain months in 2003.
8. The rates were obtained from the historical database provided by OANDA-FXTrade-website (<http://www.oanda.com/convert.fxhistory>).
9. This happened to the sterling £ in 1992, when speculators were convinced that the British government was going to devalue the £, despite the Bank of England spending large sums of its official reserves to keep the value of the £ within the ERM band.
10. Information taken from the CBC's web site (<http://www.centralbank.gov.cy/>).
11. The CBC still issues directives to commercial banks setting the reference value for the annual growth rate of bank credit. Since 2001 this rate has been annually set at 11%.
12. However, it should be noted that in accordance with a directive issued by the Commissioner for Co-operative Development, every co-operative credit institution (CCI) is required to deposit at the Co-operative Central Bank at least 25% of its deposit liabilities.
13. Price stability is defined as a year-on-year increase in the Harmonised Index of Consumer Prices (HICP) for the euro area of below 2%. Price stability is to be maintained over the medium term. The Governing Council announced that, in the pursuit of price stability, it would aim to maintain inflation close to 2% over the medium term.
14. Core inflation is defined as a measure of inflation that excludes changes in the prices of agricultural goods and petroleum products, as well as changes in indirect taxes (CBC, 2003).

15. This is especially true for Cyprus that uses the euro as a currency anchor for the CYP.

16. See Frankel, J. (1999), 'No Single Currency Regime is Right for All Countries or At All times', NBER Working Paper No. 7338, Cambridge.

17. Christopher Pissarides is professor of economics at the London School of Economics. The interview was given to Kyproulla Papachristodoulou and published in the newspaper *Fileleftheros*, 14 September 2003.

18. In July 2004, Cyprus sold a 500m euro 10-year bond. The issue was covered very quickly. Many countries bought the bonds at a very good price for Cyprus and at a very good interest rate reflecting the stability of the CYP and the trust of international markets and EU countries in the Cyprus economy.

19. The cost of living allowance (COLA) is given twice a year based on the inflation over the previous six months.

20. Members of the European Parliament's Economic and Monetary Affairs Committee suggested to the Members of the Cyprus House of Representatives Finance Committee that it would be wiser for Cyprus to wait until 2008 or 2009 to join the eurozone.

21. Real convergence may be defined as sustainably meeting the Maastricht criteria.

22. See Balassa, B. (1964), 'The Purchasing Power Doctrine: A Reappraisal', *Journal of Political Economy*, No. 72, pp. 585-596 and Samuelson, P. (1964), 'Theoretical Notes on Trade Problems', *Review of Economics and Statistics*, No. 46, pp. 145-154.

23. In the catching-up process, productivity gains in the open tradables sector of the economy exceed increases in the non-tradables sector. However, if nominal wages increase at similar pace in both sectors, the increase in unit labour costs is likely to be higher in the non-tradables sector thus pushing up inflation. Therefore, catching up economies may face a structurally higher inflation rate than mature economies.

24. There is also the possibility of further wage increases via second round effects which would lead to a decrease in competitiveness.

25. This is based on the assumption that trade costs will decline by 3% and without taking into consideration confidence effects.

26. To facilitate international comparisons, 'Eurostat' converts GDP per capita into a common unit that reflects the actual purchasing power of the national currency. To remove the distortions due to price differentials, transitive purchasing power parities (PPP) are calculated in order to be used as factors of conversion. The 'real' values of GDP per capita obtained by using the above conversion factors are expressed in terms of purchasing power standards (PPS), a unit that is independent of any national currency.

27. The Minister of Finance, Mr. Makis Keravnos, has expressed the intention "to put a ceiling on the government's current expenditures of 3% and a ceiling of 4% on development expenditures."

28. The public sector trade union PASYDY has initially rejected any salary freezing and wants a real pay increase equal to civil servant productivity gains.

29. John Taylor has suggested a rule that can be used to determine the appropriate interest rate that is conducive for growth as well as non-inflationary. The interest rate is determined by taking into account the central bank's inflation target, the natural real interest

rate i.e., the real interbank interest rate that would exist when the economy is at full employment in the long run, the difference between targeted inflation and actual inflation, and the output gap.

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## MONETARY POLICY IN CYPRUS: BEFORE AND AFTER EU MEMBERSHIP

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**Appendix**

In their work on exchange rate estimations, Pentecôte and Senégas (2003) and Trede and Wilfling (2004) have modelled the dynamics of bilateral exchange rates of non-eurozone currencies vis-a-vis the Euro as a mean reversion process. The most basic mean reversion model is the (arithmetic) Ornstein-Uhlenbeck model. (See 'On the Theory of Brownian Motion' by G. E. Uhlenbeck and L. S. Ornstein in N. Wax, eds., *Selected Papers on Noise and Stochastic Processes*, Dover Publications., 1954, pp. 93-111.)

The mean reversion process is a log-normal diffusion process. The variance does not grow proportionally to the time interval. It grows in the beginning and after some time stabilizes to a certain long run equilibrium value. The model is based on the assumption that in the long run, prices revert to a long-term equilibrium level. Evidence of mean reversion exists for oil prices, agricultural commodities and the futures market. For instance, in contrast to mean reversion, if prices follow a random walk, the volatility in the futures prices should equal the volatility of the spot price, but the data show that spot prices are much more volatile than future prices. Thus the mean-reverting model is much more consistent with the futures prices data than a random walk model (Dias, 2004).

***Extracting Market Expectations From The Spot Exchange Rate Dynamics***

(Content taken from Pentecôte and Sénégas's paper, and Dias's website.)

For estimating the long term expected value of an exchange rate, it is assumed that the exchange rate is subject to the following stochastic differential equation:

$$\begin{aligned} dY(t) &= \eta[m - Y(t)]dt + \sigma dW(t) \\ Y(t_0) &= Y_0 \end{aligned} \tag{1}$$

$Y(t)$  represents the number of domestic currency units for one euro at date  $t$  (with starting value  $Y_0$ ).  $W(t)$  is the standard Wiener process.  $m$  is the stationary value to which the spot rate is expected to converge in the long run.  $\eta$  ( $\eta$ ) is the mean-reversion parameter. It reflects the speed of convergence towards the implicit parity  $m$ .  $\sigma$  ( $\sigma$ ) is the instantaneous volatility of the spot rate.

The solution for the current exchange rate can be derived from equation (1). For any  $t > t_0$ , we obtain the expression of an Ornstein-Uhlenbeck process:

$$Y(t) = Y_0 \exp(-\eta \Delta t) + m [1 - \exp(-\eta \Delta t)] + \sigma \int \exp(-\eta \Delta t) dW(t) \tag{2}$$

In, 'Exchange Rate Dynamics Under Stochastic Regime Shifts: A Unified Approach', *Journal of International Economics*, Vol. 31, (3/4): 1991 pp. 203-309, Froot, K. and Obstfeld, M show that "the Ornstein-Uhlenbeck process assumption may provide a relevant and flexible theoretical basis for the exchange-rate path under a target-zone regime or in a managed float system. In this type of model, fundamentals are subject to a mean-reversion drift which transmits itself to the exchange rate. Such a dampening force may result directly from central bank interventions at the limits and/or within the band. The mean-reversion property may also be an indirect consequence of the implementation of some stabilising policy based on instruments like interest rates to ensure the convergence of inflation and/or output to their desired targets" (Pentecôte and S negas, 2003).

A rough indicator of the bilateral conversion rate consistent with the perceived 'long-run' market equilibrium can be obtained by implementing a maximum likelihood estimation directly on equation (2).

By working with the arithmetic process for the logarithm of the stochastic variable, simulations and parameter estimations become easier.  $Y(t)$  is the current exchange rate. Let  $x(t) = \ln Y(t)$ . With  $x$  following the arithmetic Ornstein-Uhlenbeck process toward an equilibrium level  $m$ :

$$dx = \lambda(m-x)dt + \sigma dW$$

The variable  $x$  has a normal distribution. The expected value of  $x$  will be an intermediate point between  $x(0)$  and the mean  $m$ , weighted by a decay rate  $[\exp(-\lambda t)]$ . The weights sum one. The variance of the Normal distribution of the variable  $x$  at the instant  $t$  is:

$$\text{VAR}[x(t)] = [1 - \exp(-2\lambda t)] \sigma^2 / 2\lambda$$

As there is a time decay term for the variance, the variance is bounded and does not grow infinitely.

The equation describing  $dx$  is a continuous time version of the *first-order autoregressive process*, AR(1), in discrete time. It is the limiting case ( $\Delta t$  tends to zero) of the AR(1) process:

$$X_t - X_{t-1} = \lambda [1 - \exp(-\lambda \Delta t)] + [\exp(-\lambda \Delta t) - 1] X_{t-1} + \varepsilon_t$$

where  $\varepsilon_t$  is normally distributed with mean zero and standard deviation  $\sigma_\varepsilon$  and:

$$\sigma_\varepsilon^2 = [1 - \exp(-2\lambda \Delta t)] \sigma^2 / 2\lambda$$

In order to estimate the parameters of mean reversion, we run the regression:

$$x_t - x_{t-1} = a + bx_{t-1} + \epsilon_t$$

The parameters are calculated as follows:

$$\begin{aligned} m &= -a/b \\ \eta &= -\ln(1+b) \\ \sigma &= \sigma_\epsilon \sqrt{2 \ln(1+b)/(1+b)^2 - 1} \end{aligned}$$

where  $\sigma_\epsilon$  is the standard deviation from the regression.

For a detailed explanation of the above, visit Marco Dias's web site (<http://www.puc-rio.br/marco.indL>).

Using daily spot exchange rate data between 1993 and 2004, the above exercise resulted in a long run equilibrium exchange rate estimate of 1.725euros/CYP.

Commentary  
Article

**VOLUME** 16  
**NUMBER** 1





# The Political Process in Cyprus and the Day After the Referendum

**Michalis Attalides**

The internal political process in Cyprus in the aftermath of the referendum in which Turkish Cypriots voted 'yes' by majority and Greek Cypriots voted 'no' by an overwhelming majority to the adoption of the Annan plan, is characterised by a lack of clarity. The lack of clarity expresses itself among Greek Cypriots through a postponement of decisions, and a failure to present clear alternatives before the body politic. The reasons for this lack of clarity may be partially related to the conduct of the referendum campaign among the Greek Cypriot community.

## **The Referendum Debate**

The debate before the referendum was extensive and open. But it did not have all the characteristics of an important public debate in a mature democracy, and it did not produce a quality of debate which is ideally needed when such a big issue with so many implications needs to arrive at national policy decisions. The public dialogue did not crystallise on a number of core issues. The voter was confronted with an enormous legal document and discussions on a whole range of issues, sometimes with changing priorities on the part of prime participants. So even those who were in favour of a 'no' vote did not form a consensus view of the central points that invited the 'no'. As one of the participants in the 'no' campaign perspicaciously pointed out early in the campaign, there would be a large 'no' vote due to 'converging dissatisfactions'.

Secondly, the 'yes' and the 'no' campaigns were both one-sided, each side pointing exclusively to positive or negative elements in the Annan plan respectively, thus giving people only a polarised alternative and a catastrophic view of the future if their position did not prevail. It has been correctly pointed out that one of the prerequisites of a mature democracy is the dissemination of the belief among the citizenry that even if the other side wins the country will survive. The country did survive, but mutually exclusive sentiments of relief or a sense of doom are not a fertile basis for a political dialogue.

Thirdly, it was not clear as to which rules the campaign was run by. Very small parties, and initially marginal points of view seemed to get equal time in the mass media with large parties. The sources of financing of the campaigns were not made public, though it was clear that the 'no' campaign was well financed and

professionally run. And distributors of certificates of patriotism, including the Government and most of the Church, allocated all of them to the 'no' position.

Finally, the campaign took on elements of a 'plebiscitarian' rather than liberal constitutionalist democracy with the role of parties and their constituent organs as formulators of comprehensive political propositions to be put before the public being pushed aside in *favour* of more or less charismatic direct appeals to patriotism. The President of the Republic for example, in asking *voters* to look not to their parties, but to history for guidance on whether to vote 'yes' or 'no' probably gave many voters the impression that he was identifying a 'no' vote in the referendum with the historic 'no' which expressed the resistance of Greece to the fascist attack against its territory in 1940. The two large parties which have historically represented almost 70% of the voters and were traditionally strong supporters of a compromise solution received electoral blows, which led their leaders towards caution.

Also the very limited time period available for the campaign did not contribute to the maturity of the outcome, and both campaigns left out crucial elements which might be thought of as essential ingredients for crystallised, comprehensive and clearly elaborated positions.

The 'yes' campaign emphasized elements of the fairness of the compromise contained in the Annan Plan, and the good will evident among ordinary people of both communities which would help the new state of affairs to function smoothly. The second element is undoubtedly valid. But crucial structural elements which are unlikely to be overcome merely by 'good will' were left out of this position, including the empirically known factors militating against the stability of a federation of two ethnically different components, (actually this aspect of a proposed federation in Cyprus has never been the object of extensive public discussion), the workability of the proposed solution, the economic dimension, and the possible uncertainties that might have been generated through a negative development of relations between Turkey and the EU.

The 'no' campaign heavily emphasised the unfairness of the Annan Plan for the Greek Cypriots, the loss of control of the Greek Cypriots *over* an internationally recognised state, the Republic of Cyprus, and exaggerated the clearly evident economic disadvantages of a solution while obscuring the advantages.

But where both campaigns were remarkable was in the assumptions and attitudes to the outside world. The catastrophe that the 'yes' campaign envisaged was the terminal partition of Cyprus in the event of a 'no' vote, largely overlooking the impetus to the country's integration that could come from the integration of Cyprus into the EU and the evolving relation of the Greek Cypriots to the Turkish



Cypriot community. The 'no' campaign concentrated on the provisions of the Annan plan and almost ignored the fact that it was the Cyprus Government which had invited the reactivation of the mediation efforts of Kofi Annan, on the basis of his plan, as well as the fact that the whole strategy of the Greek Cypriots and the Government of Cyprus since 1974 had been to involve the international community in an effort to induce Turkey to accept a solution of the Cyprus problem based on a bizonal, bicomunal federation.

### **Greek Cypriot Introversion?**

The campaigns thus contributed to a kind of introversion. The 'no' campaign tended to argue that the position of Cyprus would be much stronger after accession to the European Union, as a full member. This position, simply stated, does not take into account that the European Union stands for many things over and above its legal framework, and that the influence of Cyprus internationally had for the past thirty years derived from its positive relation to the international community and particularly in the last ten from its evolving status as an EU candidate country in good standing, and not merely from the undoubted legitimacy in international law of its claims. The 'yes' campaign contributed to an image of an indifferent or even vengeful international community, which would allow no more opportunities for a solution and lead to the permanent partition of Cyprus in the case of a 'no' vote. (The United Nations Secretariat and some governments through some of their statements tended to encourage this view.)

Neither of these attitudes were based on the pragmatic realities of European and international life: That legitimacy and legality are extremely important in international life, but that their applicability in reality is tempered by power politics, and that it is much harder for a small and weak country to impose its legitimacy than for a large and powerful country. Also, that a harassed European Union with an enormous agenda before it of a new Constitution, new member states, questions about further enlargement and serious economic problems, would be more understanding to reasoned and accommodating Cypriot political positions than to purely legal ones. And that accession to the European Union would introduce into Cypriot politics a 'third' new area of political reality, and new actors, the institutions of the EU and the other member governments.

The projection of the pre-referendum polarisation of 'no' and 'yes' views into the post referendum period expresses itself as a situation where many of those who said 'yes' see everything as being black and many of those who said 'no' seeing hardly any problems at all, compared to the doom that would have befallen Cyprus in the case of a 'yes' vote. This polarisation is inaccurate by omission, unproductive for dealing with the current situation, and only serves the retroactive justification of

positions previously taken. Moreover, the lack of clarities of the referendum campaign remain in the public mind, as well as the stereotyped attitudes as to patriotic or non-patriotic positions. Clearly, the campaign did not clarify precisely what is wrong with the Annan plan, or conversely what precise modifications would make it acceptable. All political actors seem reluctant to deal with this issue. In any event a case can be made that there is a whole dimension left out of discussion, which is that of how the international and European environment was handled during the run-up to the referendum and what should be done in this respect now. One might conclude that the referendum has left the Greek Cypriot community with a high degree of popular support for the result and for the Government, but with few policies and clearly defined short and long term goals in the public domain, or even a worked out understanding of the international situation the country now finds itself in.

### **Facts of the Day After**

An approach to analysis of the current situation would have to take stock of the following:

The two communities have had widely different political experiences in the past. Turkish Cypriot orthodox belief was that they had been liberated in 1974 from Greek Cypriot oppression and marginalisation. But this 'liberation' has long ago turned, in the view of many Turkish Cypriots, into oppression and marginalisation by the apparent liberator, Turkey. That is why to many of them the Annan plan could seem a prospect of liberation, economic progress and self-administration.

For Greek Cypriots, the Turkish invasion of 1974 was a catastrophe which resulted in loss of ancestral homes and territories, the division of their country, and the occupation of precisely the part of it now inhabited by Turkish Cypriots, by Turkish troops. Through their very efforts to survive and overcome the consequences of the invasion in 1974, they gained pride in their state, the Republic of Cyprus, its international effectiveness, and its internal adequacy in assuring liberty, democracy and prosperity. Their relation with Greece, now a mature and successful democracy, had become one of mutually respectful cooperation.

At the same time the internationally mediated negotiations to solve the Cyprus problem, had created a kind of *sui generis* Cyprus problem *acquis* based on successive compromises between the Turkish demands for division, separate sovereignties, equality between the communities, and maintenance of the strategic demands of the Turkish military for control of Cyprus, and the Greek Cypriot positions for a single state with a single sovereignty, normal democratic provisions, restoration of violated human rights and demilitarisation. Many of the results of this

compromise were incorporated in the Annan plan, and included characteristics such as 'bizonality' (or in the final version of the plan, 'reinforced bizonality'), 'sovereign exercise of their functions by each of the constituent states', permanent stationing of Turkish troops (and Greek ones, which no one had demanded), and labyrinthine and phased provisions for partial restoration of human rights. The complexity and phasing of arrangements reinforced doubts as to whether in fact there would be implementation. Doubts could be clearly expressed about the workability of such a solution without a framework of economic interdependence, ideological legitimation and sustained political movements supporting its implementation on the ground.

Many of the provisions contained in the Annan plan appeared even more irksome to Greek Cypriots in view of their experiences and involvement with the Council of Europe and with the European Union and with the seriousness which the political process had approached issues of democratic legitimacy over the past thirty years. To many Greek Cypriots the Annan Plan seemed to threaten these very principles as well as the well functioning state the Greek Cypriots had created for themselves in the face of great adversity. So any deficiencies in the Greek Cypriot political process leading up to the referendum do not fully explain the size of the 'no' vote. Characteristics of the plan itself, the introduction of elements for the satisfaction of the Turkish military rather than of the Turkish Cypriots, and of the forced negotiation process which led up to its finalisation, also contributed.

But the clear satisfaction with the plan expressed by Turkey, and the positive referendum result among the Turkish Cypriot community, seems to have immediately absolved Ankara in the eyes of the international community from thirty years of misbehaviour. Turkey has had much pressure lifted, by being released from the condition of a Cyprus solution before getting a date for EU accession negotiations, even as far as Greece is concerned. If Cyprus were to block the decision on Turkey getting a date because the Cyprus problem is unsolved, it would have to carry all the weight on its own.

The Turkish Cypriots, whose mobilisations against the status quo and the Denktash regime, carry much credit for lending hopefulness to a previously frozen situation are now disappointed and many of them feel that the Greek Cypriots have rejected reunification.

The Cyprus Government and the Greek Cypriots have lost the moral high ground and the capital of good will accumulated with the international community from repeatedly being the side that had shown political will for solving the Cyprus problem. It would be extremely regretful and highly unjust if European and transatlantic decision makers, having for years tolerated absolutely negative and disruptive behaviour by Mr. Denktash and Ankara, would now go overboard with the

'measures to bring Turkish Cypriots out of isolation' and go into measures that would actually jeopardise the future chances of reunification. But on the current evidence, this cannot unfortunately be excluded.

It is inevitable that it will appear to Greek Cypriots that there is an element of retribution for their 'no' vote in the positions taken by the international community. That this attitude is retributive might be concluded from the monolithic ethnic approaches on this. All Turkish Cypriots, including the 40% who voted 'no' are to be praised and rewarded, while all Greek Cypriots, including the 24% who voted 'yes' (and who in absolute numbers are more than the Turkish Cypriots who voted 'yes'), are to be regarded as meriting blame.

The EU Commission has proposed measures for "bringing Turkish Cypriots out of isolation", some of which are not provided for in the Accession Treaty of Cyprus, and which use a legal basis which is not that for member states, but for third countries. The measures as a whole might indeed bring Turkish Cypriots out of isolation, and to the degree that they succeed in elevating the Turkish Cypriots' standard of living, this would be a welcome result. One part of these measures would, if implemented, also have the tendency to convert the occupied part of Cyprus into a new kind of entity, "an autonomous region of the European Union" as it was described by one member of a Brussels think tank. To this extent they would seem to have a political purpose as an attempt to direct the 'stick' part of a 'carrot and stick' policy towards the Cyprus Government and the Greek Cypriot community, with the aim of directing them to a change in policy.

As apparently punitive measures, they may prove to be counterproductive in their political impact on the Greek Cypriot community, particularly as they offer an opportunity for some politicians to direct dissatisfaction towards the outside world. At the same time, direct diplomatic and trade relations with the northern part of Cyprus could have further, probably unintended consequences. The Turkish Cypriot leaders, treated for the first time as political leaders acceptable in Foreign Ministries might actually be encouraged to indulge in and bask in this 'semi-recognition'. What interests will be generated by direct trade relations? Might they not build up separatism? Might it not also be concluded by the Turkish Cypriot elite that a path leading elsewhere than the company of the rest of Cyprus or with the EU might be conceivable? These are potential developments leading towards the normalisation or reinforcement of partition.

### **Need for Policy**

These are not pleasant facts to contemplate. Nor is the prospect that the Cyprus Government might enter into a situation of confrontation with European partners,

the Turkish Cypriots, and others, over measures that are being promoted. Yet the approaches and political balances developed during the referendum campaign seem to inhibit the Cypriot political elite from effectively confronting these dangers. If indeed the Cyprus Government has a policy and a strategy on these issues, other than legal measures, it is being secretive about it. But secretiveness is only an effective strategy in international relations for those who can hope to effectively act in pursuit of their interests on their own on the international scene. A small country like Cyprus can neither resign itself to a retributive stance by its partners nor hope to achieve its aims without winning them over. And it can not hope to do so without sharing its aims, aspirations and policies. Diplomatically effective and politically persuasive means to convince the international community and the Turkish Cypriots about what is constructive and what is destructive of future prospects need to be deployed. This involves open dialogue within Cyprus and with those Governments which can influence developments. There is a need to form a meaningful and complete strategy combining positions about the desired outcome and the means to be utilised in reaching the desired outcome, as well as the role of third parties and the kind of relations that Cyprus needs to develop with them.

Being a member of the European Union is extremely important and pregnant with potential. But this potential is not realisable as an automatic outcome of the legal fact of membership. The legal fact of membership needs to be complemented with the full practice of membership in all fields of EU activity. The fruition of the legal fact of membership will only come through building up political capital for Cyprus within the EU, forming internal alliances, or simply put, making friends and influencing people. Cypriots have to become active, knowledgeable and constructive members of the EU, contributing to issues of European interest at the same time as safeguarding Cypriot national interests. And they must once more begin to convincingly explain to their European partners not just about why they voted 'no', but also about their current and future aims and how they plan to achieve them.

It is remarkable that though all sizeable political forces agree that the Annan Plan would be the basis of any further efforts to solve the Cyprus problem, they abstain from a public debate on what needs to be changed in the plan to make it acceptable. The argument that such a debate would weaken the Greek Cypriot negotiating position might have some weight. (Though not as much as it might appear to have at first sight, since documents on all aspects of the Plan were submitted to the UN negotiators, and presumably some part of this was conveyed to the Turkish side as part of the negotiation process). But if no such public debate takes place how is a consensus to be formed? And how will Cyprus acquire allies in its effort? A similar kind of inactivity seems to be in danger of establishing itself to that which failed to politically utilise the time between the Hague negotiations in

March 2003 and the summons of Kofi Annan to New York in the early part of 2004.

After all Cyprus is neither a military nor an economic superpower and its prestige and effectiveness internationally mainly come from the persuasiveness and constructiveness of its positions and policies and the rationality of its arguments. These are the means which Cyprus deployed, and which, together with the highly successful foreign policy of Greece, overcame the initially heavy odds against it becoming a member of the European Union.

### **Engaging with the New Situation**

If Cyprus deploys a successful effort in this direction, it will be in a position to engage creatively with the positive elements in the new situation:

Mr. Denktash seems to have been moved to the sidelines, and the Turkish Cypriot leaders seem not to embrace for the time being his aim for a separate state, as this would take them further from the major aim of joining the EU. It is not clear how long this will last, and whether other alternatives to the unity of Cyprus and EU integration might present themselves to the Turkish Cypriot leaders.

The Cyprus Government's, the United Nation's, and Turkey's thinking on possible efforts before the next important date, which is December, are not yet fully publicly clarified. But if Turkey gets a date for the beginning of her accession negotiations by the end of the year, and that has never only depended on Cyprus, or the Cyprus problem, but also on the thinking in other European Union capitals, Cyprus would, after that date, be in a more predictable environment.

The biggest risk that the Greek Cypriots and Cyprus ran from a possible 'yes' vote would have been from a conceivable subsequent refusal of the EU to fix a date for accession negotiations with Turkey. Such an eventuality might have set in train internal processes in Turkey that could have made the implementation of a Cyprus settlement unworkable. In general we shall, after the fixing of a date for the beginning of accession negotiations, be in a more predictable situation. With the EU measures, the standard of living of Turkish Cypriots will probably be rising. (Though the recent building boom on Greek Cypriot owned properties in the occupied area worryingly indicates that not all forms of economic development are conducive to a solution.) We may see the development of a more transparent and democratic political process within the Turkish Cypriot community, and perhaps more open intercommunal discussion involving more of civil society. These and other developments could make the prospect of the solution transition less daunting and involving less threatening discontinuity.

Such developments would infuse a more endogenous element to the political

process in relation to a possible solution. A solution coming from the 'outside' would always have some problem of legitimation. But this does not mean that the Greek Cypriot political process can successfully carry off an introspective approach where internal cohesion and consensus appear to be all that is necessary in handling the outside world in terms of the formalities of the legal situation. A real intracommunal and intercommunal dialogue needs to take place on the issues before us. The dialogue must take into account ideas and policies which keep both the Greek and Turkish Cypriot communities engaged on compromise terms for the reunification of Cyprus and are such that they engage the attention and understanding of the outside world, and particularly of our European partners.

Questions of land, money, power and bones have in the end to be settled if a longstanding political dispute is to be resolved, to slightly misquote a South African poet. It is likely that many of the solutions will be those identified in the Annan Plan. But these solutions will probably only appear as truly valid ones in a third political space, other than separate Greek and Turkish Cypriot politics, or the corridors of Buergenstock.

Cyprus has, through intensive efforts, reached this 'third space'. It is the political space of the European Union. The European Union does of course, as has been frequently pointed out, incorporate an *acquis* guaranteeing basic freedoms and rights. But it also incorporates a political culture emanating from its specific historical dynamic which brought peace and prosperity to the continent after centuries of nationalist strife. In this political culture nationality and cultural diversity are sacred, but nationalism is rejected. Basic citizens' rights are paramount and continually widened, but compromise is also valued. Democratic values are a *sine qua non*, but democracy is not always interpreted as strict numerical proportionality. The effort to reach unity in diversity leads to a situation where exclusion, xenophobia and prejudice are combated and the normal conduct of business involves accommodation of opposing views, painstaking efforts towards consensus, pragmatic implementation of principles, and tolerance of cumbersome decision making processes.

All this does not obviate the necessity of a resolution of the issues of land, money, power and bones. But it may give a chance for them to be negotiated in a new political context in which reconciliation, forgiveness and reunification are bestowed their proper value and weight.

In the process of negotiation with the EU presumably Turkey and the Europeans would bear in mind the continued presence of troops and settlers in Cyprus, and the unresolved territorial, refugee, property and constitutional issues, as well as the continuing need to eliminate military influence in Turkish politics.

These issues have not disappeared because there was a 'no' result in the Greek Cypriot referendum.

The post referendum situation in Cyprus does not justify elation. But nor does it inevitably justify predictions of doom. New forces have been set in train that could unfortunately contribute to the normalisation of partition. There are also opportunities for a new development towards a social, political and economic action network favouring integration. I will hazard the judgment that in the determination of which forces will predominate the Cypriot political elites of the two communities respectively have a greater role, than they did in the past. What is uncertain is how positively and effectively the Cypriot political elites will utilise this political conjuncture.



# Book Reviews

VOLUME 16  
NUMBER 1





# The Annan Plan and the European Option

**Andreas Theophanous**  
**Papazisi Editions, (Athens, 2003) in Greek, 142 pp.**

If I am not mistaken, we do not yet possess a serious work or works defending the Annan Plan - beyond some short and mainly sentimental brushstrokes of article length, motivated by suspect ambitions. On the contrary, we are aware of a remarkable first work that attacked head-on, with candor and extreme scientific seriousness, the disappointing efforts of the "international community" to engage the Cypriot people in medium-term and long-term adventures, through the Plan of the Secretary General of the UN. I refer to the collective effort of five new authors (very young, too, since no-one is older than twenty-six) and their book "The Annan Plan: Five Critical Texts" by Emilianides, Kentas, Kontos, Mavrommatis and Phocaides.

What does this complete absence of serious writing in support of the Plan mean? I believe it means, a) that even its supporters doubted whether such an arbitrary, dysfunctional, unfair and immoral Plan had any chances of being finally accepted, or, on the contrary, b) they were certain that the use of blackmailing tactics would achieve their aims without fail, or, finally, c) that they thought it was sufficient for them to mount a "hit-and-run" operation in the darkness of the people's ignorance about the Plan, or at least in the fog of relatively scanty information and partial understanding.

Why do we now have before us a second, equally important and attractive but different, work exposing to public view the blunders and sins of the Annan Plan? I imagine that Andreas Theophanous could not resist the temptation to mobilise his talents for a clear, straightforward and effective tackling of the same aim, in view of the visible danger of the Cypriot people being called to give it their full support in the referendum of March 30<sup>th</sup> 2003! Besides, the obstinate survival of the Plan (behind the scenes or even openly) makes such work necessary, since it is obvious that the matter is of national importance, with sweeping consequences for the future and political and social structure of the island. Therefore, it would have been difficult for him not to mobilise his enthusiasm, analytical abilities, and powers of synthesis, for dealing with a product posing serious dangers for the political, social, economic, psychological and cultural health of Cyprus.

Coming to the numerous merits of the 142 pages of this very useful book, I believe that they manage to include decisive arguments on all the expected levels

of analysis – that is, the constitutional, the governmental, the political, the strategic, the legal and the "European" (i.e., regarding crucial dimensions of the violation of the legal and political order of the European Union). But – one might wonder – does the author manage so well on all these levels? Undoubtedly, here comes into play the issue of criteria, regarding either an assiduously pedantic analysis or a consideration of the Plan for the present purposes, that is, of an adequately scientific but at the same time simplified (but never simplistic) analysis. Given, therefore, the aforementioned particular conditions of writing, I regard this study as very successful, both in terms of style as well as of content.

Simply put, the style is mild and restrained, methodical, understandable by even the uninitiated, without ever becoming boring, not only on account of the nature of the subject, but also because of a certain elegance of the selected tone.

Regarding the content, the reasons why readers are expected to find Professor Theophanous' book satisfying, include, indicatively, the following elements:

- A. Regarding the accumulated strong arguments of a general nature, the book seriously questions the functionality and, consequently, the viability of Kofi Annan's construction. At the same time, the substantiation of this dysfunctionality and non-viability – that represents, I believe, the motivation of the author – allows him to broaden out his arguments. More specifically, but always indicatively, the chapter "The Annan Plan and the European Option,"
  1. Proves the indifference of the Plan towards the value and the great importance of the *acquis communautaire*, that is, of those principles, regulations and values that define the EU as a union of states where the rule of law, human rights, personal liberties and the rest of the fundamental normative principles are regarded as all-but non-negotiable.
  2. Points out that the proven dysfunctionality will almost certainly lead to continuous and incessant crises "with the end result being the imminent danger of paralysis and breakup" (p. 37).
  3. Underlines the inescapable final undermining of the institution of the High Court, whose role has been disputed *ad initio*, since it clearly takes on a multi-faceted political, but even *executive* and *legislative*, role.
  4. Proves, very convincingly, that the financial repercussions and consequences in the event of acceptance of the Plan would weigh heavily and almost entirely on the Greek Cypriots.
  5. Reminds us of the extent to which the Plan shows indifference to

- (i) the war crime represented by the presence of illegal settlers, (ii) the acquisition of legal entitlement by the Turkish-Cypriot component state in case of the collapse of the whole experiment (p. 57), as well as (iii) *its* obvious recognition – and of all the decrees of the pseudo-state – to the jubilation of the occupation regime and to the utter disregard of numerous fundamental provisions of International Law.
6. Furthermore, the chapter points out that, since the majority of the people in the Turkish-Cypriot component state could probably be settlers, one wonders how willing would the Greek Cypriots be to support them (given that the Greek Cypriots will bear the brunt of economically maintaining not only the federal government but the Turkish component state as well).
- B. Moreover, the book refers to issues of particular importance, that either appear here for the first time or were presented in the preceding public debate and analysis but have tended to be forgotten. These include:
1. Stress on the fact that the Annanian state would suffer from intrinsic existential weaknesses. These would turn Cyprus into an entity fitting predictions made from time to time – i.e. a state of limited sovereignty, a vassal state or protectorate of Turkey – as well as: "a parody of state" (as very appropriately put on p. 53), "a state in name only", "a state under multiple bonds of tutelage" and "a second and third class state".
  2. Consequently, given the addition of deficiency in independence – such as the preservation of the Treaty of Guarantee, the right of foreign intervention and the presence of foreign troops – Andreas Theophanous concludes that the importance of the accession of the "United Cyprus Republic" to the EU would be substantially diminished!
  3. Those settlers that will not remain in case of the implementation of the Plan, would be able to return to Cyprus very easily under the famous 10% provision (p. 34).
  4. This contrivance, moreover, looks as if it was drawn up posing real dangers not only for the aforementioned importance and quality of the Cypriot accession to the EU, but also for the maintaining and protecting or serving the strategic interests of Britain and Turkey.
  5. An observation that, I believe, is novel, is the following: unlike federal states, in the Annan state "the citizen comes second and the component states first". Here, therefore, the readers may come to further disappointing conclusions regarding the problematic

intentions of the authors of the Plan or at least the superficial way in which they faced their historic responsibilities. In particular, disappointing conclusions can be drawn, both regarding the survival of the various untenable demands of Mr. Denktash, as well as the cassandean and/or cowardly character of those who claim that we must suffer all the humiliating concessions, the illiberal commitments, and the manifold deviations from EU and international rules, so that we will be able to rid ourselves of the Turkish troops and reunite this much-afflicted island.

6. Moreover, it is also worth mentioning the following observation (p. 44): "In the long run the Annan Plan will create a purely Turkish state in the North and a mixed state in the South. This will happen because, among other things, people usually move to areas where the political, economic and social conditions are better, rather than the opposite. The results of these developments will be catastrophic" (this quote is from section 11.9, pp. 43-47: "Refugees, Properties, Compensations and the Three Basic Freedoms".)
7. Finally, the Conclusion (pp. 97-106) presents a preliminary – short, but fruitful – outline of the prerequisites "of combining the concessions of *federation* with the *acquis communautaire*' in a way that is beneficial for all interested parties, not only those which are directly involved through agreements or treaties. Andreas Theophanous presented this view – even before 16 April 2003 – as providing the necessary guarantees for a "truly functional, viable and just solution" to the Cyprus problem (p. 106).

Of course, the above points and arguments would not constitute a book presentation but rather a... hagiography, if I did not also make mention of some (thankfully very few) reservations: an aesthetic (or is it also psychological?) critical comment regarding the special fondness of the author for the expression "indirectly yet clearly". I would suggest a variety of expressions that could be used in subsequent editions of the book, such as "not directly but explicitly", "clearly", "indirectly but also clearly", and, finally, "unwisely yet explicitly"!

The final critical comment concerns a point of methodology. While, as I have claimed, the basic arguments of the book are rational, intelligent and convincing, it would (I believe) be even stronger if the author had confronted some of the arguments of the Annan-ian apologists and well-wishers and had rejected or undermined them accordingly. In this way, no doubt whatsoever would have remained that the famous Plan is indeed a huge political, legal, psychological etc., transgression, or, if you prefer, a colossal mistake.

However, this last comment could very well be a belated pedantic proposition. Because this short, methodical and modest book proves, beyond any shadow of a doubt, at least for me, both that this Plan would be catastrophic for all Cypriots, and that Andreas Theophanous has indisputably demonstrated this-clearly and directly!

**Costas Melakopides**

# **Cyprus 1957-1963 From Colonial Conflict to Constitutional Crisis**

## ***The Key Role of the Municipal Issue***

**(Minnesota Mediterranean and East European Monographs VIII)**

**Diana Weston Markides**

**Minneapolis, Minnesota, (University of Minnesota, 2001) 238 pp.**

**ISSN 1057-3941**

Diana Weston Markides' book offers the first comprehensive primary-source based analysis on the role the issue of separate municipalities played in the Cyprus dispute(s). The author is the daughter of a high-ranking British colonial official in Cyprus and has been living on the island for many years. The municipal issue sets the time frame for the strictly chronological narrative covering seven crucial years of Cypriot history. Using her insights into Cypriot society and immense historical knowledge she manages to embed her topic in an impressive analysis of the wider regional and international developments.

The conflict about the establishment of separate Turkish Cypriot municipalities entered the Cyprus dispute in 1957, two years after the Greek Cypriots had launched a violent anti-colonial struggle aiming at the union of the island with Greece. It remained a contentious issue until the breakdown of the constitutional order of the Republic of Cyprus in 1963, only three years after its inception. The municipal issue was therefore more than just an aspect of the Cyprus dispute. It became a *"microcosm of the wider conflict"*, as Robert Holland rightly puts it in the foreword to the book, encapsulating the essence of the Cyprus dispute and mirroring the strategies, diplomatic interaction as well as the local and regional power balance of the actors involved in the wider conflict.

Until 1957, the main towns of Cyprus were run by councils elected on the basis of communally based proportional representation inevitably resulting in Greek-dominated bodies run by Greek Cypriot mayors. During the first two years of the EOKA campaign, the municipalities were, according to Markides, *"surprisingly unaffected by the wider crisis"*. But in 1957, the Turkish side shifted its position from the unrealistic demand for Cyprus' "return" to Turkey if British rule ever ended



towards the island's partition between the two "mother countries", and applied the new partition doctrine on the municipal level as well. In a typical example of how the municipal issues reflected the wider conflict, the Turkish side stopped seeking a change in the balance of power within the existing municipal councils. In June 1957, the Turkish Cypriot councillors resigned from the municipal councils of the main towns and demanded the partition of the existing municipalities. But the now entirely Greek Cypriot councils continued to function normally, retaining their Turkish Cypriot employees and serving the whole town. In 1958, the Turkish Cypriots, following – as almost always in their modern history – instructions from Ankara, intensified their campaign of communal separatism and escalated bicomunal tension on the island, fearing that Britain might settle with the Greek Cypriots behind their backs. They also wanted to establish facts on the ground should the British Macmillan plan, which would have shelved the question of the final status of the island for seven years, be implemented. The possibility of guaranteed independence, which was favoured by the Americans, was another reason for this escalation. In any case, separate municipalities would sustain a distinct political identity of the Turkish Cypriots, facilitate Ankara's political control over the Turkish Cypriot community and *"would ensure and legitimise a vote for partition when the question of a change in the status of the island rose again"*. In April 1958, in an atmosphere of violence the Turkish Cypriots set up their own non-recognised municipalities in the main towns of Cyprus and demanded their legalisation by the British. London, which had become completely dependent on Turkish and Turkish Cypriot support on the island, acquiesced and incorporated the establishment of separate municipalities into a later version of the Macmillan Plan in August. For Markides, this British move was tantamount to the functional partition of the island. In late 1958, the British set up a commission on municipal affairs led by B. J. SurrIDGE. Its official task was to draw up communal electoral rolls and to study the desirability of separate municipalities. Its real task, however, was to gain time by pacifying the Turks without pushing the Greek Cypriots into violent reactions by actually establishing municipal partition. In the meantime, and this is one of the facts often forgotten in a Turkish Cypriot historical discourse, Turkish Cypriot radicals introduced the concept of ethnic cleansing by driving Greek Cypriots out of their houses in the Turkish quarters of the main towns in order to prepare the ground for communal separation.

When, in December 1958, the SurrIDGE report was finalised it supported the establishment of separate municipalities despite the clearly grave disadvantages that were outlined in the analytical part. SurrIDGE himself described in a private conversation his recommendation as *"administrative nonsense but a political necessity"*. However, Britain, saved by the solution of independence reached in negotiations in Zurich and London, never published the report. Moreover, despite the Turkish policy of ethnic cleansing, it was still not possible to delineate the

boundaries of separate municipalities without including a substantial number of members of the opposite ethnic group. This problem, the British fear of a violent reaction from both communities and the agreements reached in Zurich and in London over Cyprus prevented the British from legalising or implementing municipal partition in a geographic sense until the end of colonial rule in August 1960. The problem of delineation remained, according to Markides, the main reason for the failure to set up separate municipalities until 1963.

The Greek Cypriot leader, Archbishop Makarios, originally did not consider the issue of separate municipalities to be important once partition had been ruled out and he had not opposed them in his talks with the Greek foreign Minister, Averoff, prior to the Zurich meeting in 1959. In the end, provisions for separate municipalities in the five major towns for a four-year trial period, were included in the basic structure of the constitution of the Republic of Cyprus in the Zurich and London Agreements. But, pushed by the Greek Cypriot mayors, and gradually realising the practical problems and at a later stage the Turkish strategic considerations behind their insistence on communal municipal separation, Makarios soon started to stall on the issue. In September 1959, an opportunity to settle the municipal dispute before independence was lost when Makarios agreed to give the British the right to delineate the boundaries. But Governor Foot had no intention of imposing municipal boundaries on the Cypriots jeopardising the uneasy calm on the island after the end of the EOKA struggle. At the end of 1959, Foot partially and temporarily legalised the Turkish Cypriot municipalities instead allowing them to collect fees and levies but not to exercise any other municipal function since there were still no agreed boundaries. The chapter on the Transitional Period shows well how during 1959 and 1960 the main controversial issues of the British bases, the constitution and disarmament were interrelated and how they contributed to the shelving of the municipal conflict. Shortly before independence, it was agreed to set up a joint Cypriot commission to work on the establishment of separate municipalities after independence. But, again, the commission could not reach an agreement over the delineation of the municipalities. As a result, the unresolved issue of municipal separation together with the 70:30 ratio in the public service and the establishment of a Cypriot army remained the bones of contention between the communities after independence. The absence of a final settlement of the municipal dispute would prove to be highly detrimental for the newborn Republic. During the first two years after independence, the international dimension of the municipal issue was obscured since the Turkish government was anxious to maintain the status quo and exerted a moderating influence on the Turkish Cypriot community. Between August 1960 and December 1962, the temporary municipal law stemming from the Transitional period was extended eight times giving legal cover for the de facto Turkish municipalities to collect taxes from Turkish Cypriot citizens but not legalising any geographical administrative control. As the months passed without the legal

establishment of municipal partition, the conflict started to escalate. In 1961, the Turkish Cypriot representatives vetoed vital tax legislation in order to force the Greek Cypriots to comply with the agreements reached during the Transitional Period, mainly the 70:30 ratio and the municipal question. Confronted with political paralysis on vital issues, the Greek Cypriot leadership embarked on a dangerous course to change the constitution. In January 1962, Makarios spoke for the first time publicly to that effect. However, in the course of the same year, he went a long way to accommodate Turkish Cypriot demands within the framework of unified municipalities but remained strictly opposed to Turkish Cypriot control over municipal territory. In March, he proposed unified municipalities with a predetermined budget for the Turkish quarters to be spent according to the wishes of the Turkish councillors, proportional employment of Turks by the municipal councils and a Turkish Cypriot deputy mayor in the main towns. But this reasonable proposal was - as all others during 1962 - rejected by the Turkish Cypriot leadership following instructions from Ankara which regarded separate municipalities as essential for reasons that had nothing to do with municipal administration. By December 1962, a solution to the municipal question still seemed to be in sight though a frustrated Makarios escalated the situation. He did not prolong the provisional municipal law stemming from the Transitional period but the Turkish councils simply ignored this move and continued to function outside any legal framework. In the same month, the Turkish Cypriot leader, Fazil Kutchuk, was finally persuaded that geographical municipal partition was impracticable and that municipalities should eventually be unified. This alarmed the Turkish Cypriot separatists led by Denktash as well as Ankara. At this juncture the Turkish government stepped in and insisted on the maintenance of communal autonomy in municipal affairs. Consequently, the Turkish Cypriot leadership reversed its position and insisted on the establishment of separate municipalities which could be unified on one unspecified day which, as Markides points out, was Turkish camouflage language for never. A concerted effort by all parties involved, including the British, to solve the municipal dispute in the first four months of 1963 failed again. Ankara insisted on municipal separation and the Turkish side refused to commit themselves to a date for the unification of the municipalities in the case of the establishment of separate municipalities for a transitional period, the maximum the Greek side was willing to accept. After the failure of talks in May, no more efforts to settle the dispute were made. The Greek Cypriots shifted their policy from attempting to modify problematic aspects of the constitution to seeking ways to modify the Zurich and London Agreements in order to achieve full sovereignty independence and Greek Cypriot majority rule while Turkey and the Turkish Cypriot leadership prepared for the partition of the island.

Markides claims that the dangerous course pursued by the Greek Cypriots in late 1963 to attempt to deprive the Turkish Cypriots of their political status gained in the

Zurich and London Agreements was mainly a response to Turkish Cypriot intransigence and mainland Turkish insistence on municipal separation: *"It was, more than anything else, the realisation of the lengths to which Ankara was prepared to go to prevent municipal unification that, in 1963, shifted the Greek Cypriot political agenda in a more radical direction"*. Moreover, after May 1963, the support of the British High Commissioner, Sir Arthur Clarke, the lack of coordination as well as a power struggle between different departments within the British government resulted in ambiguous signals to Makarios. He misperceived them as British governmental support for his plans to change the constitution and as British willingness and ability to restrain Turkish reaction. In late November 1963, Makarios, in close cooperation with the British High Commissioner, handed Kutchuk 13 proposals to amend the constitution. In substance, their implementation would have reduced the Turkish Cypriots to minority status and taken away any aspect of Turkish separateness including the establishment of divided municipalities. Unsurprisingly, the Turkish side rejected the highly offensive proposals. Within days intercommunal violence broke out, which Makarios used as a pretext to abolish the existing municipal administration, on December 29.

Particularly, in this part of the book, Markides' occasional bias towards Greek Cypriot positions and interpretations of history is felt though the text is far from being uncritical of the Greek side. Markides emphasises the determination of the Greek Cypriot leadership to make the constitution work but could have stressed more that the Greek Cypriots – for understandable reasons – had, since independence, not adhered to agreements reached during the Transitional Period on both the municipal as well as the 70:30 issue. Moreover, they had no intention of considering the Zurich and London Agreements as permanently binding, as Markides states herself in the conclusion. The Greek Cypriots had put themselves clearly in the wrong as far as the adherence to and implementation of agreements is concerned and had thereby created an atmosphere which inevitably increased the suspicions of the Turkish side hardening their stand. Greek Cypriot determination to overcome the agreements of 1960 prior to 1962-1963 is mentioned but is not as systematically assessed as the impressive analysis of the destructive and separatist activities of the Turkish Cypriot side and Ankara during that period. Moreover, the author should have dealt more thoroughly with the conflicting views on the breakdown of the constitutional order and the outbreak of intercommunal violence in December 1963. It is a pity that this excellent study does not explicitly mention, explain or analyse the so-called *"Akritas plan"* in connection with Makarios' 13 proposals and the events after December 1963. It is only referred to in two footnotes as a plan to seal off the Turkish quarters in case of the outbreak of intercommunal violence and in one or two vague allusions in the main text, missing the essence and far reaching dimensions of it. Markides claims that Makarios' 13 points were *"not a unilateral decision to revise the constitution by the Greek Cypriots[...]* They were proposals

to the Turkish Cypriots offered in good faith" and states that the proposals represented "the first part of a Greek Cypriot plan" which is never outlined to the reader. The Akritas plan, developed by close aides of Makarios, was much more than a plan to seal off the Turkish quarters in case of intercommunal violence. In essence it constituted a blueprint aiming at reducing the Turkish Cypriots to minority status by force if necessary and achieving union with Greece at a later stage. Since the official view of the Turkish and Turkish Cypriot side is based on the assumption that the Akritas plan was the Greek Cypriot guide to overcome the Zurich and London Agreements, one would have expected at least a detailed presentation of its content and an analysis of the arguments of this school of thought. Moreover, there is historical evidence outlined in Claude Nicolet's book *United States Policy Towards Cyprus, 1954-1974* that Makarios had originally intended to simply announce and then implement the amendments and was then convinced by the American and British representatives in Cyprus to give them the form of proposals. This, coupled with the radicalism of its substance, sheds doubt over Markides' claim that the proposals were offered in good faith.

Notwithstanding these points of criticism, the book provides a well structured and in most parts well balanced analysis. Diana Weston Markides' work will remain the authoritative study of the municipal conflict closing an important gap in modern Cypriot historiography. Moreover, the well researched study illustrates impressively how many of the issues which are at the core of the Cyprus problem today have actually been there for decades: political equality versus majority rule, Turkish Cypriot control over territory (though this time not any more on a municipal but on a federal state level), mainland Turkish control over Cypriot politics via the Turkish Cypriot community, the possibility and right for Turkish intervention or limitations on the national sovereignty of Cyprus, to name but a few. Given these historical continuities, the book of Diana Markides provides a valuable and highly recommendable read not only for anybody who wants to learn about this crucial period of modern Cypriot history but also for those who want to understand the Cyprus problem today.

**Hubert Faustmann**

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